



U.S. DEPARTMENT OF LABOR

News Release

LONG ISLAND HOTEL MANAGEMENT COMPANIES TO PAY \$210,000 IN WAGES, PENALTIES AFTER US DEPARTMENT OF LABOR FINDS H-2B GUEST WORKER PROGRAM VIOLATIONS

Dune Resorts LLC, Ocean Bay Management Inc. actions short-changed both US and guest workers

NEW YORK – Employees of two commonly owned and operated East Hampton, New York, hotel management companies found their work was no vacation when their employers – Dune Resorts LLC and Ocean Bay Management Inc. – violated several requirements of the H-2B Visa program, resulting in direct job losses to 39 U.S. workers and underpayments to 59 H-2B employees.

As the result of an investigation by the U.S. Department of Labor’s Wage and Hour Division, Dune Resorts and Ocean Bay Management will pay \$210,000 in back wages and civil money penalties and agree to enhanced compliance terms to resolve current violations and deter future violations. Dune Resorts is also barred from participating in the H-2B Visa program for two years.

The division determined that Dune Resorts neglected to contact U.S. workers from the prior season to solicit them to return to work and omitted critical benefits from required job recruitment ads, in violation of program requirements. These violations resulted in a sharp drop in the overall number of U.S. workers employed by Dune Resorts. Investigators identified 38 former U.S. workers who lost their jobs.

The investigation also found that both Dune Resorts and Ocean Bay Management:

- Required H-2B workers to work outside their approved job classifications and perform work that should have been paid at a higher rate of pay.
- Failed to pay H-2B workers for subsistence costs while traveling to and from their home country.
- Failed to disclose the deduction of housing costs from wages to H-2B workers in advance.

It also determined that Ocean Bay Management paid H-2B housekeepers less than the offered wage rate.

Under the settlement approved by the department’s Office of Administrative Law Judges, Dune Resorts will pay \$121,567 in back wages to employees and \$32,454 in civil money penalties to the U.S. Department of Labor while Ocean Bay Management will pay \$23,523 in back wages and \$32,454 in penalties. They will also hire a third-party contractor to assist them in complying with the H-2B regulations, including training for owners and managers.

“The failure by these employers to follow the rules short-changed both U.S. and guest workers, denying job opportunities for the former and proper compensation for the latter,” said Wage and Hour Division District Director David An in Westbury, NY. “Such violations are preventable. We encourage employers and employees with questions about the H-2B process to contact the Wage and Hour Division.”

“Employers who flout the rules of the H-2B program not only harm workers, they also gain an unfair economic advantage over law-abiding employers. The U.S. Department of Labor will actively litigate such cases to achieve resolutions that ensure that applicants and workers are properly recruited and prevent future violations,” said regional Solicitor of Labor Jeffrey Rogoff in New York.

The division’s Long Island District Office conducted the original investigation. Trial Attorneys Hollis Pfitsch and Peter Kellett of the New York Regional Office of the Solicitor litigated the case for the department.

Workers can call the Wage and Hour Division confidentially with questions – regardless of their immigration status – and the department can speak with callers in more than 200 languages.

For more information about H-2B visa program, the FLSA and other laws enforced by the division, contact the agency’s toll-free helpline at 866-4US-WAGE (487-9243). Learn more about the [Wage and Hour Division](#), and use its [search tool](#) if you think you may be owed back wages collected by the division.

Read the release en [Español](#)

Administrator, Wage and Hour Division, U.S. Department of Labor v. Ocean Bay Management Inc. and Dune Resorts LLC, d/b/a Dune Resorts.

Case Nos. 2020-TNE-00051, 2020-TNE-00052

Agency: Wage and Hour Division

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