

N E W S R E L E A S E

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Labor Commissioner's Office Cites Oakland Construction Company Over \$3.5 Million for Wage Theft Violations

Oakland—The Labor Commissioner's Office cited an Oakland contractor more than \$3.5 million in wages and penalties for multiple wage theft and labor law violations. Attic Pros is ordered to pay \$2,109,480 in wages, liquidated damages and waiting time penalties for 119 workers who were misclassified as independent contractors, and \$1,481,600 for civil penalties.

"This is an egregious case of wage theft, with workers misclassified and denied a just day's pay," said Labor Commissioner Julie A. Su. "My office enforces California's labor laws to stop employers willing to cheat employees of their pay as a means to gain an unfair advantage over their law-abiding competitors."

The Labor Commissioner's Office launched its investigation of the company and its owner, Leonid Molchanov, after receiving a Private Attorneys General Act claim. Investigators found that Attic Pros' employees worked 10-14 hours per day up to six days a week, and were paid a daily rate regardless of the actual number of hours worked—putting their earnings below minimum wage.

Su ordered Attic Pros to pay \$191,400 in unpaid minimum wages, \$321,330 in unpaid overtime wages, \$191,400 in liquidated damages on unpaid minimum wages, \$1,405,350 in waiting time penalties, and \$1,481,600 in civil penalties for minimum and overtime wage violations, wage statement violations and employee misclassification. The citations were issued for violations that occurred during the 32-month period from July 2014 to March 2017.

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.

[Worker misclassification](#) is the practice of knowingly misclassifying an employee as an independent contractor. It deprives employees of minimum wage and overtime protections, as well as workers' compensation coverage if injured on the job, and creates an unfair playing field for responsible employers who honor their lawful obligations to their employees. The Labor Commissioner's Office enforces laws prohibiting the willful misclassification of workers.

The [Labor Commissioner's Office](#), officially known as the Department of Industrial Relations' Division of Labor Standards Enforcement, inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints, issues licenses and registrations for businesses, enforces prevailing wage rates and apprenticeship standards in public works projects, and educates the public on labor laws.

Its [Wage Theft is a Crime](#) multilingual public awareness campaign was launched in 2014 to help inform workers of their rights and employers of their responsibilities. 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 Erika Monterroza or Peter Melton 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.