

N E W S R E L E A S E

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Labor Commissioner's Office Cites Southern California Drywall Contractor Nearly \$2 Million for Overtime and Rest Period Wage Theft

Long Beach—The Labor Commissioner's Office has issued wage theft citations of \$1.9 million to Fullerton Pacific Interiors Inc. for failing to properly compensate 472 workers on 26 construction projects throughout Southern California. An investigation determined that none of the workers were provided rest periods as required by law, 289 workers were not paid for overtime and 28 workers were paid less than minimum wage.

The Fullerton-based contractor provided drywall work at hotel, recreation center and casino projects in Los Angeles, Orange and San Bernardino counties from August 2014 to June 2016. Workers performing taping and drywall installation were paid a daily rate that did not properly compensate them for overtime hours. Workers were allowed a 30-minute meal period but did not receive rest breaks.

"In construction, unscrupulous contractors attempt to obscure their wage theft by paying workers a flat rate rather than for all hours worked," said Labor Commissioner Julie A. Su. "But a daily or other flat rate system does not take the place of minimum wage and overtime obligations."

The \$1,964,679 citation penalty amount includes \$1,892,279 payable to the workers and \$72,400 in civil penalties. Of the total due to workers, \$798,664 is for rest period violations, \$386,685 for unpaid overtime and \$692,500 for wage statement violations. The 28 workers shorted on minimum wage pay are owed a total of \$14,431 for unpaid wages, liquidated damages and waiting time penalties. Fullerton Pacific Interiors, Inc. did not provide [accurate itemized wage statements as required by law](#).

The Labor Commissioner's Office launched an investigation of Fullerton Pacific Interiors after workers complained about pay violations to Carpenters Contractors Cooperation Committee, a non-profit labor-management organization.

Enforcement investigations typically include a payroll audit of the previous three years to determine minimum wage, overtime and other labor law violations, and calculate payments owed and penalties due. Civil penalties collected are transferred to the State's General Fund as required by law.

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 intentionally fails to pay all wages due to the employee at the time of 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.

Most workers in California must receive a paid 10-minute rest period for every four hours worked. If workers do not receive rest breaks as required by [Industrial Welfare Commission orders](#) for their occupation, the employer must pay one hour of pay at the worker's regular pay rate for each workday that the break is not provided, and [civil penalties](#) of \$50 per worker per pay period for the initial violation, which increases to \$100 each for subsequent violations.

The Division of Labor Standards Enforcement, or the Labor Commissioner's Office, is the division within the Department of Industrial Relations (DIR) with wide-ranging enforcement responsibilities including adjudicating wage claims, inspecting workplaces for wage and hour violations, investigating retaliation complaints and educating the public on labor laws.

In 2014, Labor Commissioner Su launched the [Wage Theft is a Crime](#) 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 Frank Polizzi at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

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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](#). For general inquiries, contact DIR's Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.