Sodexo Agrees to End Practice of Preventing Employees from Being Hired by Competitors

Chicago — Attorney General Kwame Raoul announced a settlement agreement with Sodexo Inc. (Sodexo) under which the company agrees to end its use of “no-hire” clauses in contracts with clients. The clauses ultimately restricted the rights of Sodexo’s employees, without their knowledge, to seek employment beyond Sodexo.

Sodexo is an international staffing firm that provides food, catering and facilities management services to a variety of businesses, such as schools and hospitals. According to the Attorney General’s office, Sodexo’s contracts with several entities in Illinois contained no-hire clauses designed to prevent Sodexo’s salaried employees from seeking employment with competitor staffing agencies. Raoul’s office alleges Sodexo did not notify its employees that the company had negotiated contracts that restricted their rights. Under the agreement, Sodexo will cease “In attempting to hamstring its competition, Sodexo negotiated contracts with clients that violated the rights of its employees to seek employment outside the company,” Raoul said. “All workers have a right to pursue opportunities for advancement, and I am committed to holding employers accountable for unlawful practices that infringe on those rights.”

The Attorney General’s office opened an investigation after speaking with former Sodexo employees who lost their jobs working at one of Sodexo’s client businesses after the business replaced Sodexo with another staffing firm. Raoul’s office alleges that salaried employees who attempted to retain their jobs through the new staffing firm were informed that the client business’ previous contract with Sodexo prevented the employees from being hired by the new staffing firm. In other words, Sodexo’s salaried employees working at a hospital would be prevented from remaining in their positions if the hospital contracted with a staffing agency other than Sodexo – unbeknownst to those employees. Raoul’s office found that Sodexo’s practice of restricting employees’ outside employment opportunities violates Illinois law. Sodexo denies any wrongdoing.

The settlement Attorney General Raoul’s office negotiated requires Sodexo to take the following actions:

- Cease its use of no-hire clauses that restrict competitors from hiring Sodexo employees.
- Notify former clients that Sodexo is rescinding any no-hire clauses currently in effect.
- Notify current and former employees subject to the no-hire clauses that Sodexo will not enforce those provisions.

A Sodexo representative provided the following statement on the agreement:

“Sodexo was pleased to come to an agreement with the Illinois Attorney General’s office on best practices when contracting with clients. Sodexo commends Attorney General Raoul on his commitment to Illinois workers and remains committed to providing a safe, open and inclusive workplace to employees, while offering meaningful wages, benefits and resources.”

The settlement builds on Attorney General Raoul’s efforts to advocate for workers and fight unlawful employment practices, such as those that restrict employees’ rights and opportunities. For example, in July 2020, Raoul filed a lawsuit in Cook County Circuit Court, alleging that several staffing agencies and their client...
conspired to eliminate competition and harm temporary workers in Illinois by interfering with their ability to seek better employment opportunities and better wages and benefits. In order to better protect Illinois workers from wage theft and other unlawful employment practices, Attorney General Raoul in 2020 formally established the Workplace Rights Bureau within the Attorney General’s office via state statute.

Attorney General Raoul encourages workers who have concerns about wage and hour violations or potentially unsafe working conditions to call his office’s Workplace Rights Hotline at 1-844-740-5076 or visit the [Attorney General’s website](#).

Bureau Chief Alvar Ayala and Deputy Bureau Chief Lydia Colunga-Merchant handled the case for Raoul’s Workplace Rights Bureau.
July 29, 2020

ATTORNEY GENERAL RAOUL FILES LAWSUIT AGAINST STAFFING AGENCIES FOR USE OF NO-POACH AGREEMENTS AND WAGE-FIXING

Chicago — Attorney General Kwame Raoul today filed a lawsuit against staffing agencies Elite Staffing, Inc. (Elite), Metro Staff, Inc. (Metro) and Midway Staffing, Inc. (Midway), as well as their client Colony, Inc. (Colony). The complaint alleges that the three staffing agencies formed an unlawful agreement to refuse to solicit or hire the other's employees and fix the wages paid to their employees. Colony allegedly facilitated the agreement by acting as a go-between to communicate about the agreement and assist in enforcing the no-poach agreement.

In the lawsuit, filed in Cook County Circuit Court, Raoul alleges that the staffing agencies eliminated competition and harmed temporary workers in Illinois by interfering with their ability to seek better employment opportunities and better wages and benefits.

