

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
INTEROFFICE COMMUNICATION

341 Ninth Avenue
New York, N. Y.

July 7, 1941

TO: Robert O. Pickard
Senior Inspector

IN REPLY REFER TO:

HJE:MAH

FROM: H. J. Easton
Junior Inspector

SUBJECT: Rose Manufacturing Company
168 Walworth Street
New York, N. Y.
File No. 31-1002

The Inspector was unable to begin inspection of this case until June 23, 1941 because of a question of procedure that first had to be cleared up with Mr. Corrigan of the Criminal Unit.

On June 23 an inspection was made of the plant and Mr. Rosen was interviewed. He stated that he buys shade pulls for intra-state use from Harry Edelman, a contractor, who has them made to Mr. Rosen's order. Pulls for interstate use are made on a machine in the premises and also by three or four workers in his factory who are paid 30 cents per hour. Mr. Rosen also stated that pulls for interstate use are made as well by two machines located at Paterson, New Jersey, but that he would not give us the information as to their exact location nor as to their production capacity, since he did not trust us. He gave as an excuse that certain information which had been obtained from him on a prior inspection had been communicated to some of his competitors.

On the same day the various employees in his shop were interviewed. There were no apparent violations found. No employee was aware of the manufacture of pulls by machines located outside the factory. George Goldberg, who is in general charge of the plant during Mr. Rosen's absence and who is paid \$40 a week which indicates that he is an employee with considerable responsibility, told the Inspector that the only machines he knew anything about were two machines kept at 99 Cliff Street, Paterson, New Jersey, care of Tackeroff and Terker. He explained however, that these machines performed only the knotting of the pulls after they have been crocheted on the machines in the New York plant. Therefore, these could not have been the machines referred to by Mr. Rosen.

On July 1 the Inspector returned to the plant to demand once more the information previously refused and to explore the possibility of determining whether subject firm's production could be segregated as to interstate and intrastate commodities from the firm's records. When the Inspector called about 9:15 A. M. he found Mr. Goldberg in charge and was told that Mr. Rosen was not expected in that day. The Inspector decided to wait and soon thereafter Mr. Goldberg went outside and could be seen

from the window. The Inspector observed that Mr. and Mrs. Rosen had arrived in Mr. Rosen's car which contained certain packages. After speaking to Mr. Goldberg, Mr. Rosen got back into the car apparently to drive away. The Inspector called to him and asked him to come up. Mr. Rosen did so but in the meanwhile Mrs. Rosen drove away in the car.

In the discussion that followed Mr. Rosen now stated that the Paterson machines to which he had previously referred had not been used for production purposes for the past six or eight months. He now also stated that the machines were located near Paterson and not in Paterson. He seemed to be prepared for any analysis of his records of production and sale for the purpose of determining segregation because he told the Inspector that while he did not segregate his production, he could prove to us that all intrastate merchandise shown by orders addressed to Mr. Edelman could be accounted for either by his charges or by inventory. He seemed to be unusually nervous and gave some excuse for his being "upset." He again refused to give any further information regarding the Paterson machines and to show his production and inventory records. He said that he was sure his competitors were in back of this inspection and unless assured by Mr. Carroll personally that this was not so, he would not cooperate in the manner requested. Mr. Rosen was reminded that he was at present on probation but he refused to change his position.

About a half-hour after leaving Mr. Rosen, the Inspector, having in the meanwhile visited another concern in the neighborhood, came upon Mr. Rosen and his wife in their car at a nearby gas station. This time there were no packages in the back of the car. Mr. Rosen seemed even more nervous upon seeing the Inspector and indicated a belief that he ~~were~~ being followed by the Inspector.

The Inspector feels that Mr. Rosen collects homework either during the evening or in the early morning, bringing it in to his factory in his car about 9:30 A. M. There is evidence that both Mr. Rosen and his employee, George Goldberg, were trying to cover up such a delivery on the morning of July 1. The Inspector did not indicate to Mr. Rosen that this was even suspected.

The Inspector is unable to determine which employee telephoned the complaint that initiated this inspection. The only person considered as possibly having been the source of the information is Sidney Cohen, 231 Echo Place, Bronx, N. Y., who works as a salesman on a somewhat independent basis. The voice and language of this person are similar to those indicated in the telephone complaint, but Mr. Cohen, when interviewed, professed complete ignorance of Mr. Rosen's business in shade pulls.

Inasmuch as the Inspector will be gone on vacation until July 28, 1941, this interim report may be of some value in deciding whether further action should be taken before that date.