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Wage and Hour Division (WHD)

Press Releases

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## **Two Southern California employers pay nearly \$332,000 in back wages**

### ***Health care companies violated wage laws, one debarred from H-1B visa program***

**SAN FRANCISCO** -- Two Southern California employers have paid a total of nearly \$332,000 in back wages following separate and unrelated investigations by the U.S. Department of Labor's Wage and Hour Division.

The first investigation, into pay practices at Cottages of the Oaks, a Thousand Oaks, Calif.-based residential care company, found that two foreign workers hired under the H-1B visa program were owed \$110,614. Hired for human resource and accounting positions, the two worked primarily as caregivers and were paid at a lower rate than stated on their labor applications. The employer also required them to pay their own visa application fees and failed to post required public notices. The Labor Department debarred the company from the H-1B program as a result of these violations and assessed \$11,475 in civil penalties for a willful violation of the visa program.

Investigators also found overtime back wages totaling \$121,000 owed to 49 employees. The two foreign workers and 47 other current and former U.S. caregivers working at one or more of the seven company locations in Thousand Oaks and Agoura Hills, Calif., did not receive the overtime pay required by the federal Fair Labor Standards Act (FLSA). The FLSA requires covered employees be paid time and one-half their regular rates of pay for hours worked over 40 per week. To date, the firm has paid all back wages but has not paid the civil penalty.

A separate investigation determined that Valley Manor Convalescent Hospital in North Hollywood, Calif., violated H-1B visa rules by failing to pay the prevailing wage rate to two foreign workers by requiring them to pay visa petition fees, by failing to maintain accurate records of hours worked and by failing to post required notices. Following an agreement with the Labor Department, the company has paid the workers \$100,000 in back wages.

◆ The H-1B worker program is intended to help meet the legitimate needs of U.S. employers while at the same time protect the wages and working conditions of U.S. workers, ◆ said George Friday Jr., western regional administrator for the Wage and Hour Division. ◆ As these cases show, violations of the temporary foreign worker program will be vigorously pursued. ◆

The H-1B visa program permits employers to temporarily hire foreign workers to fill professional jobs in the United States. Employers must pay H-1B workers at least the same wage as other employees who perform the same type of work or the prevailing wage in the area of intended employment. The law also requires companies to accurately specify the terms and conditions under which the workers will be employed.

Information about the H-1B visa program's worker protection provision and the FLSA may be obtained by  
AILA InfoNet Doc. No. 07050880. (Posted 05/08/07)

calling the Wage and Hour Division's Los Angeles office at (213) 894-6375 or the Department of Labor's toll-free help line at (866) 4US-WAGE (487-9243). Information is also available on the Internet at [www.wagehour.dol.gov](http://www.wagehour.dol.gov).

Administrator, Wage and Hour Division v. Valley Manor Convalescent Hospital, OALJ File Number 2006-LCA-00002

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