

Establishment: Paquette Maintenance Inc.		CASE CODE	DATE RECD 3/4/2009	
Address Corporate address: 2224 West 94th St		TYPE CODE	INTAKE INV Sonia C	
City Bloomington	City: MN	Zip 55431	DIRECTOR'S INITIALS	PLACE INITIALS IN ACTION T TAKEN
Phone (included area code)	# of Employees 100 ?	RECORD REQ INV	SELF- AUDIT INV	INFORM & ED INV
Owner: Jim Shoemaker 952-888-1801				X #2
Type of Business: Temp Agency (Maintenance)	ASSIGN INV	ON SITE		
Job Title:				
Brief Description of Complainant: Complainant were hired to be work @ Lung Food Holdings, Inc @ 7752 Mitchell Road MN 55344 - Maria Farnsworth - - Bruce Paquette - 952-888-1941 - 612-868-4717 -				
Rate of Pay: 8	Per: hr.	# Of Employees in Similar 15	Credits: Meals	Lodging
Hours Worked	Ave/Day	Ave/Week	Start Time	End Time
Overtime Compensation				
Name: never sign agreement -				
Address:				
City	State MN	Zip		
Phone (include area code)	Social Security Number		Date of Birth	
Employment Status	Dates Employed:		To:	
Permission to use name	NO YES			
Date Closed			Closed Code	

March 11, 2009

Bruce Paquette, Owner
Paquette Maintenance Inc.
2224 West 94th Street
Bloomington, MN 55431

Dear Mr. Bruce Paquette:

The Minnesota Department of Labor and Industry, Labor Standards Unit has received numerous complaints regarding unpaid wages. As of today we have received 8 complaints from former employees of your company. We have been informed that there are other former and present employees that have not been paid.

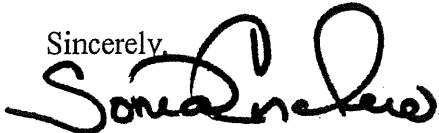
Minnesota Rules 5200.0120 (enclosed) & Minnesota Statutes §177.24 (enclosed) requires an employer pay at least minimum wage for all hours worked.

Additionally, Minnesota Statutes §181.14 (enclosed) requires that an employer pay all wages due **within 24 hours of demand for payment. Penalties would total 15 days times the employer's average daily earnings.**

As of this morning the total wages claimed by former employees total **\$5,533.40** (see enclosed individual claims) and penalty charges may total up to **\$8,160.00** dollars. Please forward checks made payable to the enclosed 8 claimants to our office upon receipt of this notice.

Please contact me at 651-284-5121. Your immediate attention to this matter **may** relieve you of payment of **penalties** as outlined in the statutes.

Sincerely,



Sonia Cordero
Senior Labor Investigator
Labor Standards Unit
651-284-5121

Enclosed: Minnesota Rules 5200.0120. Minnesota Statutes § 177.24. and Minnesota

FLSA BW Totals:	106	\$27,634.86	0	\$0.00
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* CMPs computed do not necessarily indicate CMPs assessed.

Unduplicated Employees Found:	106	Unduplicated Employees Agreed:	0
Total Amount Computed:	\$27,634.86	Total Amount Agreed:	\$0.00

Conclusions & Recommendations:

EXEMPTION 2
[REDACTED] 3(s)(1)(A) cov. Floor-cleaning and janitorial company with EEs in MN, MI & MW. OT vios from multiple checks to same EEs in same pps, mutiple payrolls during same time periods w/ payments to same EEs, not paying HW>40. Inadequate RK. ER delayed IC, declared bankruptcy, refused to do BW computations, refused appear in DO. per Atty. ER RTP . [REDACTED] Publs provided: WH-1088SP, 1262, 1267, 1281, 1282, 1282SP. [REDACTED]

EXEMPTION 5

WHI Signature: _____ Date: 06/13/2008
Reviewed By: [REDACTED] Date: 7/29/08

EXEMPTION 7(D)

Company Name: Paquette Maintenance
Legal Name: Paquette Maintenance, Inc.