“No-poach agreements allow employers to take advantage of low-wage workers by trapping them in low-paying jobs and limiting their opportunities for advancement,” Raoul said. “We must do everything in our power to protect our workforce in Illinois I will continue to work to ensure that companies like Elite, Metro Staff, Midway and Colony that take advantage of workers are held accountable.”

Elite, Metro Staff and Midway are temporary staffing agencies that compete with one another to recruit, select and hire employees to work at third-party client locations on a temporary basis. All three agencies provide temporary employees to complete light industrial work at Colony’s facilities in Elgin, Ill. and St. Charles, Ill.

Beginning at least as early as March 2018, Elite, Midway and Metro Staff allegedly agreed to not hire, recruit, solicit, or poach temporary workers from each other at Colony locations in order to restrict competition between the agencies, which would have benefitted temporary employees. The agencies agreed to fix employees’ wages to a below-market wage, as requested by Colony, to further inhibit competition. Additionally, the agencies agreed that they would not offer employees employed by another agency better wages or benefits. If a temporary worker did switch to another agency at the Colony location and the switch was noticed by another agency or Colony, the temporary worker would be returned to his or her original agency. Raoul’s complaint alleges that Colony helped enforce the agreement between the agencies by notifying each agency if one deviated from the agreement.

In the lawsuit, Raoul is seeking an injunction to stop the illegal agreements as well as civil penalties and damages.

Attorney General Raoul encourages workers who believe their rights have been violated to call his Workplace Rights Hotline at 1-844-740-5076 or by visiting the Attorney General’s website.

This lawsuit is the result of collaboration between Raoul’s Antitrust Bureau and the Workplace Rights Bureau. Bureau Chief Blake Harrop and Senior Assistant Attorney General Elizabeth Maxeiner are handling the case for the Antitrust Bureau; Bureau Chief Alvar Ayala and Assistant Attorney General Samantha Kronk are handling the case for the Workplace Rights Bureau.
IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

THE STATE OF ILLINOIS, by its Attorney
General, KWAME RAOUL,

Plaintiff,

v.

ELITE STAFFING, INC.,
METRO STAFF, INC.,
MIDWAY STAFFING, INC., and COLONY
DISPLAY LLC,

Defendants.

REDACTED COMPLAINT

Plaintiff, the State of Illinois (the “State”), by and through its attorney, Kwame Raoul, Attorney General of the State of Illinois, brings this complaint against Elite Staffing, Inc., Metro Staff, Inc., Midway Staffing, Inc., and Colony Display LLC, for violations of the Illinois Antitrust Act, 740 ILCS 10/1 et seq. In support of its Complaint, Plaintiff alleges as follows:

Introduction

1. This action challenges unlawful agreements among three temporary staffing agencies, facilitated by a common client, to refuse to solicit or hire each other’s employees and to fix the wages paid to their employees. These unlawful agreements have harmed competition in the recruiting and hiring of temporary workers and have harmed temporary workers in Illinois by interfering with their ability to seek better employment opportunities and better wages and other terms of employment.
2. Defendants Elite Staffing, Inc. (“Elite”), Metro Staff, Inc. (“Metro Staff”) and Midway Staffing, Inc. (“Midway”) (collectively, the “Agency Defendants”) are temporary staffing agencies. All three Agency Defendants place temporary employees at their common client, Defendant Colony Display LLC (“Colony”). The Agency Defendants agreed with each other not to recruit, solicit, hire, or “poach” temporary employees from one another at Colony’s facilities. Colony facilitated the Agency Defendants’ agreement by acting as a go-between to communicate about the agreement among the Agency Defendants and by assisting in enforcing the Agency Defendants’ no-poach conspiracy.

3. The Defendants’ no-poach conspiracy was not reasonably necessary to any separate, legitimate business purpose, transaction, or collaboration among the companies.

4. At the request of Colony, the Agency Defendants also agreed with one another not to compete with respect to the wages paid to their temporary employees assigned to Colony. Instead, the Agency Defendants agreed to fix the wages paid to their temporary employees to a below-market wage requested by Colony. At least two of the Agency Defendants explicitly acknowledged that this wage was below market value, and that it could be difficult to solicit, recruit, and hire temporary employees for Colony while offering the agreed-upon wage. Colony also facilitated communications concerning the wage-fixing conspiracy among the Agency Defendants.

