

## That's an Order! Ministry of Labour reminds Employers that Compliance with Orders to Pay (and other Statutory Obligations) are not Optional

January 4, 2022

By Daniel Wong, , Alfred Pepushaj and Max Skrow

A Toronto-based newspaper and advertising company – and its director – were recently fined \$90,000 and \$10,000 respectively for failing to pay employees the wages they were owed,<sup>[i]</sup> serving as a reminder that employer compliance with statutory obligations is not optional.

### Background

In June of 2016, the Ministry of Labour, Training and Skills Development (the “MOL”) commenced an investigation of Norstar Times Inc. and its director, Anchuan Jiang, as well as related corporations, for failure to pay employees \$560,189.86 in wages and vacation pay.

Following the investigation, the MOL issued orders to pay against Norstar Times and the related corporations. Norstar Times failed to pay or apply for a review of the order as provided by statute. The MOL subsequently issued an order to pay against Mr. Jiang personally. Mr. Jiang similarly failed to pay or apply for a review of the order.

After certain payments were made, the MOL charged Norstar Times and Mr. Jiang for failure to comply with the orders to pay under the *Provincial Offences Act*. Both Norstar Times and Mr. Jiang plead guilty. Over \$300,000.00 in unpaid wages remained outstanding as of the date of the guilty plea. Norstar Times was ordered to pay a \$90,000 fine plus a 25% victim fine surcharge, and Mr. Jiang was ordered to pay a \$10,000 fine plus a 25% victim fine surcharge.

### Takeaway

The outcome for Norstar Times and Mr. Jiang serves as a reminder to employers to understand their statutory obligations and the potential liability to companies and directors for failing to comply with MOL orders. Contraventions of the *Employment Standards Act, 2000* (“ESA”), which the MOL can prosecute under the *Provincial Offences Act* (“POA”), may lead to significant fines for employers, as well as incarceration for its directors, officers, or agents.<sup>[ii]</sup> The MOL may also publish an employer’s conviction under the ESA and POA in its Convictions Archive,<sup>[iii]</sup> which may cause significant reputational harm at a time when the management of online reputation has never been more essential.

WeirFoulds has developed a flexible and targeted **Employer Compliance Audit Program** to assist employers with their efforts to achieve and maintain compliance with their obligations under the applicable employment laws and regulations including obligations under employment standards legislation. For more information about the Employer Compliance Audit Program, please contact Daniel Wong, Partner and Chair of WeirFoulds’ Employment Law Group.

***The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.***

[ii] Government of Ontario, "Failure to Pay Wages Results in \$90,000 Fine for Toronto-based Company and \$10,000 Fine for Company Director" (December 22, 2021), online: <<https://news.ontario.ca/en/court/1001374/failure-to-pay-wages-results-in-90000-fine-for-toronto-based-company-and-10000-fine-for-company-director>>.

[iii] *Employment Standards Act, 2000, SO 2000, c. 41*, ss. 132, 136-138.

[iv] Ministry of Labour, Training and Skills Development, "Convictions Archive" (April 2021), online: <<https://www.labour.gov.on.ca/english/es/pubs/enforcement/archive.php>>.

For more information or inquiries:



Daniel Wong

Toronto  
416.947.5042

Email:  
dwong@weirfoulds.com

Daniel Wong is Chair of the Firm's Employment & Labour Practice Group with a practice that is focused on employment and labour relations.

Toronto

Email:



Alfred Pepushaj

Toronto  
416.619.6293

Email:  
apepushaj@weirfoulds.com

Alfred Pepushaj is an Associate in the Commercial Litigation Practice Group at WeirFoulds LLP. He focuses on complex corporate and commercial litigation, including fraud, contract breaches, and shareholder disputes, as well as trusts and estates litigation involving will challenges, fiduciary breaches, and contested asset distributions.

**WeirFoulds** LLP

[www.weirfoulds.com](http://www.weirfoulds.com)

**Toronto Office**

4100 – 66 Wellington Street West  
PO Box 35, TD Bank Tower  
Toronto, ON M5K 1B7

Tel: 416.365.1110  
Fax: 416.365.1876

**Oakville Office**

1320 Cornwall Rd., Suite 201  
Oakville, ON L6J 7W5

Tel: 416.365.1110  
Fax: 905.829.2035