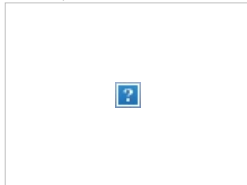


DOL FINDS OVER \$1.3 MILLION IN BACK WAGES FOR MASSACHUSETTS EMPLOYEES



The U.S. Department of Labor's (DOL) Wage and Hour Division has reported finding substantial violations of minimum wage, overtime and record-keeping provisions in the Massachusetts restaurant industry. The division's Boston District Office has discovered 1,307,808 dollars in back wages that are due to 478 workers in various establishments. The ongoing investigation is currently in the process of assessing liquidated damages for employees. "Our investigations found that several restaurants violated the FLSA by paying employees flat salaries for all hours worked without overtime pay, failing to combine hours worked at multiple locations for overtime purposes, paying incorrect overtime rates to tipped employees, making illegal deductions from employees' wages and failing to keep accurate records of employees' hours," said George A. Rioux, the division's district director in Boston. "Even more serious, our investigations found an emerging trend of misclassifying restaurant workers as independent contractors in order to avoid minimum wage, overtime and record-keeping requirements of the FLSA [Fair Labor Standards Act]." The FLSA requires that employees are paid at least 7.25 dollars an hour as per federal minimum wage and time and a half the regular rate for every hour worked beyond 40 hours in a week. Employers are also required to maintain accurate records of employees' wages, hours and other terms of employment, and they are prohibited from retaliating against employees for exercising their rights. Employers who violate the law are generally liable for back wages and an equal amount in liquidated damages. Businesses found to have underpaid employees include 15 Not Your Average Joe's restaurants in Boston and surrounding areas; six Science Partners restaurants in Cambridge and Boston; Metropolitan Club restaurants in Chestnut Hill, Dedham and Natick; Noon Hill Grill in Medfield; T.G.I. Friday's in Framingham; Fresh City restaurants in Burlington, Needham Heights, Newton Upper Falls and Woborn; and Paul W. Marks in Everett. All of the establishments have made assures of full compliance



with the FLSA and have paid or are paying their workers.

In the past year, the DOL division has likewise assessed a total of 295,108 dollars in liquidated damages against restaurants in Massachusetts. In addition to requiring back wages and liquidated damages, and if necessary, the division assesses civil money penalties, which are payable to the government, against employers. The DOL's Regional Office of the Solicitor has also obtained an order of contempt, affirmed by a U.S. Circuit Court of Appeals, against Operations Management Group, which provided labor for The Sherborn Inn, D'Ann's and Paul W. Marks. The company is being fined 1,000 dollars each day that it does not cooperate and provide to the DOL records that it has requested. Workers employed by both OMG and restaurants were misclassified as independent contractors and were not paid for overtime hours worked. "The restaurant industry employs some of our country's lowest paid workers, who are vulnerable to exploitation," Secretary of Labor Hilda L. Solis said in a press release. "In response to the extensive level of noncompliance we discovered, we will expand our efforts to bring the industry into compliance to ensure that employees receive the minimum wage and overtime wages required by law."