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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

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COOK COUNTY, IL
2025CH11218
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THE PEOPLE OF THE STATE OF ILLINOIS, *ex rel.* KWAME RAOUL, Attorney General of Illinois,

Plaintiff,

vs.

PMJ ENTERPRISES, INC. and JOSE T. ESPIRITU,

Defendants.

Case No. 2025CH11218

COMPLAINT

Plaintiff, the People of the State of Illinois, by Kwame Raoul, Attorney General of Illinois, brings this Complaint against PMJ Enterprises, Inc. ("PMJ") and Jose T. Espiritu for violations of the Illinois Minimum Wage Law ("IMWL"), 820 ILCS 105/1 *et seq*., the Employee Classification Act ("ECA"), 820 ILCS 185/1 *et seq,* the Unemployment Insurance Act, ("UIA"), 820 ILCS 405/100 *et seq*., and the Illinois False Claims Act, ("IFCA") 740 ILCS 175.1 *et seq*.

Nature of the Case

1. This is a workplace rights enforcement action by the State of Illinois against Jose T. Espiritu and his business, PMJ Enterprises, Inc. Espiritu and PMJ misclassified their employees as independent contractors and paid them off the books with money orders or checks issued by pass-through entities as part of a fraudulent scheme to avoid PMJ's obligations to properly classify its workers as employees, pay overtime premiums, and make unemployment insurance contributions to the State.

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2. Espiritu owns and operates PMJ Enterprises, Inc. PMJ is a general construction company that primarily operates in the Chicago area. PMJ performs construction work for both private and public clients, such as Chicago Public Schools.

3. Espiritu used shell companies to underpay PMJ's construction workers. In some instances, PMJ issued a worker's weekly pay partly through a paycheck issued by PMJ or by Inter-Layer Corporation, Inc., an alter-ego of PMJ, and partly through a check from a different entity or a money order. In other cases, workers were paid entirely "off-the-books" and only received a check issued by a shell company.

4. One of these companies, Bucktown Material Supply, is owned and operated by Roger Householder, PMJ's accountant. Espiritu transferred money from PMJ to Bucktown, and Bucktown issued checks to PMJ's employees. Espiritu later set up Gary Equipment & Materials, Inc., which was nominally owned by the daughter of one of PMJ's employees, to fulfill the same purpose.

5. Espiritu also purchased money orders from currency exchanges to make off-the-books payments to his workers.

6. These off-the-books payments were used to misclassify workers as independent contractors and hide the real work hours and wages of PMJ's workers.

7. As a result of this scheme, PMJ did not pay its employees all owed overtime wages and did not pay unemployment insurance contributions to the State for all of the hours worked by its employees.

Jurisdiction and Venue

8. This action is brought pursuant to section 6.3(b) of the Attorney General Act, 15 ILCS 205/6.3(b) and Section 4(a) of the IFCA, 740 ILCS 175/4(a). It seeks

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equitable and monetary relief for violations of section 4a of the IMWL, 820 ILCS 105/4a, section 20 of the ECA, 820 ILCS 105/4a, 185/20, and section 3 of the IFCA, 740 ILCS 175/3.

9. This Court has personal jurisdiction over Defendants: PMJ is a domestic corporation incorporated under the laws of Illinois, 735 ILCS 5/2-209(b)(3) and Espiritu is a natural person domiciled and doing business in Illinois *id.* § 2-209(b)(2),(4).

10. Venue is proper in Cook County because PMJ is a resident of Cook County. *Id.* § 5/2-101. In particular, PMJ is a corporation organized under the laws of Illinois and has its registered office in Cook County. *Id.* § 5/2-102(a).

Parties

11. The People, by Kwame Raoul, Attorney General of Illinois, bring this action as authorized by the Attorney General Act. 15 ILCS 205/4; *id.* § 205/6.3(b).