5. Defendants’ no-poach and wage-fixing conspiracies suppressed the wages of the temporary workers employed by the Agency Defendants and staffed at Colony and prevented workers who were unhappy with their treatment and conditions of employment from switching among the Agency Defendants.

6. These conspiracies among competitors, facilitated by a common client, are per se
violations of the antitrust laws.

**Jurisdiction and Venue**

7. This Court has jurisdiction under 735 ILCS 5/2-209(a) because the Defendants’ unlawful acts performed pursuant to the conspiracy alleged herein occurred in Illinois.

8. This Court also has jurisdiction under 735 ILCS 5/2-209(b) because the Defendants are corporations organized under the laws of Illinois or do business within Illinois.

9. This Court further has jurisdiction over actions alleging violations of the Illinois Antitrust Act under 740 ILCS 10/7.

10. The claim or claims against at least one of the Defendants arose in whole or in part in Cook County. At least one of the Defendants resides in Cook County. Venue as to each defendant is therefore proper in this judicial district pursuant to 735 ILCS 5/2-101.

**Parties**

11. The Illinois Attorney General, Kwame Raoul ("Attorney General"), brings this Complaint under his statutory and common law authority to represent the Plaintiff, the State of Illinois, and persons residing in Illinois. In the name of and on behalf of the people of the State of Illinois, the Attorney General seeks injunctive relief and such other equitable relief as provided under 740 ILCS 10/7(1) and civil penalties under 740 ILCS 10/7(4). Acting as *parens patriae* for the residents of Illinois, the Attorney General also seeks monetary damages, injunctive relief, and costs of suit, including reasonable attorneys’ fees, pursuant to 740 ILCS 10/7(2) and the Attorney General’s common law *parens patriae* authority.

12. Agency Defendant Metro Staff, Inc. ("Metro Staff") is an Illinois corporation with its corporate headquarters at 1601 Weld Road, Elgin, Illinois, 60123.

13. Agency Defendant Midway Staffing, Inc. ("Midway") is an Illinois corporation with its corporate headquarters at 2137 Euclid Avenue, Suite 1-2, Berwyn, Illinois.
14. Agency Defendant Elite Staffing, Inc. (“Elite”), also known as Elite Labor Services, Ltd., is an Illinois corporation with its corporate headquarters at 1400 W. Hubbard St., Chicago, Illinois, 60642.

15. Defendant Colony Display LLC (“Colony”), formerly known as Colony, Inc., is a Delaware limited liability company with its principal place of business located at 2531 Technology Drive, Suite 314, Elgin, Illinois, 60124. Colony has facilities at 2500 Galvin Drive, Elgin, Illinois (the “Elgin Location”) and 3950 Stern Ave., St. Charles, Illinois (the “St. Charles Location”).

16. Whenever in this Complaint reference is made to any act, deed, or transaction of any corporation or limited liability entity, the allegation means that the corporation or limited liability entity engaged in the act, deed, or transaction by or through its officers, directors or employees while they were actively engaged in the management, direction, control, or transaction of the corporation’s or limited liability entity’s business or affairs.

**Factual Allegations**

I. **Relationship between Colony and the Agency Defendants**

17. Colony is a designer, manufacturer, and installer of highly customized fixtures, exhibits, and displays servicing home improvement, retail, and hospitality businesses. Colony has approximately 75-100 full-time employees and between 200 and 1,000 temporary workers at any given time.

18. The Agency Defendants are temporary staffing agencies that compete with one another to recruit, select, and hire employees that will be staffed at third-party client locations on a temporary basis. The Agency Defendants provide temporary employees to perform light industrial work at Colony’s facilities, including at the Elgin and St. Charles Locations.
In February 2018, Colony 3 a third temporary staffing agency, Midway, to provide temporary workers there because Elite and Metro Staff “were having trouble bringing people in.” By February 2018, the three competing Agency Defendants—Elite, Metro Staff, and Midway—were all providing temporary workers to Colony at the Elgin Location.

1 Before the Complaint was filed, all four Defendants asserted that certain information produced during the State’s investigation must remain confidential. The State disagrees with the position and will promptly move the Court to allow it to file an unredacted complaint. Until the court can rule on this confidentiality dispute, however, the State has complied with the Defendant’s confidentiality requests in the filing of its Complaint. For the Defendants’ ease of reference, the State provides citations to where the information can be found in the Defendants’ productions. The information provided in this sentence can be found in Subpoena Respondent Colony, Inc.’s Answers to Office of the Attorney General’s Interrogatories to Colony, Inc. (“Colony Interrogatory Resp.”), at 5.

