

Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc.

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ALERT

Second Quarter 2008



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www.arcamca.org

Check Fraud...

A \$20 Billion a year crime that could hit you!

By Daniel Bulley MCA of Chicago

As an authority on identity theft I was thrilled to get a chance to hear Frank Abagnale speak at the recent MCAA Convention in Palm Desert, California. Most people know Frank as the subject of the 2002 Spielberg film, *Catch Me if you Can*, but he's also the world's foremost authority on identity theft. His presentation at the convention did not disappoint!

Here are some interesting bits from his presentation that apply directly to your businesses. The most eye-opening part of the presentation was the part on check fraud. According to statistics it is a \$20 billion per year business; yet, there is little justice. In a recent year there were some 1500 arrests on check fraud charges and only 26 of those perpetrators had any jail time at all. Worse yet, restitution is often court mandated but is mostly never paid.

In the United States there is over \$25 billion in outstanding court ordered restitution. Don't become part of that statistic either at home or at your shop.

(Continued on page 3)

PROJECT HOME AGAIN POSTERS AVAILABLE AT NO-CHARGE

Due to Grundfos Pumps recent generous donation to Project Home Again, posters are currently available to MSCA member companies at **NO CHARGE**. If you would like to display missing children posters on your service vehicles, now is the time.

To download a Commitment Form, go to
<http://www.projecthomeagain.com/contractor.html> and submit today.

MISSING



ENDANGERED MISSING
EMILY JUAN

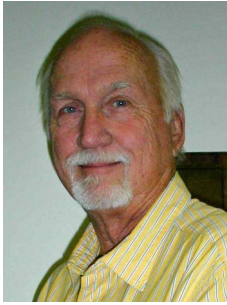
Birth: October 21, 2003
Missing: September 5, 2004
Sex: F
Hair: Brown
Eyes: Brown
Height: 2' 3" - 68 cm
Weight: 19 lbs - 9 kg
Missing From: Fontana, CA
Age Now: 5

Emily was last seen on September 5, 2004. She was last seen in the company of her non-related mother. They were both reported to Fontana. Emily is believed to be in danger and alone.

Anyone having information should contact:
National Center for Missing & Exploited Children at 1-800-THE-LOST (845-5878) or
202-462-5222 (Police Department Only Calls)

Project "Home Again" sponsored by:





As we each strive to maintain our customer base and supply the quality service and installation work our industry has provided for many years, we find ourselves at a critical point in planning for the future manpower needs of our industry. During the past twenty-five years we have seen a significant drop in the market share serviced by union contractors. To address this need to increase market share, we as an industry must be proactive, not reactive. The market demographics of Southern California change rapidly. We experience cultural changes and constant introduction of new technologies. We have seen, and will continue to see, changes in the business models of our customers and competitors.

You are able to read in national journals and publications on a weekly basis the problems many other industries are having today in supplying the necessary manpower to meet the needs of the marketplace, much less replace the baby boomer generation as they begin to retire. Our Industry is not exempt from this same problem.



ARCA/MCA
Southern California



CAREER FAIR

Looking for a New Career?

Join us at the HVACR Career Fair where you will be able to meet face-to-face with the BEST contractors in the industry and find valuable information about great pay, benefits, and high tech skills training!

WHO: HVACR TECH
WHAT: HVACR Career Fair
WHEN: Sat April 26th 10am-2pm
WHERE: Orange County Training Center
1380 S. Sanderson Ave.
Anaheim, Ca 92806

*Tom came aboard last year as a recruiter for the Southern California HVACR industry. Most recently, Tom has spearheaded the Industry Job Fair being held on **April 26** at the Orange County Training Center.*

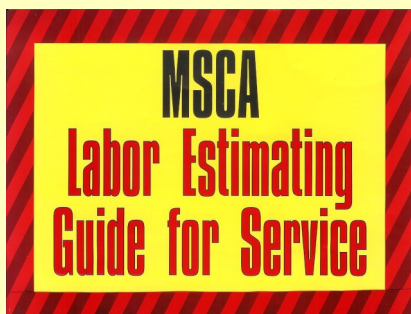
The ARCA/MCA Southern California Board of Directors continues to monitor employment trends and needs within our industry. We recently submitted to each contractor a manpower survey asking each company to forecast their hiring needs in 2008 and 2009. In addition, we prepared reports indicating which companies are prepared to sponsor apprentices in the September 2008 class. In 2007 we saw a significant increase in incoming apprentices, as well as record numbers apply for this year's incoming class. This information will be summarized and provided to local union representatives and to Tom Morton at P.I.P.E.

