



UNITED STATES DEPARTMENT OF LABOR

News Release

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Contact Name: Ted Fitzgerald or Andre Bowser
Phone Number: (617) 565-2075 or x2074
Email: Fitzgerald.Edmund@dol.gov or Bowser.Andre.J@dol.gov
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General Interior Systems Inc. to pay \$380K in back wages to more than 300 employees misclassified as independent contractors

US Labor Department seeking employees to ensure payment

SYRACUSE, N.Y. — An investigation by the U.S. Department of Labor's Wage and Hour Division found that Liverpool employer General Interior Systems Inc., and its president, Jeffrey T. Mento, violated the federal Fair Labor Standards Act by misclassifying more than 300 employees working as drywall installers as independent contractors and failed to pay them overtime. The department obtained a judgment in the U.S. District Court for the Northern District of New York that required payment of \$380,000 in back wages to the affected employees.

"The issue here — misclassifying employees as independent contractors to avoid paying required wages and benefits — is a critical one. Misclassification impacts not only employees and their families, but entire industries," said Mark Watson, regional administrator for the Wage and Hour Division in the Northeast. "This case sends a clear message that the Wage and Hour Division will use every tool available to protect workers and to ensure a level playing field so that law-abiding employers are not put at a competitive disadvantage."

The employees, who worked throughout central New York and the Northeast, put in as many as 60 to 70 hours per week with regularity and were paid straight time for hours worked beyond 40 in a workweek. The defendants are paying the back wages covering a three-year period. The Wage and Hour Division will distribute the wages to the workers. The division is now seeking to locate these employees, including those who have moved and left no forwarding address, to ensure that they receive their back wages.

"We want to make sure that these employees receive the wages to which they are entitled," said Jay Rosenblum, the Wage and Hour Division's district director in Albany. "We ask them to contact the Wage and Hour Division, at either our Albany or Syracuse offices or, if they have moved, the division [office](#) closest to where they live now."

Misclassified employees are often denied access to critical benefits and protections, such as overtime, minimum wage, family and medical leave and unemployment insurance. [Misclassification](#) also undercuts law-abiding businesses who pay workers properly. Responsible employers often find it difficult to compete with those who skirt the law and avoid their financial responsibilities.

Under the FLSA, employers must distinguish employees from bona fide independent contractors. Whether a worker is an employee under the FLSA is a legal question determined by the actual employment relationship, not by title. An employee, as distinguished from a person who is engaged in a business of his own, is one who,

as a matter of economic reality, follows the usual path of an employee and is dependent on the business that he serves. For more information, visit <http://www.dol.gov/whd/regs/compliance/whdfs13.htm>.

The Wage and Hour Division's Syracuse Area Office conducted the investigation of General Interior Systems. The department's Regional Office of the Solicitor in New York City litigated the case for the division.

For more information about the FLSA and other federal wage laws, call the Wage and Hour Division's toll-free helpline at 866-4US-WAGE (487-9243), its Albany District Office at 518-431-6460 or its Syracuse Area Office at 315-448-0630. Information also is available at <http://www.dol.gov/whd>.

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Perez v. General Interior Systems Inc., a corporation, and Jeffrey Mento, individually and as president
Civil Action Number: 5:08-cv-00823 (NAM/ABT)