

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

**IN RE: APPOINTMENT OF A SPECIAL
MASTER TO ENFORCE AN ORDER OF
THE ELEVENTH CIRCUIT COURT OF
APPEALS IN CASE NO. 19-13261-J**

Case No. 3:20-mc-10-HES

OSHA, U.S. DEPARTMENT OF LABOR

v.

**GREAT WHITE CONSTRUCTION, INC.,
TRAVIS SLAUGHTER,
FLORIDA ROOFING EXPERTS, INC.**

SPECIAL MASTER REPORT

The Eleventh Circuit Court of Appeals appointed the undersigned as Special Master on June 9, 2020 (Eleventh Circuit Case No. 19-13261) to enforce the Circuit Court's Order. These proceedings may appear to have been protracted, but COVID-19 prevented government attorneys from travel to any in-person court hearings and delayed a speedy resolution of this matter.

Respondents Florida Roofing Experts, Inc., Great White Construction, Inc., and their owner, Travis Slaughter (collectively Respondents) have made no attempt to purge themselves of the contempt found by the Eleventh Circuit. Because Respondents remain in contempt, the only issue is the

appropriate coercive sanctions to achieve Respondent's compliance with the Eleventh Circuit's Orders.

To date, Respondents have paid no amount toward the \$2,202,049.91 ordered by the Eleventh Circuit, so it is unclear whether additional financial penalties would coerce them to comply. For the reasons below, the undersigned recommends the Eleventh Circuit grant Petitioner's Motion to Set Aside Fraudulent Transfers and order the incarceration of Mr. Slaughter until he complies with the Eleventh Circuit's Order by paying the \$2,202,049.91. Alternatively, Mr. Slaughter must show cause why he cannot pay the amount ordered, state with specificity the amount he can pay, the timeframe within which he will pay, and the reasons for his proposal.

I. Background

A. Summary Enforcement Orders Against Respondents

Respondents have an extensive history of non-compliance with OSHA standards. Between September 17, 2013, and November 5, 2016, OSHA inspected Respondent Great White Construction, Inc. (Great White) ten times and cited the employer for seventeen violations; many for failing to protect employees from falling more than six feet to a lower level (2013-2016 Citations). OSHA assessed penalties for these violations totaling \$678,339.41.

In February 2017, OSHA inspected two Great White job sites and issued two citations for multiple instances of failing to protect employees from falling more than six feet to a lower level, among other things (2017 Citations). OSHA assessed \$1,523,710.00 in penalties for these violations.

Great White received but did not contest any of these Citations, and so all twelve became final orders of the Occupational Safety and Health Review Commission (OSHRC). Great White failed to provide abatement documentation and has not paid the civil penalties assessed. The total unpaid penalties for all of these citations are \$2,202,049.41, plus interest and fees.

On August 17, 2017, the Secretary of Labor (Secretary) petitioned the Eleventh Circuit for an order under section 11(b) of the Occupational Safety and Health Act of 1970 (OSH Act), 29 U.S.C. §§ 651, 660(b), seeking summary enforcement of the ten Commission final orders related to the 2013-2016 Citations. (No. 17-13711). On December 28, 2017, the Secretary petitioned the Eleventh Circuit for an order under section 11(b) of the OSH Act seeking summary enforcement of the two Commission final orders related to the 2017 Citations. (No. 17-15760).

On October 2, 2017, the Eleventh Circuit granted the Secretary's application for summary enforcement of ten final orders that had been issued

by the OSHRC against Respondent Great White Construction, Inc. after the 2013-2016 Citations. (No. 17-13711).

On June 5, 2018, the Eleventh Circuit granted a second application by the Secretary, under Section 11(b) of the OSH Act, for summary enforcement of two additional final orders that had been issued by the OSHRC against Respondent Great White Construction, Inc. after the 2017 Citations. (No. 17-15760).

B. Respondents Found in Contempt by the Eleventh Circuit

On January 3, 2020, the Eleventh Circuit held all the Respondents, Great White Construction, Inc.; its successor company, Florida Roofing Experts, Inc.; and the sole owner of both entities, Mr. Slaughter, in contempt for failure to comply with the Court's orders granting the Secretary's October 2, 2017 and June 5, 2018 applications for summary enforcement of the OSHRC final orders. (No. 19-13261).

