IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA

JULIE A. SU, ACTING SECRETARY OF LABOR U.S. DEPARTMENT OF LABOR, Plaintiff, v. MONOGRAM FOOD SOLUTIONS, LLC; MONOGRAM MANAGEMENT SERVICES, INC; MONOGRAM MEAT SNACKS, LLC, Defendants.	)	Civil No. 23-cv-2007 (KMM/DJF)

CONSENT ORDER AND JUDGMENT

This Consent Order and Judgment resolves a civil action filed by Plaintiff Julie A. Su, Acting Secretary of Labor, U.S. Department of Labor (hereinafter the "Department of Labor," the "Secretary," or "Plaintiff") to enforce the provisions of Sections 12(a), 12(c), 15(a)(4) and 17 of the Fair Labor Standards Act of 1938, as amended (hereinafter "the FLSA" or "the Act"), 29 U.S.C. §§ 212(c), 215(a)(4) and 217, against Monogram Food Solutions, LLC ("Monogram Foods"); Monogram Management Services, Inc. ("Monogram Management"); and Monogram Meat Snacks, LLC ("Meat Snacks"), which does business in the State of Minnesota and operates a facility at Chandler, Minnesota ("Chandler") (hereinafter collectively "Monogram" or "Defendants"). Monogram Management is the named employer of all Monogram employees; Meat Snacks operates the production facility located in Chandler, Minnesota and owns all goods produced at that location; and Monogram Foods is the parent company of Monogram Management and Meat Snacks and other subsidiaries that own production facilities across the country.

(Plaintiff and Defendants are collectively referred to as "the Parties").

For purposes of this Consent Order and Judgment and any subsequent proceeding relating to this Consent Order and Judgment and its obligations only, Defendants admit and the Court finds Defendants and their operations throughout the United States are engaged in related activities performed through unified operation or common control for a common business purpose and are an "enterprise" under 29 U.S.C. § 203(r) of the FLSA.

For purposes of this Consent Order and Judgment and any subsequent proceeding relating to this Consent Order and Judgment and its obligations only, Defendants admit and the Court finds Defendants are an enterprise engaged in commerce or in the production of goods for commerce within the meaning of 29 U.S.C. § 203(1)(A) of the FLSA.

For purposes of this Consent Order and Judgment and any subsequent proceeding relating to this Consent Order and Judgment and its obligations only, the term "facilities" refers to production facilities and warehouses owned, operated, or leased by any of the Defendants, hereinafter referred to as "facilities."

Defendants admit, for purposes of this Consent Order and Judgment and any subsequent proceeding relating to this Consent Order and Judgment and its obligations only, and the Court finds that Monogram Management, as the employer of all Defendants' employees, is an employer as defined in 29 U.S.C. § 203(d) of the FLSA and that the Court has jurisdiction over this matter and Defendants.

Defendants admit and the Court finds that, under the FLSA's "hot goods" provision at 29 U.S.C. § 212(a), producers, manufacturers, and dealers are prohibited from shipping or delivering for shipment in commerce any goods produced in an establishment in which

any oppressive child labor has been employed within 30 days of the production of such goods.

On April 24, 2023, Meat Snacks agreed to voluntarily refrain from shipping certain goods produced in the Chandler facility, after receipt of the Department of Labor's April 21, 2023 "Objection to Shipment letter," which relied on the FLSA's "hot goods" provision at 29 U.S.C. § 212(a) and notified Defendants of the alleged employment of two minors in violation of Hazardous Order #10, 29 C.F.R. 570.61, at the Chandler facility.

It is hereby ORDERED, ADJUDGED, and DECREED that Defendants, their agents, officers, managerial employees, employees involved in hiring, and subcontractors employed for the purpose of providing labor, who receive actual notice hereof, are permanently enjoined from violating sections 12(a), 12(c), and 15(a)(4) of the FLSA, in any of the following manners, at any of Defendants' facilities throughout the United States of America.

