

THURSDAY, JANUARY 18, 1940.

Accused of Paying 3-Cent Hourly Rate

Irving O. Rosen and his wife, doing business under the firm name of Rose Manufacturing Co. at 168 Walworth St., Brooklyn, this afternoon were indicted by the Brooklyn federal grand jury for violation of the wage-and-hour law.

The Rosens, according to the indictment, paid industrial home-workers who turned out shade pulls and tassels for them as low as three cents an hour and at an average rate of seven cents. It also is charged that they paid factory workers less than the required minimum, falsified time records, and failed to keep required records on interstate shipments.

Wages paid were among the lowest in any prosecutions throughout the country, according to officials of the Wage and Hour Division, Department of Labor.

NEW YORK SUN
THURSDAY, JAN. 18, 1940

ROSEN REINDICTED

Wife Also Cited in Federal Wage Law Case.

Irving O. Rosen and his wife, Ada Rosen, operators of the Rose Manufacturing Company of 168 Walworth street, Brooklyn, were indicted by the Federal Grand Jury in Brooklyn today on charges of violating the Federal wage and hour law. Mrs. Rosen was not under arrest, but was notified to appear for arraignment. Her husband is at liberty under bail on an earlier indictment.

It is charged that the Rosens failed to pay their employees, who make window shade cords and tassels, the required minimum of 30 cents an hour, and that they falsified the records of the company to make it appear that the employees worked fewer hours than they did.

United States Attorney Harold M. Kennedy, whose aids have been investigating similar violations in this area, said that the wages paid by the Rosens were "among the lowest alleged in any case prosecuted in the country."

See 1/18

NEW YORK JOURNAL-AMERICAN

THURSDAY, JANUARY 18, 1940.

U. S. Indicts Pair On Pay Charge

A Federal Grand Jury in Brooklyn today handed up a 14-count indictment against a Brooklyn manufacturer and his wife on charges of violating the Federal Wages and Hours law by underpaying their help.

The indictment, presented to Judge Grover M. Moskowitz, charged Irving O. Rosen and his wife, Ada, who operate the Rose Manufacturing Co., at 168 Walworth st., Brooklyn, with paying their employes less than 50 cents per hour, mandatory for manufacturers of window cords and tassels.

Seven of the counts allege that Rosen and his wife engaged persons who worked at home for sums ranging from seven to ten cents an hour. The present indictment supercedes one handed up against Rosen some time ago, and to which he pleaded not guilty.

First Wage-Hour Trial Begins

Say Brooklyn Pair Paid 3 Cents an Hour

The first trial under an indictment charging violations of the federal Wages and Hour law began today in Brooklyn Federal Court, with an attack on the constitutionality of the act.

Irving O. Rosen and his wife, Ada, operators of the Rose Mfg. Co., 168 Walworth St., Brooklyn, are on trial on charges of paying home workers as little as three cents an hour for making tassels and shade pulls.

Dismissal Asked.

Their attorney, Louis R. Blek, argued for a dismissal, contending

that Congress may not pass a law regulating manufacturers who are "not sufficiently engaged" in interstate commerce to bring them under the jurisdiction of Congress.

Brunsen MacChesney, special assistant to the Attorney General, pointed out that the Rosens were charged in three of the 14 counts with causing goods to be shipped in interstate commerce. Judge Matthew T. Abruzzo said he would consider the motion at the conclusion of the government's case.

Many Long Employed.

John K. Carroll, assisting Mr. MacChesney, said many of the Rosen employees had received small sums for home work for 10 to 15 years. Under the Wages and Hours law, he said, they are entitled to a minimum of 25 cents an hour for the first year of the law's operation and 30 cents thereafter.

Mr. MacChesney said that 41 firms have been indicted in the country and that all except the Rosens have pleaded guilty or are awaiting trial. If convicted they may be fined a maximum of \$10,000 on each count.

NEW YORK TIMES, SAT.

WAGE-LAW TRIAL HAS ABRUPT ENDING

First Employers to Face Jury as Violators of New Act Change Pleas to Guilty

LIABLE TO \$30,000 FINE

Federal Court to Try to Work Out Plan for Employes to Get Pay Due Them

The first criminal trial in the United States for violation of the Wages and Hours Law came to an abrupt end yesterday before Judge Matthew T. Abruzzo and a jury in the Federal court in Brooklyn when the defendants, Irving O. Rosen and his wife, Ada Rosen, operators of the Rose Manufacturing Company of 168 Walworth street, Brooklyn, withdrew their pleas of not guilty and pleaded guilty to three counts of a fourteen-count indictment.

The trial started on Wednesday. The government previously had started criminal actions against sixty-seven persons in various parts of the country on charges of violating the law. In forty-one of the cases, according to Brunson MacChesney, acting chief of the Wages and Hours Unit, Department of Justice, who was in charge of the prosecution of the Rosens, the defendants entered pleas of guilty without going to trial. The twenty-six other cases are pending, Mr. MacChesney said.

The government had produced a number of women witnesses who testified they were paid by the Rosens for making shade pulls and tassels and that their earnings averaged from 10 to 12 cents an hour instead of the 25 and 30 cents an hour called for under the Wages and Hours Act.

Judge Abruzzo continued the defendants in bail to await sentence on Feb. 29. The court said he would try to work out a plan whereby the employes would receive the pay due them under the act but that was withheld by the defendants. The maximum punishment to which Mr. and Mrs. Rosen are liable is a total fine of \$30,000. A prison sentence may be inflicted upon a first offender and the Rosens are both in that class.