12. In 2019, the General Assembly found that the welfare and prosperity of all Illinois citizens and businesses required the establishment of a unit within the Attorney General's Office dedicated to, *inter alia*, pursuing businesses that underpay their employees and gain an unfair economic advantage by avoiding their labor responsibilities. 15 ILCS 205/6.3(a). The Attorney General's Workplace Rights Bureau exercises this statutory authority.

13. PMJ Enterprises, Inc. is a corporation incorporated under Illinois law. PMJ's registered office is located at 4122 W. Grand Ave., Chicago, IL 60651-1801.

14. At all relevant times, PMJ has been an "employer" as that term is defined by 820 ILCS 105/3(c) and 820 ILCS 185/5.

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15. Jose T. Espiritu is the owner, principal officer, and president of PMJ.

16. At all relevant times, Espiritu has been an "employer" as that term is defined by 820 ILCS 105/3(c) and 820 ILCS 185/5.

17. At all relevant times, Espiritu was an agent of PMJ.

Facts

18. PMJ is a general contracting construction company owned and operated by Jose T. Espiritu.

19. Espiritu personally oversees and manages the operations of PMJ.

20. PMJ performs construction work on residential, commercial, and government projects.

21. In order to complete its projects, PMJ hires construction workers.

22. Under the supervision of Espiritu and other PMJ employees, PMJ's construction workers perform construction work, including carpentry and drywall installation.

23. Between 2020 and the present, PMJ and Espiritu employed at least 278 construction workers. Throughout this time period, Espiritu and PMJ underpaid at least 70 of these workers by failing to pay overtime premiums when a worker worked more than 40 hours in a workweek.

24. PMJ and Espiritu concealed these underpayments by paying part or all of the affected workers' wages through a check or money order, separate from the worker's usual paycheck.

25. When Espiritu used separate checks to conceal the underpayment, these checks were issued by pass-through entities.

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26. From 2020 to 2022, Bucktown Material Supply, Inc. acted as PMJ's pass-through entity. Bucktown is owned and operated by Roger Householder, who also acted as PMJ's accountant. From 2020 to 2022, each week Espiritu or individuals acting at Espiritu's direction would call Bucktown and request that Bucktown cut checks to specific workers in specific amounts. PMJ deposited funds in Bucktown's account to cover the costs of the checks.

27. PMJ and Bucktown, through conversations between Espiritu and Householder, mutually understood that these checks were compensation for hours worked by construction workers working for PMJ.

28. Espiritu told Householder that the checks were for independent contractors working for PMJ.

29. Bucktown itself was not engaged in the construction business. It never hired any construction workers or had any non-administrative employees. Householder established Bucktown to assist some clients of his accounting business purchase construction materials.

30. However, during the period when Bucktown was issuing checks to PMJ's employees, the entirety of Bucktown's business activity consisted of generating payroll for PMJ.

31. PMJ generated payroll records and issued weekly checks in its own name to PMJ employees.

32. Some PMJ employees were occasionally paid through a company called Inter-Layer Corporation, Inc.

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33. Inter-Layer was owned by David Gutierrez, who was employed as an estimator for PMJ.

34. While PMJ formally characterized Inter-Layer as a subcontractor, Inter-Layer was actually an alter-ego of PMJ. All or virtually all of Inter-Layer's construction work was on PMJ projects. As an estimator for PMJ, David Gutierrez was responsible for awarding subcontracts, which inevitably went to Inter-Layer. Gutierrez was under the direct supervision of Espiritu and remained on PMJ's payroll.

35. At least 24 construction workers received checks from both PMJ and Inter-Layer from 2020 until the present.

36. In some instances, workers received a PMJ or Inter-Layer check for their first 40 hours of work, and a Bucktown check that compensated them for their overtime hours at the same hourly rates as their non-overtime hours. In other instances, all work performed by a PMJ worker in a workweek was compensated off-the-books with a check from Bucktown, with the same rate paid for overtime and non-overtime hours.