2 Id.

3 COLONY_00003004.

4 Colony Interrogatory Resp. at 5.

5 ESI0024259, COLONY_00003004, METRO000326.
II. The Agency Defendants agreed not to solicit, hire, or poach each other’s temporary workers at Colony.

25. From at least March 2018 through the present, Agency Defendants Midway, Metro Staff, and Elite, who are supposed to compete in the recruiting and hiring of temporary workers, instead agreed, combined, and conspired not to recruit, hire, solicit, or poach temporary workers from each other at Colony locations. The purpose of this illegal conspiracy was to restrict any competition between the Agency Defendants that would benefit temporary employees assigned to Colony in terms of wages or other conditions or terms of employment.

26. The Agency Defendants agreed that they would not approach temporary workers employed by another Agency Defendant at Colony locations and offer them better wages or other benefits. The Agency Defendants also agreed that if a temporary worker wished to switch employment from one Agency Defendant to another Agency Defendant at Colony locations, they would not be permitted to do so. The Agency Defendants further agreed that if a temporary worker

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6 ESI0024254, COLONY_00003004, METRO000321.
7 ESI0024259, COLONY_00003004, METRO000326.
managed to switch Agency Defendants at a Colony location, and the switch was later noticed by another Agency Defendant or Colony, the temporary worker would be returned to the original Agency Defendant.

27. The Agency Defendants enforced their conspiracy by communicating with each other through Colony. If one of the Agency Defendants acted against the conspiracy by hiring the temporary employees of another Agency Defendant, a complaint would be made to Colony. Colony would then communicate the issue to all of the Agency Defendants and ensure that the conspiracy was enforced.

28. Numerous internal emails and emails exchanged between Colony and the Agency Defendants evidence the conspiracy.

29. For example, on or around March 2018, shortly after Midway began hiring employees to be placed at Colony, **8

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8 MID000910.
31. A few weeks later, in April 2018, Midway accused Elite of poaching temporary workers from Midway and asked Colony to intervene and clarify the Agency Defendants’ mutual understanding that they do not poach. The Agency Defendants communicated their agreement not to poach or hire temporary workers from one another at Colony through Colony’s CEO.

32. 

33. On April 23, 2018, the Elgin Branch Manager at Midway met with Colony’s CEO to discuss the issue in person. The next day, the Branch Manager emailed Colony’s CEO the names of employees who had switched from Midway to Elite.

34. After receiving this email, Colony’s CEO emailed a Senior Vice President at Elite with the subject line “Employees changing companies.” Colony’s CEO made clear that there is a

9 Id.
10 MID000917.
11 MID000916.
shared understanding amongst the Agency Defendants that they are not to poach employees from one another. Specifically, Colony’s CEO stated the following:

It’s come to my attention that employees have been poached from Midway to work for Elite. Since they haven’t had an onsite (which changes Thursday) they’ve been going to Elite and MSI on sites for help, and being told to move to your agency. I don’t have your employees[‘] side of the story but I do have proof of employees who worked for Midway, who are now working for Elite. Please look into this as this is bad practice, we don’t allow for any of the agencies and I want to make sure everyone understand [sic] that.

35. Colony’s CEO also provided to the Senior Vice President at Elite the names of the four employees that Midway’s Branch Manager told him were poached.

36.  

37. Elite’s Senior Vice President responded to Colony’s CEO confirming that “[o]ur policy is not to allow this to occur. It is bad business for temp employees to be allowed to change agencies at the same company. I will speak to both onsites right now.” After speaking with the Elite on-sites at Colony, Elite’s Senior Vice President informed Colony’s CEO that:

There have been many Midway employees who have requested to come through Elite. The onsites are telling them it is not possible or allowed. According to my onsites, many employees are not happy working for Midway. They are saying Midway does not help them, answer their calls/return messages, and have many pay issues. At times, new applicants for Midway sit in the break room for hours waiting for Midway rep to show up. No idea if the complaints are valid or not . . . . I’m certainly not going to rip on another agency. Just passing along information I’m told.

