# **Working for Workers**

Minnesota Attorney General's Labor Day Report September 2024



The Office of **Minnesota Attorney General Keith Ellison** helping people afford their lives and live with dignity, safety, and respect • www.ag.state.mn.us



The struggle for fair wages and safe workplaces free of discrimination has been a centuries-long effort in America. It's a struggle that continues to this day, even as we've made tremendous progress. Each Labor Day, we honor both the workers of today and the workers of yesterday who paved the way for that progress. We also celebrate the ongoing work to move us closer to a future where all workers can afford their lives and live with the dignity, safety, and respect they deserve.

Over the past year, my Office has helped Minnesota workers take some big strides toward that future. Our newly strengthened Wage Theft Division took on businesses that were unfairly withholding worker pay. Our Worker Misclassification Task Force explored ways to make sure people who are doing the work of an employee are getting the benefits and protections due to them and aren't being defrauded. Our legislative efforts helped put some new laws on the books to make Minnesota an even better place to work. This report takes a closer look at all we've been able to accomplish, and some goals for the future.

It's true: most Minnesota businesses play by the rules and recognize that their workers are their lifeblood. But this year and every year, my Office sends a clear message: Minnesota won't tolerate bad actors who keep workers from getting every penny and benefit they're owed.

I thank every worker who reached out and let us know if their employer wasn't going by the book, or if they were being taken advantage of. That takes courage, and their courage helped us make a difference for so many workers across this state. Our office is always ready to help you know your rights, and to stand up for you when those rights are being violated.

When workers thrive, our communities thrive. That simple truth drives me and my colleagues every day of the year. But on Labor Day, we send extra appreciation to the workers of our great state. Thank you for everything you do to make Minnesota such a vibrant place for all of us.



# Wage Theft Division

#### Who we are

In 2019, the Minnesota Legislature passed one of the strongest wage theft laws in the country. Since then, the Attorney General's Office has been active in investigating and civilly enforcing cases of wage theft across the state. Over the years, Attorney General Ellison has been expanding the resources devoted to fighting for workers across Minnesota. In March 2024, he further committed to this work by creating the Wage Theft Division, adding additional attorneys, investigators and support staff in response to the needs of the community.

## How we help workers

The Wage Theft Division has civil enforcement authority over many Minnesota labor laws. This means that the Division can investigate suspected violations of Minnesota laws that are designed to protect the people of Minnesota from unlawful employment practices. These violations include:

- Paying less than the minimum wage
- Not paying overtime
- Requiring employees to work off-the-clock
- Withholding a workers' final paycheck
- Unauthorized deductions from paychecks
- Stealing tips
- Worker Misclassification
- Retaliation against whistleblowers
- Prevailing wage violations
- Violating migrant workers' rights
- Not paying equal pay for equal work



If the Wage Theft Division opens an investigation that shows any of these violations occurred, the Attorney General has several tools to stop the employer and recover remedies for workers. These can include injunctive relief to stop the illegal practices, payment of back wages, restitution and/or civil penalties. If the employer does not change their behavior, the Attorney General can file a lawsuit, on behalf of the State of Minesota, to enforce laws against non-compliant employers.

The Wage Theft Division works together with our federal, state and local partners in government to maximize the resources and authority available to address the many needs of all workers. We also partner with nongovernmental organizations to identify workers in need, industries of concern, and gaps in the system that government has yet to fill.

By working together with individuals and organizations across the state, we are doing all that we can to protect workers, enforce the law, and **help all Minnesotans afford their lives and live with dignity, safety, and respect.** 

#### How to reach out

The Wage Theft Division relies on people coming forward to alert us when wage theft is occurring. For this to happen, workers need to know their rights. The Attorney General's Office is staffed with attorneys, investigators, paralegals and intake specialists who are standing by and ready to hear your concerns and take action when your rights are being violated. We also want to connect with workers, or worker focused groups, to educate Minnesotans on their rights as workers.

