



NEWS RELEASE

News Release No.: 2017-78 Date: August 16, 2017

Labor Commissioner's Office Cites Chula Vista Restaurant Over \$274,000 for Wage Theft

San Diego—The Labor Commissioner's Office cited a Chula Vista restaurant more than \$274,000 in back wages and penalties for multiple wage theft and labor law violations.

Dorantes Inc., doing business as La Querencia, is ordered to pay \$164,688 to six workers who worked an average of nine hours per day, five days a week without breaks, and were paid on average less than \$6 per hour.

La Querencia was also fined \$110,150 in civil penalties, workers' compensation penalties and wage statement penalties.

"Honest business owners in California should not have to compete with businesses that skirt the law and deprive their workers of their hard-earned pay," said Labor Commissioner Julie A. Su.

The Labor Commissioner's Office launched a complaint-based investigation at the Mexican restaurant in January and found that the owner was under-reporting the number of workers employed there. The owner claimed only five employees, but investigators found 14 workers employed. Investigators in February cited La Querencia \$21,000 for failing to carry adequate workers' compensation insurance coverage.

An audit of the restaurant revealed that La Querencia management denied six workers meal or rest breaks, and paid them a straight rate of \$50 per day regardless of hours worked, for a period spanning June 2014 through February 2017.

The Labor Commissioner's Office last month cited La Querencia \$72,290 for minimum wage violations and penalties, \$83,131 for liquidated damages, \$1,735 for unpaid overtime wages, \$3,077 for meal period violations, \$3,234 for rest period violations, and \$1,221 for waiting time penalties, all payable to the six affected workers. Additionally, the Labor Commissioner's Office fined La Querencia \$54,500 for wage statement violations and \$34,650 in civil penalties for minimum and overtime wage violations.

When workers are paid less than minimum wage, they are entitled to liquidated damages that equal the amount of underpaid wages plus interest. Waiting time penalties are imposed when the employer fails to provide workers their final paycheck

after separation. This penalty is calculated by taking the employee's daily rate of pay and multiplying it by the number of days the employee was not paid, up to a maximum of 30 days. The civil penalties collected will be transferred to the State's General Fund as required by law.

The <u>Labor Commissioner's Office</u>, officially known as the Division of Labor Standards Enforcement, is a division of the Department of Industrial Relations (DIR). Among its wide-ranging enforcement responsibilities, the Labor Commissioner's Office inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints and educates the public on labor laws.

In 2014, Commissioner Su launched the <u>Wage Theft is a Crime</u> multilingual public awareness campaign. The campaign defines wage theft and informs workers of their rights and the resources available to them to recover unpaid wages or report other labor law violations. Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844-LABOR-DIR (844-522-6734).

Members of the press may contact Peter Melton or Luke Brown at (510) 286-1161, and are encouraged to <u>subscribe to get email alerts</u> on DIR's press releases or other departmental updates.

###









The <u>California Department of Industrial Relations</u>, 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 <u>Labor & Workforce Development Agency</u>. For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate <u>division or program</u> in our department.