1. Defendants, their agents, officers, managerial employees, employees involved in hiring, and subcontractors employed for the purpose of providing labor, shall not, contrary to the provisions of §§ 12(a), 12(c), and 15(a)(4) of the Act, 29 U.S.C. §§ 212(a), 212(c), and 215(a)(4), and any provision of 29 C.F.R. Part 570, engage in oppressive child labor as defined by Section 203(l), including but not limited to, employing any individual in violation of the age, hours, or occupational restrictions set forth in Part 570, at any of Defendants' facilities in the United States.

2. Defendants agree not to employ any oppressive child labor and shall comply with Sections 12(a), 12(c), and 15(a)(4) of the Act.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, pursuant to section 17 of the FLSA that Defendants, their agents, officers, managerial employees, employees involved in hiring, and subcontractors employed for the purpose of providing labor are permanently enjoined and restrained from violating the provisions of sections 11(c) and 15(a)(5) of the FLSA in any of the following manners, at each of their facilities throughout the United States of America:

3. Within 90 days of the entry of this Consent Order and Judgment, Defendants will conduct audits of all current employees at each of Defendants' respective facilities throughout the United States of America in order to ensure that no individuals under the age of 18 are employed in violation of the provisions outlined in paragraph 1 above.

4. Defendants, their agents, officers, managerial employees, employees involved in hiring, and subcontractors employed for the purpose of providing labor shall make, keep, and preserve records showing the wages, hours, and other conditions of work for each of their employees in accordance with 29 U.S.C. § 211(c), including accurate records of the date of birth submitted for all employees under the age of 19 in accordance with 29 C.F.R. § 516.2(a)(3) and the identification of any machines on which minors are assigned to work or clean. Defendants shall make such records available to representatives of the Secretary within 72 hours following notice from a representative of the Wage and Hour Division, unless otherwise specified and/or agreed by the parties.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that:

5. Defendants will review and enhance their existing policies and training materials for all employees that relate to compliance with the child labor provisions of the

FLSA and the regulations promulgated thereunder, and will incorporate any changes to the policies and training materials in management training programs and training for any employee engaged in on-boarding or hiring new employees at any of Defendants' respective facilities for three years from the execution of this Consent Order and Judgment. Defendants will have such training materials properly translated for employees with limited English proficiency.

6. Within 90 days of the entry of this Consent Order and Judgment, Defendants will hire a third-party consultant or compliance specialist (hereinafter the "compliance specialist") with knowledge and experience in the requirements of compliance with the FLSA's child labor provisions. The compliance specialist shall be sufficiently proficient in the written and spoken language predominantly used by employees or shall use an appropriate interpreter or translator when interacting with employees. The compliance specialist shall provide semi-annual child labor compliance training to all management personnel at Chandler for a period of three years and at Defendants' other facilities once a year for a period of two years. Defendants also will train new managers at the applicable facilities as part of their onboarding process during the time periods indicated. Monogram Management shall, in conjunction with the compliance specialist, maintain training logs reflecting the nature of the training, participants, and date(s) of training. Prior to any training, the compliance specialist shall work with Defendants to review and suggest revisions concerning Defendants' policies and procedures to assist Defendants in complying with the FLSA's child labor provisions, and Defendants shall confer with the compliance specialist regarding all recommended changes to Defendants' policies and

procedures in this regard.

7. The compliance specialist also shall monitor and audit Defendants' compliance with the child labor provisions of the FLSA at Chandler for a period of three years, and at Monogram's other facilities for a period of two years, and shall report any concerns regarding non-compliance with these provisions to Defendants' designated officials. Should child labor violations be found by the Department of Labor or any other governmental agency that enforces child labor laws at any facility besides the Chandler facility, the monitoring and audit period shall be extended to three years from the date of entry of this Consent Order and Judgment at that facility and that facility shall be subject to the same monitoring and audit provisions as the Chandler facility going forward. The compliance specialist shall audit two of Defendants' respective facilities per quarter until all of Defendants' facilities have had one unannounced site visit, with one facility being visited quarterly thereafter for two or three years as applicable, as set forth above in this paragraph. Monitoring shall include unannounced site visits, review of records, interviews of managers and employees, evaluation of training procedures, and additional steps to achieve compliance, as determined by the compliance specialist. Forms I-9, or copies of documents presented at the time of completion of the Forms I-9, for suspected minors, cannot be used to show compliance with Section 12 of the FLSA nor can they be used to come into compliance with Section 12 of the FLSA.