12 MID000918.
38. In an apparent effort to stop employees from switching staffing companies, the Senior Vice President at Elite said he had “asked the onsites to ask applicants if he/she has worked for another agency at Colony before hiring.” He went on, “We’ll do everything we can to not hire Midway employees . . . just understand we don’t know who’s with Midway at Colony and who’s just stopping by Colony to apply with us. I’ll be happy to have the onsites inform the 4 employees they must go back to Midway if they want to stay at Colony. Let me know how to handle.”

39. 

40. Subsequently, on April 24, 2018, the on-site supervisor at Colony with Metro Staff emailed Colony’s CEO about two temporary workers who had previously worked for Midway Staffing at Colony and had switched to Metro Staff. Their reason for switching was “not getting paid on time, and not being able to communicate with anyone when they needed help.” Metro Staff’s on-site supervisor asked, “Is there a certain way I should go about this or is this not permitted to do?”

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42. 

13 MID000920.
14 MID000924.
15 MID000923.
43. The next day, the Vice President of Operations at Metro Staff emailed both the on-site supervisor for Metro Staff and Colony’s CEO about the situation and said:

As long as you did not solicit them which I know you did not because we just do not do that at MSI, we are ok with it as long as the client is ok with it too. In the future, I would prefer if you inform [Colony’s CEO] and [a certain Colony employee] prior to it happening rather than after the fact. Transparency is very important to us. We [don’t] ever want to be perceived as one of those shady services that try to solicit or poach temps under the table and back door us and the client.

44. Colony’s CEO replied and said, “for the record, it was more of an Elite issue . . .” Then Metro Staff’s Vice President of Operations replied, “You know how I feel about soliciting, so I want to make perfectly clear that you know we didn’t . . . in the future, I would like for [Metro Staff’s on-site supervisor] and/or the office to let you know and discuss with you even before it takes place. I like for us to get your ok first.”

45. Colony’s CEO responded: “Yes you are correct, I sent the feedback to Midway as well and they are addressing on their end too. It seems like Elite was the one soliciting but they responded well so we are all on the same page.” This response reflects the agreement among the Agency Defendants that they would not solicit, recruit, hire, or poach temporary workers and the understanding among the Agency Defendants that Colony would facilitate the agreement through communicating about its enforcement.

46. In May 2018, several Midway employees sought to switch to Metro Staff at this time but were not permitted to do so because of the no-poach conspiracy. Metro Staff’s on-site supervisor notified Colony’s CEO that “four Midway employees have come to me asking if they are able to start with [Metro Staff] on Monday . . . I asked them what the reason for them wanting

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16 Id.
to switch and they said Midway has owed them hours since they first started working for them. They say they are simply unsatisfied with their service.” She asked whether they will be permitted to work for Metro Staff.

47. Colony’s CEO then replied to the Metro Staff on-site supervisor and told her that the employees would be prohibited from transferring from Midway to Metro Staff. Colony’s CEO said: “Midway is contacting those employees and resolving the issue. They will not transfer.”

48. At least two of the Agency Defendants communicated directly about this agreement not to solicit, recruit, hire, or poach temporary workers at Colony.

49. **17 MID000930. 18 MID000929. 19 MID000932.**
52. Because of the Agency Defendants’ no-poach agreement facilitated by Colony, the Agency Defendants did not compete with one another for temporary workers, including by offering better wages or terms and conditions of employment to attract those workers to their respective agencies.

53. As these communications show, the Agency Defendants agreed not to solicit or hire each other’s temporary workers and enforced that agreement with Colony’s help. The Defendants’ no-poach conspiracy eliminated any competition among the Agency Defendants for temporary employees, which lowered the quality of the terms of employment for temporary employees staffed at Colony and suppressed their wages. Temporary employees could not seek better wages, on-time payment, better communication from on-site supervisors, or any other benefits by switching to another Agency Defendant at Colony.

III. The Defendants agreed to fix the wages paid to temporary workers assigned to Colony locations.

55. 

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20 MID000912-14.
21 MID000914.
56. Although the temporary workers assigned to Colony are employees of the Agency Defendants for which they work, the Agency Defendants agreed among themselves and with Colony to pay these workers a fixed wage set by Colony. Each Agency Defendant agreed to the wage set by Colony with the understanding that all other Agency Defendants also agreed to pay the same wage.

57. an incentive for the Agency Defendants to offer temporary workers higher wages.

58. The Agency Defendants and Colony agreed that the will be set by Colony, and the Agency Defendants all agreed to pay their temporary employees placed at Colony that agreed rate.

