

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington, D. C.

BATA SHOE COMPANY FINED \$8,000

The Bata Shoe Company, Inc., and John Hoza, active head of the Bata enterprises throughout the world, were fined \$8,005 and ordered to pay \$10,084 in restitution to 600 employees after they entered pleas of guilty to violation of the Fair Labor Standards Act today in Baltimore.

Judge W. Calvin Chesnut in the U. S. District Court imposed the sentence.

The five-count criminal information filed by Bernard J. Flynn, U. S. attorney in Baltimore, charged the company with failure to pay the minimum wage, failure to pay overtime, failure to keep adequate records, falsification of records, and shipment in interstate commerce of shoes produced in violation of the law.

Beverly R. Worrell, regional attorney for the Wage and Hour Division, presented the government's case at the time the plea of guilty was entered. He selected from company records the time card of Thomas Dolina, who, he pointed out, in a single week in ~~over~~ was recorded as having worked five days and a total of 42 hours. Actually he showed that Dolina had worked seven days that week and a total of 67-1/2 hours.

Mr. Worrell informed Judge Chesnut that the company's practice had been to record merely that the employees worked "one day" or "five days" and never more than 42 hours in a week.

Robert Archer, attorney for the company, in reply informed the court that the violations were technical; that the executives were working under a strain due to conditions in Europe and that they regarded the Wage and Hour law as relatively unimportant. Bata enterprises are located in 78 countries, he said.

Judge Chesnut then said:

"If what Mr. Archer said was accurate, I would not be inclined to impose this fine. However, these records prepared by the government show a studied effort to show that the American law was being complied with in the case of these Czech employees. And now you tell me that the officials thought they did not have to obey the law with respect to these employees. The difference is a relatively striking argument in support of the view of insincerity on the part of the company officials."

Mr. Worrell informed the court that if the company wished to withdraw its plea, the government was ready to try the case. The company, however, did not withdraw its plea.

He then fined the corporation \$8,000 on one count and \$1 each on the four remaining counts. Hoza was fined \$1 on all counts.

Mr. Archer informed the court that the company is now in compliance with the law and that last December had made restitutions totaling \$7,000 to 65 employees in its Chicago warehouse. At that time a civil injunction against further violations of the Wage and Hour law was entered against that unit of the Bata organization.

The guilty plea today was to charges based on violations of the law at the new plant of the Bata Shoe Company at Belcamp in Hartford County, Maryland.

The investigation was made under the direction of Regional Director W. C. Cole by Leo H. McCormick, in charge of the Baltimore office of the Wage and Hour Division, and Bernard S. Needle, Baltimore attorney for the Division. Federal Attorney Flynn cooperated with the Wage and Hour attorneys and inspectors throughout the investigation and personally handled the criminal charges which were filed in court today.

Agreement of the Bata Shoe Company to make restitution brings to 33 the number of successful court actions resulting from violations of the Wage and Hour law in the shoe industry.

All of the defendants whose cases have been closed in Federal courts have either paid fines or have signed consent decrees agreeing to make restitution for back pay and overtime at the rate of one and one-half times the regular rate of pay for hours in excess of those provided by the Fair Labor Standards Act.

Fines imposed by Federal judges against the violating shoe companies have been in excess of \$50,000, and restitution payments have been approximately \$35,000 for more than 2,000 employees.

All of the complaints were for payment of less than the 25 cents an hour minimum wage, which applied until October 24, 1939, or for payment of less than 30 cents an hour, the minimum which was effective from October 24, 1939, until April 29, at which time a wage order setting 35 cents as the minimum became effective.

The largest fines in the shoe cases were \$7,005 against the Ascutney Shoe corporation, Hudson, Massachusetts, which pleaded guilty to violations of the minimum wage and also to overtime requirements, and the Fisher Shoe company, Inc., of Hudson, Massachusetts, \$7,008.

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