

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

FEDERAL JUDGE HOLDS OIL WATCHMEN NECESSARY
TO INTERSTATE COMMERCE

The danger of attempting to compute additional pay for overtime for an employee covered by the Wage and Hour Law at a rate of "less than one half times the regular rate at which he is employed" as required by the statute, was pointed out today by General Philip B. Fleming, Administrator of the Wage and Hour Division following a decision rendered in an oil company case by Judge Eugene Rice in the U. S. District Court of Muskogee, Oklahoma.

The court ruled in this case that the regular wage is to be computed upon the basis of the wages actually received each week, divided by the number of hours worked each week.

The suit was brought by one Hubert Hargrave, agent for certain employees of the company, and the judgment was entered effective June 27, 1941.

In awarding back pay to several employees of the Mid-Continent Petroleum Corporation, and the Cosden Pipe Line Co., engaged as watchmen to guard the company's property, the court held that this work came within the coverage of the Fair Labor Standards Act as a type of work necessary to the production of goods for commerce. The Fair Labor Standards Act (Wage and Hour Law) applies to employees engaged in interstate commerce, or in the production of goods for interstate commerce.

The employees in question were paid more than time and a half for their overtime if computed upon the "30 cents" stipulated in the Law as minimum wages. But, the court pointed out, the watchmen were employed at more than the minimum rate and therefore the minimum was not the "regular rate" for the purpose of determining overtime compensation.

In addition to awarding restitution for the overtime actually earned the court ruled, as provided in the Act, that the employees affected are entitled to an equal sum as liquidated damages. Reasonable attorney's fees are also assessed against the defendant.