We are preparing reports which graphically illustrate the projected retirement and employment trends necessary to meet the future needs of our industry. These graphs and pertinent information will be provided in future editions of the ARCA/MCA Southern California Alert. They will continue to be topics at each of our Association meetings. Each individual contractor must be an active participant in addressing the future needs of our industry. We must plan now for the short and long term goals of our industry. Questions or suggestions should be directed to the ARCA/MCA Southern California office, to the attention of the Strategic Planning Committee.

Phil Evans, president

LABOR ESTIMATING GUIDE FOR SERVICE NOW FREE ON WEBSITE !

MSCA popular publication is now available at no charge to MSCA/MCAA members.



The Guide provides information on routine maintenance tasks and the average times to complete those tasks for over 50 different types of mechanical equipment. This information can be very helpful when preparing and justifying preventative maintenance contract proposals for customers. To download a copy of the guide, go to www.msca.org. You will need your member name and password. The files are available in both pdf and Excel spreadsheet formats for enhanced flexibility.

(Continued from page 1)

The easiest way to prevent check fraud is to use a secure check. There is something out there called the "supercheck" with 14 different points of security. Most of these were designed by Abagnale, used by most Fortune 500 company checks and documents as well as all of the new United States' currency you see coming out. We even got to see an advance copy of the new \$5 bill which was just released on March 13. Abagnale points out that he is not paid for his contribution on the checks or currency. He also said the "supercheck" will cost less than you currently pay for checks. I checked it out myself and it was true. Abagnale licenses the rights to use his security features to check printers for free if they follow his specifications exactly, apparently something he mandates keeps prices down.



Dan Bulley
MCA of Chicago

If you don't think you need these features for your home or business take this test. If you use laser printed checks at work or home print out a test check. Then take some Scotch brand "Magic" tape and place it over the printed name or amount and rub it hard. Wait a few minutes and pull it off. The printing will come off, too! This is just one of dozens of ways a forger can rip you off. One of the features the "supercheck" has is a special chemical that bonds the toner in your printer to the check. Simple, cheap and effective.

Another easy way to guard your finances is to buy a Uni-Ball 207 gel pen. Abagnale also worked on this pen which contains an ink that cannot be washed. Check washing is an old crime that has recently made resurgence. The forger steals your check from your mailbox or even the mailbox of the place that is receiving your check. Then they cover your signature and wash the check in nail polish remover. Everything comes right off except for the blank check printing and your signature. The Uni-Ball 207 gel pen is available at your local office retailer such as Staples and Office Depot. You can also find them at Walmart, Target and other retail stores.

One of Abagnale's best tips is what you do if you are ripped off. Since the "perp" is not likely to spend time in jail or give you your money back he suggests you 1099 him/her. He suggests that experience has shown they would much rather pay you back then deal with the IRS. Yes, they do owe taxes on even fraudulently obtained money. You have three years to file the 1099, you can then write it off, you receive a finder's fee from the IRS and the IRS will go after them. Abagnale claims if you use this threat right they are going to pay you back rather than deal with the IRS.

The whole presentation was great and if you would like to see it you can for free online.