8. Within 90 days of retention, the compliance specialist shall review the Wage and Hour Division's Youth Employment Compliance Assistance Toolkit, as well as other resources that the compliance specialist deems appropriate, to determine which materials

should be used in the training of Defendants' managers and within 60 days of that review shall carry out such training at all of Defendants' facilities. In conjunction with Defendants, the compliance specialist shall maintain training logs reflecting the nature of the training, participants, and date of training.

9. Within 90 days of retention, the compliance specialist shall audit machinery at all facilities to determine which machinery constitutes hazardous equipment pursuant to Hazardous Occupation Orders, and, if not already present, shall cause to be affixed special stickers, as found in the Wage and Hour Division's Tools for Employers in the Youth Employment Compliance Assistance Toolkit, to alert all non-agricultural workers that no one under 18 years of age may operate the equipment.

10. Within 90 days of the retention of the compliance specialist, Defendants shall establish a toll-free number that employees may use to seek guidance and to report compliance issues with the child labor provisions of the FLSA on an anonymous basis, with the requests for guidance or the reports being furnished directly to the compliance specialist. Defendants may use the existing toll-free ethics line for this purpose, on the condition that it is monitored by an independent third-party vendor, and provided that any reports of suspected child labor will be routed from the third-party vendor directly and solely to the compliance specialist. Notice informing employees of the toll-free number shall be posted in a conspicuous place, such as a room provided for employee notices, so as to permit employees to readily read it. The notice shall be posted in English and Spanish, as well as any language predominantly spoken by employees at that particular facility, within 15 days after confirmation that the toll-free number is set up to receive anonymous

reports regarding alleged child labor issues under the FLSA. The compliance specialist shall promptly investigate and document each complaint received relating to alleged child labor violations and shall make recommendations to Defendants regarding timely corrective actions, to the extent any are warranted, and Defendants shall document and maintain records regarding any corrective action. Such documentation shall be made reasonably available for review and copying to Wage and Hour upon the Secretary's reasonable request.

11. The following provisions shall apply to Defendants' opportunity to cure child labor violations:

(a) Notification by Compliance Specialist: Beginning with the compliance specialist's retention and continuing for the applicable two or three-year period of the compliance specialist's review (as set forth in paragraph 7 above), upon notification of any child labor violation by the compliance specialist to Defendants, Defendants shall have ten business days, or any such longer period agreed upon by the parties, to cure the reported child labor violation. In the event that Defendants cure such violations within ten business days, or any such longer period agreed upon by the parties, such alleged violations shall not serve as the basis for a contempt action of this Consent Order and Judgment or any action under § 12 of the FLSA. During the 90 day investigatory period only, notice of any child labor violation by the compliance specialist to Defendants shall not preclude the Department of Labor from issuing civil money penalties pursuant to 29 U.S.C. § 216(e) related to the noticed child labor violation, regardless of whether Defendants cure the noticed child labor violation

within 10 business days, or any such longer period agreed upon by the parties. After the conclusion of the 90 day investigative period, should Defendants fail to cure any such violation within ten business days, or any such longer period agreed upon by the parties, or if the DOL receives notification from any other party prior to notification by the compliance specialist, the Department of Labor may proceed with any action for contempt of this Consent Order and Judgment, assess civil money penalties, and/or initiate an action under § 12 of the FLSA. This provision is applicable only during the mandatory tenure of the compliance specialist, either two or three years depending on the facility at issue, as set forth in paragraph 7 above.

