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FOR IMMEDIATE RELEASE

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TRENTON – As part of its ongoing strategic enforcement initiative focused on the retail, coin-operated laundromat industry, the New Jersey Department of Labor and Workforce Development (NJDOL) has reached an enhanced compliance agreement with a Passaic County commercial laundromat after investigators found the business had committed numerous wage and hour, earned sick leave, and employee misclassification violations.

The enhanced compliance agreement is significant because it affects more than 220 employees and ensures longer-term compliance by the business, Brite Services, Inc. of Paterson, with New Jersey's Wage and Hour laws.

NJDOL's Wage and Hour Division identified more than 40 misclassified employees working at Brite Services, which does business with hotels in New Jersey and New York and operates under the trade name Star Laundry. The company was found to have failed to pay minimum wage and overtime, kept incomplete records, failed to pay employees on time, and neglected to provide notice of accumulated earned sick leave to employees.

About half the wages due to workers from this case – totaling \$85,000 – resulted from the misclassification of employees as exempt from overtime pay. The workers, wrongly classified as managers and denied overtime, consisted of drivers, helpers, washers, and office staff.

"Our investigations continue to show that misclassification of laundromat workers is widespread," said Labor Commissioner Robert Asaro-Angelo. "Our department is committed to ensuring employees are paid the wages and benefits they have lawfully earned, and that all employers comply with the law. Violations of wage and hours laws are preventable if employers and employees understand their responsibilities and rights."

As part of the agreement, Brite Services will pay back wages, damages, penalties, and fees totaling \$209,175.20, which includes a previously docketed judgement of \$6,626. It also agreed to enhanced compliance provisions, including:

- Brite Services will advise every employee for whom it is claiming an overtime exemption of their status but acknowledge that the employees' actual duties and time spent doing them determines their overtime exempt status.
- The company must submit time and payroll records to an independent auditor through December, which will notify Wage and Hour of any issues.

The compliance agreement will be canceled if Brite Services fails to meet any of the requirements.

In the first round of this initiative, the Wage and Hour Division found that 80 percent of the retail laundromats investigated were not in compliance with the Earned Sick Leave law requirements. This impacted more than 130 employees and resulted in employers being assessed significant penalties and fees.

Thus far, strategic enforcement initiatives have focused on the laundromat and drywall industries – trades with a history of non-compliance with existing laws and those whose employees are less likely to file complaints with the department. This approach augments the NJDOL's existing complaint-driven enforcement actions.

NJDOL remains committed to working with the laundromat industry to enforce business practices that ensure compliance with state law for all employees. It is vital that all employers review state and federal overtime laws, so they understand how to properly claim exemptions.

To claim an overtime exemption, an employer must demonstrate that the worker makes the minimum required weekly salary and performs specific job duties as described in the Fair Labor Standards Act, according to [New Jersey state Wage and Hour](#) laws and regulations and the [Fair Labor Standards Act](#), Code of Federal Regulations (CFR) 541. If these requirements are not met, a worker cannot be exempted from overtime and must be paid time and a half for work they perform over 40 hours/week.

For more information on federal overtime regulations, please visit <https://www.dol.gov/>.

For more information on New Jersey's wage and hour laws, please visit myworkrights.nj.gov.

Any business or organization that would like to engage with NJDOL to ensure they maintain a lawful work environment is encouraged to email wagehour@dol.nj.gov.

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