Address: 2224 West 94th Street
Minneapolis, Minnesota 55431

Alternative addresses: None

Tax ID # [REDACTED]

EXEMPTION 4

Cross Reference Case #s:

Officers

Title

Bruce Paquette President 100 Percent Owner

Mr. Paquette was the Responsible Person in this investigation. Mr. Paquette manages the day-to-day operations of the business and is present daily in the office/warehouse at 2224 West 94th St. Mr. Bruce Paquette is responsible for all hiring, firing, pay practices, the development of new accounts, the servicing of existing accounts and subcontractor agreements between Paquette Maintenance and other organizations.

Bruce Paquette 612.868.4717 and 952.888.1801

Home address: 5244 27th Avenue South

Minneapolis, Minnesota 55417

Investigative Period: 12/28/2005 – 12/26/2007

Chapter 11 Bankruptcy Filed: 3/12/08

Deadline for Proof to File a Claim for Governmental Unit: 9/8/08

COVERAGE

Subject firm is a janitorial and floor-cleaning company specializing in the overnight cleaning of large retail locations. The firm employs between 100 to 130 people in three states: Minnesota, Michigan, and Wisconsin. This enterprise subcontracts with other, larger cleaning companies, most notably Bergenson's. The employees cleaned retail locations in three states, in particular locations belonging to Shop-Ko, Marshall's, T.J. Maxx, Home Goods, Walgreens, Goodwill, K-Mart, Menards, Fascination and other retail chains. The coverage is 3(s)(1)(A)(ii) Enterprise Coverage: the firm had an ADV exceeding [REDACTED] in each of the three years prior to the investigative period, and routinely sold cleaning products in interstate commerce. Every night of the week, Paquette Maintenance employees cleaned a total of approximately 50 locations in Minnesota, Wisconsin and Upper Michigan. There were at least twenty persons employed in Michigan and Wisconsin [REDACTED] the rest were employed to clean stores in the Minneapolis – St. Paul area. Special Projects teams, known as Blitz Crews, deployed from the office/warehouse facility in Minneapolis every night. Approximately 15 to 18 employees left the Paquette Maintenance office in company vans for "special projects" in the Twin Cities area after 9:00 pm throughout the Investigative Period.

ADV is over \$500,000. Coverage is 3 (s) (1) (A) (ii).

2004: \$ [REDACTED]

2005: \$ [REDACTED]

2006: \$ [REDACTED]

EXEMPTION 4

Branches? No. Paquette Maintenance has only one office/warehouse location, In Minneapolis, although the enterprise employed workers in Minnesota, Wisconsin and Michigan.

Investigation Type: X Full

MODO: Because the ER is multistate, a

Reason(s) given by the employer for violations: The ER claimed to have little or no control over their own payroll process. Each employee completed and carried their own record of hours worked, their own time sheet, which was supposed to be submitted at the end of each pay period, every other Friday, when they collected their paychecks. Frequently, the employees did not submit their timesheets, so that hours had to be estimated, and the estimates were often wrong.

No one seemed to have the responsibility for processing the payroll at the Establishment. At the beginning of the investigative period, from December 28, 2005 through December, 2006, the payroll was done in-house by the owner's sister-in-law, Sarah Paquette. This responsibility was taken over by a new hire, someone named Chris Hydeng or Chris Hagen in January of 2007, who continued with the company until October of 2007. This bookkeeper's real name and phone number were never provided to the WHI, despite multiple requests. This part-time bookkeeper, referred to as Chris Hedeng by the owner, switched the payroll period from biweekly to weekly back to biweekly. The employer eventually contracted for payroll services with *Paychex*, after November of 2006.

Throughout the investigation, the ER responded to questions regarding their payroll records with the same statement "we paid the overtime." When it was pointed out that they didn't actually pay the overtime to all the employees in every pay period, the employer responded by saying, "oh those are just mistakes, extra hours from previous pay periods." When it was shown that these were employees who were working 130 to 150 hours every pay period, so the hours were overtime hours, regardless of the pay period, the ER responded by saying that they must have been "last paychecks." The ER steadfastly refused to do any Back Wage computations, despite being directly ordered to do so.

