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FEE EXEMPT PER GOV. CODE § 6103

8  
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF ORANGE  
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12  
13 **THE PEOPLE OF THE STATE OF**  
**CALIFORNIA,**  
14  
**PLAINTIFF,**  
15  
**v.**  
16  
**ONE SOURCE FACILITY SOLUTION,**  
**INC., A CORPORATION, DILIP R. JOSHI,**  
17 **AN INDIVIDUAL, AND DOES 1**  
**THROUGH 20, INCLUSIVE,**  
18  
19  
**DEFENDANTS.**  
20  
21  
22

Case No.

**COMPLAINT FOR RESTITUTION,  
CIVIL PENALTIES, INJUNCTION, AND  
OTHER EQUITABLE RELIEF**

**(Business & Professions Code Section  
17200, et seq.)**

23 Plaintiff, the People of the State of California, by and through Xavier Becerra, Attorney  
24 General of the State of California, is informed and believes, and on such information and belief  
25 alleges:

26 **INTRODUCTION**

27 1. This action is brought by Plaintiff, the People of the State of California, ex rel. Xavier  
28 Becerra, as Attorney General of the State of California (“the People”), against Defendants One

1 Source Facility Solution, Inc. (“One Source”) and Dilip R. Joshi (“Joshi”) in order to stop One  
2 Source and Joshi from continuing to engage in unfair competition and to remedy their past  
3 violations. Under contract with a company called USM, Inc., One Source and Joshi have provided  
4 and continue to provide janitorial services to a variety of retail establishments including a number  
5 of Ross Dress-for-Less, dd’s Discount, JoAnn’s Fabrics, Burlington Coat Factory, and Toys R Us  
6 stores. Many janitors who work for One Source and Joshi have not received and do not receive  
7 the state-mandated minimum wage for all of the hours they work, and do not receive itemized  
8 wage statements that reflect all of their wages and hours worked. One Source and Joshi have also  
9 failed to keep accurate records of the wages paid to and hours worked by their employees; failed  
10 to withhold, report, and remit required payroll taxes; and failed to provide accurate payroll  
11 information to their workers’ compensation insurance carrier. This pattern of unlawful conduct  
12 shortchanges employees, provides an unfair competitive advantage over law-abiding janitorial  
13 firms, and harms California taxpayers.

14 **PARTIES**

15 2. Plaintiff Xavier Becerra is the Attorney General of the State of California and is the  
16 chief law officer of the State. (Cal. Const., art. V, § 13.) The Attorney General is empowered by  
17 the California Constitution to take whatever action is necessary to ensure that the laws of the  
18 State are uniformly and adequately enforced. He is statutorily authorized to bring actions in the  
19 name of the People of the State of California to enforce California’s statutes governing unfair  
20 competition. (Bus. & Prof. Code § 17204.)

21 3. Defendant One Source is a California corporation headquartered at 3160 E. La Palma  
22 Avenue, Suite D, in Anaheim, California in the County of Orange, and at all times relevant herein  
23 was doing business in the County of Orange. One Source provides janitorial services and has  
24 employed no less than 150 janitors during the relevant time period.

25 4. Defendant Joshi is a stockholder and the Chief Executive Officer of One Source, and  
26 directed, facilitated, and/or personally performed the unlawful acts alleged below. Joshi is sued in  
27 his individual capacity.

1           5.     The true names and capacities of Defendants sued in the Complaint under the  
2 fictitious names DOES 1 through 20, inclusive, presently are unknown to the People, and  
3 therefore said Defendants are sued under fictitious names. The People will seek to amend this  
4 Complaint to allege the true names of DOES 1 through 20 when the same have been ascertained.  
5 Plaintiff is informed and believes, and based thereon alleges, that each of the fictitiously named  
6 Defendants participated in, or otherwise were in some manner responsible for, the harm to the  
7 general public that arose from the facts alleged in this Complaint.

8           6.     Whenever reference is made in this Complaint to any act of One Source, such  
9 allegation shall mean that One Source did the acts alleged in this Complaint through its officers,  
10 directors, employees, agents and/or representatives while they were acting within the actual or  
11 ostensible scope of their authority.

12           7.     Whenever reference is made in this Complaint to any act of any of the Defendants,  
13 including those named herein as Doe Defendants, such allegation shall mean that each Defendant  
14 and/or Doe Defendant acted individually and jointly with the other Defendants, including the Doe  
15 Defendants, named in this Complaint.

16           8.     At all relevant times, each Defendant, including those named herein as Doe  
17 Defendants, knew or realized that the other Defendants and/or Doe Defendants were engaging in  
18 or planned to engage in the violations of law alleged in this Complaint. Knowing or realizing that  
19 other Defendants were engaging in such unlawful conduct, each Defendant nevertheless  
20 facilitated the commission of those unlawful acts. Each Defendant encouraged, facilitated, or  
21 assisted in the commission of the unlawful acts, and thereby, aided and abetted the other  
22 Defendants in the unlawful conduct.

23           9.     Defendants, including those named herein as Doe Defendants, have engaged in a  
24 conspiracy, common enterprise, and common course of conduct to withhold earned wages,  
25 obscure records, and make false representations to facilitate a common scheme to profit by  
26 evading payroll taxes and failing to fulfill its wage and workers' compensation premium  
27 obligations. The conspiracy, common enterprise, and common course of conduct continues to the  
28 present.