37. The arrangement with Bucktown ended in July 2022. PMJ had failed to provide sufficient funds to Bucktown to cover the amount it issued in checks to PMJ's workers.

38. From July 2022 through the end of July 2023, PMJ continued to make off-the-books payments to construction workers. During this time, Jose Espiritu personally purchased money orders at Jarvis-Greenview Currency Exchange in

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Chicago, which were used to pay PMJ's workers. As with the checks issued by Bucktown, the money orders were sometimes used to compensate workers at their regular hourly rate for the hours they worked in excess of forty hours in a workweek, and sometimes to compensate workers for all the hours they worked in a workweek, including any overtime hours, at their regular rate.

39. In June 2023, Jose Espiritu encouraged Alejandra Gutierrez, the daughter of David Gutierrez, to incorporate Gary Equipment and Materials, Inc ("Gary Equipment").

40. Despite being the nominal owner of Gary Equipment, Alejandra's actual involvement with Gary Equipment lasted a few weeks or less, and in practice the company was funded by and under the control of Jose Espiritu and PMJ. Alejandra had virtually no role in operating Gary.

41. By August 2023, PMJ transitioned from using money orders to using checks issued by Gary Equipment for its off-the-books payments. The same practices continued under this new guise.

42. As with the checks issued by Bucktown and the money orders, PMJ's employees sometimes received a combination of checks issued by PMJ, Inter-Layer, and Gary Equipment, and sometimes just a check from Gary Equipment. PMJ provided the funds for these checks, and its personnel determined who was paid and in what amount. PMJ continued to use these off-the-books payments to conceal its practice of not paying overtime.

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43. Whenever they were paid off the books, PMJ classified its construction workers as independent contractors.

44. PMJ underreported the number of employees and total wages it paid in order to avoid its unemployment insurance obligations to the State, in violation of the UIA and the IFCA.

45. The UIA requires Illinois employers to file quarterly contribution and wage reports, which the Illinois Department of Employment Security ("IDES") uses to determine the amount that each employer must contribute to the Illinois unemployment insurance fund. 820 ILCS 405/1400.

46. When a person submits a contribution and wage report to IDES, they must certify under penalty of law that the information contained in the filing is true and correct to the best of their knowledge and belief.

47. The quarterly contribution and wage reports filed by Espiritu on behalf of PMJ from 2020 to the present excluded the wages paid to employees by means of checks from Bucktown, money orders, and checks from Gary Equipment.

48. By paying employees partially or fully off the books, Espiritu and PMJ falsely represented to IDES that they had fewer employees, and paid less in wages, than they actually did.

49. Had Espiritu accurately reported the total amount of wages paid to all PMJ employees on their quarterly contribution and wage reports, then PMJ's total contribution payment obligations would have been higher. Instead, PMJ and Espiritu

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unlawfully benefited from their misclassification scheme, all while depriving the State of revenue in the form of unpaid unemployment insurance contributions.

COUNT I
Violations of Illinois Minimum Wage Law – Overtime
Against All Defendants

50. Paragraphs 1 through 49 are incorporated herein by reference.

51. Espiritu was a principal officer or agent of PMJ.

52. Espiritu permitted employees to work for PMJ.

53. Espiritu acted directly and indirectly in the interest of PMJ in relation to employees performing services for PMJ.

54. Espiritu was an employer of the employees performing services for PMJ under 820 ILCS 105/3(c), because he acted in the interest of PMJ with respect to those employees.

55. PMJ's employees worked in excess of 40 hours in many workweeks.

56. PMJ regularly failed to pay premium overtime pay for hours worked in excess of 40 hours in a workweek.

57. Defendants violated section 4a of the IMWL, 820 ILCS 105/4a(1), by failing to compensate employees for all time worked in excess of 40 hours in any workweek at a rate not less than one-and-one-half times the regular rate at which they were employed.