Bruce Paquette did not agree to comply for the future. The employer described no actions to be taken to achieve future compliance. There has been no change in the timekeeping system, nor any improvement in the method for tracking worker's hours. Hours worked submitted by employees are still subject to random change by either day or night supervisors in the corporate office. Employees are still paid, in some cases, for the number of hours assigned to a store, instead of actual hours worked.

BW of \$ 27,634.86 were found due 106 Ees.

From the time the investigation was initiated, this ER has been disinterested, evasive and uncooperative. The Initial Conference was rescheduled for several consecutive months because Jim Shoemaker, the Operations Manager, claimed that his son was having a series of surgeries as a result of a serious athletic injury. The business owner did not appear at the Initial Conference, and when he appeared at the end of the process, he appeared disinterested and busy with other matters. The owner and general manager, when confronted with OT violations documented in their very own records, blandly stated that they had obeyed the law, and refused to undertake any Back Wage computations. A list of salaried employees was never provided; despite the fact that two years worth of payrolls clearly show that there were various people salaried at different times. Promised names and phone numbers never materialized. Despite repeated requests, the ER never provided a comprehensive list of persons employed during the two year period, and refused to provide addresses for those employees found to be owed back wages.

It became clear that these were stalling tactics in March of 2008, when the WHI discovered that the Employer had filed for bankruptcy. Instead of improving as a result of the Wage/Hour investigation, pay practices became considerably worse: all the paychecks for some 116 employees bounced in January, '08, then again in February of 2008. Throughout entire regions of Minnesota, Wisconsin and Upper Michigan, it became impossible to present a "Paquette Maintenance" check at any bank, bar or restaurant, to check cashing establishment. There was no electronic deposit for employees—the company had never initiated the practice. Check Cashing businesses began harassing Paquette employees. The Minneapolis District Office

The WHI was not informed about the bankruptcy filing. Subsequent to the Chapter 11 filing, the Employer's attorney, Mr. Joel Nessel, began to vigorously insist that the workers were now "claimants," and that their "claims" would have to be processed along with everyone else's. Mr. Nessel advised his client, Bruce Paquette, not to come to the Wage/Hour office, and "not to sign anything." Mr. Nessel further insisted that the worker's "claims" would be drastically reduced because the bankruptcy court would restrict the investigative period to a matter of months. When told that Wage and Hour would be pursuing back wages from Bruce Paquette as individual, as opposed to back wages from Paquette Maintenance, Inc., the attorney stated that here was no statutory authority for doing so, and frequently posited that our agency's attempts to collect back wages owed to employees as a result of Overtime Violations were violations of the automatic stay provisions of the Bankruptcy Code.

Mr. Bruce Paquette failed to appear in the District Office for four consecutive appointments between November 29, 2007 and May 22, 2008. Mr. Paquette called the District Office after each missed appointment to say that he was "busy" and "didn't see the point in getting together at this time." Mr. Paquette was not in evidence at the Establishment during the WHI's visits; business was conducted with Jim Shoemaker, the Operations Manager. In the same vein, Joel Nessel, the Employer's Attorney, of the firm Hinshaw and Culbertson, LLP, refused to schedule a Final Conference until he had the opportunity to speak with the Regional Solicitor's Office. The Employer's Accountant, Mr. Chuck Palmer, of the Managerial Accounting Firm Covalent Financial (11132 New Zealand Avenue North, Champlain, Minnesota 55316, 763.425.0377) missed two scheduled appointments, on March 27 and March 28, 2008, without so much as a telephone call or an apology, and insisted for a period of several months that "he was too busy to look at the firm's payrolls or time records," despite the fact that he was the person retained and named by the Employer to undertake Back Wage computations.

In hindsight, it is clear that the many delays in scheduling the Initial Conference, the Employer's refusal to undertake Back Wage computations, the refusal of the Employer, the Employer's Attorney, and the Employer's Accountant to cooperate in any way, or to acknowledge that the firm violated the rights of its workers under Section 7 of the FLSA, was all part of the strategy to make sure the Back Wages were made part of the numerous claims listed in the Chapter 11 bankruptcy filing.

Recommend:

[REDACTED]

EXEMPTION 5

[REDACTED]