

Department of Justice
U.S. Attorney's Office
Western District of Michigan

FOR IMMEDIATE RELEASE

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Battle Creek Hotel Owner Sentenced To Prison For Lying About Minimum Wage Payments

GRAND RAPIDS, MICHIGAN — Acting U.S. Attorney Andrew Birge announced today that Mehul Chandubhai Patel, a/k/a "Mike Patel," 31, of Battle Creek, Michigan, was sentenced yesterday for lying to Labor Department investigators about the wages paid to his staff. The charges stem from Patel's violation of minimum wage rules in connection with two hotels he operated in Battle Creek and Coldwater, Michigan.

On February 2, 2017, Patel appeared in federal court and pled guilty to violating a federal statute that prohibits anyone from concealing a material fact from the federal government when obligated to disclose it. He admitted that during 2005, the Department of Labor ("DOL") found that he had violated minimum wage laws by underpaying his hotel employees. He thereafter signed an agreement promising to repay his employees. When the DOL asked him to provide proof that he had done so, Patel sent them copies of checks indicating that he had paid the back wages. However, he concealed the fact that he required his employees to return the money to him immediately after cashing the checks.

Patel appeared yesterday for sentencing before U.S. District Judge Paul Maloney. After hearing arguments from the defense that Patel deserved no jail time, Patel received a sentence of 2 months incarceration. Judge Maloney also ordered Patel to pay a \$10,000 fine immediately and promised a ruling on the \$250,000 restitution issue within a month.

Acting U.S. Attorney Andrew Birge stated: "Cheating employees out of their wages is unacceptable, especially when we are talking about the bare minimum wage the law allows. Any employer who does that and then lies to the government about it should expect federal agents with an arrest warrant will come knocking at the door."

"Mehul Patel exploited vulnerable workers by compelling them to kickback a portion of their wages and then he submitted false documents to the Department of Labor's (DOL) Wage and Hour Division to cover up the scheme. We are committed to working with our DOL partner agencies to preserve the integrity of all DOL enforcement programs," stated James Vanderberg, Special Agent in Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General.

Prosecution of the matter has been assigned to Timothy VerHey, Assistant U.S. Attorney. The matter was investigated by the US Department of Labor, Office of Inspector General, Homeland Security Investigations, and the Battle Creek Police Department.