**DEFENDANTS' BUSINESS PRACTICES**

10. One Source is a janitorial subcontractor that works primarily for USM, Inc., a nationwide facilities management firm. Pursuant to contracts with USM, Inc., One Source provides janitorial services to USM, Inc.'s clients, including Ross Dress-for-Less, dd's Discount, JoAnn's Fabrics, Burlington Coat Factory, and Toys R Us.

11. Since 2013, One Source has employed no fewer than 150 employees to service at least 80 locations pursuant to its contracts with USM, Inc.

12. One Source provides a variety of janitorial services, including daily janitorial maintenance, on-call clean-ups, and overnight scrubbing or floor waxing.

13. Since at least 2013, One Source has paid its employees fixed amounts for particular services, and does not accurately maintain records of the hours worked by its employees.

14. Since at least 2013, the pay received by One Source employees has failed to meet the statutory minimum wage for many of the jobs that One Source employees perform.

15. Since at least 2013, for certain jobs, One Source managers inform employees that the assigned work requires two people, and that the employee is responsible for recruiting a "partner." The "partner" is not placed on the payroll or paid separately, and the first employee is expected to split their wages with the recruited employee "partner."

16. Since at least 2013, Joshi has personally signed the payroll checks issued to One Source employees, which are not accompanied by itemized wage statements, and which do not reflect payment at an hourly rate.

17. Since at least 2013, One Source has submitted tax reports to the State Employment Development Department that do not accurately list all of One Source's employees, or all of the wages paid to One Source employees. Joshi personally signs and submits these tax reports to the State Employment Development Department.

18. Since at least 2013, One Source has issued paychecks or made electronic fund transfers to One Source employees as payment for work performed, from which no money was deducted for withholding and remittance to the State Employment Development Department. Joshi has personally signed these paychecks and authorized these transfers which were issued to

1 employees without deductions for withholding and remittance to the State Employment  
2 Development Department.

3 19. Since at least 2015, One Source and Joshi have knowingly provided false information  
4 to a workers' compensation insurance carrier for One Source that was material to the  
5 determination of a workers' compensation insurance premium.

6 **FIRST CAUSE OF ACTION**

7 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200, ET SEQ.**

8 **(UNFAIR COMPETITION)**

9 (Against All Defendants)

10 20. The People re-allege and incorporate by reference paragraphs 1 through 19 of this  
11 Complaint as if set forth fully herein.

12 21. Defendants have violated and continue to violate Business and Professions Code  
13 Section 17200, et seq., by engaging in acts of unfair competition including, but not limited to, the  
14 following:

- 15 a. failing to pay the minimum wage required by Labor Code section 1182.12;
  - 16 b. failing to maintain detailed payroll records showing the "hours worked by and  
17 the wages paid to" their employees as required by Labor Code section 1174;
  - 18 c. failing to provide employees with itemized wage statements that record their  
19 wages paid, hours worked, and deductions taken, pursuant to Labor Code section 226;
  - 20 d. failing to pay all State Unemployment Fund contributions as required by  
21 Unemployment Insurance Code section 976;
  - 22 e. failing to pay all State Employment Training Fund contributions as required by  
23 Unemployment Insurance Code section 976.6;
  - 24 f. failing to withhold and transmit all State Disability Fund contributions as  
25 required by Unemployment Insurance Code section 986;
  - 26 g. failing to withhold and transmit all State income taxes as required by  
27 Unemployment Insurance Code sections 13020 and 13021;
- 28

1 h. knowingly making false or fraudulent statements of fact material to the  
2 determination of a workers' compensation insurance premium as prohibited by Insurance Code  
3 section 11760.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, the People pray for the following relief:

6 1. Pursuant to Business and Professions Code section 17203, that Defendants jointly and  
7 severally be required to make restitution of any money or other property that may have been  
8 acquired by their violations of Business and Professions Code section 17200 to their workers and  
9 any other affected parties in an amount of no less than \$1,000,000.00, or as proven at trial, to be  
10 paid to the People for redistribution to affected parties;

11 2. Pursuant to Business and Professions Code section 17206, that the Court impose a  
12 civil penalty upon Defendants, jointly and severally, of up to \$2,500.00 for each act of unfair  
13 competition as defined in Business and Professions Code section 17200, in a total amount of no  
14 less than \$500,000.000, or as proven at trial;

15 3. Pursuant to Business and Professions Code section 17203, that Defendants, their  
16 successors, agents, representatives, employees, and all persons acting in concert or in  
17 participation with Defendants, be permanently enjoined from engaging in unfair competition as  
18 defined in Business and Professions Code section 17200, including, but not limited to, the acts  
19 and practices alleged in this Complaint;

20 4. That the People recover their costs of suit;

21 5. Such other and further relief as the Court deems appropriate and just.

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1 Dated: November 30, 2017

Respectfully Submitted,

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XAVIER BECERRA  
Attorney General of California

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SATOSHI YANAI  
Supervising Deputy Attorney General

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/s/Michele L. Wong

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MICHELE L. WONG

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California*

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