

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

JULIE A. SU, Acting Secretary of Labor,
United States Department of Labor,

Plaintiff,

v.

GATE SOLUTION SYSTEMS, INC., MARIA
do CARMO ARAUJO, ANTONIO BRASIL
FILHO, LUCELIA da SILVA SOUZA
BRASIL, and HEALTHCARE SERVICES
GROUP, INC.,

Defendants.

Civil Action No. 1:24-cv-12803

CONSENT JUDGMENT AND ORDER

Plaintiff Julie A. Su, Acting Secretary of Labor, United States Department of Labor (the “Acting Secretary”), has filed a Complaint in this case under the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.* (the “FLSA”). Defendants Gate Solution Systems, Inc. (“GSS”), Maria do Carmo Araujo, Antonio Brasil Filho, Lucelia da Silva Souza Brasil, and Healthcare Services Group, Inc. (“HCSG”) have received a copy of the Complaint and waive service of process. Defendants neither admit nor deny that they violated Sections 7 and 11 of the FLSA, 29 U.S.C. §§ 207 and 211.

The Court finds that it has jurisdiction to enter this Consent Judgment and Order (the “Consent Judgment”), and the Acting Secretary and Defendants agree to its terms.

It is therefore ORDERED, ADJUGED, and DECREED that:

1. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil and their successors, assigns, agents, servants, employees, and all persons in

active concert or participation with them or acting or claiming to act in their interest and behalf, hereby are permanently enjoined and restrained from violating the FLSA, in any of the following manners.

a. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall not, contrary to Sections 7 and 15(a)(2) of the FLSA, 29 U.S.C. §§ 207 and 215(a)(2), employ any employee who in any workweek is engaged in commerce or in the production of goods for commerce, or who is employed in an enterprise engaged in commerce or in the production of goods for commerce, within the meaning of the FLSA, for workweeks longer than 40 hours unless such employee receives compensation for their employment in excess of 40 hours at a rate not less than one-and-one-half times the employee's regular rate of pay.

b. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall not fail to make, keep, and preserve records of employees and of the wages, hours, and other conditions and practices of employment maintained by them as prescribed by the regulations issued, and from time to time amended, pursuant to Section 11(c) of the FLSA, 29 U.S.C. § 211(c), and found in Title 29, Part 516 of the Code of Federal Regulations.

c. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall not fail to cooperate with the United States Department of Labor in any investigation conducted pursuant to Section 11(a) of the FLSA, 29 U.S.C. § 211(a), and commenced after the entry of this Consent Judgment. These Defendants shall provide truthful responses and other

information and documents to the United States Department of Labor. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall provide the United States Department of Labor access to all records that are required to be maintained pursuant to Section 11(c) of the FLSA, 29 U.S.C. § 211(c), and 29 C.F.R. Part 516, and shall provide access to other information necessary for the proper execution of any United States Department of Labor investigation. Nothing contained in this Consent Judgment, including the requirement to cooperate as set forth in this Paragraph, abrogates these Defendants' rights under the United States Constitution.

d. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall not, contrary to Section 15(a)(3) of the FLSA, 29 U.S.C. § 215(a)(3), discharge or in any other manner discriminate against or take any adverse action or threaten or imply that adverse action will be taken against any employee or former employee who provides, or may seek to provide, information to the United States Department of Labor, or who engages in protected activity under the FLSA or related to this Consent Judgment.

2. Defendant HCSG agrees to comply with all of the applicable provisions of the FLSA in the future.

3. Further, finding that Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil owe \$717,788.05 in back wages plus applicable interest, and \$717,788.05 in liquidated damages plus applicable interest, to the employees listed on the attached Exhibit A1, which is incorporated in and made a part of this Consent Judgment, the Court orders that Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho and Lucelia da

Silva Souza Brasil are restrained from withholding those back wages owed and shall pay, jointly and severally, said back wages, liquidated damages, and interest in accordance with the terms set forth herein.

