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Three-Quarter House Operator Sued for Wage Theft *No Pay for 16 Months of Work*

NEW YORK, NY, August 6, 2015—After receiving no wages after 16 months of work, a former employee of a three-quarter house operator filed suit Thursday in federal court charging violations of minimum wage and overtime laws. Bernardo Moreno, the plaintiff, typically worked 12 or more hours per day. He is represented by MFY Legal Services, Inc., a non-profit provider of free civil legal services to low-income New Yorkers.

Mr. Moreno's case illustrates the way the three-quarter house industry exploits not only tenants, but also vulnerable employees. Mr. Moreno accepted employment with Interline Employee Assistance Program because he was desperate for housing and was told he could live at the three-quarter house if he agreed to take the job. Interline operates a licensed outpatient substance abuse treatment program and runs five unlicensed three-quarter houses in Brooklyn and Queens. Mr. Moreno worked at three of them.

"I worked long days, often seven days per week assisting tenants with their needs. The work was unpredictable and stressful. I was required to be available at all hours—night and day—but never paid overtime or even minimum wage," Mr. Moreno said. "I hope this case will stop three-quarter house operators like Interline from taking advantage of other house managers in the future."

The underground three-quarter house industry gained notoriety recently following reports of rampant housing code violations, violations of tenants' rights, and allegations of fraudulent activity in buildings around the City. Often overcrowded and unsafe, these unlicensed and unregulated houses rent bunks to very low-income individuals while claiming to be supportive or sober housing programs. Mayor De Blasio created an interagency taskforce in June to inspect three-quarter houses and address unsafe conditions.

"For years, we have heard complaints from tenants about systematic violations of tenants' rights at three-quarter houses. However, it is clear that tenants are not the only targets of the exploitative business model," said Matthew Main, an attorney at MFY. "Three-quarter house operators often use unpaid or underpaid 'house managers' to staff their houses and maximize their profits."

The suit against Interline also names Robert Corrado, Kim Corrado, Kristina Corrado, and Michael Kelly, Interline officers and supervisors who each played a central role in Mr. Moreno's unpaid employment.

MFY Legal Services, Inc. provides free legal assistance to low-wage workers and also assists New Yorkers in the areas of housing, public benefits, foreclosure, consumer, civil and disability rights, and family law. It operates the only legal services project in the city dedicated to defending the rights of three-quarter house tenants.

Mr. Moreno and his attorneys are available to speak with the press.