

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

ALL BRANCH OFFICES OF FIRMS IN VIOLATION TO BE INVESTIGATED

Discovery of violations of the Wage and Hour Law in any of the branch establishments of an enterprise doing business on a national or regional scale immediately will be followed by inspections of all branch establishments of the firm found in violation.

Instructions have been sent to all regional offices to make this practice standard procedure, Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, made known today in announcing that during September \$84,565.30 in restitution of back wages had been obtained for employees of 16 firms with branches located about the nation.

"When a branch office or plant of a national corporation is in violation, our experience shows that other branches of the same corporation are likely to be in violation in the same way," Colonel Fleming said. "Sometimes this is because branch managers have been given the wrong instructions by the main office through a misunderstanding of the law. Sometimes we find violations in direct contradiction to orders given by the main office.

"Experience shows that it is not enough for the headquarters of a national firm to order its branch managers to obey the Wage and Hour Law. To be safe, the management should follow up these instructions and see that they are carried out.

"We find that some of these violations are caused by competition among branch managers to keep labor costs down. This tends to defeat fair labor standards just as cut-wage, cut-price competition tends to depress conditions in any highly competitive industry."

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