



News Release

U.S. Department of Labor | May 12, 2021

US Department of Labor secures court order requiring Tennessee disaster relief company and officer to pay \$87K in back wages and damages to employees who worked in US Virgin Islands

ST. CROIX, VI – The District Court of the Virgin Islands has ordered a Gallatin, Tennessee, construction management and disaster relief company and its then officer and current CEO to pay \$87,000 to 26 employees to resolve violations of the [minimum wage](#), [overtime](#) and [recordkeeping](#) requirements of the [Fair Labor Standards Act](#).

The consent judgment follows an investigation by the U.S. Department of Labor’s [Wage and Hour Division](#) and litigation by the department’s [Office of the Solicitor](#).

Following Hurricanes Maria and Irma, defendants SRS, Inc. and Charles Pickett recruited employees in Puerto Rico and the U.S. mainland to travel to the U.S. Virgin Islands to repair storm-ravaged homes in and around St. Croix under the Federal Emergency Management Administration-funded Sheltering and Temporary Essential Power Program.

Investigators found that the defendants:

- Deprived employees of wages after misclassifying them as independent contractors of other entities.
- Paid flat rates per day to employees regardless of the number of hours they worked and failed to pay them overtime when they worked more than 40 hours in a workweek.
- Sometimes paid employees partial or no wages, resulting in minimum wage violations.
- Failed to make and keep required records of their employees’ wages, hours and other employment conditions.

The [consent judgment](#) requires defendants to pay the employees \$43,500 in back wages and an equal amount in liquidated damages. It also enjoins SRS, Inc. and Pickett from future FLSA minimum wage, overtime and recordkeeping violations. The judgment further prohibits the defendants from retaliating against employees and soliciting or accepting kickbacks of wages paid under the judgment from employees. Finally, it requires defendants to post notices in English and Spanish informing employees in both the Virgin Islands and Puerto Rico of their FLSA rights.

“Employers in the U.S. and its territories cannot enter into wage agreements with workers that violate the Fair Labor Standards Act’s minimum wage and overtime requirements,” said Wage and Hour Division District Director José R. Vázquez in Guaynabo, Puerto Rico. “Employers that misclassify employees as independent contractors evade the law, deprive workers of hard-earned wages and gain an unlawful economic advantage over those that pay their workers in compliance with the FLSA.”

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“Employers that short-change their employees and deny them the wages they have legally earned are on notice. The U.S. Department of Labor will pursue appropriate legal remedies to hold you accountable and ensure that you pay workers as the law requires,” said regional Solicitor of Labor Jeffrey S. Rogoff in New York.

The division’s Caribbean District Office conducted the investigation. Senior trial attorney Frances Y. Ma of the Regional Solicitor’s Office in New York litigated the case for the division.

The division offers numerous resources to ensure employers have the tools they need to understand their responsibilities and to comply with federal law, such as [online videos](#) and confidential calls to local Wage and Hour Division offices. [Learn more about the FLSA](#). Contact the Wage and Hour Division toll-free at 866-4US-WAGE (487-9243) for more information.

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Secretary of Labor v. SRS, Inc. and Charles Pickett
Civil Action No. 20-cv-00031

Read this release En Español

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