(b) Notification by Department of Labor: During the 90-day investigatory period referenced in paragraph 21 below, the Department of Labor shall promptly notify Defendants, in writing, of any individuals employed in violation of the child labor provisions of the FLSA and/or of any other alleged violation of this Consent Order and Judgment. Defendants shall have ten business days, or any such longer period agreed upon by the parties, to cure such violation. In the event that Defendants cure such violations within ten business days, or any such longer period agreed upon by the parties, such alleged violations shall not serve as the basis for a contempt action of this Consent Order and Judgment. Should Defendants fail to cure any such violation within ten business days, or any such longer period agreed upon by the parties, the Department of Labor may proceed with any action for contempt of this Consent Order and Judgment and/or initiate an action under § 12 of the FLSA. Nothing in this Consent Order and Judgment shall be construed to limit the Wage and

Hour Division's authority to issue civil money penalties as a result of a violation of § 12 of the FLSA unless explicitly stated otherwise.

(c) For purposes of this Consent Order and Judgment, to "cure" means to ensure that the minor in question is not employed in violation of § 12 of the FLSA.

12. Should the compliance specialist identify any child labor violations, Defendants shall notify the Wage and Hour Division of the violation within ten business days, or any such longer period agreed upon by the parties, of identification by the compliance specialist, including a description of steps Defendants have taken to cure such violation, if any.

13. Within 180 days of being retained, the compliance specialist shall submit an initial report to the Wage and Hour Division outlining steps taken to comply with the requirements of this Consent Order and Judgment. The initial report shall also summarize the compliance specialist's findings and include a summarizing restatement of any violations found during this 180-day period, copies of any training logs created by Defendants in conjunction with the compliance specialist along with a summary of training materials presented and substance of the training, and summaries of information regarding alleged unlawful child labor received through the toll-free number. Nothing in this paragraph shall relieve Defendants of the responsibility to report child labor violations within 10 business days of their discovery (or longer period agreed upon) as outlined in paragraph 12.

14. After the initial report referenced in paragraph 13, the compliance specialist shall submit annual reports to the Wage and Hour Division, due after the second and, as

may be applicable, third anniversary of the execution of this Consent Order and Judgment, relating to the three years that the compliance specialist is retained for the Chandler facility and any other facility at which a child labor violation is found, and the two years that the compliance specialist is retained for the other facilities. These annual reports shall contain a summary of actions taken by the compliance specialist in carrying out the requirements of paragraphs 6 through 12 of this Consent Order and Judgment, a summarizing restatement of any violations found during the preceding year, copies of any training logs created by Defendants in conjunction with the compliance specialist, and summaries of information regarding alleged unlawful child labor received through the toll-free number referenced in paragraph 10 (excluding materials and information submitted in the initial report described in paragraph 13). Nothing in this paragraph shall relieve Defendants of the responsibility to report child labor violations within 10 business days of their discovery (or longer period as agreed upon) as outlined in paragraph 12.

15. Defendants shall impose disciplinary sanctions, including termination and/or suspension, upon any management personnel responsible for child labor violations occurring after the date of this Consent Order and Judgment.

16. Within 45 days after the entry of this Consent Order and Judgment, Defendants shall notify the Department of Labor of each employee employed at the Chandler facility whose employment ended, either voluntarily or involuntarily, from March 29, 2023 through the date of execution of this Consent Order and Judgment. Such notifications shall continue every 45 days thereafter until 180 days have elapsed following the execution of this Consent Order and Judgment.

17. For purposes of this Consent Order and Judgment and enforcement thereof, the Secretary specifically reserves the right to investigate Defendants' future compliance with the terms of this Consent Order and Judgment and any subsequent claims of Defendants employing oppressive child labor. Defendants acknowledge the Wage and Hour Divisions' authority under § 11(a) of the FLSA to "enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this chapter, or which may aid in the enforcement of the provisions of this chapter." 29 U.S.C. 211(a).