Workers with concerns or complaints about systematic violations of state and federal wage laws can contact the Attorney General's Office through its <u>online complaint form</u>, which is available in Spanish or English. The Attorney General's Office can also be contacted by phone at (651) 296-3353 (Metro area) or (800) 657-3787 (Greater Minnesota). If you would like to learn more about wage theft, check out the Attorney General's website at <u>www.ag.state.mn.us/</u> wage-theft, or connect with one of our staff, Maria Minvielle Montes: <u>Maria.MinvielleMontes@ag.state.mn.us</u>.

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File a complaint: Available in English or Spanish www.ag.state.mn.us/wage-theft/complaint



**Call our office:** (651) 296-3353 (Metro area) (800) 657-3787 (Greater Minnesota)



Learn more information: www.ag.state.mn.us/wage-theft



Connect with one of our staff: Maria Minvielle Montes Maria.MinvielleMontes@ag.state.mn.us

## **Cases - Victories for Workers**

This past year, the Wage Theft Division team has fought for several key victories on behalf of hardworking and deserving Minnesotans. This team comes to work every day to make sure that workers receive that which they have earned, and the following cases touch on a number of core issues in the realm of worker's rights.

#### **3M**

#### (Unauthorized Payroll Deductions)

In May of this year, we obtained a <u>settlement</u> with 3M, on behalf of workers who reported that 3M has was making payroll deductions from worker paychecks without written authorization. The settlement ensures that the company pay \$961,394.93 in back wages to 1,690 employees as a result of unauthorized paycheck deductions.

Under the terms of the settlement, 3M has also developed and instituted a written protocol for deductions from employee wages, which includes obtaining written authorization from employees prior to making deductions for lost or stolen property, damage to property, or to recover any other indebtedness.

#### **Dolan Printing, Inc.**

#### (Non-Compete Agreements)

Also in May, we reached an <u>settlement</u> with Dolan Printing, a commercial printer, to release Dolan Printing's employees from non-compete agreements. Until 2023, Dolan Printing had required all employees to sign non-compete agreements barring them from working for a competitor within a 50-mile radius of Dolan Printing's principal executive offices in Minneapolis for 18 months.

Under the terms of the settlement, Dolan Printing agreed to stop enforcing non-compete agreements that restrict the right of workers to change jobs without penalty. Dolan Printing also agreed to release 14 former and current workers from pre-existing non-compete agreements and to notify those workers of their release.

#### **Property Maintenance & Construction (PMC)**

(Obstructing Wage Theft Investigation and Worker Intimidation)

In September of last year, we agreed to a <u>settlement</u> with construction contractor Property Maintenance & Construction LLC and Property Maintenance & Construction Inc. (PMC), to provide the Department of Labor and Industry (DLI) the information needed for their investigation, as well as to call a meeting with workers and an AGO investigator to explain that workers can participate in DLI's investigation without fear of retaliation.

We initially <u>sued</u> PMC and its owner, Leo Pimentel, for obstructing DLI's wage theft investigation and for intimidating workers. As part of the settlement, PMC also agreed not to inquire whether workers have communicated with DLI, discourage workers from communicating with DLI, instruct workers to provide false information to DLI, amongst other remedies.

#### **Spectrum Plastics Group**

(Time Rounding)

In May of this year, we obtained a <u>settlement</u> with a medical device manufacturing company, Spectrum Plastics Group, Inc. (Spectrum), over its time-rounding practices that will give justice to 500 current and former hourly employees who were not being paid by Spectrum for all the regular and overtime work they performed.

In total, Spectrum's time rounding practice resulted in unpaid regular and overtime wages in the total amount of \$256,814.14. Under the terms of the settlement, Spectrum agreed to pay unpaid wages to its current and former employees from January 2018 through March 31, 2023, who were harmed by its time-shaving practices. Moving forward, Spectrum has agreed to promptly pay its hourly employees all the wages they are owed and to only use a time-rounding system in the future that is neutral, in that it (on average) rounds time to the benefit of workers and Spectrum equally.

