



Labor Department News Brief

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Houston foundation repair company pays nearly \$100K in back wages, liquidated damages to 30 workers after US Labor Department investigation *MMM Foundation Repair misclassified employees as independent contractors*

Employer: MMM Foundation Repair

Site: 10510 Aves St., Houston, Texas

Investigation Findings: A U.S. Department of Labor [Wage and Hour Division](#) investigation found MMM Foundation Repair violated the [overtime](#) and [recordkeeping provisions](#) of the [Fair Labor Standards Act](#). Investigators determined the employer [misclassified employees as independent contractors](#), and paid them flat day rates without regard to how many hours they worked. Violations resulted when these employees worked more than 40 hours in a week and the employer failed to pay them overtime. MMM Foundation Repair also failed to keep time or payroll records for some employees, as required by FLSA.

Resolution: MMM Foundation Repair paid \$49,980 in back wages and an equal amount in liquidated damages, for a total of \$99,960 to 30 employees. The company also agreed to keep proper records and comply with all provisions of the FLSA in the future.

Quote: “The misclassification of employees as independent contractors and practice of paying flat day rates are not new problems in the construction industry,” said Betty Campbell, regional administrator for the Wage and Hour Division in the Southwest. “When employers falsely label their employees as [independent contractors](#), they often fail to pay not only overtime wages, but employment taxes and workers’ compensation as well. The ripple effects of [misclassification](#) go beyond the individual workers who are shorted; it also impacts hard working Americans and law abiding employers who play by the rules.”

Background: MMM Foundation Repair performs foundation repair, house leveling and concrete work in the Houston area. This investigation is part of a broader regional enforcement initiative in the state’s construction industry. In [2015](#), the division recovered more than \$460,000 for more than 510 construction industry workers in Texas.

Information: For more information about the FLSA, call the Wage and Hour Division’s toll-free helpline at 866-4US-WAGE (487-9243). Information also is available at <http://www.dol.gov/whd/>.

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Media Contact:

Juan J. Rodríguez, 972-850-4709, rodriguez.juan@dol.gov
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