

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



In the Matter of Clean Team Janitorial
Service, Inc.

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Clean Team Janitorial Service, Inc. (“Clean Team” or “Company”) (together, the “Parties”), hereby enter into this Settlement Agreement, and agree as follows:

I. THE PARTIES

1. The Attorney General for the District of Columbia is the chief legal officer for the District of Columbia. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest.

2. Clean Team Janitorial Service, Inc. is a District corporation that operates at 700 12th Street, NW, Suite 700, Washington, DC, 20005.

II. COVERED CONDUCT

3. The District investigated the Company’s compliance with the Wage Payment and Collection Law (“WPCL”), D.C. Code § 32-1301, *et seq.*, and the Minimum Wage Revision Act (“MWRA”), D.C. Code § 32-1001, *et seq.*, including payment of wages required by both District and federal law from January 1, 2020 through the present.

4. The District alleges that from January 1, 2020 through the present, the Company performed subcontracting work for DC Water and routinely failed to pay its employees wages and health and welfare benefits owed under the Service Contract Act (SCA), 41 U.S.C. § 351, *et seq.* Because the District’s Wage Payment and Collection Law requires the payment of “all wages,” including “remuneration ... owed ... under federal law,” D.C. Code §§ 32-1301(3), 32-1302, the Company’s failure to pay SCA wages and health and welfare benefits violated District law as well, the District alleges. The District alleges that, rather than paying the higher wages and health and welfare benefits guaranteed under the SCA, the Company instead paid wages based on DC minimum wage. The District further alleges that beginning in July 2023, when the District’s minimum wage became greater than the relevant SCA wage rate, the Company failed to pay its workers the minimum wage, in violation of the District’s Minimum Wage Revision Act, D.C. Code § 32-1001, *et seq.*

5. The Company denies the District’s allegations. Nothing contained in this Settlement Agreement is or may be construed to be an admission by the Company of any violation of law or regulation, any other matter of fact or law, or any liability or wrongdoing.

III. DEFINITIONS

6. “**Effective Date**” shall be the date this Settlement Agreement is fully executed by all parties.

7. “**Eligible Employee**” is an employee listed in Appendix A to this Settlement Agreement.

IV. INJUNCTIVE TERMS

8. **Compliance with District Law.** The Company agrees to comply with the MWRA and WPCL.

9. **Reporting.** The Company shall submit an Annual Report to the District for a two-year period following the Effective Date that identifies all workers who performed work for the Company in the District of Columbia during the preceding year for DC Water, providing copies of their pay records for the covered period, and including a signed certification from a corporate representative attesting to compliance with the MWRA and WPCL. The Company shall submit this first report to the District pursuant to Paragraph 18 of this Agreement no later than thirteen calendar months after the Effective Date and its second report to the District no later than twenty-five calendar months after the Effective Date.

10. **Corrective Action.** If the Company becomes aware, through an audit or other source, that it is in violation of the MWRA and WPCL, the Company shall take action to correct any confirmed violations within fourteen (14) business days to ensure it comes into compliance, and the Company shall pay restitution, if any, to any affected worker to remedy the violation.

V. PAYMENT TERMS

11. **Payments to Eligible Employees.** The Company shall make payments totaling **\$220,561.35** directly to Eligible Employees as set forth in Appendix A (those listed on Appendix A are hereinafter referred to as the “Eligible Employees”) via either direct deposit or check, as the Company deems appropriate in its sole discretion. The Company shall pay the Base Damages amount subject to all applicable withholding taxes, but the Company shall not take withholdings from the amount in the Liquidated Damages column. The Company shall be responsible for distribution of these payments and will manage the distribution as follows:

- a. *Distribution of Notice and Release of Claims Form.* Within 14 days after the Effective Date, the Company shall send electronically or provide in hard copy form to all Eligible Employees a Notice and Release of Claims Form (the “Notice/Release Form”) attached as Appendix B in both English and Spanish. For any Eligible Employee for which the Company does not have evidence that the Eligible Employee received the electronic communication or received the hard

copy distribution of the Notice/Release Form , the Company shall make at least two (2) attempts to contact those Eligible Employees by phone, text, or email and provide them with the Notice/Release Form within 14 days after the Effective Date.. The Notice/Release Form provides Eligible Employees with a summary of this settlement and provides Eligible Employees an opportunity to opt in or opt out of receiving a payment under this Settlement Agreement in exchange for agreeing to release the Company and all Company Released Parties (as defined below) from claims the Eligible Employee may have arising out of the WPCL and MWRA. Eligible Employees shall have 14 days from the date of receiving the Notice/Release Form to opt in or out of receiving a payment under this Settlement Agreement. The last day upon which an Eligible Employee is permitted to submit the Notice/Release Form is hereinafter referred to as the “Claims Deadline.”

