

For Immediate Release

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U. S. DEPARTMENT OF LABOR  
Wage and Hour and Public Contracts Divisions  
165 West 46th Street  
New York 19, N. Y.

*file*  
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Fines totaling \$6,000, with a jail term up to ten months until payment, meted out in Marquette, Michigan, today for violation of the Wage and Hour Law, were hailed by L. Metcalfe Walling of the U. S. Department of Labor, Administrator, as aiding enforcement all over the country.

Sid Sedgman, woods superintendent of the Newberry Lumber and Chemical Co., Newberry, Michigan, was fined \$1,000 and jailed until payment by U. S. District Judge Fred N. Raymond, and the company was fined \$5,000, following conviction for criminal contempt in continuing to violate the Wage and Hour Law despite a Federal court injunction.

"These sentences serve notice to the fringe of employers all over the country who continue to violate though the Act has been in force six and one-half years and thus compete unfairly with the majority of decent employers who pay the minimum of 40 cents an hour and time and one-half overtime after 40 hours a week," Mr. Walling said.

"In the past year, with our inspections covering only about one-tenth of the establishments under the Act -- those where we have most reason to believe violations exist -- we have found about \$15,000,000 in illegally withheld wages due nearly half a million workers. Even more surprising, in view of current wage levels, is the fact that one-fourth of these cases included failure to pay the statutory minimum wage of only 40 cents. Eight or nine out of ten of our inspections in such cases result in stopping violations which would otherwise have continued.

"Sedgman permitted women and children to work in the company's wood camps without keeping a record of their employment and did not pay workers time and one-half for hours worked over 40. He was found guilty of falsifying time records to show fewer hours than were actually worked."

The sentence followed an injunction obtained by Mr. Walling, May 10, 1944, requiring the firm to keep proper Wage and Hour records and to pay overtime. When investigation disclosed that the company and Sedgman continued to violate and disregarded the injunction, criminal contempt charges were brought.

A companion civil case against the company for an injunction against the employment of minors has been tried but not yet decided. Both cases were prosecuted by Joseph F. Deeb, U. S. Attorney, and by Charles A. Reynard and Frank R. Dittoe, attorneys for the U. S. Department of Labor.

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