



On July 30, 2015, this Court issued an *Order of Civil Contempt* against Respondents for ongoing violations of the Fair Labor Standards Act of 1938, as Amended (29 U.S.C. § 201 *et seq.*) (“the Act” or “FLSA”), ordered payment of \$74,336.62 and imposed a daily fine of \$150.00, among other requirements, until compliance with said Order was achieved. On November 6, 2015, because of Respondents’ continuing failure to purge themselves of contempt, this Court issued an *Order for Additional Coercive Sanctions*, which increased the daily fine to \$200.00 and imposed additional sanctions.

Since November 6, 2015, the Respondents have provided Petitioner with payroll records and bank records for the period from January 2014 through November 2015, as required under both Orders. In addition, Petitioner, through his agents, has visited Respondents’ worksite to interview employees and verify payroll information provided by Respondents. While Respondents appear to have taken some meaningful steps towards compliance with the FLSA, Petitioner’s review of Respondents’ payroll records, provided to Petitioner in November 2015, disclosed additional violations of the FLSA for the period from January 2015 to March 2015. Specifically, Respondents failed to pay 48 employees the minimum wage and overtime premiums required under the Act, amounting to \$73,395.05 in additional back wage liability, and an equal amount as liquidated damages. These back wages and liquidated damages were calculated pursuant to this *Court’s Order of Civil Contempt*, which provides:

- B. 1.** Respondents shall submit complete time, pay, and employment records for the period from January 2014 to the present to the Petitioner no later than August 1, 2015.

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of Civil Contempt and subsequent pleadings.

2. Respondents shall pay back wages due employees, and an equal amount as liquidated damages, as a result of continuing and/or additional violations, if any, determined to be due by Petitioner's review of Respondents' records described above since January 2014 to the present, within 30 days of Petitioner providing notice to the Respondents of additional violations.

By letter dated December 24, 2015, Petitioner informed Respondents of these additional FLSA violations and the additional liability in back wages and damages. At that time, the Petitioner calculated that Respondents owed a total of \$247,226.72 in back wages, liquidated damages, fines, and fees and informed Respondents of this outstanding liability by the aforementioned letter.

Based on Respondents' alleged inability to pay the full amounts owed and failure to secure financing, the Parties have attempted to negotiate a payment plan and a possible reduction in back wages and penalty for Respondent. In an attempt to negotiate a structured payment plan, Petitioner requested copies of bank statements from Respondents' personal accounts and business accounts to evaluate Respondents' alleged inability to pay the full amount of their outstanding liability. The requested bank statements were provided to Petitioner on March 22, 2016. To date, Respondents' have paid petitioner \$13,000.00 of the outstanding liability.

After a review of the banking statements, Petitioner regrettably uncovered compelling evidence that Respondents, since November 2015, and after this Court issued its *Order for Additional Coercive Sanctions*, have recklessly dissipated funds due and owing to Petitioner. Specifically, Respondents have made large ATM withdrawals and expended large sums of money at four Chicago-area casinos—Rivers Casino in Des Plaines, Illinois, Harrah's in Joliet, Illinois, Horseshoe Casino in Hammond, Indiana, and the Grand Victoria Casino in Elgin, Illinois. See

*Declaration of David Tanury.* These withdrawals and expenditures were made from Respondents' business Payroll Account, the business Operating Account, and the individual Respondent's personal bank accounts, both held jointly with her husband. Based on the banking statements, the Petitioner calculated that Respondents have spent at least \$47,875.52 at four Chicago-area casinos since November 20, 2015.

These withdrawals and expenditures clearly flout this Court's Orders. The money spent and withdrawn at local casinos should have been applied to Respondents' outstanding liability to Petitioner. Any money improperly removed from business and payroll accounts and frivolously dissipated at local casinos should have been applied to the back wages and other damages owed to employees under this Court's Orders.

This Court has ample power to frame contempt orders to accomplish compliance. See Penfield Co. of Calif. v. S.E.C., 330 U.S. 585, 590 (1947). Here, the fines and other remedies thus far imposed by this Court have not been enough accomplish compliance. The Respondents have failed to comply with this Court's *Order of Civil Contempt* and *Order for Additional Coercive Sanctions* in the following manner:

1. Respondents have failed to pay Petitioner \$74,336.62 in employee wages and monetary relief previously found due and owing, as required by section C.1(a) of this Court's *Order of Civil Contempt*.

2. Respondents, by failing to make payroll payments to employees during the period of January 2015 to March 2015, owe an additional \$73,395.05 in back wages, and an equal amount as liquidated damages (\$146,790.01 total). Respondent has not paid this outstanding liability within 30 days of Petitioner providing notice of these additional violations, as required by Section B.2 of this

Court's *Order of Civil Contempt*, nor has Respondent provided evidence to refute the computation of back wages, which were based on Respondents' own pay records.

3. Respondents have not paid \$14,700.00 in fines for civil contempt, accrued from August 1, 2015 to November 6, 2015 at \$150.00 per day, as required by this Court's *Order of Civil Contempt*.

4. Respondents have not paid \$15,800.00 (\$23,600.00 minus \$8000.00 paid) in fines for civil contempt, accrued from November 6, 2015 to April 19, 2016 at \$200.00 per day, as required by this Court's *Order for Additional Coercive Sanctions*.

As of April 19, 2016, the total unpaid liability under this Court's *Order of Civil Contempt* and *Order for Additional Coercive Sanctions* is \$249,426.63. This calculation takes into account Respondents' payment of \$13,000.00 to Petitioner during negotiation of a possible payment plan.

**WHEREFORE**, given that Respondents have failed to purge themselves of civil contempt and have recklessly dissipated assets dues and owing to Petitioner under this Court's Orders, Petitioner prays for the appointment of a Receiver for the purposes of marshalling, assessing, and preserving all assets and personal property of Respondents Margaret Matkowska's and Enterprise Laundry Services, Inc., with all expenses and costs to be paid by Respondents to the court-appointed receiver, and to execute the monetary provisions of this Court's *Order of Civil Contempt* and *Order*

*for Additional Coercive Sanctions*, and for any other relief deemed necessary and appropriate.

Dated this 19th day of April, 2016.

Respectfully submitted,

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