Simply visit www.cnb.com/fightfraud

Safety & Health Bulletin (November 15, 2007)

OSHA Regulation on Employer Payment for Personal Protective Equipment

- On November 15, 2007, the Occupational Safety and Health Administration (OSHA) published a final rule on Employer Payment for Personal Protective Equipment (PPE).
- OSHA believes the rule will improve safety for three main reasons:
 - Many workers wouldn't purchase PPE if they had to pay for it on their own;
 - Employers are more likely to ensure that PPE is right for the task or job; and
 - The rule will encourage workers to participate in the safety and health programs and improve the safety culture.
- MCAA is pleased with the final rule. In comments sent to the U.S. Department of Labor Docket office in August, 2004, MCAA stated that employers should pay for standard PPE such as hardhats, safety glasses, ear plugs, respirators, personal fall arrest systems, etc., but that employers should not be required to pay for specialized types of PPE commonly referred to as tools of the trade unless they agree to do so in collective bargaining agreements of other labor agreements. A summary of the new rule is attached.



Key Dates to Remember

The final rule becomes effective on February 13, 2008
Construction and service employers must be in compliance by May 15, 2008.



MCAA's Summary of OSHA's Rule on Employer Payment for Personal Protective Equipment

This document is only a summary of the final rule.

Before beginning compliance initiatives, please read the rule in its entirety. For a copy of the rule, go to www.osha.gov.

Mechanical Construction & Service Compliance Requirements & Exceptions:

- Payment for PPE shall be provided by the employer at no cost to employees unless the PPE is specifically excepted in the rule.
- Employers are not required to pay for non-specialty safety toe protective footwear.
- Employers are not required to pay for non-specialty prescription safety eyewear.
- Where employers provide workers with metatarsal guards and allow employees at their request to use safety toe protective footwear (shoes or boots) in-lieu-of metatarsal guards, the employers are not required to reimburse the workers for the shoes or boots.
- Employers are not required to pay for everyday clothing, such as long-sleeve shirts, long pants, and normal work shoes or boots.
- Employers are not required to pay for ordinary clothing for protection from weather such as coats, jackets, gloves, parkas, rubber boots, hats, raincoats, and ordinary sunglasses.
- Employers are required to pay for replacement PPE, unless the equipment has been lost or intentionally damaged by the employee.
- Where employees provide their own appropriate PPE, employers may allow them to use it, but are not required to reimburse them for it.

(Submitted by Pete Chaney)

