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/ NJ Department of Labor and Attorney General Announce \$457,500 Settlement with Janitorial Services Companies in Paycheck-Splitting Scheme That Deprived Workers of Overtime and Pay for Work Travel

NJ Department of Labor and Attorney General Announce \$457,500 Settlement with Janitorial Services Companies in Paycheck-Splitting Scheme That Deprived Workers of Overtime and Pay for Work Travel

FOR IMMEDIATE RELEASE

July 16, 2026

TRENTON – The New Jersey Department of Labor and Workforce Development (NJDOL), in partnership with the New Jersey Office of the Attorney General (OAG), announced a settlement with Affordable Quality Cleaning LLC (AQC) and Affordable Quality Property Management Corp. (AQPM). The owner of both janitorial companies allegedly devised a paycheck-splitting scheme to avoid paying workers their legally mandated time-and-a-half overtime during weeks when they worked more than 40 hours. The settlement also addresses the companies’ failure to pay workers for the time they spent traveling between job sites, in addition to several other violations of New Jersey wage and hour laws.

AQC and AQPM have agreed to pay a total of \$457,500 to resolve the unpaid wages, including \$357,500 in unpaid overtime and unpaid work time spent traveling for 68 employees of the janitorial companies. Additionally, AQC and AQPM must pay \$100,000 in fines and penalties to the NJDOL.

“New Jersey law is crystal clear: workers must be paid for the work they perform,” **said Acting Labor Commissioner Kevin D. Jarvis**. “This settlement puts money back into the pockets of the 68 workers who have earned it — where it belonged from day one. We’ll continue to protect the dignity of Garden State workers and their right to fair compensation by ensuring businesses that operate in New Jersey comply with our state’s labor laws.”

“When companies take advantage of their workers by failing to properly pay them, they directly contribute to the affordability crisis facing hardworking New Jerseyans. So, we will use every tool at our disposal to protect workers and ensure that they are compensated for the time they spend working,” **said Attorney General Jennifer Davenport**. “We are proud to enforce our state’s labor laws, and we will continue to work with the Department of Labor and Workforce Development to return money to the pockets of our state’s workers.”

AQC is a company that provides janitorial services for residential and commercial properties. NJDOL began investigating AQC after receiving complaints that the company was not paying overtime to some of its employees. The investigation uncovered that AQC employees were receiving paychecks from two related companies, AQC and AQPM. The two companies had a common owner and shared clients, an office location, and dozens of employees, including management. By splitting employees’ hours between two paychecks, AQC and AQPM unlawfully avoided paying employees at the overtime premium rate when their total hours worked across the two companies exceeded 40 hours in a week.

For example, a worker who performed 50 hours of cleaning services in one week might receive two 25-hour paychecks from the separate companies — avoiding the overtime premium required for the 10 hours over 40. Dozens of workers experienced this wage theft over multiple pay periods.

NJDOL’s investigation also revealed that AQC and AQPM did not pay employees for the time they spent traveling between cleaning sites during the workday. New Jersey law requires employers to pay employees under certain circumstances for their time spent traveling between job sites during the workday.

AQC and AQPM disputed the investigatory findings of NJDOL’s Division of Wage and Hour Compliance, and the case was transmitted to the New Jersey Office of Administrative Law. On March 4, 2026, an Administrative Law Judge granted a partial summary decision in favor of NJDOL, ruling that the Department had successfully proven several of its claims.

Specifically, the OAL ruled that NJDOL had established that AQC and AQPM had engaged in an unlawful paycheck-splitting scheme to avoid paying their employees overtime, and that the companies failed to comply with recordkeeping requirements under state law.

The OAL also ruled that the companies were acting as “joint employers.” Multiple employers can be responsible for paying an employee’s wages as joint employers in certain situations, including when both employers exert significant control over the employee and when one employer controls, is controlled by, or is under common control with, the other employer.

On July 6, 2026, NJDOL, AQC, and AQPM executed a settlement agreement that requires AQC and AQPM to pay \$357,500 directly to their workers who were denied overtime and travel time compensation.

Additionally, AQC and AQPM must pay \$100,000 in fines and penalties to NJDOL. AQC and AQPM further agreed to compensate employees for the time they spend traveling between cleaning sites going forward and to maintain time and payroll records as required by law.

NJDOL was represented in this matter by the OAG’s Division of Law, including Deputy Attorneys General Marcus Mitchell and Geoffrey McGee, under the supervision of former Labor Enforcement Section Chief Eve E. Weissman, Special Assistant Pavithra Angara, Assistant Attorney General Mayur P. Saxena, and Deputy Director Sara M. Gregory.

Learn more about New Jersey’s wage and hour laws at [MyWorkRights.nj.gov](#).

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