

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

\$10,000 RESTITUTION ORDERED PAID TO 75 LUMBER COMPANY WORKERS
"INDEPENDENT CONTRACTOR" DEVICE RULED OUT

Restitution of approximately \$10,000 to 75 employees of the Bemidji Wood Products Company, Bemidji, Minnesota, was provided for in a consent decree signed in U. S. District Court, Minneapolis, Minnesota, by Judge Matthew Joyce, according to word received here today by Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor.

The Bemidji Wood Products Company attempted to completely divorce itself from its employees by establishing so-called "independent contractors" to operate its camps in the woods, thus evading its responsibility as an employer under the Fair Labor Standards Act. The decree specified that these employees are in fact employees of the Bemidji firm, and enjoined further violations by the firm of the minimum wage, maximum hour, and record-keeping provisions of the Act.

"This case is important because it shows that the Wage and Hour Division will not countenance an attempt by an employer to evade his responsibility to his employees under the Act by any 'independent contractor' device," Colonel Fleming declared.

Some 12,000,000 board feet of lumber were on hand and would have been tied up as "hot goods" if the lumber company had not agreed to make restitution because any person found with "hot goods" in his possession -- goods produced in violation of the Act -- may be restrained from shipping these goods in interstate commerce.

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