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22 ESI0024254, COLONY_00003004, METRO000321.
23 ESI0024255, COLONY_00003004, METRO000322.
24 Id.
25 The multiplier is not stated in the unredacted Complaint.
26 The multiplier is not stated in the unredacted Complaint.
27 COLONY_00003004 & METRO000322.
28 ESI0024255, COLONY_00003004 & METRO000322.
60. The Agency Defendants should be in direct competition with one another over the wages they offer potential hires in order to attract more workers.

61. However, the Agency Defendants have illegally agreed with each other and with Colony not to compete over wages for temporary workers assigned to Colony. This conspiracy suppresses the wages of temporary employees assigned to Colony below a competitive rate.

62. Given how important the hourly rate is to the Agency Defendants’ ability to compete with each other and successfully solicit, recruit, and hire temporary workers, the Agency Defendants would not have agreed to pay a fixed wage set by Colony unless there was a mutual understanding among all of the Agency Defendants that they would pay the same wage to their temporary employees assigned to Colony.

63. That mutual understanding again is evidenced by communications among the Agency Defendants and Colony. For example, in March 2018,

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29 ESI0043518 & ESI0043526.
30 COLONY_00036492.
64. At different times, the Agency Defendants complained to Colony about each other’s cheating on their wage-fixing agreement. For example, in April 2018, the on-site supervisor for Elite at Colony emailed both a supervisor at Colony and the on-site supervisor for Metro Staff at Colony, complaining that Metro Staff temporary employees were being paid at a higher wage than Elite temporary employees. In the email, the Elite on-site supervisor wrote: “there is a rumor going around from [Metro Staff] employees at the other location that they are getting $13.00 per hour. Does that only apply to [Metro Staff] or Elite employees as well[?]” Colony resolved the issue after Colony’s CEO spoke to the Metro Staff on-site supervisor. Colony’s CEO then directed the on-site supervisor at Elite to speak directly with Metro Staff to get the “info”.

65. In another example, in June 2018, Metro Staff complained to Colony that Elite was not complying with how the Agency Defendants and Colony had agreed that temporary workers assigned to Colony would be paid for overtime. A supervisor at Colony emailed the on-site supervisors from both Metro Staff and Elite and said: “Let’s go over this tomorrow so everyone is on the same page.”

66. But for an agreement among the Agency Defendants and Colony to pay a suppressed, fixed wage, the Agency Defendants would have a strong incentive to offer higher wages to prospective temporary workers to fulfill Colony’s requests. But because the Agency Defendants were not free to offer higher wages to temporary employees assigned to Colony due to the Defendants’ conspiracy, the Agency Defendants at times struggled to hire workers to meet Colony’s needs.

67. For example, on or about April 6, 2016, approximately ten Elite and Metro Staff temporary employees assigned to Colony did not show up for work. Colony requested replacements from both Elite and Metro Staff as soon as possible. Colony also requested an
additional 12-14 employees for the second shift the following week. Metro Staff could not satisfy Colony’s request. Metro Staff’s Vice President of Operations told Colony and Elite: “I hate to sound like a broken record, but as long as we continue paying minimum wage, we will continue having these problems . . . Not that paying a little more would cure all, but it would definitely draw more people and at least it would put Colony on an equal playing field with most other companies. Right now, we are at a disadvantage. There is too much work out there offering better pay.” If Colony and the Agency Defendants had not entered into a wage-fixing agreement, Metro Staff could have offered a higher hourly rate to potential temporary workers to fulfill Colony’s staffing needs.

68. The Agency Defendants’ and Colony’s conspiracy to fix wages for temporary workers assigned to Colony resulted in suppressing wages for those temporary workers. However, according to an advertisement put out by Elite for warehouse workers for Colony at the Elgin Location, Colony set the wage at only $10.00 per hour. The numerous complaints made by the Agency Defendants concerning the low wage set by Colony further confirms that the Agency Defendants’ and Colony’s conspiracy to fix the wages paid to temporary employees assigned to Colony have suppressed wages.

Count I
No-Poach Conspiracy in Violation of the Illinois Antitrust Act, 740 ILCS 10/1 et seq.