58. The IMWL provides for civil penalties under which employees may recover treble the amount of the underpayments. 820 ILCS 105/12(a).

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59. The IMWL also provides for additional damages of 5% of the amounts of the underpayments for each month following the date of payment during which the underpayments remain unpaid. 820 ILCS 105/12(a).

60. In an action brought under section 6.3 of the Attorney General Act, the Attorney General may obtain, as remedies, monetary damages to the State, civil penalties in the maximum amount prescribed by law, and equitable relief as may be appropriate. 15 ILCS 205/6.3(d).

WHEREFORE, Plaintiff prays that this Honorable Court:

a. Award judgment in Plaintiff's favor;

b. Enter a judgment in the amount of all overtime wages and statutory damages due to employees to be paid to the Attorney General to be held in trust for the employees' benefit;

c. Award the appropriate amount of monthly prejudgment interest, as provided by the IMWL;

d. Enjoin Defendants from engaging in employment practices that violate the IMWL; and

e. Grant such other relief that the Court deems appropriate.

COUNT II
Violations of Illinois Minimum Wage Law – Records
Against All Defendants

61. Paragraphs 1 through 49 are incorporated herein by reference.

62. Espiritu was a principal officer or agent of PMJ.

63. Espiritu permitted employees to work for PMJ.

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64. Espiritu acted directly and indirectly in the interest of PMJ in relation to employees performing services for PMJ.

65. Espiritu was an employer of the employees performing services for PMJ under 820 ILCS 105/3(c), because he acted in the interest of PMJ with respect to those employees.

66. Defendants failed to keep true and accurate records required by law, including the name, address, and occupation of each employee; the rate of pay and the amount paid each pay period to each employee; the hours worked each day in each workweek by each employee; the time of day and day of week when each employee's workweek began; the basis on which wages were paid; additions and deductions from each employee's wages for each pay period and an explanation of such additions and deductions; the type of payment (hourly rate, salary, commission, etc.); straight time pay and overtime pay and total wages paid each pay period; and the dates of payment of each pay period covered by the payment. *See* 820 ILCS 105/8; 56 Ill. Admin. Code § 210.700.

67. In an action brought under section 6.3 of the Attorney General Act, the Attorney General may obtain as remedies monetary damages to the State, civil penalties in the maximum amount prescribed by law, and equitable relief as may be appropriate. 15 ILCS 205/6.3(d).

WHEREFORE, Plaintiff prays that this Honorable Court:

a. Award judgment in Plaintiff's favor;

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b. Order Defendants to submit to monitoring of their payment and record keeping practices; and

c. Grant such other relief that the Court deems appropriate.

COUNT III
Violations of the Employee Classification Act – Misclassification
Against All Defendants

68. Paragraphs 1 through 49 are incorporated herein by reference.

69. At all relevant times, PMJ was engaged in constructing, altering, repairing, and rehabilitating buildings and structures.

70. PMJ is a "contractor" as defined by the ECA because it engages in "construction." 820 ILCS 185/5.

71. PMJ is an "employer" as defined by the ECA. 820 ILCS 185/5.

72. PMJ is required to designate all individuals performing services for PMJ as employees under the ECA. 820 ILCS 185/10.

73. Espiritu is an officer or agent of PMJ and has knowingly permitted PMJ to misclassify employees.

74. Espiritu is individually liable for all violations and penalties assessed under the ECA against PMJ. 820 ILCS 185/63.

75. Defendants are liable for civil penalties to the State in the amount of $2,000 for each willful ECA violation. 820 ILCS 185/40(a), 45(a).

76. Defendants are additionally liable for punitive damages to the affected employees in an amount equal to the civil penalties. *Id.* § 45(b).

