

N E W S R E L E A S E

News Release No.: 2015-74

Date: August 5, 2015

Labor Commissioner Cites Residential Care Facility \$2.2 Million for Wage Theft: Caregivers Worked 24-hour Shifts for Less Than \$2 an Hour

San Diego—California Labor Commissioner Julie A. Su issued more than \$2.2 million in citations to the owners of three residential care facilities in San Diego County for egregious wage theft violations. The investigation revealed that nine caregivers were forced to work 24-hour shifts, six to seven days a week, for \$1.25 to \$1.80 per hour.

The citations were issued to Fairhill Castle LLC and its owners, Lamberto “June” and Jesusan Deleon of Spring Valley for minimum wage, overtime, meal period and workers’ compensation violations from September 2013 to August 2014. They must pay \$1,332,129 for underpaid wages and premiums, \$716,846 for liquidated damages and \$171,305 in civil penalties.

“These caregivers deserve to be paid everything they are owed for their work,” said Christine Baker, Director of the Department of Industrial Relations (DIR). “Employers who deny their workers the pay they are rightfully owed will be held accountable to remedy the issue and restore wages due.” The Labor Commissioner’s Office, officially known as the Division of Labor Standards Enforcement (DLSE), is a division in DIR.

Investigators discovered that the Deleons employed two people, typically a husband-wife team, at each of their facilities located on Fairhill Drive, Prather Place and San Diego Street in Spring Valley. They were charged to provide round-the-clock care for elderly residents who suffered from advanced stage dementia or Alzheimer’s, many of them bedridden or receiving hospice care. The caregivers worked 24-hour shifts, six to seven days a week, but were only paid between \$900 and \$1,300 each month in cash.

The investigation also found that the Deleons had neither reported wages to the proper state, federal and local agencies, nor did they have a history of workers’ compensation coverage during their eight years’ operating the facilities. Although the business entity is typically cited for labor law violations, in this case, Mr. Deleon, the LLC Managing

Member, was also cited as an individual because he caused the violations through his daily control of the facilities' operations.

Before the conclusion of the appeals hearing in this case earlier this year, the Deleons closed the residential care facilities under the Fairhill Castle business name. The Fairhill Drive location was subsequently reopened under a new name, Jade House, with their eldest daughter, Emmercelle M. DeLeon, named as the owner and sole proprietor.

"This is a classic example of the steps scofflaw employers will take to avoid paying exploited workers for wages owed," said Labor Commissioner Julie Su. "That is why we are holding individuals who engage in wage theft responsible, so they cannot hide behind a corporate shell and will have a difficult time avoiding liability to workers."

Among its wide-ranging enforcement responsibilities, the [Labor Commissioner's Office](#) inspects workplaces for wage and hour violations, adjudicates wage claims, enforces prevailing wage rates and apprenticeship standards in public works projects, investigates retaliation complaints, issues licenses and registrations for businesses and educates the public on labor laws.

The [Wage Theft is a Crime](#) public awareness campaign, launched last year by DIR and its Labor Commissioner's Office, has helped inform workers of their rights. The campaign includes multilingual print and outdoor advertising as well as radio commercials on ethnic stations in English, Spanish, Chinese, Vietnamese, Hmong and Tagalog.

Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844-LABOR-DIR (844-522-6734). The California Workers' Information line at 866-924-9757 also offers recorded information in English and Spanish on a variety of work-related topics.

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

#



The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). Non-media inquiries can contact DIR's Communications Call Center at 1-844-LABOR-DIR (1-844-522-6734) for help in locating the appropriate [division or program](#) in our department.