

# Happy Lamb Hot Pot workers welcome wage complaint settlement

By Sarah Wu Globe Correspondent, July 9, 2019, 2 hours ago



The Happy Lamb Hot Pot location in Central Square (MATTHEW J. LEE/GLOBE STAFF)

In what advocates say is a happy resolution to a problem that workers are often too fearful to report, 14 former employees of Happy Lamb Hot Pot, which has locations in Central Square and Chinatown, recently reached a settlement of wage theft claims with the restaurant.

The employees alleged in October 2018 that management, among other things, stole tips, did not pay minimum wage or overtime, and retaliated against workers who complained.

“Defendants willfully, flagrantly, and routinely violated federal and state wage and hour laws,” the lawsuit claimed.

The plaintiffs sought approximately \$883,000 in owed wages and damages, according to court documents. The settlement amount was confidential, but Bethany Li, the plaintiffs’ attorney, said the plaintiffs were “very satisfied.” The case was dismissed this week.

The defendants, who also included four restaurant managers, denied the allegations in a filing with US District Court in Massachusetts in November 2018. “Defendants pay their employees properly and have not violated any wage or tip laws,” the filing said. Their lawyers did not return calls or e-mails.

Wage theft, the denial of wages or benefits rightfully owed an employee, is a persistent problem in Massachusetts, particularly in the hospitality industry, experts say.

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The attorney general's office receives about 6,000 complaints a year, and the hospitality industry, which includes restaurants, accounts for a large portion of those complaints, the attorney general's office said.

But that's just the "the tip of the iceberg," said John Drinkwater, legislative director of the union organization Massachusetts AFL-CIO.

"The problem of wage theft is largely one that remains under the surface because so many cases go unreported, unresolved, or take years to reach a resolution. All the while, workers are unable to pay their bills or make ends meet," Drinkwater said.

The AFL-CIO estimates that \$700 million is stolen in wage theft in Massachusetts each year. The attorney general's office, which has a Fair Labor Division that enforces wage and hour violations, assessed only \$9.6 million in restitution and penalties in fiscal year 2018.

Steve Clark, director of government affairs at the Massachusetts Restaurant Association, said, "The vast majority of operators are doing the right thing and are trying to build careers for their employees."

"When you think about the restaurant industry as a whole in Massachusetts, there's 15,000 eating and drinking locations, and 300,000 employees. Of course, there's bound to be a few bad operators," Clark added. "One wage theft claim is one too many."

The attorney general's office welcomes reports of wage theft from all people, regardless of their citizenship status.

But both Drinkwater and the attorney general's office said community groups have reported that immigrant workers are more afraid to step forward in recent years due to

the national political climate. They've also heard reports that employers are more likely to threaten to report undocumented immigrants to authorities, if they complain about labor practices.

Karen Chen, executive director of the Chinese Progressive Association, described the Happy Lamb employees' complaints as "a typical case."

"The difference is that workers were willing to come forward and stand up to assert their rights," Chen said. "Given that the atmosphere for immigrants is not great, it gives people even more fear to speak out."

Chen's organization and Greater Boston Legal Services host legal clinics where workers can learn their rights and obtain legal representation — and they helped the plaintiffs in this case. The 14 plaintiffs included Chinese, Latino, and Thai workers.

Chen said that in Chinese restaurants, illegally distributing tips that belong to wait staff to other restaurant staff is a common practice.

In the complaint, tipped employees alleged that most of their wages were paid in cash out of a tip pool maintained by two managers, who illegally diverted parts of the pool to themselves and to ineligible kitchen staff, which included their family members.

The plaintiffs also alleged unsafe working conditions, citing burns and skin injuries that some plaintiffs suffered as a result of the harsh chemicals used in dishwashing.

One plaintiff complained that he was threatened with a kitchen knife and slapped in the face.

Li, who represented the plaintiffs and directs the Asian Outreach Unit at Greater Boston Legal Services, said that given the "anti-immigrant political climate," it is even more

important that workers know their rights.

“Wage theft violations are rampant in low-wage worker industries,” Li said. “A lot of workers can feel like there’s no point and they’re scared. It’s incredible that, in this current climate, workers are willing to assert their rights to work in an environment that’s fair and safe.”

Happy Lamb’s Central Square location opened in early 2016, and the Chinatown location in late 2018. Nine employees sued the restaurants in October 2018, and five more joined the case in a supplemental complaint filed in March 2019. The restaurant plans to open a third location in Allston.

Northeast regional manager Kong Wai “William” Cheung told The Boston Globe in 2016 that Happy Lamb Hot Pot is affiliated with Little Sheep, a global restaurant chain founded in Mongolia that has more than 300 locations worldwide, including over 30 restaurants in Canada and the United States.

One of the chain’s restaurants, in Flushing, N.Y., also settled a similar case earlier this year, according to court documents.

The workers at Happy Lamb got support from local elected officials during their monthslong legal battle. Several attended a February rally outside Happy Lamb’s Central Square location, the Cambridge Day reported.

Three Boston city councilors wrote to the restaurant managers in February, noting Boston Mayor Martin J. Walsh’s anti-wage theft executive order, signed in 2014, which enables the Boston Licensing Board to modify, suspend, or revoke a current or potential license based on labor law violations.

“Wage theft affects some of the most vulnerable residents in our city, including immigrants and restaurant workers,” they wrote. “Oftentimes unscrupulous employers take advantage of these vulnerable workers by violating their rights and denying their rightful pay, knowing that these workers may be too intimidated or the lack resources to speak out.”

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