



The LABOR RISK ASSESSORS

EXPRESS AUDIT



Free Quick Assessment Guide for Restaurant,
Hotel, and Hospitality Agency Owners



FLORIDA COMPLIANCE ALERT 2025

The 5 Most Common Mistakes Made by Hotels and Restaurants in Florida

YOUR BUSINESS IS IN THE DOL'S CROSSHAIRS

Florida's hospitality industry is a prime target for audits by the Department of Labor (DOL) and the IRS. An audit is not a coincidence; it is the result of vulnerabilities that expose your business to fines exceeding \$10,000 USD.

We've summarized the 5 most common problems we encounter in the State of Florida and Miami-Dade County. Correcting these errors is faster and cheaper than defending a lawsuit, and it helps you **AVOID FINES AND HIGH COURT COST** by detecting and eliminating your workplace hazard today.

The Labor Risk Assessors' primary goal is to provide Miami restaurant and hotel owners with a Rapid Labor Vulnerability Assessment by 2025.

This Guide is not a pleasant read.

It is a RISK ALERT:

We'll reveal the vulnerabilities that are already costing your business miles, identify the imminent damage, and prepare you for the solution.

Their goal is to prevent their company from ending up in FEDERAL COURTS!!!

LEGAL NOTICE: THIS IS A RISK MANAGEMENT GUIDE, NOT LEGAL ADVICE.

Avoid Million-Dollar Fines



ERROR #1:

The Contractor Time Bomb (1099 Misclassification)

THE PROBLEM:

Treating cooks, bartenders, hostesses, or valets as Independent Contractors (1099) to avoid taxes and benefits, when their primary function clearly classifies them as W-2 employees under the Fair Labor Standards Act (FLSA).

THE REAL COST:

If the DOL or IRS initiates an audit, reclassification is almost automatic. Your business will be required to pay all retroactive payroll taxes (your share and the employee's), interest, and potentially penalties for unpaid overtime, which can exceed \$50,000.

RISK TRACK/INDICATOR:

Does your 1099 contractor (cook, hostess, or valet) rely entirely on your business for income, use company hours, and does your business control the means of their work (uniforms, utensils, and equipment)?

The IRS and DOL view them as a W-2 employee. They are at risk of back taxes, penalties, and interest for up to three years.

The **DOL** uses a seven-factor test (Economic Reality Test). The fact that you control their schedules or the equipment they use is sufficient evidence against you.

Avoid High Costs on Corts



ERROR #2: Systemic Errors in Overtime (Overtime Failures)

THE PROBLEM::

Paying non-exempt staff a flat rate (fixed salary), not counting setup/closing time ("off-the-clock work"), or not including bonuses and commissions when calculating the base rate for 1.5x overtime.

THE REAL COST:

Collective Action Lawsuits are based on this mistake. DOL (Department of Labor) claims can be retroactive for up to 3 years, and often include liquidated damages (double the unpaid wages), making the litigation extraordinarily costly.

RISK TRACK/INDICATOR:

Does your payroll apply the "Tip Credit" to pay the reduced wage (\$10.98/hour), but you cannot prove that the daily sum of tips meets the full minimum wage (Florida \$14.00/hour)

YOU ARE IN HIGH RISK!!!!!!

Your risk is paying the full minimum wage (\$14.00/hour) for every hour worked during the last 3 years, without the right to the "Tip Credit"!

"The FLSA is very strict. The only way to defend yourself is with impeccable time records that prove the employee did not work."

Avoid the Direct Financial Impact



ERROR #3:

I-9 Documentation and E-Verify Non-Compliance (The Quick Fine)

THE PROBLEM::

The I-9 forms (Employment Eligibility Verification) are often incomplete, contain missing dates, or, worst of all, are completely absent from the file:

THE REAL COST:

This is not an employee lawsuit, but a Regulatory Fine from a Federal Agency. I.C.E. and D.H.S. impose fines from \$237 USD to \$2,360 USD per defective or missing form. If the I-9 is intentionally fraudulent, the fine is even higher, and your business risks its license.

RISK TRACK/INDICATOR:

Do you have active employees who have been on your payroll for months with I-9 forms missing the re-verification date, or worse, do you use copies of invalid licenses or documents in the form? Have you forgotten or failed to generate the E-Verify form for new hires in Florida?

The consequence is not just a fine; it's risking your **BUSINESS LICENSE** and the possibility of the violation being classified as **FRAUD!**

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Avoid Losing Your License



ERROR #4: Illegal Tip Handling (Tip Pooling Violations)

THE PROBLEM:

Including staff who do not interact with customers, such as cooks, dishwashers, or, crucially, including managers or supervisors in the tip pool. The tips belong to the service staff.

THE REAL COST:

If the DOL finds that a manager received tips, the entire tip arrangement is illegal. The employer must compensate the employees for the total amount of tips that were illegally distributed, in addition to fines.

RISK TRACK/INDICATOR:

Is the tip pool (or any portion of the tips) being distributed to or retained by any non-eligible person, including: (1) A manager, supervisor, or owner; or (2) Back-of-house staff (such as cooks or dishwashers) while the employer claims the Tip Credit?

If so, the entire tip distribution is ILLEGAL. Your business is at **EXTREME RISK!!!!!!** of being required to pay back the full amount of the illegally distributed tips, in addition to penalties

Avoid Paying Back the Totality of the Tips



ERROR #5:

Lack of Employee Handbooks(The Risk of Litigation)

THE PROBLEM::

Using an employee handbook from 5 years ago, or not having one at all. Your handbook must have specific clauses regarding wages, tips, harassment policies, and the At-Will Employment Disclaimer.

THE REAL COST:

This does not cause an immediate fine, but it is considered THE TRAP by litigating attorneys, allowing them to make wrongful termination claims and exposing you to costly EEOC investigations.

RISK TRACK/INDICATOR:

Does your employee handbook lack the at-will employment clause (At-Will Disclaimer) or an up-to-date, specific complaint procedure for cases of harassment or discrimination (EEOC)?

The Employee Handbook is your first line of defense. Lacking one is like going to trial unarmed.

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Save on Legal Fees and Court Expenses!!!!



Express AUDIT: It's Time to Shield Your Business!

You have seen the 5 breaches that expose your company to DOL audits, ICE fines, and collective action lawsuits in Federal Court. Inaction is the most costly decision!!!

Express Audit in 48hs

The Express Audit is the Antidote to Federal Scrutiny: It's a fast (48-hour), surgical compliance review designed to shield your restaurant or hotel. We identify the 5 most critical vulnerabilities that draw the attention of the DOL and ICE, and we provide you with a precise action plan to eliminate the risk of expensive fines and litigation.

**"It costs less than one hour of defense
with a litigating attorney..."**

SCHEDULE YOUR FREE RISK ASSESSMENT NOW!
Ready to take the first step toward a safer and more
compliant workplace?

THE LABOR RISK ASSESSORS

Contact today to schedule your Express Audit!



CALL NOW (305) 301-1373

Free Consultation 15 Min!

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Save on Fines, Attorney and Court Expenses!!!!