Refrigerant Timeline



1862-69	Commercial Use of Ammonia (R-717 & NH ₃) for refrigeration
1867-69	Commercial Use of Carbon Dioxide (R-744, CO ₂) for refrigeration
1876	Commercial Use of Sulphur Dioxide (R-764, SO ₂)
1913	Sulphur Dioxide used in the DOMELRE (Domestic Electric Refrigeration)
1918-28	Methyl Chloride (R-40, CH ₃ , C1) used in household refrigerators by Servel Company
1921	Dielene (R-1130, CHCL+CHCL) used in centrifugal compressor by Carrier Engineering
1925	Trilene used in centrifugal compressor by Carrier Engineering Co.
1926	Methyl Chloride used in centrifugal compressor by Carrier Engineering. Refrigerant was labeled Carrene #1.
1930	Development of Fluorocarbon refrigerants (CFCs) by Thomas Midgley, Jr. of General Motors Research.
1931	CFC-12 introduced commercially used for small ice cream cabinets.
1932	CFC-11 introduced commercially.
1933	Carrier Engineering Co. applies CFC-11 to centrifugal equipment, CFC-11 is labeled Carrene #2
1934	by Carrier.
1933	CFC-114 (C2F4CL2) introduced commercially in centrifugal chillers by Carrier Engineering Co., labeled as Carrene #3.
1933	Frigidaire commercially use CFC-12 in household refrigerators.
1934	CFC-113 (C2F3CL2) introduced commercially in centrifugal chillers by Carrier Engineering Co., labeled as Carrene #3.
1935	CFC-21 (CHFCL2) used in household refrigerators by Crosley Radio Corp.
1936	Introduced in small freezers
1943	CFC-11 & 12 introduced as aerosol propellants.
1945	R-13 (CF3CL) commercially introduced for low temperature applications.
1949	Dupont purchases General Motors interest in Kinetic Chemicals (formally owned by both)
1950	R-500—Azeotropic mixture of R-12/R-152 introduced by Carrier Corp. as Carrene #7, manufactured by Allied Signal.
1956	Refrigerant number system released by Dupont for general use.
1962	R-502 an azeotropic mixture of R-22/R-115 introduced for use in low temp commercial refrigeration.
1974	Press Conference (Sept) convention of the American Chemical Society in Atlantic City. Rowland-Molina Theory presented.
1980	Alternatives for CFCs re-identified.
1985	Joseph Farman, head of Geophysical Unit of the British Antarctic Survey reports on seasonal ozone depletion over Antarctica, describing a 30-40% annual ozone loss. Farman reports that a rise in CFCs cover the Antarctica corresponds to the loss of ozone.
1985	Dramatic springtime ozone hole was discovered by Antarctica.
1987	HFC-134a and HCFC-123 production plants started.
1987	September, The Montreal Protocol United Nations Environmental Program UNEP Diplomatic Conference, 24 nations and the European Economic Community signed freeze production at 1986 level. Stepped phase out with production halt at the end of 1999.
1989	First HCFC-123 chiller shipped.
1990	First HFC-134a chiller shipped.
1990	London Amendment increased the phase out schedule with an intent to phase out HCFCs no later than 2040, if possible 2020.
1991	HFC-134a and HCFC-123 commercialized.
1992	Azeotrope and blended refrigerants commercialized.
1992	Copenhagen Agreement – Completely phase out CFCs by the end of 1995. Cap production of HCFCs by the year 1996 and a stepped phase out with production halt by the end of 2029.
1993	HFC-134a production plants dominate the market.
1995	Nairobi, Kenya proposals are made to accelerate the phase outs of HCFCs by the Technical Economic Assessment panel of the Montreal Protocol.
1995	September 16 proclaimed International Day for the Preservation of the Ozone Layer, commemoration the date on which the Protocol on Substances that Deplete the Ozone Layer was signed in 1987.

J.R. Parsnow 7/95 Carrier Corporation

“NO MATCH” LETTERS ARE THE SUBJECT OF SUBSTANTIAL CONTROVERSY

By: Bruce D. Rudman - Abdulaziz, Grossbart & Rudman

As all employers should know, when hiring a new employee you must have the employee fill in an I-9 form issued by the Federal Government, and the employer thereafter files W-2 forms each year with the Social Security Administration. According to the U.S. Immigrations and Customs Enforcement Agency (ICE), as many as 4% of the 250 million wage reports that are received by the Social Security Administration (“SSA”) do not match the Social Security’s Administration records.

When this occurs, the Social Security Administration issues a letter which is known as a “no match” letter to the employer, stating that the name or corresponding social security account number submitted for certain employees do not match the agency’s records. Similarly, no-match letters are sometimes also issued by the Department of Homeland Security (“DHS”), notifying the employer that the immigration-status or employment-authorization documentation presented or referenced by the employee is not consistent with the Department of Homeland Security’s records.

The Department of Homeland Security had enacted a new regulation, in which some have argued would result in the termination of employees whose Social Security Administration discrepancies were not resolved within 93 days of the receipt of a no-match letter. The effect of the new regulation was a finding that if an employer did not respond to a “no-match” letter, the Department of Homeland Security could conclude that the employer had “constructive knowledge” the employee was not authorized to be in the U.S. and they might then prosecute the employer accordingly.

A Federal Court issued a preliminary order stopping enforcement of the new Rule, which the court found could result in irreparable harm to the innocent workers and employers. The AFL-CIO, among others, filed a Federal lawsuit in the Northern District of California, seeking to prevent the government from enforcing the new regulation. The Union argued that the “no match” letter will serve to undermine all workers’ labor rights, and that the majority of these letters are based on error-filled Social Security Administration records.