#### Valvoline Instant Oil Change

(Non-Compete Agreements)

In July of this year, we partnered with a multistate coalition of six attorneys general to obtain an agreement to end unfair labor practices at oil change and auto services company Valvoline LLC, Valvoline Instant Oil Change Franchising Inc., and VGP Holdings LLC (Valvoline). Valvoline had required its hourly employees to sign non-competition agreements that prohibited them from working in the oil change business at any store within 100 miles of their Valvoline location for one year after leaving Valvoline. Valvoline also required its hourly employees to sign non-solicitation agreements that forbid them from soliciting current Valvoline employees or customers for one year after their employment with Valvoline ended. These unfair agreements placed an undue burden on workers and significantly reduced their future employment opportunities.

Under the <u>settlement</u> Valvoline has stopped requiring workers to sign these agreements and will notify current and former employees who would have been impacted by the agreements that they are no longer in effect. If Valvoline materially violates the terms of the agreement in any of the coalition states, my office can seek a \$500,000 penalty.



## **Our Ongoing Fight for Workers**

#### State v. Evergreen Acres Dairy LLC

(Nonpayment of Wages, Nonpayment of Overtime, Unauthorized Deductions, Landlord-Tenant Related Issues)

Earlier this year, we filed a <u>lawsuit</u> against Evergreen Acres Dairy, Evergreen Estates, Morgan Feedlots, and the dairy operations' owners alleging that Evergreen has systematically deprived its vulnerable, lowwage dairy employees of millions of dollars in wages they earned by shaving both regular and overtime hours from workers' paychecks, not paying wages owed at the beginning and end of workers' employment, and by unlawfully deducting rent for substandard onsite housing that fails to meet standards of habitability under Minnesota law. Since this lawsuit was filed, AG Ellison has obtained a temporary injunction – to obtain immediate protections for the dairy-farm workers – while continuing the wage theft lawsuit.



#### State v. Shipt, Inc.

(Worker Misclassification)

In October 2022, we filed a <u>lawsuit</u> in Hennepin County District Court against gig-economy company Shipt, Inc., alleging that it has misclassified its delivery workers as independent contractors to avoid the cost of providing them with the employment protections guaranteed by Minnesota law.

Nearly two years in, we continue to fight to ensure that the workers are compensated fairly and appropriately. If you are a Shipt shopper, or know someone who is, and are willing to tell us about your experiences, please contact the Wage Theft Division by calling (651) 296-3353 (Metro area) or (800) 657-3787 (Greater Minnesota) or emailing us at <u>complaints-wagetheft@ag.state.mn.us</u>.



This has been a busy year in the Minnesota Legislature, with many new laws created to better protect Minnesota workers. Some of this legislation was a direct result of our shared advocacy, some are laws that the Wage Theft Division will enforce, and some are just important laws that you ought to know about.

#### **Misclassification**

Building off recommendations from the Attorney General's Advisory Task Force on Worker Misclassification's Government Investigation & Enforcement this new law will help combat employer misclassification fraud. Misclassification happens when an employer incorrectly classifies a full-time employee as an independent contractor, resulting in that employee losing access to important rights, benefits, and protections, like overtime pay, workers compensation, earned sick and safe time, and more. This law will help increase government coordination and enforcement to stop employers from misclassifying workers.

#### **Earned Sick and Safe Time**

Minnesota employers are required employers to provide at least one hour of earned sick and safe time (ESST) leave for every 30 hours worked to employees. This law was updated this year to clarify that employees who are anticipated to work at least 80 hours in a year for an employer in Minnesota qualify for ESST. The update also adds bereavement leave as an eligible reason for which an employee may use accrued earned sick and safe time.

#### **Paid Leave**

Starting in January 2026, employees will be eligible for up to 12 weeks Family Leave to care for a family member with a serious health condition, for parents bonding with a new baby or child; and 12 weeks Medical Leave when a serious health condition prevents an employee from working.



## **Payment of Minimum Wages**

Starting in January 2025, there will no longer be a statewide distinction between large employer and small employer for minimum wage – meaning all covered employers, regardless of size, need to pay at least the statewide minimum wage. The new law also includes a provision requiring that any tips or gratuities received via debit/credit card payments must be included in the same pay period in which they are received.

