

## NEWS RELEASE

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### **California Labor Commissioner Cites Owner of Six Residential Care Facilities in Los Angeles Over \$7 Million for Wage Theft**

**Los Angeles**—The California Labor Commissioner’s Office has issued citations totaling \$7,137,036 to the operator of six adult care facilities in Los Angeles for wage theft and other labor law violations. Adat Shalom Board & Care, Inc. was ordered to pay underpaid wages and penalties to 149 former and current employees who provided care to elderly residents 24 hours a day, six days a week. For years, the caregivers were paid less than \$3 an hour for their work.

“Adult care facilities require caregivers to work around the clock, making workers in this industry vulnerable to wage theft and exploitation,” said Labor Commissioner Julie A. Su. “We encourage other residential caregivers to speak up and report wage theft if they are not paid for the work they do.”

The Labor Commissioner’s Office opened its investigation last June after receiving a report of labor law violations from the Pilipino Workers Center. The investigation uncovered that from July 2014 to July 2017, the caregivers at the six facilities in West Hills were:

- Paid less than the minimum wage for each hour they worked.
- Not paid overtime for working 24-hour shifts, six days a week.
- Not relieved from their duties to take meal or rest breaks.
- Provided pay stubs that withheld key information such as hourly rate of pay and total number of hours worked.

The live-in caregivers were responsible for monitoring and caring for elderly residents and hospice patients, many of them suffering from Alzheimer’s or dementia. The caregivers were paid fixed amounts ranging from \$1,500 to \$1,800 per month, or \$2.40 to \$2.88 per hour.

The citations issued against Adat Shalom Board & Care include \$2,272,343 for underpayment of minimum wages, \$1,871,990 in overtime wages, \$128,196 for meal period violations, and \$2,689,907 in liquidated damages. When workers are paid less than minimum wage, they are entitled to liquidated damages that equal the amount of underpaid minimum wages plus interest. In addition to the money for the workers, \$174,600 in civil penalties were levied for nonpayment of overtime and minimum wages,

meal period violations as well as for failing to provide workers accurate itemized wage statements with their paychecks. The civil penalties collected will be transferred to the State's General Fund, as required by law.

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, DIR and the Labor Commissioner's Office 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 Paola Laverde 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 Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.