4. In addition, finding that Defendant HCSG owes \$495,000.00 in back wages and \$495,000.00 in liquidated damages to the individuals listed on the attached Exhibit A1, which is incorporated in and made a part of this Consent Judgment, the Court orders that Defendant HCSG is restrained from withholding those back wages owed and shall pay said back wages and liquidated damages in accordance with the terms set forth herein.

5. The total amount of back wages and liquidated damages owed to the employees listed on Exhibit A1 is \$2,425,576.00, plus applicable interest. The back wage and liquidated damages provisions of this Consent Judgment only cover the period from March 19, 2022 to February 17, 2023 for the individuals named in Exhibit A1. This Consent Judgment shall have no effect on: (a) any back wages or liquidated damages that may have accrued outside that time period; or (b) any individual not named on Exhibit A1 for any time period.

6. The back wage and liquidated damages provisions of this Consent Judgment shall be deemed satisfied when Defendants deliver to the Acting Secretary a total of: \$1,212,788.05 in back wages plus interest (as set out in Exhibits A1 and B1), from which deductions for employees' share of social security and federal withholding taxes will be made by the United States Department of Labor with no deduction for the employees' state withholding tax, and separate payment(s) totaling \$1,212,788.05 in liquidated damages plus interest (as set out in Exhibits A1 and B1), none of which is subject to deductions. The amounts owed by the specific Defendants are set out in Paragraphs 2 and 3 above. Defendants shall further pay the employers' share of FICA to the appropriate authorities after presentation of the United States Department of

Labor's quarterly summary of employee payments made.

7. The Acting Secretary will distribute the back wages, liquidated damages, and interest to the employees in this case in accordance with the amounts set out in Exhibit A1.

8. With respect to the back wage and liquidated damages Defendant HCSG shall pay the \$495,000.00 in back wages and \$495,000.00 in liquidated damages within twenty days of the Court's entry of this Consent Judgment.

9. With respect to the back wage, liquidated damages, and related interest payments, Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall make an initial payment of \$632,288.05 in back wages and \$632,288.05 in liquidated damages within twenty days of the Court's entry of this Consent Judgment. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall then make the balance of the back wage and liquidated damages payments, totaling \$171,000.00, plus interest, to the Acting Secretary in accordance with the schedule set out in Exhibit B1. Defendants GSS, Maria do Carmo Araujo, Antonio Brasil Filho, and Lucelia da Silva Souza Brasil shall make each payment set out in Exhibit B1 in the total payment amount due for all employees listed under each payment due date on Exhibit B1.

10. Defendants may make the back wage, liquidated damages, and related interest payments required by this Consent Judgment online by ACH transfer, credit card, debit card, or digital wallet by going to <https://pay.gov/public/form/start/77689032> or by going to <http://www.pay.gov> and searching for WHDBWNE. Alternatively, payment may be made in the form of certified checks made payable to "Wage and Hour Division—Labor" and delivered to the United States Department of Labor, Wage and Hour Division, 1835 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103-2968, Attn: Linda Estacio. Any such check shall have

Case Number 1980000 written on the face of the check.

11. Defendants represent that, to the best of their knowledge and following diligent review and inquiry, they have been in compliance with the FLSA since February 17, 2023. In resolving the amounts of back wages and liquidated damages in this Consent Judgment, the Acting Secretary has relied on this representation and, accordingly, the back wage and liquidated damages provisions of this Consent Judgment shall have no effect upon any back wages and liquidated damages which may have accrued since February 17, 2023. If Defendants' representation about their compliance with the FLSA is determined to be false, and Defendants are found to be in further violation of the FLSA after February 17, 2023, the Acting Secretary may seek civil money penalties, in addition to back wages, liquidated damages, and other damages as appropriate.