On June 5, 2020, the Eleventh Circuit ordered coercive sanctions against Respondents, Florida Roofing Experts, Inc., Great White Construction, Inc., and their owner Mr. Slaughter. This June 5, 2020 Order instructed Florida Roofing Experts, Inc. and Mr. Slaughter to pay the Secretary of Labor \$2,202,049.41, plus interest and fees, in assessed penalties

within ten days of entry of the order, or (a) show cause why they are unable to do so, and (b) specify what they can pay and the timeframe within which they will pay it, and the reasons for their proposal. (Order at 2-3). The Order explicitly required Respondents to disclose all of their financial accounts and prohibited them from closing any such accounts or from “sell[ing] any interest in real property, without prior notice to the Secretary of Labor and prior approval of this Court.” *Id.*

On June 18, 2020, Mr. Slaughter responded to the June 5, 2020 Order, alleging he could not pay the assessed fines because he had not worked in months, owned no business, his professional licenses were inactive, and he had no income. The claim that his professional licenses were inactive was later found to be false, as he remains a registered plumbing contractor, roofing contractor, and building contractor with the state of Florida. *See* Exhibit 1. He offered to pay \$200.00 within the next month.

On August 4, 2020, Mr. Slaughter registered a corporation entitled Investment Minded Builders, LLC with the State of Florida. *See* Exhibit 2.

Mr. Slaughter also registered a corporation entitled Florida Coastal Pools with the State of Florida. *See* Exhibits 6, 9, 10.

C. Respondents Continue to Violate the Eleventh Circuit’s Orders

As of this date, neither Florida Roofing Experts, Great White Construction, Inc., nor Mr. Slaughter has paid any amount toward their \$2,202,049.41 liability. Furthermore, Mr. Slaughter has routinely failed to comply with the June 5, 2020 Order that he disclose his financial information to the Secretary.

To the contrary, Mr. Slaughter opened several bank accounts without notifying the Secretary, in violation of the Order. Mr. Slaughter failed to explain his alleged inability to pay since the Eleventh Circuit's June 5, 2020 Contempt Order, all the while enjoying a comfortable lifestyle, including, but not limited to, the following non-disclosed transactions:

1. On June 4, 2020, Mr. Slaughter made a transfer by way of a quit claim deed, for the amount of \$10.00, from grantor Travis M. Slaughter to his father and his daughter, grantees Ralph M. Slaughter and Tripp C. Slaughter, the real property located at 2734 Belfort Road, Jacksonville, Florida 32216, parcel identification number 154551-0000. He did not disclose this real property transaction to the Secretary, nor the previous \$10.00 quit claim transfers he had made to his family members after the Eleventh Circuit granted summary enforcement orders against him.¹ See Exhibit 3.

¹ Mr. Slaughter transferred two other properties by quit claim real property

2. Between June and November 2020, Mr. Slaughter deposited over \$52,000.00 and withdrew over \$80,000.00 in debits from an account at Community First Credit Union. Mr. Slaughter informed a clerk at Community First Credit Union in November 2020 he no longer needed this account and would be closing it soon because he had “paid off his house” and also paid for his “truck in cash.” He did not disclose the source of any of those funds to the Secretary. *See Exhibit 4.*

3. On October 15, 2020, Mr. Slaughter opened a bank account at Regions Bank, but he did not disclose this account to the Secretary. *See Exhibit 5.*

4. In December 2020, Mr. Slaughter received a disbursement of \$226,601.22 from his retirement account. He did not disclose this disbursement to the Secretary. *See Exhibit 7.*

transfers for ten dollars (\$10.00) each after the Secretary had obtained, on October 2, 2017 and June 5, 2018, summary enforcement of final orders of the Commission against him: (1) On June 14, 2018, Mr. Slaughter made a transfer via quit claim deed, for the amount of \$10.00 (ten dollars), from grantor Travis M. Slaughter to his daughter, Morgan Indy Slaughter, of the real property located at Northshore Condominiums, Unit 502, 1126 1st St N, Jacksonville Beach, FL 32250, parcel identification number 173436-1040; (2) On June 14, 2018, Mr. Slaughter made a transfer via quit claim deed, for the amount of \$10.00 (ten dollars), from grantor Travis M. Slaughter to grantee Morgan Indy Slaughter, of the real property identified as PT L 7 POTTSBURG FARMS, parcel identification number 138674-0000. Exhibit 3.