#### **Minimum Compensation for Rideshare Drivers**

Under this new law, rideshare drivers will earn at least \$1.28 per mile and \$0.31 per minute when a passenger is in their vehicle. Drivers must also be paid at least \$5 per ride. This law also expands insurance requirements, requires procedures for deactivating drivers and mandates greater pay transparency.

## **Salary Ranges Required in Job Postings**

Under this new law, employers with 30 or more employees will need to include the starting salary range and general description of benefits or other compensation on any job posting for a new position.

## **Employer Record Keeping**

Expands employers' record keeping requirements to require that employers make and keep a record of earning statements for each pay period.



## Outreach Events August 2023 - August 2024

Date	Event	Торіс
8/10/2023	Vaccination Clinic, DEED MLRS Migrant workers	Rights of migrant workers
8/18/2023	Unidos MN Meeting with Workers in Southern MN	Worker rights and how to contact AGO
8/24/2023	Unidos MN Meeting with Workers in Southern MN	Worker rights and how to contact AGO
10/14/2023	New Citizen and Immigrant Fair, Minneapolis, MN	Worker rights, consumer protection and how to contact AGO
12/13/2023	Worker Rights, Wage Theft Restaurant Opportunities Center	Worker rights and how to contact AGO
1/29/2024	Worker Rights, Wage Theft Liuna (Workers)	Worker rights and how to contact AGO
1/30/2024	Worker Rights, Wage Theft Restaurant Opportunities Center	Worker rights and how to contact AGO
2/1/2024	Worker Rights, Wage Theft Restaurant Opportunities Center	Worker rights and how to contact AGO
2/15/2024	Justicia Economica, COPAL Online Radio Show	Earned Sick and Safe Time (ESST) and Case Updates (Evergreen and Shipt)

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3/19/2024	Legal Week, Mexican Consulate	Worker rights, consumer protection and how to contact AGO
4/8/2024	Legal Week, Mexican Consulate	Worker rights, consumer protection and how to contact AGO
4/24/2024	Worker Rights, Wage Theft Restaurant Opportunities Center	Worker rights and how to contact AGO
4/25/2024	Legal week, Restaurant Opportunities Center	Worker rights and how to contact AGO
4/25/2024	Outreach Meeting, COPAL, Minneapolis, MN	Debt Fairness Act Worker Rights and how to contact AGO
5/1/2024	USDOL Multi Agency Symposium, Department of Labor	Wage theft and Misclassification
5/1/2024	Con el Pueblo	Debt Fairness Act and role of AGO
5/8/2024	MASBO Conference, School Administrators	Wage Theft Laws
5/9/2024	County Attorney Meeting, Bemidji, MN	Updates from the office
5/9/2024	MASBO Conference, School Administrators	Worker Misclassification
6/4/2024	Labor Advisory Commission, Minneapolis, MN	Worker Misclassification
6/17/2024	Greater Minnesota Workers, Waite Park, MN	Worker Rights
7/13/2024	Dragon Festival, Lake Phalen MN	Tabling
8/10/2023	Vaccination Clinic, DEED MLRS Migrant workers	Rights of migrant workers
8/13/2024	Semana de Asesorias Legales, Mexican Consulate	Consumer Protection & Wage theft
8/26/2024	Semana de Derechos Laborales, Mexican Consulate	AGO's role and Wage theft

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Restore the Vote's Voter Registration Day Press Conference and Award Ceremony



AG Keith Ellison speaking at the AFL-CIO pavilion at the Minnesota State Fair



Debt Roundtable with Consumer Finance Protection Bureau Director Rohit Chopra, AG Keith Ellison and other advocates for the Minnesota Debt Fairness Act.



Meeting with immigrant leaders and organizations in Moorhead



AG Keith Ellison, Wage Theft Division Manager Lee Atakpu, staff of the Greater MN Worker Center, and members of Fe y Justicia at St. Joseph's Catholic Church in Waite Park



Rally with members from UNITE HERE Local 17 in downtown Minneapolis



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And the entire Communications and Outreach teams!



# The Office of the Minnesota Attorney General

helping people afford their lives and live with dignity, safety, and respect

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