



News Release

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Ca Labor Commissioner Wins Historic Settlement for Better Treatment of Janitors

Los Angeles – State Labor Commissioner Angela Bradstreet won an historic settlement in Los Angeles County Superior Court on Monday with a janitorial service company that mandates the company follow new rules when it comes to its employees and subcontractors.

Complaints from employees led to an investigation by the Department of Industrial Relations' (DIR) Division of Labor Standards Enforcement which found that Corporate Building Services violated Labor Code Section 2810 by not paying numerous subcontractors enough to comply with all applicable laws and regulations. As a result, the subcontractors failed to pay overtime wages and misclassified over 100 janitors as independent contractors which deprived them of contributions for social security, disability, Medicare and unemployment.

"This law enables us to ensure workers' rights and help create a level playing field for contractors who follow the law," said DIR Director John C. Duncan. "The bottom line is that we will not allow dishonest contractors to gain an unfair advantage in competitive bidding by exploiting cheap labor and violating state labor laws."

As part of the settlement, the owners of Corporate Building Services Inc., Bruce Kim and Joong Kim, are deemed joint employers of all employees who perform work on the company's contracts, and are individually liable for all wages, damages and penalties for any violations of the state's Labor Code. Corporate must also classify all of its workers as employees and not independent contractors. This classification guarantees the employees are covered by California's labor law. The Los Angeles-based company will also pay \$122,000 to compensate approximately 100 workers.

"This case is another example that my office vigorously pursues employers who attempt to cruise under the radar and violate California labor laws, said Labor Commissioner Angela Bradstreet. "The failure of Corporate Building Services to provide adequate funds to its janitorial subcontractors resulted in the flagrant disregard of tax laws, and shortchanged hard-working employees of the benefits they deserve."

The Labor Commissioner's Office, in 2008, filed the first lawsuit under Labor Code Section 2810 against Tidy Building Services, based in New Orleans. Tidy agreed to pay \$100,000 on behalf of 200 workers for being deprived of social security, disability payments and unemployment insurance.

The California Department of Industrial Relations' Division of Labor Standards Enforcement adjudicates wage claims, investigates discrimination and public works complaints and enforces state labor law. To learn more about the functions of the Division of Labor Standards Enforcement, visit our Web site at www.dir.ca.gov/dlse. Employees with work-related questions or complaints may call the California Workers' Information Hotline at (866) 924-9757.

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