5. On December 3, 2020, Mr. Slaughter opened a bank account at Hancock Whitney and deposited the retirement account assets into this account. Mr. Slaughter did not disclose the Hancock Whitney account to the Secretary until compelled to do so by subpoena on May 5, 2021. *See Exhibit 7.* By the time he disclosed the account, Mr. Slaughter had spent over \$136,000.00 of the assets originally deposited in the Hancock Whitney account. *See Exhibit 8.*

II. Discussion

A. Respondents Failed to Purge Themselves of Their Contempt and Failed to Demonstrate an Inability to Pay

Respondents have been found in contempt by the Eleventh Circuit. Thus, the focus of this inquiry is Respondents' continued failure to purge themselves of the contempt found in the January 3, 2020 Order, their failure to comply with the directives of the Eleventh Circuit's June 5, 2020 Contempt Order, and the appropriate coercive sanctions to achieve compliance with these Orders.

Even if Respondents assert they could not comply due to special circumstances or a present inability to pay, this defense requires them to "go beyond a mere assertion of inability and satisfy [their] burden of production on the point by introducing evidence in support of [their] claim." *United*

States v. Hayes, 722 F.2d 723, 725 (11th Cir. 1984); *Combs v. Ryan's Coal Co., Inc.*, 785 F.2d 970, 983-984 (11th Cir. 1986) (explaining, "It may be that [defendants] lack the present ability to pay the obligation But their failure to make all reasonable efforts to demonstrate that fact for the court means they were properly held in contempt.").

Thus, to succeed on an inability defense, "the alleged contemnor must go beyond a mere assertion of inability, and establish that he has made in good faith all reasonable efforts to meet the terms of the court order he is seeking to avoid." *Commodity Futures Trading Comm'n v. Wellington Precious Metals, Inc.*, 950 F.2d 1525, 1529 (11th Cir. 1992) (internal citations and quotations removed). *See also Combs*, 785 F.2d at 984 ("We construe this requirement strictly. 'Even if the efforts he did make were "substantial," "diligent" or "in good faith," . . . the fact that he did not make "all reasonable efforts" establishes that [respondent] did not sufficiently rebut the . . . prima facie showing of contempt.") (citing *Hayes*, 722 F.2d at 725).

When a respondent is adjudicated in contempt, the contempt continues until purged. "Civil contempt sanctions are, of course, employed by the courts to secure compliance with their orders." *Commodity Futures Trading Comm'n*, 950 F.2d at 1530. Courts have ample power to frame contempt and

purge orders to accomplish compliance with the judgment, including the power to fine or imprison. As the Supreme Court explained:

One who is fined, unless by a day certain he produces the books, has it in his power to avoid any penalty. And those who are imprisoned until they obey the order, carry the keys of their prison in their own pockets. Fine and imprisonment are then employed not to vindicate the public interest but as coercive sanctions to compel the contemnor to do what the law made it his duty to do.

Penfield Co. of Cal. v. SEC, 330 U.S. 585, 590 (1947) (citations and quotations omitted); 18 U.S.C. § 401 (“A court of the United States shall have power to punish by fine or imprisonment, or both, at its discretion, such contempt of its authority”); *see also Shillitani v. United States*, 384 U.S. 364 (1966).

“When an order of incarceration is conditioned upon a refusal to comply in good faith with a court order then the purpose is coercive.” *Combs*, 785 at 981. But incarceration is not a punishment since “petitioners carry the keys of their prison in their own pockets; the action is essentially a civil remedy designed for the benefit of other parties and has quite properly been exercised for centuries to secure compliance with judicial decrees.” *Id.* (internal quotations and citation removed).

