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Pueblo Must Pay 33 Employees \$240K in Back Wages and Damages After U.S. Dept. of Labor Wins Judgement Against Supermarket Chain

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The Pueblo Supermarket in Golden Rock, St. Croix. By. V.I. CONSORTIUM

The U.S. Department of Labor announced Monday that it has obtained a consent judgment that requires four U.S. Virgin Islands supermarkets, and their owner and former operations manager to pay 33 workers – including janitors, security guards and stock people – \$240,000 in back wages and liquidated damages after an investigation by the department's Wage and Hour Division found the employer denied them overtime wages.

Entered March 22, 2023, in the District Court of the Virgin Islands, the judgment orders World Fresh Market LLC – operating as Pueblo Supermarkets in St. Thomas and St. Croix – owner

Ahmad Alkhatib and former operations manager Steven Bockino to pay the affected employees \$120,000 in back wages and an equal amount in liquidated damages, the U.S. Dept. of Labor announced.

The judgment also requires the employers to comply with federal minimum wage, overtime and record-keeping requirements as well as not take any retaliatory action against any employee.

In 2010, the division found Pueblo Supermarkets' pay practices violated the [Fair Labor Standards Act](#). At the conclusion of the investigation, the employer agreed to correct its practices and abide by the law.

The division's latest investigation identified violations of the FLSA's overtime and record-keeping requirements by Pueblo Supermarkets. Specifically, they found the employer:

- Improperly characterized [employees as "managers," exempt from FLSA coverage](#), and paid them flat rates, without the required premium for overtime hours worked.
- Failed to maintain required payroll records for multiple employees, including those improperly characterized as "managers."
- Permitted at least one employee to work off the clock, causing overtime violations.
- Failed to keep accurate records of some employees' work hours, hourly pay and overtime rates.

In addition to requiring payment of back wages and damages, the court enforced the department's assessment of \$10,000 in civil money penalties for the willful nature of Pueblo Supermarkets' latest violations.

"When employers like Pueblo Supermarkets ignore the law, they deny workers the hard-earned wages they need to support their families," said Wage and Hour Division District Director Jose Vazquez-Fernandez in Guaynabo, Puerto Rico. "Employers who wrongly believe they can disregard the law ignore the reality that they will face significant consequences when their illegal actions are discovered. Grocery industry workers are among the lowest paid in the Virgin Islands and across the U.S. The U.S. Department of Labor remains committed to making sure these valuable and vulnerable workers receive the wages they earn."

[View the consent judgment.](#) [View the complaint.](#)

"The U.S. Department of Labor will use all available enforcement tools at its disposal, including litigation, when employers wrongly characterize employees as "managers" and fail to pay them overtime as required by the Fair Labor Standards Act," said Regional Solicitor of Labor Jeffrey S. Rogoff in New York. "The resolution of this case shows grocers and other employers that not complying with federal wage law can lead to legal action with costly consequences."

The division's Caribbean District Office in Guaynabo, Puerto Rico, conducted the investigation. Senior Trial attorney David J. Rutenberg of the department's Office of the Solicitor in New York litigated the case.

The FLSA requires that most employees in the U.S. be paid at least the [federal minimum wage](#) for all hours worked and [overtime pay](#) at not less than time and one-half the required rate of pay for all hours worked over 40 in a workweek, the U.S. Dept. of Labor said.

[Learn more about the Wage and Hour Division](#), including a [search tool](#) to use if you think you may be owed back wages collected by the division. Employers and workers can call the division confidentially with questions regardless of where they are from.

The department can speak with callers confidentially in more than 200 languages through the agency's toll-free helpline at 866-4US-WAGE (487-9243). Download the agency's new [Timesheet App](#) for i-OS and Android devices – also available in Spanish - to ensure hours and pay are accurate.

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