



N E W S R E L E A S E

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Labor Commissioner's Office Recovers \$1 Million in Unpaid Wages for 239 Restaurant Workers

San Jose—The Labor Commissioner's Office has obtained a \$1 million settlement from the owners of San Jose restaurant chain Burrito Factory to recover unpaid wages for 239 workers. The settlement is secured by the owner's property assets.

"This case is the latest in a string of investigations by the Labor Commissioner's Office that has resulted in putting earned wages into workers' pockets," said California Labor Secretary Julie A. Su. "The message is clear: compliance with labor standards in California is not optional. When workers who are not paid come forward and demand their just day's pay, the State is on their side."

The owners operated the chain of Mexican restaurants at four locations in San Jose. In October 2017, the Labor Commissioner's Office opened its investigation following a [Private Attorneys General Act complaint](#). Investigators found that the employers did not pay workers properly for overtime or split shifts, which resulted in workers receiving less than the minimum wage for their work. The Burrito Factory also failed to provide workers a meal break as required by law, often paid workers in cash and did not keep accurate payroll records.

The Labor Commissioner's Office entered into mediation talks with the restaurant chain in February after citations were issued for the labor law violations and the employer demonstrated its willingness to comply with state labor laws. The parties reached a settlement agreement to pay the workers \$1 million with an additional \$100,000 in civil penalties, payable beginning this July.

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.

The Department of Industrial Relations' Division of Labor Standards Enforcement, or the [California Labor Commissioner's Office](#), combats wage theft and conducts on-site

inspections to investigate and enforce compliance with minimum wage and other California labor laws. Its wide-ranging responsibilities include public works enforcement, retaliation complaint investigations, licensing and registration, as well as multilingual labor law education and outreach for workers and employers.

In 2014, the Labor Commissioner's Office under Julie A. Su's leadership 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 Jeanne-Mairie Duval 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.