The Department of Homeland Security suggests that the new regulation merely reiterates that employers should remain accountable for the workers they hire, and it clarifies the steps employers should take to resolve mismatches identified in the letters issued by the Social Security Administration. According to ICE, there are other reasons for a mismatch between the employer and the SSA records, including transposition errors and name changes following marriage that are not reported to SSA. Employers are told not to assume that the mismatch is the result of any wrongdoing on the part of the employee, but it was argued before the Federal Court that employers out of fear from being prosecuted would nevertheless terminate employees who could not reconcile problems with their Social Security or other employment information.

The DHS regulations specify the following steps that employers should take upon receipt of a no match letter: 1) verify within 30 days that the mismatch was not a result of a record-keeping error on the employer’s part; 2) request that the employee confirm the accuracy of the employment records; 3) ask the employee to resolve the issue with SSA; 4) if these steps lead to the resolution of the problem, follow the instructions on the no match letter itself to correct the information with SSA and retain a copy of the verification with SSA; and 5) where the information cannot be corrected, complete a new I-9 form without using the questionable social security number and instead using approved documentation presented by the employee that conforms with the I-9 document identity requirements, including a photograph and other biographic data.

ICE advises that, “Employers unable to confirm employment through these procedures risk liability for violating the law by knowingly continuing to employ unauthorized persons. The word “knowingly” is the problem with the regulation. Unfortunately, if the employer cannot resolve any record keeping discrepancies, then the employer will then have a “catch-22” by having to either terminate the employee, or, face the risk that DHS will find the employer had constructive knowledge that the employee was unauthorized to work, which means that the employer will be violating the law and could be prosecuted.

The latest ruling from the Federal Court came down on October 10, 2007. This halted enforcement of the new regulation. As we know more, we will report the decision of the Federal Court. If in doubt, before terminating any employee, you should discuss that action with a lawyer practicing employment litigation to avoid any potential liability on your part.

Upcoming Events for 2008

April

8	8:00 am	ACRT Appeals Committee
8	9:00 am	ACRT Delinquency and Benefits Committees
9	8:00 am	SCPT Administrative & Delinquency Committees
17	10:00 am	ARCA/MCA Southern California Board of Directors
22	8:00 am	JJATT Meeting (LA Training Center)
26	10:00 am	Joint Venture Job Fair (OC Training Center)
29	9:00 am	Inland Refrigeration Benefit Funds Board of Trustees
30	8:00 am	SCPT Appeals Committee
30	9:00 am	SCPT Board of Trustees

May

19-20		MCAA National Issues Conference (Washington, DC)
19-21		International Foundation Legislative Conference (Washington, DC)
26		ARCA/MCA Southern California office closed
27	8:00 am	ACRT Investment Committee
27	10:00 am	ACRT Board of Trustees

June

10	11:00 am	Service Manager Roundtable
12	10:00 am	ARCA/MCA Southern California Board of Directors
18	8:00 am	ACPT Finance Committee
23	12:00 pm	Inland Refrigeration Training JAC Meeting

MSCA Star Qualified Companies

ACCO Engineered Systems
Glendale, CA

Air-Ex Air Conditioning, Inc.
Pomona, CA

Allison Mechanical
Redlands, CA

Barr Engineering
Santa Fe Springs, CA

Cal-Air, Inc.
Whittier, CA

Emcor Service/Mesa Energy Systems
Irvine, CA

Thermalair, Inc.
Anaheim, CA

United A/C Service Co., Inc.
Yorba Linda, CA

Wittler-Young Service Company
Los Angeles, CA



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- The ability to export data into Excel or CSV format

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Mission Statement

ARCA/MCA Southern California

The Mission of the Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc. (ARCA/MCA Southern California) is to exceed the expectations of the Association's member companies. The Association will provide a link of communication that will address, advance, and inform the Association membership of the latest updates on legislation, technology, and issues pertinent to the Airconditioning, Refrigeration and Mechanical Contracting Industry. The success of the Association in achieving this Mission is to be based on integrity and loyalty to its members. We will strive to be diligent and flexible by supplying services the membership needs to be competitive in an ever-changing business environment.