18. Defendants agree that they shall not take any retaliatory action against any employee (including family members or guardians of minor children allegedly employed by Defendants) in violation of 29 U.S.C. §215(a)(3) of the FLSA because an employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to the FLSA, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee regarding child labor. Prohibited retaliatory action, includes but is not limited to, reporting or threatening to report, directly or indirectly, any such individual to law enforcement agencies based on the person's actual or perceived immigration status, or initiating an internal I-9 audit or other reverification process for the purpose of retaliating against any worker or chilling that worker's rights under the FLSA. It shall not be considered a retaliatory action to terminate any individual who is determined to be a minor or whose age cannot be verified or confirmed on the basis, in whole or in part, of a review of any provided documentation.

19. Defendants shall post this Consent Order and Judgment at each of their facilities where employee notices are customarily posted and it shall remain posted for a period of not less than 60 days. Defendants shall provide the Wage and Hour Fact Sheet # 43 regarding the child labor provisions of the FLSA, Fact Sheet # 77A regarding the prohibition of retaliation under the FLSA, the "Employer Pocket Guide on Youth Employment," and the "Statement of DOL Interest/Prosecutorial Discretion" to each of their facility employees in the language used by the employee, to the extent such translation is available on the Department of Labor's website, and shall otherwise maintain all existing postings required by the Department of Labor.

20. Upon execution of this Consent Order and Judgment and payment of civil money penalties in the amount of $30,276.00 related to violations identified in the April 21, 2023 "Objection to Shipment" letter, specifically for the alleged operation of machinery in violation of Hazardous Order #10 by two minors at the Chandler facility, the Wage and Hour Division's objection to shipment of "hot goods" as discussed in Wage and Hour's April 21, 2023 "Objection to Shipment" letter shall be lifted, which shall relieve Defendants of any obligation to refrain from shipment of any "hot goods" as designated in that letter.

21. By entering into this Consent Order and Judgment, the Secretary specifically does not waive her right to complete her investigation of Defendants and assess civil money penalties, pursuant to 29 U.S.C. § 216(e) in relation to this investigation # 1979280, which shall occur within 90 days of the date of the entry of this Order.

22. Defendants reserve the right to contest any additional assessment of civil money penalties assessed during Wage and Hour's 90-day investigatory period as discussed

in paragraph 21, which do not relate to the Hazardous Order #10 violations discussed in paragraph 20.

23. By entering into this Consent Order and Judgment, the parties acknowledge that the provisions contained herein are not intended to and do not bind Plaintiff and/or Defendants relating to any third party (*i.e.*, any individual and/or entity that is not a party to this Consent Order and Judgment). The parties specifically do not waive any claims, defenses, rights and/or legal positions available under applicable law, including any argument as to what evidence may be presented during any such proceedings, unless such are expressly waived in this Consent Order and Judgment. This applies both to any subsequent or future proceeding relating to this Consent Order and Judgment and to the parties' obligations thereunder, as well as to any future investigation and/or claims that Plaintiff may bring, including but not limited to additional claims of oppressive child labor, compliance or enforcement actions regarding the terms of this Consent Order and Judgment, contempt proceedings, and/or demands for civil money penalties, as to all of which the parties fully reserve their rights to contest and/or litigate.

24. Each party shall bear such other of its own costs and attorney's fees and expenses incurred by such party in connection with any stage of this case, including but not limited to, attorney's fees which may be available under the Equal Access to Justice Act, as amended.

Date: July 6, 2023

s/Katherine M. Menendez
Katherine M. Menendez
United States District Judge

Entry of this judgment
is hereby consented to:

/s/ Karl Schledwitz

Karl Schledwitz
Chief Executive Officer
Monogram Food Solutions, LLC

/s/ Karl Schledwitz

Karl Schledwitz
Chief Executive Officer
Monogram Management Services, Inc.

/s/ Karl Schledwitz

Karl Schledwitz
Chief Executive Officer
Monogram Meat Snacks, LLC

/s/ Barbara J. D'Aquila

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