

N E W S R E L E A S E

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California Labor Commissioner Investigation Leads to Criminal Indictment of Restaurant Owners for Wage Theft: *Employees Worked but Didn't Get Paid, Additional Victims Sought*

San Diego—California Labor Commissioner Julie A. Su, along with San Diego County District Attorney Bonnie M. Dumanis, today announced a grand jury indictment charging two defendants with a total of 21 felony counts in an ongoing payroll scheme at a restaurant that violated minimum wage laws and California theft laws.

David Dadon, 61, and his son Barry Dadon, 27, have both been charged with Workers' Compensation Premium Fraud, Payroll Tax Evasion, Sales Tax Evasion and Grand Theft of Labor from 23 victims. Barry Dadon pleaded not guilty at his arraignment on April 4 and was released on a \$200,000 bail. The elder Dadon will be arraigned today at 1:30 p.m.

"This case demonstrates the Labor Commissioner's commitment to enforcing the labor laws of the State of California, including criminal prosecution where appropriate," said Christine Baker, Director of the Department of Industrial Relations (DIR). The California Labor Commissioner's office, also known as the Division of Labor Standards Enforcement (DLSE), is a division of DIR.

The Labor Commissioner last May launched an investigation of State Street Grill, a San Diego restaurant located at 5131 College Avenue. The investigation revealed that the restaurant hired employees to work but did not pay them initially and then paid them less than \$5 an hour. Nearly two dozen employees, servers and cooks, were underpaid in this manner. Many others were trained and worked eight hours a day for seven days, then terminated with no pay at all. The Labor Commissioner brought the case to the San Diego District Attorney.

"This is wage theft, pure and simple," said Labor Commissioner Julie A. Su. "The restaurant hired college students whose early experiences in the workplace were marred by an employer who took advantage of them. All workers in California are entitled to a just day's pay for a hard day's work, and in this case, dozens of employees had their wages stolen right out of their pockets. With this case, we are sending a clear message that such cases will be treated as the crimes that they are."

Labor Commissioner Su formed the Criminal Investigation Unit, staffed by sworn peace officers who have completed the police academy who are devoted to investigating

criminal violations of the Labor Code, soon after she took office in April 2011. The Criminal Investigation Unit has worked closely with the San Diego District Attorney's office on this case.

The joint investigation revealed that wages of over \$350,000 were unpaid to multiple victims, who were initially told they were "trainees" as part of the scam to underpay them. Often these "trainees" worked well in excess of 40 hours a week, without overtime pay. Tips intended for employees were kept by the restaurant.

"The defendants in this case repeatedly took advantage of victims who were in desperate need of income and who accepted an offer to work during a 'trainee period,'" DA Dumanis said. "The estimated loss in this case exceeds \$350,000 and we're encouraging any additional victims of this heartless scheme to come forward."

The Labor Commissioner also urges additional employees, as many as 50 believed to have been employed at State Street Grill and victims of these illegal activities, to come forward. "If you worked for this restaurant and were the victim of wage theft, please notify our office at (619) 220-5451 or contact Investigator Craig Eastep at ceastep@dir.ca.gov so that we can work to make sure you are paid a just day's pay for a hard day's work," said Labor Commissioner Su.

The Labor Commissioner's office, also known as the Division of Labor Standards Enforcement, adjudicates wage claims, investigates discrimination and public works complaints and enforces state labor law. Additional information on labor laws and work related topics are available on our [website](#) as well as on [Facebook](#) and [Twitter](#).

Employees with work-related questions or complaints may call the California Workers' Information Hotline at (866) 924-9757 for recorded information on a variety of work related topics.

For media inquiries contact Erika Monterroza at (510) 286-1164 or Peter Melton at (510) 286-7046.

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