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CNN Money interviews Serge Martinez, My Chipotle nightmare

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My Chipotle nightmare

Alex Simon believes Chipotle fired him for refusing to participate in, what he calls, its "shady practices."

By Heather Long

CNNMONEY

October 28, 2016: 10:41 AM ET

There were many instances that he found questionable during his six-year career at Chipotle ([CMG](#)), where he started serving burritos at the age of 17. But none of them really struck him as egregious, until this past summer.

The company paid for him to move from his hometown of St. Louis to manage a Chipotle in Little Rock. This was his big chance to advance, the now 23-year-old was told. Chipotle even gave him \$6,000 for the move, according to pay stubs shared with CNNMoney.

Just before the 4th of July, he started his job as an assistant manager in Little Rock. From day one, things seemed fishy. Simon says higher ups told him to [cheat workers out of pay](#). Employees reporting to him were "very often" working more than 40 hours, he says, which should have triggered overtime pay. But he claims he was told to delete any hours above 40.

The goal: Keep labor costs low.

"It was directly said, 'You know, if you need to go into the computer and shave hours off, do it,'" Simon told CNNMoney.

Simon refused. He says he told them, "I can't do that. It's illegal. It's unethical."

Threat he would lose his job

He says one of the higher ups warned him if he didn't do what he was told, he would be out of a job. He would also have to repay the moving bonus he had just received.

Still, Simon wouldn't do it. He was fired just a month after he started in Little Rock. An area manager he had never met called him and told him he was let go for "unacceptable performance." He says he lost the bonus money.

CNNMoney reached out to various Chipotle managers who oversee Arkansas stores. None responded to requests for comment. Former co-workers of Simon's say he was

a good boss and they were shocked he was let go. One called Chipotle in Little Rock a "terrible culture."

The company wouldn't comment specifically on Simon's firing, but a spokesman told CNNMoney, "It had absolutely nothing to do with the allegations about refusing to pay employees for working overtime."

"All of our policies clearly require that employees are paid for all of the time they work," spokesman Chris Arnold said. "We have simple procedures in place for employees to resolve any errors in their payroll should any such issue arise."

Simon is not alone in accusing the company of cheating workers. CNNMoney broke the news in August that [10,000 current and former employees](#) have filed a class action lawsuit against Chipotle for making them work overtime without pay. His story is similar to what [numerous workers in other states](#) have told CNNMoney about what went on at their stores.

Chipotle says the lawsuit -- known as Turner v. Chipotle -- has no merit and that the company will fight it in court. Simon say he's trying to join the Turner suit. In the meantime, a U.S. Congresswoman is [calling for a federal investigation](#) into Chipotle over whether it cheated workers on pay.



Promotions came fast at Chipotle

At first, Simon loved Chipotle. He started working on the "burrito line" when he was in high school. His friends in St. Louis would come in often and tell him how cool it was that he worked there.

The company often promotes young people like Simon into management positions. By the time he was 21, Simon was managing a store in St. Louis. In fact, he was doing so well at Chipotle, he dropped out of community college to focus on his career. "They gave me an opportunity. I went through all the ranks of management inside the restaurant," Simon says.

But he started noticing things weren't quite right. Workers were supposed to end shifts by 11 pm. That rarely happened, he says. They would have to stay until midnight or even 1 am to keep cleaning and preparing for the next day, but he says they were rarely paid for any work beyond 11 pm.

He recalls one of his first bosses in St. Louis buying the team pizza several times to compensate.

An 'endemic' problem?

Simon says he kept his mouth shut because the company kept offering him promotions. There was what he calls a "silent agreement" to work off the clock in order to move up.

When he became a manager himself in St. Louis, he claims he was able to ensure his employees were always paid for their work because his store was very profitable, so there wasn't intense scrutiny over labor costs.

But when he moved to Little Rock, he says the store wasn't doing well and he was explicitly asked to alter pay and hours. One of his former colleagues told CNNMoney working extra hours without being paid "happened all the time" in Little Rock.

Not paying restaurant workers fairly is "endemic" in the restaurant industry, says Serge Martinez, a law professor at the University of New Mexico who specializes in low-wage worker cases.

"If you want to avoid restaurants that underpay their workers in some way, then you can never go out to eat," Martinez says. But even he was surprised that Chipotle—a company with a clean reputation and a slogan like "Food with Integrity"—is associated with these problems.

The E. coli backlash

Simon feels the pressure to cut costs really increased after the major E. coli outbreak at Chipotle last year. It [severely damaged the company's reputation and profits](#). His store in Little Rock was especially struggling. His bosses monitored labor costs zealously.

The company entered crisis mode as it tried to rebuild its image. Simon recalls company-wide phone calls where top management said something to the effect of: "We're going to have to do some things we haven't done before. We gotta stay afloat."

Sales at existing stores [have tanked 22%](#), according to Chipotle's latest quarterly earnings report Tuesday. Founder and co-CEO Steve Ells tried to stress the company

is winning customers back. But Wall Street isn't buying the turnaround story. [The stock](#) plummeted 9% Wednesday.

Chipotle's chief financial officer made it a point to say on a call with analysts this week that the company "encouraged extra staffing in our restaurants" lately to ensure a better customer experience. Labor costs have risen compared to a year ago. After he was fired, Simon debated bringing his own lawsuit against Chipotle, but he says he doesn't have the money for his own lawyer. For now, he's focusing on moving on with his life. He has another restaurant job.

He says he spoke to CNNMoney so that others at Chipotle know they aren't alone.

"I want everybody employed by this company to get paid for every minute they are working," Simon said.

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