

STATE OF MINNESOTA
Department of Labor and Industry

In the Matter of Douglas F. Remly

**ADMINISTRATIVE ORDER
WITH PENALTY PURSUANT
TO MINN. STAT. § 181.723**

I. ORDER

The Commissioner of the Minnesota Department of Labor and Industry (“Commissioner”) issues this Order against Douglas F. Remly (“Respondent”).

Pursuant to Minn. Stat. §§ 181.723; 326B.082, subd. 7; and 326B.083 (2014), the Commissioner hereby assesses against Respondent, a monetary penalty of \$2,000, which shall be forgiven if Respondent demonstrates to the Commissioner by the 31st day after this Administrative Order is issued that Respondent successfully registered with the Commissioner in the Minnesota Construction Contractor Registration Program (“Registration Program”).

Pursuant to Minn. Stat. §§ 326B.082, subd. 12 (b) and 326B.083 (2014), and Minn. Stat. § 326B.701, subds. 2 and 5 (2014), the Commissioner hereby assesses against Respondent an additional monetary penalty of \$2,000, though this penalty is hereby forgiven pursuant to Minn. Stat. § 326B.701, subd. 6 (2014).

The Commissioner also hereby orders Respondent to cease and desist from violating the laws cited in the “Conclusions of Law” section of this Administrative Order. Specifically, the Commissioner orders Respondent to cease and desist from performing public or private sector commercial or residential building construction or improvement services for which registration in the Registration Program is required. The cease and desist order remains in effect until compliance with the registration requirements of Minn. Stat. § 181.723, subd. 4a (b) (2014) is achieved.

The Commissioner takes the above action based upon the following findings of fact and conclusions of law:

II. FINDINGS OF FACT

1. Respondent is engaged in the business of providing building construction or improvement services, but has not registered with the Registration Program.
2. According to the records of the Minnesota Secretary of State, Respondent Douglas F. Remly had a registered address at 4205 15th Ave S, Minneapolis, Minnesota.
3. On January 20, 2015, the Minnesota Department of Labor and Industry (“Department”) opened an investigation of Respondent based on information that indicated Respondent may have engaged in violations of the Minnesota statutes and rules governing worker classification in the construction industry. According to information provided by Robert Starks as a part of a separate Department investigation, Respondent hired Starks to provide construction services in the fourth quarter of 2012 and treated him as independent contractor even though he was not licensed by the

Department or registered in the Registration Program at the time he performed construction services on Respondent's behalf.

4. On February 18, 2015, a Department investigator mailed a subpoena duces tecum via first-class and certified mail to Respondent at his Minneapolis, MN address. The subpoena required the production of documentation relating to Respondent's subcontractors, contractors, and employees.
5. On March 9, 2015, the Department received Respondent's response to the subpoena, in which he stated that he had one worker in 2013, Andrew Tambornino. Respondent does not have an Unemployment Insurance account. Andrew Tambornino was not licensed by the Department or registered in the Registration Program at the time he performed construction services on Respondent's behalf.
6. Respondent has not registered in the Registration Program as of the date of this Order.

III. CONCLUSIONS OF LAW

1. Respondent committed a violation of applicable law. Minn. Stat. §§ 181.723 and 326B.082, subd. 5 and 7 (2014).
2. Respondent failed to register with the Department's Registration Program. Minn. Stat. § 181.723, subd. 4a (b) (2014).
3. Respondent hired a person to provide construction services without a construction contractor registration in violation of Minn. Stat. § 326B.701, subd. 5 (b) (2) (2014).

IV. DETERMINATION OF PENALTY AMOUNT

In determining the amount of the penalty, the Commissioner considered: the extent of deviation from compliance; whether the violations were willful; the gravity of the violations; the number of violations; whether there is a history of past violations; whether Respondent gained economic benefit in not complying with the law; and other factors as justice may require.

V. REQUEST FOR HEARING

Pursuant to Minn. Stat. § 326B.082, subd. 8 (2014), Respondent shall have 30 days after issuance of this Administrative Order to request a hearing. A request for hearing must be in writing and must be served on or faxed to the Commissioner at the following address or fax number by the deadline.

Minnesota Department of Labor and Industry
CCLD – Enforcement Services Unit
Attention: Charlie Durenberger
443 Lafayette Road North
St. Paul, MN 55155
Fax number: (651) 284-5746

The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. The request for hearing must specifically state the reasons for seeking review of the order. If the request for hearing is served by fax it cannot exceed 15

pages in length and must be received no later than 4:30 p.m. central time on the last day permitted for serving a request. Respondent's review rights are more thoroughly described in Minn. Stat. § 326B.082, subs. 4 and 8 (2014).

If Respondent submits to the Commissioner a timely request for hearing, the Administrative Order shall be stayed unless otherwise ordered by a judge, and a contested case hearing will be conducted. The contested case procedures are set out in chapter 14 of Minnesota Statutes, the Rules of the Office of Administrative Hearings, Minn. Rules 1400.5010 to 1400.8400 (2013), and Minn. Stat. § 326B.082, subd. 8 (2014). These materials may be purchased from the Minnesota Book Store, telephone (651) 297-3000, and are also available at www.revisor.mn.gov.

VI. EFFECT OF FINAL ORDER

If Respondent does not request a hearing or Respondent's request for a hearing is not served on or faxed to the Commissioner by the deadline specified in the "Request for Hearing" section of this Administrative Order, this Administrative Order shall become a final order of the Commissioner and will not be subject to review by any court or agency. *See* Minn. Stat. § 326B.082, subd. 8 (2014).

The portion of the monetary penalty assessed against the Respondent by this Licensing Order for hiring unregistered subcontractors is forgiven, but the violation alleged herein shall be deemed evidence of a history of a violation for hiring an unregistered subcontractor for purposes of calculating a monetary penalty for any future violation Minn. Stat. § 326B.701, subd. 5 (b)(2) (2014).

If the Commissioner determines that the Respondent failed to register successfully with the Registration Program within the 31-day period required, then the forgivable portion of the monetary penalty assessed against Respondent for failing to register in the Registration Program is due and payable 20 days after the Commissioner serves notice of this determination or on the date this Administrative Order becomes final, whichever is later. *See* Minn. Stat. § 326B.083, subd. 3 (2014).


When this Administrative Order becomes final, the Commissioner may file and enforce any unpaid portion of the penalty as a judgment in district court without further notice or additional proceedings. *See* Minn. Stat. §§ 16D.17 and 326B.083, subd. 2 (2014). Failure to pay a monetary penalty owed may result in the revocation, suspension, or denial of any or all licenses, permits, certificates, and registrations issued by the Commissioner. *See* Minn. Stat. § 326B.082, subd. 17 (2014). Also, pursuant to Minn. Stat. § 16D.13 (2014), Respondent is hereby notified that thirty (30) days after the date this Administrative Order becomes final, simple interest computed in accordance with Minn. Stat. § 16D.13, subd. 2 (2014) will begin to accrue on the unpaid portion of the penalty.

Dated: _____

3/26/15

KEN B. PETERSON
Commissioner

BY: _____


CHARLIE DURENBERGER
Director of Licensing and Enforcement
Construction Codes and Licensing Division
Department of Labor and Industry