69. Plaintiff restates and re-alleges Paragraphs 1 through 68 of this Complaint as though fully set forth herein.

70. Beginning at a time known only to Defendants, Defendant Colony and Agency

31 ESI0043520.
Defendants Metro Staff and Elite entered into and engaged in an unlawful conspiracy for the purpose and with the effect of allocating or dividing the market or supply for the recruiting and hiring of temporary employees assigned to Colony in violation of 740 ILCS 10/3(1). In particular, the Agency Defendants agreed not to recruit, solicit, hire, or poach temporary employees to be assigned to Colony from other Agency Defendants. Agency Defendant Midway joined this unlawful no-poach conspiracy no later than February 2018.

71. During all relevant times, the Agency Defendants were competitors in the temporary staffing services industry and competed for temporary workers, including workers at Colony. Defendant Colony is a common customer of the three Agency Defendants who facilitated the Agency Defendants’ illegal no-poach conspiracy.

72. These agreements are *per se* unlawful under 740 ILCS 10/3(1). Defendants’ no-poach conspiracy was not reasonably necessary to any separate, legitimate business purpose, transaction or collaboration among the Defendants.

73. The effect of this unlawful no-poach conspiracy was to suppress the wages paid to temporary employees assigned to Colony. The conspiracy also substantially reduced competition among the Agency Defendants in the soliciting, recruiting, and hiring of temporary workers, therefore reducing the quality of the terms and conditions of employment available to the temporary workers.

**Count II**

Wage-Fixing Conspiracy in Violation of the Illinois Antitrust Act, 740 ILCS 10/1 *et seq.*

74. Plaintiff restates and re-alleges Paragraphs 1 through 73 of this Complaint as though fully set forth herein.

75. Beginning at a time known only to Defendants, Defendant Colony and Agency Defendants Metro Staff and Elite entered into and engaged in an unlawful conspiracy for the
purpose and with the effect of fixing, controlling, or maintaining the wage paid to the Agency Defendants’ temporary employees assigned to Colony in violation of 740 ILCS 10/3(1). Agency Defendant Midway joined this unlawful conspiracy no later than February 2018.

76. During all relevant times, the Agency Defendants were competitors in the temporary staffing services industry and competed for temporary workers, including workers at Colony. Defendant Colony is a common customer of the three Agency Defendants who facilitated the Agency Defendants’ illegal wage-fixing conspiracy.

77. These agreements are per se unlawful under 740 ILCS 10/3(1) because the Defendants agreed to fix the hourly rates paid to the Agency Defendants’ temporary employees assigned to Colony. Defendants’ wage-fixing conspiracy was not reasonably necessary to any separate, legitimate business purpose, transaction, or collaboration among the Defendants.

78. The effect of the Defendants’ unlawful wage-fixing conspiracy was to suppress the wages paid to temporary employees assigned to Colony.

Prayer for Relief

79. WHEREFORE, Plaintiff, the State of Illinois, prays for judgment as follows:
   a. Finding Defendants liable, jointly and severally, for the no-poach conspiracy alleged herein as a violation of 740 ILCS 10/3(1);
   b. Finding Defendants liable, jointly and severally, for the wage-fixing conspiracy alleged herein as a violation of 740 ILCS 10/3(1);
   c. Awarding treble damages in favor of the State of Illinois as parens patriae for all damages caused by the Defendants’ violations of 740 ILCS 10/7(3)(1);
   d. Awarding civil penalties pursuant to 740 ILCS 10/7(4);
e. Awarding injunctive relief to undo the effects of the Defendants’ illegal conduct and to prevent further recurrences of such conduct pursuant to 740 ILCS 10/7(1) & (2);

f. Awarding costs, disbursements and reasonable attorneys’ fees; and

g. For such other, further, and different relief as the Court may deem just, necessary, or appropriate.

Jury Trial Demanded

The State of Illinois demands a trial by jury of all issues so triable in this case.

Dated: July 27, 2020

THE STATE OF ILLINOIS,
by KWAME RAOUl,
ATTORNEY GENERAL OF ILLINOIS

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AFFIDAVIT OF BLAKE L. HARROP

Blake L. Harrop, being duly sworn, on oath deposes and states:

1. I am Chief of the Antitrust Bureau in the Office of the Attorney General for the State of Illinois.

2. I am personally familiar with the facts underlying the complaint filed in State of Illinois v. Elite Staffing, Inc., et al.

3. Based on my knowledge of those facts, I believe the amount of money damages and civil penalties to be recovered by the State of Illinois exceeds $50,000.

Further affiant sayeth not.

Blake L. Harrop

Subscribed and sworn to before me this 29th day of July, 2020.

Notary Public

My commission expires: 05-04-2021