



Commissioner Brad Avakian

Bureau of Labor and Industries

Press Release

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Employer Sentenced to 90 Days in Jail for Repeated Failure to Pay Wages

After pattern non-payment of wages, violating court orders and illegally operating a business, BOLI took action against a Eugene restaurateur, who was sentenced in court today.

Eugene, OR- Today, former Eugene restaurateur Morgan Sanchez was found in contempt of court and sentenced to 90 days in jail for violating a judgment and injunction which prohibit her from owning or operating a business or employing workers in Oregon. The Oregon Bureau of Labor and Industries (BOLI) pursued this action against her in Lane County circuit court because she has repeatedly neglected to pay her workers, and because she willfully violated a prior judgment and contempt order against her by illegally operating a Eugene-based restaurant in 2009.

Since 2002, Sanchez has owned five Oregon businesses -- all of which are now closed. During this time, BOLI received nine wage claims from former Sanchez employees who claimed she owed them back wages.

In 2005, as part of an initial judgment against her, Sanchez was legally enjoined from operating a business in Oregon until she posted an \$84,312.80 bond with BOLI. This amount represents a security payment against future potential wage claims by any of her employees. BOLI is authorized to require bonds of this nature to protect workers in cases where an employer has consistently and willfully not paid his or her employees.

"Morgan Sanchez is one of a few employers who has repeatedly shortchanged her workers and flouted the law," said State Labor Commissioner Brad Avakian. "While BOLI provides services to help honest businesses succeed and thrive, we are also dedicated to protecting workers and the state by prosecuting such egregious offenders. Today's judgment sends a strong message: BOLI will not tolerate the exploitation of our state's workers."

As part of the terms of this second contempt verdict against her, Sanchez was ordered to report immediately for a term of 90 days in jail, given two years of probation, and ordered to pay BOLI's legal fees. Moreover, all previous terms from the 2005 judgment still apply, including requiring Sanchez to post a security bond with BOLI before operating future businesses and owing a payment of \$2,816.50 to reimburse the state Wage Security Fund.

Today's hearing and verdict stem from Sanchez's 2009 operation of the Eugene restaurant Willamette Street Bar & Grill against the terms set out in the previous judgment and contempt

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order. At court, BOLI sought such severe sanctions because Sanchez has demonstrated a pattern of intentionally violating court orders after a long history of not paying her workers and evaded repaying the debts and fines she owes.

The Labor Commissioner is Oregon's top enforcement officer for labor and employment laws. BOLI's Wage and Hour Division encourages and enforces compliance with state laws relating to wages, hours, meal and rest periods and farm and child labor. Additionally, BOLI protects the rights of workers and citizens to equal, non-discriminatory treatment; promotes the development of a highly skilled, competitive workforce in Oregon through the apprenticeship program and partnerships with government, labor, business, and educational institutions; and advocates policies that balance the demands of the workplace and employers with the protection of workers and their families.

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