

**February 26, 2020**

**ATTORNEY GENERAL RAOUL FILES LAWSUIT TO DEFEND KEY PROTECTIONS FOR WORKERS**

**Chicago** — Attorney General Kwame Raoul, as part of a coalition of 18 attorneys general, today [filed a lawsuit](#) to stop the federal government from eliminating key labor protections for workers.

The lawsuit challenges a United States Department of Labor rule that seeks to unlawfully narrow the joint employment standard under the Fair Labor Standards Act (FLSA). The FLSA is the federal law establishing a baseline of critical workplace protections, such as minimum wage and overtime, for workers across the country. The joint employment standard determines employer liability for wage theft or other workplace violations when two or more entities employ a worker. This change would undermine critical workplace protections for the country's low-and middle-income workers and could lead to increased wage theft and other labor law violations.

"Workers deserve to have their rights protected regardless of whether they work one job or are contracted through staffing agencies or management companies," Raoul said. "I am committed to fighting any effort to weaken workplace protections and stopping bad employers from taking advantage of their employees."

Raoul and the coalition assert that the rule directly undermines Congress' intent for the FLSA, and that the department violated the rulemaking process requirements. Further, they argue that the rule would place significant regulatory burdens on states and harm states' economies and residents. Raoul and the coalition are urging the court to declare the rule unlawful and invalidate it.

Over the past few decades, businesses have increasingly outsourced and subcontracted many of their core responsibilities to intermediary entities instead of hiring workers directly. Because these intermediary entities tend to be less stable, less well-funded and subject to less scrutiny, they are more likely to violate wage and hour laws. In the suit, Raoul and the coalition argue that the department's new rule provides an incentive for businesses to offload employment responsibilities to smaller companies, which, under the new rule, will shield them from federal liability for wage and hour violations under the FLSA. This will result in lower wages and increased wage theft for workers, especially for workers in low-wage jobs. Further, the new rule will make it more difficult to collect unpaid back wages for workers.

The new rule, the complaint argues, is incompatible with the text of the FLSA and Congress' intent in passing it to protect workers from unscrupulous employers. The rule also violates the law by attempting to overturn 75-year-old Supreme Court precedent via regulation.

The lawsuit builds on Attorney General Raoul's efforts to fight unlawful employment practices and end the wage theft crisis. After becoming Attorney General, Raoul initiated legislation that codified a Worker Protection Unit within the Attorney General's office. The unit has the authority to enforce existing laws that protect workers' rights and lawful businesses in Illinois. The new law also established a Worker Protection Unit Task Force, which Attorney General Raoul convened for the first time in January. The task force will facilitate information sharing and collaboration between the Attorney General's office, prosecutors, the Illinois Department of Labor, the Illinois Department of Human Rights, the Illinois Department of Employment Security, and the Workers' Compensation Commission.

In 2019, Attorney General Raoul led a coalition of attorneys general in opposing a Department of Labor proposal to expand the fluctuating work week rule, the only rule under which employees' hourly and overtime rates of pay actually decrease as the hours they work per week increase. Also in 2019, Raoul

testified before the Congressional House Appropriations Labor, Health and Human Services, and Education Subcommittee about the wage theft crisis and the importance of the federal government partnering with states to combat wage theft.

Joining Raoul in filing the lawsuit are the attorneys general of California, Colorado, the District of Columbia, Delaware, Maryland, Massachusetts, Michigan, Minnesota, New Mexico, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Washington.