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CA State Labor Commission sues cleaning companies for over \$7 million

***Unscrupulous janitorial contractors robbing CA State
of millions in taxes while budget crisis at its peak***



California - The California Labor Commission announced that it has filed suit against Corporate Building Services and its subcontractors, for roughly \$7.4 million in damages to janitors. This janitorial company is amongst thousands across the State that is alleged to routinely skirt payroll taxes and minimum wage laws. This not only keeps janitors' families in poverty, but it robs CA taxpayers of millions in taxes and pushes responsible employers out of business which all contribute to one of the largest budget crisis in history.

Corporate Building Services is alleged to be typical of thousands of unscrupulous cleaning companies in that they win contracts by artificially lowering operating costs by skirting the law. In this case, the MCTF uncovered that janitors worked an average of 12-14 hours a day for as little as \$4.62 per hour with no overtime or double-time. The case was brought to the Labor Commission where it was discovered that the contractor was also failing to pay taxes, workers comp insurance, social security, and disability, etc.

The Labor Commission indicated in its complaint that the contract between Corporate and its subcontractors, was "financially insufficient" to comply with State law. Corporate's clients, which include the Pepsi Bottling Company and a Mercedes Benz dealer, may also be found liable under state law.

"Underground economy operators like these are responsible for robbing the state of desperately needed revenue, they are a detriment to a healthy economy and bad for CA business," said Lilia Garcia, executive director of the MCTF, ***"The Labor Commission is helping to unveil the deliberate business plan of subcontracting out labor violations which is inherent to sectors of this industry and promotes unfair competition. We applaud Commissioner Bradstreet and look forward to the recovery of hundreds of thousands of dollars in unpaid wages for CA working poor as well."***

Janitors report a failure to pay minimum wage, overtime, and double-time; failure to provide meal and rest periods; failure to keep time records and itemized wage statements; failure to pay upon discharge; and other abuses.

"Not only were we not paid, but [the supervisor] screamed at us, humiliated us, and even physically abused us. On two occasions he pulled me really hard, leaving marks on my arm. He took advantage of our need to work because I am a single mother and need to support my children. There's many others that were treated the same, and I am coming forward so that they can't do this again to anybody." - Alma Castro, Janitor and single mom

The Maintenance Cooperation Trust Fund (MCTF) is a California statewide watchdog organization working to abolish illegal and unfair business practices in the janitorial industry. We expose unlawful operations, encourage accountability, promote responsible business practices, and help level the playing field in the interest of clients, employers, workers and the general public.

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