Owner of sushi restaurant in Philadelphia stole $1 million from over 200 workers

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The owner of Osaka Japan, a sushi restaurant located in Philadelphia, Pennsylvania, stole almost $1 million in compensation from 201 workers. Four years after the Department of Labor (DOL) settled the case in court, workers still have not received the stolen wages and more than likely never will.

In a six-year timespan beginning in 2013, Kwang Bum Kim pocketed 15 percent of every tip handed out to servers. As one of the most exploited sections of the working class, waiters and waitresses rely on a gratuity form of payment to offset poverty level hourly wages of only a few dollars.

Kim also denied workers overtime wages. In a perfect example of cooking the books, Kim fabricated the amount of hours his employees worked, keeping them on paper to 40 or less a week. While sushi chefs, cooks, bussers and dishwashers routinely labored 60 or more hours per week, Kim paid them a flat rate of between $80-150 per day.

The city of Philadelphia and the state Department of Revenue are owed $400,000 from Kim in unpaid business taxes, according to government officials. In 2019 the city shut down one of Kim's restaurants for failing to pay taxes.

Department of Labor spokesperson Lenore Uddyback-Fortson said the agency "has made significant efforts to collect this judgment," including liens on property. The 77-year-old has a house in Blue Bell, in a wealthy suburb of Philadelphia "known for its large executive-style mansions, major business parks, community shopping facilities, and small businesses."

Under Pennsylvania law, the DOL lacks the authority to seize Kim's mansion since the property is also under his wife's name. Gabriel Stoler, a former worker at the restaurant, who is owed $34,000 in stolen wages, told the *Philadelphia Inquirer*, "I feel like Mr. Kim is gonna get away with it."

Theft of unpaid wages is big business for capitalists across the United States, amounting to a staggering $50 billion, according to a study conducted several years ago by the Economic Policy Institute.

A recent study on wage theft by CBS News confirms the theft of billions of dollars in wages from workers across the United States. Their investigation found that in the overwhelming majority of cases the owners get away with breaking the law and workers are left without recourse.

CBS investigated records from nearly every state department of labor across the country. Of the 650,000 cases they studied, only about half ruled in favor of workers. Within this half, a third of cases resulted in no money collected for workers, for losses amounting to billions of dollars in pay. Only one-third of wage theft cases handled by state agencies resulted in any kind of monetary recovery for workers.

Oscar Torres is a perfect example of the rampant problem of wage theft. He has successfully filed unpaid wage claims against four different companies in Texas, with the Texas Workforce Commission finding in his favor each time. However, in each case the companies owing him money "just disappear," Torres told CBS, and the state cannot recover the money on his behalf.

Now he has "fallen behind on rent … [and] had to cut back on food expenses.' He said, "It limits the ability to go out or even pay rent or gas to be able to go to another job to get the income that I need."

California had the longest wait time of any state between the filing of claims for lost wages and resolution. On average, it took 439 days for a case to be brought to court and less than half of cases resulted in a favorable result.

Many more cases of wage theft are never reported by

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workers for fear of being fired or reprimanded, or victims are simply ignored by the court system. In states like Alabama and Florida, for instance, a state body to process and handle filings for wage theft cases does not exist.

For migrant workers or immigrants attempting to file wage theft claims, the threat of deportation hangs over their heads and those of their families. “Aside from non-payment, [my boss] intimidated us, calling immigration, wanting us to be sent back to Guatemala,” Perez Gonzalez, a worker in Miami, Florida, told CBS.

Shelly Rusicka, development director for Arise Chicago, a local non-profit helping victims of wage theft file lawsuits, told CBS, “Sadly, it’s people who have the least political power. If you're poor, you might have to work three jobs and you don’t have time to do anything else, basically, besides work and try and take care of your family the best you can. If you don’t speak the language, you might be afraid to go and talk to the government.”

In the US legal system, wage theft is rarely seen as a crime equivalent to stealing money from a cash register, or a wallet or purse from someone walking down the street. Owners are not usually prosecuted for theft and can use bankruptcy laws to avoid making payment to their victims.

Jose Urine, another employee at Arise Chicago, told CBS, 'When we’re talking about wage theft, this is largely considered a statutory violation. And for whatever reason, it does receive completely different treatment than if, say, you accosted someone on the street and took their wallet. And the truth is that in almost all aspects, it’s the exact same. The primary difference is that it’s more insidious, right? Because here you have an employer-employee relationship, you have an imbalance of power.”

Though laws in the state of Illinois, for instance, can charge employers with a misdemeanor or a low-level felony for repeat offenders, CBS only uncovered one prosecution since 2010.

The failure of state DOLs to protect workers and ensure full recovery for lost wages is yet another example of legal institutions under capitalism serving the wealthy. For owners, the theft of workers’ wages is simply part of doing business. Most owners violating the law will face little to no consequences.

The DOL, whether on the federal or state level, is no more on the side of workers than other agencies ostensibly created to protect workers from dangerous conditions at work, such as OSHA. As a recent example, last year two brothers were killed after an explosion at a BP facility in Ohio. OSHA fined the multibillion-dollar transnational corporation a mere $156,250 for safety violations that led to the men’s deaths.

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