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January 15, 2014

Mr. Bruce Dory  
Assistant District Director, Hyattsville Area Office  
US Dept. of Labor, Wage & Hour Division  
6525 Belcrest Road, Suite 250  
Hyattsville, MD 20782

Dear Assistant District Director Dory:

Good Jobs Nation respectfully requests that the Wage and Hour Division of the United States Department of Labor investigate systematic and flagrant violations of the Fair Labor Standards Act (FLSA) committed by multiple employers against workers at the Lower-Level Food Court of Union Station in Washington, DC, as described further below. These violations include payment of wage rates well below the federal minimum wage, 60 to 70-hour work-weeks without payment of overtime, and use of false or deceptive recordkeeping to conceal these violations from employees and public authorities.

## **I. BACKGROUND**

The Union Station Food Court is located on the lower level of Union Station, at 50 Massachusetts Ave, NE, Washington, DC. The Food Court contains twenty-four fast food vendors, which together employ about 120 non-supervisory employees who work primarily as cooks, servers and cashiers – often combining these duties.

Union Station is owned by the Department of Transportation, which leases the commercial areas of the building, including the food court, to a private developer, Union Station Investco LLC (a subsidiary of Ashkenazy Acquisition) via the Union Station Redevelopment Corporation (USRC), a quasi-public entity chaired by the Secretary of Transportation. Ashkenazy's property manager, Jones Lang LaSalle, licenses individual vendors for a monthly rent plus a share of gross sales. The fees paid by the licensees to Ashkenazy, and by Ashkenazy to USRC (the latter equalling roughly \$1.2 million per year) support the upkeep of the building.

Good Jobs Nation is a new organization of low-wage workers employed by government contractors who are joining together for a living wage and a voice on the job. The Good Jobs Nation campaign is supported by a coalition of clergy and community groups, including Empower DC, OUR DC and Jobs with Justice. Since

November 2012, Good Jobs Nation campaigners have been reaching out to workers at various federally owned facilities in Washington, DC, including workers at the Union Station food court. Since May 21 2013, hundreds of these workers, including at least 100 from Union Station, have come out on a series of one-day strikes to protest their poor pay and working conditions. Good Jobs Nation filed a complaint with USDOL Wage and Hour on June 24, 2013 on behalf of workers at the Ronald Reagan Building food court which is currently under investigation by this office.

## **II. SUMMARY OF VIOLATIONS**

The June 24 complaint described the FLSA violations at the Reagan Building as “serious, persistent, and willful.” Wage theft at the Union Station is, in fact, worse than at Reagan. In particular, wage rates well below the federal minimum are far more prevalent. At the Reagan Building, two of the ten employers named in the complaint paid their workers below the federal minimum wage. At Union Station, employees from nine of the 11 businesses for which we have information report being paid wage rates below the DC minimum of \$8.25 per hour, and employees from seven of those businesses earn less than the federally required rate of \$7.25 per hour, with some workers paid as little as \$5.56 per hour. Moreover, many employees have suffered these violations for an extended period. One, for instance, reports working 70 hours as a cook each week since 2008 for a biweekly “salary” of \$900 (equivalent to \$6.42 per hour) and no overtime premium. Over this period, his employer has cheated him out of \$80,000 in wages and overtime.

The Union Station employers also outdo Reagan’s in the brazenness with which they flout the FLSA. At Reagan most (six) of the lawbreaking employers were sufficiently concerned with at least the appearance of legality to issue their employees regular wage statements and calculate their pay on the basis of hours worked (even if they concealed their employees’ entitlement to overtime by issuing second checks, or topping up their wages up with cash). At Union Station typical practice (for six of eleven businesses) is simply to pay each employee a flat sum in cash regardless of actual hours worked.

Where Union Station *does* resemble the Reagan Building is in the uniformity with which lawbreaking employers ignore FLSA overtime requirements. None of the employers described in this Complaint pays its workers the legal overtime premium, even though workers are commonly required to work 60 or 70 hours a week.

