

U. S. DEPARTMENT OF LABOR  
WAGE AND HOUR DIVISION  
Washington

INACTIVE

BACKGROUND OF MONTGOMERY WARD CASE

Montgomery Ward & Co. <sup>yesterday</sup> filed with the clerk of the Supreme Court of the United States a petition for a writ of certiorari asking the Court to review a decision of the Circuit Court of Appeals for the Seventh Circuit at Chicago which required the company to produce certain payroll records as called for in a subpoena issued by the Wage and Hour Division, U. S. Department of Labor. This decision upheld the opinion of the United States District Court at Chicago that the Administrator has the right to require production of books and records of companies subject to the Wage and Hour Law.

The background of the case follows:

On April 12, 1939, after receiving a complaint against Montgomery Ward & Co., the Administrator of the Wage and Hour Division issued a subpoena duces tecum against the company directing them to produce records of wages paid and hours worked by their employees in the Kansas City establishment of the company. On April 21 counsel for the company appeared at the Chicago offices of the Wage and Hour Division, stated that the company refused to produce the records, and filed a motion to quash the subpoena on the grounds (a) that passage of the Fair Labor Standards Act was not a valid exercise of the power of Congress to regulate commerce between the States; (b) that the subpoena violated their rights under the Fifth Amendment to the Constitution in that it did not constitute due process of law; (c) that the subpoena also violated the Fourth Amendment to the Constitution in that it constituted an unreasonable search and seizure, prohibited in that Amendment.