12. In the event Defendants fail to make a payment within 10 days of the payment being due under this Consent Judgment, then Defendants consent to the entry of a Writ of Execution, pursuant to Federal Rule of Civil Procedure 69, to enforce the monetary terms of this Consent Judgment. The Acting Secretary may seek such a writ at any time if Defendants have failed to make payment under this Consent Judgment and more than 10 days have passed since the date the payment was due. The Acting Secretary may represent in filing for such a writ that Defendants consent to its issuance. Upon request from the Acting Secretary, Defendants agree to furnish a complete and accurate list of their real, personal, and business property, including any bank accounts and account numbers, with an estimated value of \$2,000.00 or more and the locations of such property for purposes of the Acting Secretary seeking a Writ of Execution in accordance with this Paragraph of the Consent Judgment.

13. On or before 14 days from the execution of this Consent Judgment, Defendants

shall deliver to the United States Department of Labor, Wage and Hour Division, 1835 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103-2968, Attn: Linda Estacio, a statement showing the following: employers' Federal ID number(s), the name of each employee listed in Exhibit A1, and each employee's current address, telephone number, cell phone number, email address, and social security number (only to the extent currently known by Defendants).

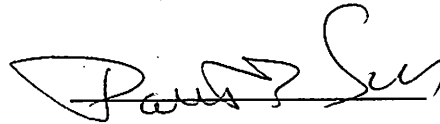
14. When recovered wages or liquidated damages have not been claimed by an employee within three years, because of inability to locate the employee or because of the employee's refusal to accept such sums, the Acting Secretary shall deposit the wages or liquidated damages into the United States Treasury as miscellaneous receipts, pursuant to 29 U.S.C. § 216(c).

15. Defendants shall not in any way solicit, demand, accept, or keep any amount paid or payable to any employee or former employee under this Consent Judgment or in any manner attempt to recover any amounts paid to such employee or former employee in connection with this Consent Judgment. In the event any such amount is received from any employee, Defendants shall immediately remit such amount to the United States Department of Labor at the following address: United States Department of Labor, Wage and Hour Division, 1835 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103-2968s, Attn: Linda Estacio.

16. Nothing in this Consent Judgment precludes the Acting Secretary from using evidence discovered in the investigation that led to the Complaint in this matter in any future investigation, enforcement action, or legal action.

17. Each party shall bear its own fees and other expenses incurred by such party in connection with any stage of this proceeding.

SO ORDERED, this 21 day of November, 2024.

A handwritten signature in black ink, appearing to read "Paul J. Sun". The signature is written in a cursive style with a horizontal line underneath the name.

United States District Judge
District of Massachusetts

For the Acting Secretary:

Seema Nanda
Solicitor of Labor

Maia S. Fisher
Regional Solicitor

Mark A. Pedulla
Counsel for Wage & Hour

/s/ Susan G. Salzberg
Susan G. Salzberg
Senior Trial Attorney
Salzberg.susan@dol.gov
MA BBO No. 556437

U.S. Department of Labor
Attorneys for Plaintiff
Post Office Address:
JFK Federal Building—Room E-375
Boston, Massachusetts 02203
TEL: (617) 565-2500

Dated: November 7, 2024

For Defendant Health Care Services Group, Inc.:

/s/Kenneth D. Kleinman

Kenneth D. Kleinman, Esq.
Stevens & Lee
1500 Market Street, East Tower, 18th Floor
Philadelphia, PA 19102
TEL: (215) 575-0100
Kenneth.kleinman@stevenslee.com

Dated: November 7, 2024

For Defendants Gate Solution Systems, Inc.,
Maria do Carmo Araujo,
Antonio Brasil Filho, and
Lucelia da Silva Souza Brasil

/s/Theresa Finn Dever

Theresa Finn Dever, Esq.
Riley & Dever, P.C.
210 Broadway, Suite 101
Lynnfield, MA 01940
TEL: (781) 581-9880
tdever@rileydever.com

Dated: November 7, 2024