- b. *Distribution of payments.* Within 30 days after the Claims Deadline, the Company will distribute payments by check or direct deposit to each Eligible Employee who has executed a Notice/Release Form.
- c. *Records and Reporting.* The Company shall maintain a “Claims Ledger” that documents (a) Eligible Employee contact information and contact attempts made by the Company, (b) whether Eligible Employees have opted in or opted out of receiving payments, and (c) payments made to and cashed by Eligible Employees. Within 60 days after the Claims Deadline, the Company will produce the Claims Ledger to the District and copies of executed Notice/Release Forms.
- d. *Eligible Employees Who Opt-Out of the Notice/Release Form.* For all Eligible Employees who affirmatively opt out of receiving payments, the Company’s obligation to pay the amount listed in Paragraph 11 of this Agreement shall be reduced by the Eligible Employee’s amount due as set out in Appendix A (such amounts shall also not be considered “Undistributed Funds” as defined in Paragraph 11(e)). The Company shall provide the District with records documenting Eligible Employees’ decision to opt out of receiving payments within 60 days of the Claims Deadline.
- e. *Undistributed Funds.* The term “Undistributed Funds” refers to any amounts either (i) due to Eligible Employees who do not opt in or out to receiving a payment or (ii) are not cashed by an Eligible Employee within 90 days of the date of payment. The Company shall notify the District of the amount of Undistributed Funds by no later than 150 days after the Claims Deadline. The Company shall then make a payment to the District in the amount of the Undistributed Funds without any tax withholdings by no later than 150 days after the Claims Deadline.

12. **Payment to the District.** In addition to the payments described in Paragraph 11, the Company shall also pay **\$40,000** to the District without any tax withholdings as a civil penalty

within forty-five (45) days of the Effective Date.

13. All payments to the District shall be made by cashier's check made payable to "D.C. Treasurer" and delivered to Conny Tello, Office of Attorney General for the District of Columbia, 400 6th Street NW, 10th Floor, Washington, DC 20001, unless another method of payment is specified by the District.

VI. RELEASE

14. In exchange for the performance of the Company's obligations under this Settlement Agreement, and upon payment of all amounts due under this Agreement, the District hereby releases and forever discharges the Company and any of Company's agents, directors, officers, members, owners, trustees, fiduciaries, shareholders, partners, managers, current and former employees, and representatives (collectively, the "**Company Released Parties**") from any and all civil claims that the District could have asserted under the WPCL and MWRA relating to the Covered Conduct (see Section II of this Settlement Agreement) through the Effective Date of this Settlement Agreement. Similarly, the Company hereby releases the District of any claims concerning the Covered Conduct through the Effective Date of this Settlement Agreement.

VII. ADDITIONAL TERMS

15. This Settlement Agreement shall be considered effective and fully executed on the Effective Date. This Settlement Agreement may be executed in counterparts, and a facsimile, DocuSign, or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature. Copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

16. The Company shall not knowingly permit third parties authorized by the Company to act on its behalf to engage in practices that would be violative of this Settlement Agreement.

17. This Settlement Agreement represents the full and complete terms of the settlement entered by the Parties. In any action undertaken by the Parties, neither prior versions of this Settlement Agreement nor prior versions of any of its terms may be introduced for any purpose whatsoever.

18. All notices sent pursuant to this Settlement Agreement shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

Graham Lake
Chief, Workers' Rights and Antifraud Section
Office of the Attorney General
400 6th St., NW, 10th Floor
Washington, D.C. 20001
Graham.Lake@dc.gov

Counsel for the District of Columbia

John Rodgers
Bradley Arant Boult Cummings LLP
Roundabout Plaza, 1600 Division Street, Suite 700
Nashville, TN 37203
JRodgers@bradley.com

Counsel for Clean Team

19. Any failure by any party to this Settlement Agreement to insist upon the strict performance by any other party of any of the provisions of this Settlement Agreement shall not be deemed a waiver of any of the provisions of this Settlement Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Settlement Agreement.

20. If any clause, provision, or section of this Settlement Agreement shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability

shall not affect any other clause, provision, or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

21. Nothing in this Settlement Agreement shall be construed as relieving the Company of the obligation to comply with all state and federal laws, regulations, or rules, nor shall any of the provisions of this Settlement Agreement be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

22. The Company shall provide a copy of this Settlement Agreement to any of its current and future principals, officers, directors, and managers having decision-making authority with respect to the subject matter of this Settlement Agreement.

23. The Company shall not form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited in this Settlement Agreement.

BRIAN L. SCHWALB
Attorney General for the District of Columbia

James Graham Lake
Graham Lake
Chief, Workers' Rights and Antifraud Section
Office of the Attorney General
400 6th St., NW, 10th Floor
Washington, D.C. 20001

Date: 1/5/2024

Counsel for the District of Columbia

E. A.
Clean Team Signatory

Date: 1/5/24