B. Mr. Slaughter Has Failed To Purge Himself of His Contempt

There is nothing in the record before the undersigned to support an inability to comply. Instead, the record shows a long history of failure to

comply with the Eleventh Circuit's Orders. After the Eleventh Circuit ordered Respondent Great White Construction to pay \$2,202,049.91 through its 2017 and 2018 Orders, Mr. Slaughter transferred two of his properties to his daughter. The quit claim deed of each property lists the purchase price as \$10.00. *See Exhibit 3.*

After the Eleventh Circuit found Mr. Slaughter in contempt of the 2017 and 2018 orders and ordered him personally to pay \$2,202,049.91, he used the last of Respondent Florida Roofing Expert's assets to pay off his father's mortgage before closing Florida Roofing Experts' account and transferring his interest in his father's property by quit claim deed for a sum of \$10.00.² *See Exhibit 3; Exhibit 9, pg. 40:20-21; Exhibit 10, pgs. 128:13-131:12.*

The Secretary produced detailed evidence of Mr. Slaughter's non-disclosure of financial accounts and assets. Mr. Slaughter's repeated failure to disclose his financial accounts and to pay any amount toward compliance with the June 5, 2020 shows a flagrant disregard for the Court's authority,

² Since Mr. Slaughter admitted to using Florida Roofing Experts' assets to pay his personal debts, including his father's mortgage, he has necessarily disregarded the corporate form and cannot avail himself of the protection of the corporate veil. Because Florida Roofing Experts is a successor in interest to Great White Construction, Mr. Slaughter is personally liable for the 2017 and 2018 debts. *See Exhibit 10, pgs. 128:13-131:12.*

rather than a good-faith effort to make all reasonable efforts at purging his contempt. Moreover, it shows current coercive sanctions of ordering financial disclosures cannot achieve compliance with the June 5, 2020 Order. Even at his April 15, 2021 in-court deposition before the undersigned, Mr. Slaughter could not provide any justification or reason why he was unable to comply with these directives. Because Mr. Slaughter has shown financial sanctions are insufficient to coerce his compliance, the only remaining remedy to coerce compliance is incarceration. Additionally, because Mr. Slaughter transferred three properties to family members to avoid paying the amounts due under the Court's 2017, 2018, and 2020 Orders, justice requires Petitioner's Motion to Set Aside Fraudulent Transfers be granted.

C. Recommendations

It is the undersigned's opinion that the record before it clearly supports a finding that Respondents are willfully and deliberately ignoring the directives of the Eleventh Circuit.³ The evidence reveals Mr. Slaughter has

³ During these proceedings, the undersigned learned the following. First, Mr. Slaughter hid in his residence when an Assistant United States Marshal attempted to serve an Order on him. As the Marshal approached the rear of the residence, he was attacked by a dog and used deadly force to protect himself. Second, the United States Attorney's Office for the Middle District of Florida has an ongoing criminal tax investigation into Mr. Slaughter's activities.

transferred property and removed money from his retirement account all during the stage of the proceedings before the undersigned. Mr. Slaughter has knowingly and intentionally avoided complying with the directives of the Eleventh Circuit's June 5, 2020 Contempt Order. While the Department of Labor has suggested the following, in the undersigned's view, the Respondents have done everything during these many months to continually fail to come up with adequate answers as to why they have not complied (even in part) with the fines and interest. Despite the record, the undersigned accepts the Department of Labor's proposal of allowing the Respondents a final opportunity to pay the penalties, fees and costs due after requiring Mr. Slaughter to divest all cash assets and to set aside the fraudulent transfers.

The undersigned respectfully **RECOMMENDS** Respondent Travis Slaughter be immediately incarcerated for his failure to comply with the Eleventh Circuit's June 5, 2020 Contempt Order, until he has paid the penalties, fees and costs due, or made a meaningful proposal for financial payment of the amount specified in that Order, as supported by sufficient financial documentation, and accompanied by the first installment of such payment.

The undersigned also **RECOMMENDS** Petitioner's Motion to Set

Aside Fraudulent Transfers (Dkt. 40) be **GRANTED**.

The undersigned also **RECOMMENDS** Respondents have to pay all reasonable costs, including, but not limited to, attorneys' fees, incurred by Petitioner as a result of the need for the filing of the additional petitions, and for the attendance before the court.

DONE in Jacksonville, Florida, this 1st day of December, 2021.



HARVEY E. SCHLESINGER
UNITED STATES DISTRICT JUDGE

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