

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES	*	CRIMINAL ACTION NO. 15-268
versus	*	SECTION: H
KATIA MURILLO COSTA	*	
aka Katy Natalia Downing		
aka Katy Natalia Costa	*	
KL V OPERATIONS, LLC	*	
	*	
	*	

FACTUAL BASIS

The above-named defendants, **KATIA MURILLO COSTA** (“**COSTA**”) and **KL V OPERATIONS** (“**KL V OPERATIONS**”) have agreed to plead guilty as charged in the Bill of Information now pending against them. Should this matter have gone to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegations against the defendants, **COSTA** and **KL V OPERATIONS**. Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

The United States Department of Labor, Wage and Hour Investigation

The United States Department of Labor (the “**DOL**”) is an agency and department of the United States of America. The **DOL**’s mission is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States, improve working conditions, advance opportunities for profitable employment, and assure work-related benefits and rights. The **DOL** is also responsible for enforcing federal labor laws, including minimum wage,

overtime pay, and recordkeeping under the Fair Labor Standards Act, Title 29, United States Code, Section 201 *et seq.* Under the Fair Labor Standards Act (“FLSA”), employers are required to pay nonexempt workers overtime pay of not less than one and one-half times the regular rate of pay after 40 hours of work in a work week.

From approximately April 2010 through December 2013, **KLV OPERATIONS, LLC** (“**KLV OPERATIONS**”) was a business offering home remodeling renovations located in Jefferson Parish, within the Eastern District of Louisiana. For all or part of the period relevant to this Bill of Information, **KLV OPERATIONS** was owned by defendant **KATIA MURILLO COSTA** aka Katy Natalia Downing, aka Katy Natalia Murillo.

Beginning in or about November 2013, the DOL, Wage and Hour Division, began an investigation into whether **KLV OPERATIONS** was paying its employees proper overtime and minimum pay in compliance with the FLSA, WH Case ID Number 1690753. The investigation disclosed that the defendants **KLV OPERATIONS** and **KATIA MURILLO COSTA** failed to pay 49 employees approximately \$58,679.71 in overtime or minimum wage pay.

COUNT 1 (Violation of Title, 18 United States Code, Sections 1001 and 2)

On or about January 23, 2014, the defendant, **KLV OPERATIONS**, knowingly and willfully created false payroll and time sheet records, knowing the documents contained materially false, fictitious, and fraudulent statements, and submitted these documents to the Department of Labor, a department or agency of the United States. Specifically, **KLV OPERATIONS** submitted via email fraudulent payroll and timesheets that purported to comply with the FLSA, when in truth and in fact, as defendant **KLV OPERATIONS** well-knew, **KLV OPERATIONS** had not been paying proper overtime or minimum wage compensation, thereby violating the FLSA.

As part of the ongoing investigation, WH Case ID Number 1690753, DOL Wage and Hour investigators obtained statements and time-sheets from **KLV OPERATIONS** employees showing that they either did not receive minimum wage pay or that they worked more than 40 hours in a workweek, but were paid less than one and one-half times their regular rate of pay. Bank records from **KLV OPERATIONS** corroborated that 47 employees were not paid overtime wages and 2 employees were not paid minimum wage.

COUNT 2: Misdemeanor Violations (29 U.S.C. §§ 216(a) and 207(a)(1))

Beginning at a time unknown but at least from January 2013 and continuing to in or around December 2013, in the Eastern District of Louisiana, the defendants **KLV OPERATIONS** and **KATIA MURILLO COSTA** did employ in an enterprise engaged in commerce, 47 persons for work weeks longer than 40 hours, and did willfully and knowingly pay such persons at rates of less than one and one-half times the regular rates at which said persons were employed, for the hours in excess of 40, in said work weeks.

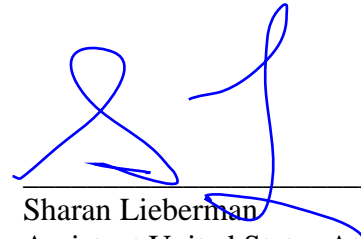
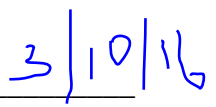
Stipulated Restitution

The defendants **KLV OPERATIONS** and **KATIA MURILLO COSTA** agree and understand that they owe \$58,679.71 in back wages to approximately 49 employees. The defendants are jointly and severally responsible for paying the restitution obligation. **KLV OPERATIONS** and **KATIA MURILLO COSTA** have entered into an agreement, attached hereto as Exhibit A, which sets forth the manner of payment, and payment schedule to resolve the restitution obligations. **KLV OPERATIONS** and **KATIA MURILLO COSTA** agree to the terms in Exhibit A, and agree to comply with the Back Wage Compliance and Payment Agreement, which is part of Exhibit A.

The defendants further acknowledge and agree that \$10,000 of the restitution is due on or before the sentencing date.

READ AND APPROVED:

Counsel for Defendant DATE
VALERIE JUSSELIN

Sharan Lieberman DATE
Assistant United States Attorney

KATIA MURILLO COSTA DATE
Defendant

Counsel for KLV Operations, LLC DATE
DOROTHY MANNING TAYLOR

Counsel for KLV Operations, LLC DATE
COLLIN MELANCON

KLV OPERATIONS, LLC DATE
BY: KATIA MURILLO COSTA
Defendant