



News Release

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California Labor Commissioner and State Attorney General win \$13 million judgment against janitorial companies

Los Angeles—California Labor Commissioner Angela Bradstreet and Attorney General Edmund G. Brown have prevailed with a judgment totaling \$13,640,819 against janitorial companies Excell Cleaning and Building Services Inc., a Delaware Corporation and M.O. Restaurant Cleaning of California Inc., a California Corporation.

The janitorial companies evaded payroll taxes, and failed to pay minimum wage and overtime for approximately 300 California janitorial workers. The two companies had contracts to provide janitorial services at various restaurants in Los Angeles, San Diego and Orange counties.

“We are pleased that the court has awarded the workers their rightful wages owed, along with penalties and liquidated damages,” said Labor Commissioner Angela Bradstreet. “Our coordinated effort with the Attorney General to take action against these companies sends a zero tolerance message to all California businesses that they need to play by the rules.”

Prior to the lawsuit, an investigation by the Labor Commissioner discovered that Excell and M.O. Restaurant Cleaning failed to pay workers’ minimum wage and overtime. Employees were routinely required to work over eight hour days, seven days a week at a flat rate of \$50.00 per day. Workers were also misclassified as independent contractors to avoid paying nearly \$250,000.00 in payroll taxes.

“As Labor Commissioner, my top priorities include protecting workers and targeting these kinds of companies that operate in the underground economy,” said Bradstreet. “These illegal operations undercut legitimate businesses and are damaging to our state’s economy.”

After being sued by the Labor Commissioner and the Attorney General, both companies failed to appear in the action and a default was entered by the court. On March 15 the Honorable Marvin M. Lager in Los Angeles Superior Court granted Plaintiffs’ application for default

judgment and issued judgment for \$13,640,819 consisting of wages owed, penalties for wage violations, penalties for unfair business practice violations and liquidated damages.

The Labor Commissioner's office has been in contact with the Workforce Commission in Texas where the companies are based regarding their assistance in enforcing and collecting the judgment.

The Division of Labor Standards Enforcement (Labor Commissioner's Office) adjudicates wage claims, investigates discrimination and public works complaints, and enforces state labor law and Industrial Welfare Commission wage orders. To learn more about the functions of the California Labor Commissioner, visit our web site at www.dir.ca.gov/dlse.

Employees with work-related questions or complaints can call the Workers' Information Hotline at 1-866-924-9757.

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