Wage theft at Union Station food court violations resembles that at the Reagan Building in another key respect: At both locations it is being committed by employers operating on property owned by the U.S. Government, under license to U.S. Government designees, and generating revenues for the benefit of the U.S. Government.

## **III. RELIEF REQUESTED**

In addition to pursuing the full statutory penalties appropriate for the willful violations described below, we call on USDOL to seek the full cooperation of DOT, USRC, Ashkenazy, and Jones Lang LaSalle in expediting recovery for the victimized workers and eradicating the culture of willful neglect that has enabled these abuses to take root in the most visited building in Washington D.C.

In this connection, we note that Ashkenazy's standard license agreement with Union Station vendors requires the licensee to "comply with all applicable laws and regulations" (§5.1.A), to "conduct its business in good faith, in accordance with the highest standards of honesty, cleanliness, integrity, and decency" (§5.1.B), and to maintain and deliver to Ashkenazy at its request "books, records and sales reports." (§2.8.)<sup>1</sup> USRC refused our request for copies of its agreements with Ashkenazy and with the Department of Transportation, but we assume they contain similar provisions that if properly enforced would bar wage thieves from operating at Union Station and give USRC and DOT the information necessary identify their lawbreaking.

Overall, we calculate that the employees of the businesses included in this Complaint have lost, on average, almost \$10,000 per year, per person -- or 28 percent of the pay to which they are legally entitled -- as a result of wage theft and that, together, Union Station food court employees are entitled to over three million dollars in backpay and damages for the three years recoverable under the FLSA in case of willful violations. USDOL should call on the Department of Transportation to use the government's \$1.2 million annual income stream from commercial operations at Union Station to make these workers whole for the losses they have suffered.

Good Jobs Nation can assist USDOL Wage and Hour in contacting the witnesses to these violations who are named or referred to in this Complaint. Please contact George Faraday, Esq. at Good Jobs Nation, 1629 K Street, NW, Ste 300, Washington DC 20006; Telephone: (240) 478-2082.

#### **IV. STATEMENT OF VIOLATIONS**

##### **A. REPORTED VIOLATIONS OF THE MINIMUM WAGE AND OVERTIME PROVISIONS OF THE FLSA**

###### **1. Aditi Indian Kitchen (Aditi)<sup>2</sup> (telephone [REDACTED])**

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1 Union Station License Agreement, May 31, 2013, on file with Good Jobs Nation.

2 This, and all the business names given below, are stated as listed in the Union Station Directory and Map, available at <http://www.unionstationdc.com/mimages/UnionStationDirectoryMap.pdf>. All these businesses are physically located at the Lower-Level Food Court at Union Station, address 50 Massachusetts Ave NE, Washington DC, 20002-4214. Their mailing address is 40 Massachusetts Ave, NE, Washington DC 20002-4225, which is also the mailing address for Jones Lang LaSalle's Union Station

Aditi Indian Kitchen is a fast food restaurant owned and managed by two persons known to employees as “Rajish” and “Terry.” The contact telephone is Aditi currently employs four workers full-time, plus several part-time employees. Full-time employees work between 60 and 70 hours each week and are paid the same amount biweekly regardless of actual hours worked, except that if they take days off for personal reasons or sickness their pay is reduced. Aditi pays all employees in cash and provides employees with no statement of earnings, hours worked, or rate of pay.

**Carlos Miranda** has been employed by Aditi as a prep cook and dishwasher since September 23, 2012. He is paid \$700 every two weeks. His regular shift is from 9.30 a.m. to 9 p.m, six days a week, averaging 63 hours of work each week. His effective rate of pay is \$5.56 per hour, and he receives no premium for hours worked in excess of 40 per week. Aditi has thereby violated the minimum wage and overtime provisions of the FLSA.