77. In an action brought under section 6.3 of the Attorney General Act, the Attorney General may obtain as remedies monetary damages to the State, civil

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penalties in the maximum amount prescribed by law, and equitable relief as may be appropriate. 15 ILCS 205/6.3(d)

WHEREFORE, the People pray that this Honorable Court:

a. Award judgment in Plaintiff's favor;

b. Enter a judgment in the amount of all overtime wages and statutory damages due to employees as a result of their misclassification to be paid to the Attorney General to be held in trust for the employees' benefit;

c. Assess civil penalties of $2,000 per violation against Defendants for willfully misclassifying individuals performing services for PMJ.

d. Award an equal amount in punitive damages to be held in trust by the Attorney General for the affected employees; and

e. Grant such other relief that the Court deems appropriate.

COUNT IV
Violations of Illinois False Claims Act – Reverse False Claims
Against All Defendants

78. Paragraphs 1 through 49 are incorporated herein by reference.

79. At all relevant times, PMJ has been an "employing unit" and "employer" as defined by the Illinois Unemployment Insurance Act. 820 ILCS 405/204, 205.

80. Espiritu had actual knowledge of all work performed by employees of PMJ. In the alternative, he could have, by the exercise of reasonable care, had knowledge of all such work.

81. Accordingly, Espiritu employed the employees of PMJ within the meaning of 820 ILCS 405/213.

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82. The UIA, together with its attendant regulations, establishes a duty owed by employers to submit to the State a report of total wages paid to each covered employee every quarter and to pay unemployment insurance contributions to the State in an amount based on wages paid to employees each quarter. 820 ILCS 405/1400, 1500; 56 Ill. Admin. Code § 2760.125.

83. PMJ and/or Espiritu each had an "obligation" as defined by 740 ILCS 175/3(b)(3), to pay unemployment insurance contributions to the State based on total wages paid arising from the UIA.

84. PMJ and Espiritu filed or caused the filing of wage reports with the State that failed to identify all employees employed and failed to report total wages paid to each employee for the relevant quarter.

85. The wage reports thereby failed to accurately reflect the unemployment insurance contributions that PMJ and Espiritu were obligated to pay the State.

86. Espiritu knew PMJ's wage reports were false at the time they were filed because he had actual knowledge that PMJ employed workers that were misclassified as independent contractors, that these workers were paid wages through sham corporations, and that the wage reports underreported to the State the amount of total wages paid by not including these misclassified workers.

87. In the alternative, Espiritu acted in deliberate ignorance of the truth or falsity of the facts set forth in paragraph 86.

88. In the final alternative, Espiritu acted in reckless disregard of the truth or falsity of the facts set forth in paragraph 86.

89. As a result, Espiritu knew PMJ's wage reports were false within the meaning of 740 ILCS 175/3(b)(1).

90. PMJ knew its wage reports were false because its principal officer Espiritu knew the wage reports were false within the meaning of 740 ILCS 175/3(b)(1).

91. The Attorney General is authorized to bring civil actions for false claims in violation of the IFCA and may obtain as remedies civil penalties in the maximum amount prescribed by the federal False Claims Act, 51 U.S.C. § 3729 *et seq.*, treble the monetary damages sustained by the State, and reasonable expenses that the Court finds to have been necessarily incurred by the Attorney General. 740 ILCS 175/3(a), 4(a).

WHEREFORE, the People pray that this Honorable Court:

a. Award judgment in Plaintiff's favor;

b. Assess civil penalties in the maximum amount prescribed by the federal False Claims Act, 51 U.S.C. § 3729 et seq., as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461;

c. Award three times the amount of damages which the State sustained because of Defendants' acts;

d. Award an amount for reasonable expenses that the Court finds to have been necessarily incurred by the Attorney General, including reasonable attorneys' fees and costs; and

f. Grant such other relief that the Court deems appropriate.

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THE PEOPLE OF THE STATE OF ILLINOIS
ex rel. KWAME RAOUL,
Attorney General of Illinois

Dated: November 3, 2025

By: /s/ Jack Cramer
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