2 Plead Guilty To Wage Violation

Trial of the government's test case under the Federal Wages and Hours law ended today with no precedent established when Irving O. Rosen and his wife, Ada, operators of the Rose Manufacturing Co., Brooklyn, interrupted the proceedings in Brooklyn Federal Court to plead guilty to three counts in a 14-count indictment. They were released in \$500 bail each for sentence Feb. 29.

Their plea specifically involved charges of failing to pay a minimum wage to home workers who made shade pulls and tassels, fail-

ing to pay a minimum wage to factory workers and falsification of records.

"You had better keep this in mind if you expect any consideration,"

warned Judge Matthew T. Abruzzo. "These poor people worked hard and didn't get paid for it and I'm going to see that they do get it. This situation has got to stop."

U. S. v. IRVING O. ROSEN, ADA ROSEN

MUST PRODUCE \$817

Or Rosens Will Be Sentenced Under Wage-hour Act.

Federal Judge Abruzzo in Brooklyn today ordered Irving O. Rosen and his wife, Mrs. Ada Rosen, owners of the Rose Manufacturing Company of 168 Walworth street, Brooklyn, to produce in court next Tuesday, \$817, which is 25 per cent of the \$3,268 back pay they owe about 100 employees or face sentence on that day.

The sentencing of the couple for violation of the Federal wages and hours law was scheduled for today, having been postponed several times since the Rosens pleaded guilty about five weeks ago, while they were on trial. Their attorney today asked for another month's postponement of sentence to enable the couple to obtain funds for payment to their employees. The court said several weeks ago that repayment would be a mitigating circumstance.

The Rosens operate a plant where window-shade tassels, cords and similar appliances are manufactured. They paid their workers less than the statutory minimum of 25 cents an hour for the first year in which the wages-hours law was in effect; and less than the 30 cent minimum in effect subsequently.

RESTITUTION MAY AID WAGE ACT VIOLATORS

DAILY NEWS, FRIDAY, MARCH 15, 1940

Restitution to underpaid employes may temper justice in the sentencing of the first pair prosecuted for criminal violation of the Wage and Hour law, Federal Judge Matthew T. Abruzzo indicated yesterday.

Judge Abruzzo refused immediately to sentence Irving O. Rosen and his wife, Ada, who interrupted their trial in Brooklyn three weeks ago to plead guilty to three counts of a 14-count indictment. Instead, he instructed them to "arrive at a reasonable decision as to compensating these poor people for what they lost."

The two defendants were accused of paying 150 employes as low as 3 cents an hour for piece-work at home in the manufacture of shade pulls and tassels sold by their concern, the Rose Manufacturing Co. of 168 Walworth St., Brooklyn.

"Restitution would only mean giving these workers what they should have received in the first place," Judge Abruzzo said, "and I intend to see that they get it."

He ordered Rosen and his wife to reappear for sentencing next Tuesday. They can be fined a maximum of \$30,000.

Drops Test On Wage Act

Manufacturer and Wife Chang Pleas to Guilty

per 2/16/40

Irving Rosen and his wife Ada, who announced four days ago that they would make a test of the constitutionality of the wage-hour act, changed their minds today and pleaded guilty to underpaying their employees.

The couple's plea was accepted by Judge Abruzzo in Brooklyn U. S. Court and a jury, which had listened to testimony of some of the employees, was dismissed.

The Rosens operate the Rose Manufacturing Co., 168 Walworth St., Brooklyn, making curtain pulls and tassels. A considerable amount of labor is by some workers, who earned from 7 to 10 cents an hour under the Rosens' piece work rates.

Warned by Judge

Judge Abruzzo deferred sentence until Feb. 29, and said to the Rosens:

"You had better keep this in mind if you expect any consideration: these poor people worked hard and didn't get paid for it, and I'm going to see that they do get it. This situation has got to stop!"

Jacob Steinfeld, defense counsel, interrupted to say that hereafter the Rosens will pay legal wages, to both factory and home workers.

"I don't mean just these people," said Judge Abruzzo. "I mean everybody in a similar situation."

It was brought out at the trial that a company to which the Rosens sold their products had made restitution to some workers in order to be able to move the tassels in interstate commerce without liability.

TWO PLEAD GUILTY OF WAGE PINCHING

Brooklyn Couple Face U. S. Court on Three Counts.

See 2/16

Irving O. Rosen and his wife, Mrs. Ada Rosen, operators of the Rose Manufacturing Company, 168 Walworth street, Brooklyn, today pleaded guilty before Federal Judge Matthew T. Abruzzo in Brooklyn to three counts of a fourteen-count indictment charging them with violating the Federal wages and hours law. The court dismissed the remaining counts of the indictment and released the defendants in \$500 bail each for sentence February 29.

The Rosens went on trial before Judge Abruzzo and a jury on Wednesday but as the Government was about to continue presentation of its case at the resumption of the trial today, Jacob Steinfeld, of defense counsel, announced to the court that the Rosens wished to plead guilty to charges of failing to pay a minimum wage to homeworkers, failing to pay a minimum wage to factory workers and falsification of their employee time records. The Rosens' company manufactured shade pulls and tassels.

In accepting the pleas, Judge Abruzzo said:

"There is something on my mind and you may help me on it. You had better keep this in mind if you expect any consideration. These poor people worked hard and didn't get paid for it and I'm going to see that they do get it. This situation has got to stop."

Steinfeld interrupted to tell the judge that the Rosens would hereafter pay the proper wages to their employees both in the factory and at home.

"I don't mean just these people," Judge Abruzzo said. "I mean everybody in a similar situation. They are paying 10 to 12 cents an hour and they've got to stop it."

The Rosens were alleged to have paid an average hourly wage of 7 cents.