## 2. China Kitchen

China Kitchen was a fast food restaurant with the same ownership and management as Aditi,<sup>3</sup> which regularly exchanged employees with Aditi. From late 2012 to September 2013, it employed four full-time, and four part-time employees. Upon information and belief it employed a similar number of employees at this location for several years prior to 2012. Its pay practices and work schedules, and consequent violations of the FLSA, were materially identical to those of Aditi.<sup>4</sup> Enclosure A, shows photographs of pages from China Kitchen’s account book, showing receipts and payments including wages paid to employees.

**Tibebe Ayele** (telephone [REDACTED]) was employed at China Kitchen from October 2012 to June 2013. He was paid \$700 every two weeks. His regular shift was from 9.30 a.m., to 9 p.m, six days a week, averaging 60 hours each week. His effective rate of pay was \$5.83 per hour, and he received no premium for hours worked in excess of 40 per week.

**Mayra Tamayo** (telephone [REDACTED]) was employed as prep cook at China Kitchen from May to August 2013. She was paid \$800 every two weeks in cash. Her regular shift was from 9 a.m to 9 p.m. six days per week, averaging 64 hours per week.

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business office.

3 China Kitchen ceased operations in approximately September 2013.

4 Part-time employees at China Kitchen were paid \$7.50 per hour.

Her effective rate of pay was \$6.25 per hour and she received no premium for hours worked in excess of 40 per week.

**3. King BBQ** (telephone [REDACTED])

King BBQ is a fast food restaurant that currently employs four persons. **Carlos Ramirez** (telephone [REDACTED]) and **Yovani Ramos** (tel. [REDACTED]) have been employed as cooks by King BBQ since the start of June 2012. They work from 9.30 a.m. to 9 p.m., six days a week, on busy days without a break. They average over 66 hours work each week, and are paid \$900 twice monthly regardless of actual hours worked. Their effective rate of pay is no more than \$6.82 per hour, with no premium for hours worked in excess of 40 per week. They are paid in cash and provided with no statement of earnings, hours worked or rate of pay.

**4. Sakura Japan** (telephone [REDACTED])

Sakura Japan is a fast food restaurant that currently employs six persons. **Federico Lopez** ([REDACTED]) has been employed by Sakura Japan as a cook since April 2008. He works from 10.00 a.m. to 9 p.m. six days a week, averaging between 66 and 70 hours work each week, and is paid \$900 twice per month regardless of actual hours worked, except that his pay is docked for absence or tardiness. His effective rate of pay is no more than \$6.29 per hour, with no premium for hours worked in excess of 40 per week. He is paid with a check for \$300 each pay period [See Enclosure B), with the remainder of his wages paid in cash. He receives no statement of actual earnings, hours worked, or rate of pay.

**5. [REDACTED]**

[REDACTED] currently employs eight persons. The four of these employees that Good Jobs Nation have contacted (names withheld at employees' request) who work for Employer as cooks, report that they work between 60 and 68 hours each week and are paid between \$800 and \$900 every two weeks, regardless of actual number of hours worked, and are paid no premium for hours worked in excess of 40 per week. Their effective rate of pay is between \$7.5 and \$5.88 per hour. They are paid in cash and receive no statement of their earnings, hours worked, or rate of pay.

**6. [REDACTED]**

These businesses are contiguous fast food restaurants that together currently employ ten employees. Upon information and belief, they are under common ownership and management and observe the same pay practices. Four employees of

these restaurants contacted by Good Jobs Nation (names withheld at employees' request), report that they work between 60 and 70 hours each week and are paid between \$750 and \$900 every two weeks, regardless of hours worked, with no premium for hours worked in excess of 40 per week. Their effective rate of pay is between \$7.5 and \$5.36 per hour. They are paid in cash and receive no statement of their earnings, hours worked, or rate of pay.

