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Stowe Associates Insurance and Compliance Tips Newsletter



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For more information or to request a no obligation demonstration contact your Stowe Associates representative or Alison Smith at asmith@stoweassociates.com or 770-451-6222.

US Labor Department Secures Court Ruling Requiring Texas based Henry's Turkey Service to pay \$1.76 Million to Workers at Iowa Processing Plant

The U.S. Department of Labor has obtained a partial summary judgment requiring Hill Country Farms, doing business as Henry's Turkey Service, and President Kenneth Henry to pay more than \$1.76 million in back wages and liquidated damages for violating the minimum wage and overtime provisions of the federal Fair Labor Standards Act. The judgment partially resolves a lawsuit filed by the Labor Department following an investigation by the Des Moines District Office of its Wage and Hour Division.

The judgment, issued by the U.S. District Court for the Southern District of Iowa in Davenport, concluded that the defendants willfully violated the FLSA by failing to properly pay 31 workers with disabilities. Henry's Turkey Service supplied the workers to the West Liberty Foods turkey processing plant in West Liberty, where most worked on the plant's processing line.

Henry's Turkey Service, based in Goldthwaite, Texas, paid the workers \$65 a month in cash wages even when company time sheets reflected that they worked more than 40 hours a week. Besides employing the workers, the company provided in-kind care, room and board, serving as the workers' caretaker as well as the designated representative payee of their Social Security benefits. Henry's Turkey Service claimed credit for the food, housing and care against its wage obligation; however, the company also reimbursed itself for those expenses using the workers' Social Security benefits. The court found that the company failed to show that it incurred any costs above the amount received from the Social Security benefits and denied the credit toward the workers' wages.

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The judgment requires that the defendants pay \$880,777 in back wages, along with an equal amount in liquidated damages, for a total of \$1,761,554. This case was litigated by the Labor Department's regional solicitor in Kansas City, Mo.

Previously, the Wage and Hour Division investigated Henry's Turkey Service in 1997 and 2003, and in each case found that it failed to pay workers overtime for hours in excess of 40 per week. Following both investigations, the company paid the workers back wages owed and agreed to comply with the FLSA in the future.

Wyoming Health Care Facility Settles EEOC Pregnancy Discrimination Suit**Kindred Nursing Centers West / Mountain Towers Fired Employee Because of Pregnancy, Federal Agency Charged**

A Cheyenne, Wyo., health care facility has agreed to settle a pregnancy discrimination lawsuit filed by the U.S. Equal Employment Opportunity Commission (EEOC), the agency announced today. The EEOC's lawsuit, *EEOC v. Kindred Nursing Centers West*, charged that Kindred Nursing Centers West, LLC, doing business as Mountain Towers Healthcare and Rehabilitation Center, violated federal anti-discrimination laws when it disciplined and then fired a pregnant employee shortly after learning she was pregnant.

Pregnancy discrimination in the workplace violates Title VII of the Civil Rights Act of 1964, as amended by the Pregnancy Discrimination Act of 1978. The EEOC filed suit in U.S. District Court for the District of Wyoming in Cheyenne after first attempting to reach a pre-litigation settlement through its conciliation process.

The case settled with a consent decree, which requires anti-discrimination training and \$10,000 for the discrimination victim.

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