#### **7. Paradise Smoothies** (telephone [REDACTED])

Paradise Smoothies is a fast food restaurant that employs two workers at this location. **Maura Torres** (telephone [REDACTED]), has been employed as a cashier and cook at Paradise Smoothies since November 2011. She is paid every two weeks in cash at a rate of \$7.50 per hour (below the DC minimum wage of \$8.25),<sup>5</sup> and works an average of 50 hours a week with no premium for hours worked in excess of 40 per week. She receives no statements of her earnings, hours worked or rate of pay.

#### **8. Flamers Burgers and Chicken** (telephone [REDACTED])

Flamers is a franchised fast food restaurant that employs four persons at this location. The manager and owner, Jamal A. Derazi, owns and operates another Flamers location at the Ronald Reagan Building and International Trade Center food court in Washington, D.C. On June 24, 2013 Good Jobs Nation filed a complaint with USDOL which presented evidence that the Flamers at Reagan had failed to pay one of its employees overtime, and had attempted to conceal its unlawful conduct by issuing the employee separate earnings statements for the same pay period purporting to represent hours worked at different employers, including statements naming "Derazi Bros International Corporation, Flamers at Union Station," "Leila Food, Inc;" and "Nook at the Trade Center" as payors.

Flamers has subjected its employees at Union Station to the same unlawful conduct and methods of concealment. **Oscar Rivera** (telephone [REDACTED]) has been employed by Flamers as a cook since October 29, 2012 at a starting wage rate of \$8.00 per hour (itself in violation of DC's minimum wage law), rising to \$8.25 in February 2013, and \$8.50 in August 2013. Between January and August of 2013, Mr. Rivera worked an average of 53 hours per week, with no premium for hours worked in excess of 40. He was required to work some days at Flamers' Union Station location and some days at its Reagan Building location. Between January and April 2013 he received two checks and earnings statements for the same biweekly pay period in the name of "Derazi Brothers International Corp." Between April and August he received one check and earnings statement in the name of Derazi Brothers International Corp.

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<sup>5</sup> Violations of state minimum wage are recoverable by USDOL, where, as here, combined with violations of the FLSA's overtime requirements.

and one in the name of “Leila Food, Inc.” (See Enclosure C, Rivera Earnings Statements.)

In or around September 2013, Mr. Rivera was scheduled to work at Flamers’ Reagan location on the day that investigators from the USDOL arrived, upon information and belief to interview Flamers employees in connection with Good Jobs Nation’s June 24 complaint. Before the investigators noticed Mr. Rivera’s presence, Mr. Derazi told him to leave the premises and return later. Mr Rivera complied with this instruction and was paid for his time absent. Mr. Rivera has not yet been contacted by USDOL. These events show that Mr. Derazi was attempting to prevent Mr. Rivera from being interviewed and that Mr. Derazi was, therefore, concealing evidence from the USDOL.

## **B. VIOLATIONS OF THE OVERTIME PROVISIONS OF THE FLSA**

### **1. [REDACTED]**

[REDACTED] is a franchised fast food restaurant with five employees at its Union Station location. Four employees of this restaurant contacted by Good Jobs Nation (names withheld at employees’ request), report that they work between 50 and 60 hours each week at rates of pay between \$8.25 and \$9.00 per hour. They report that they are paid by check every two weeks, but that their earnings statements do not show their hours of work, and that they receive no premium for hours worked in excess of 40 each week

### **2. [REDACTED]**

[REDACTED] is a franchised fast food restaurant with four employees at this location. The [REDACTED] at this location is owned and managed by the same person, [REDACTED] as the [REDACTED] at the Ronald Reagan Building where, as detailed in Good Jobs Nation’s June 24 Complaint, employees were regularly denied overtime and issued multiple earnings statements for the same period in the name of different purported employers in order to conceal their entitlement to overtime. We therefore submit that there is probable cause to suppose that employees at the employer’s Union Station location are also being subjected to similar violations of the FLSA.