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Outsourcing Wage & Hour Enforcement: DOL to Refer "Overflow" Claims to Private Plaintiffs' Law Firms

Each year, the Department of Labor's (DOL) Wage and Hour Division resolves more than 20,000 complaints from employees who claim they are not being paid minimum wage or proper overtime wages. Even with the additional manpower which has been added to the DOL this year, this federal agency still has been unable to pursue thousands of additional complaints over and above this 20,000 number.

In an effort to further assist the DOL, on November 19, 2010, Vice President Joe Biden announced that the DOL and the American Bar Association (ABA) are partnering together to help employees resolve the "overflow" complaints received by the DOL. Specifically, beginning in December 2010, current and former employees who have complaints the DOL does not have the time or resources to investigate will be provided with a toll-free number which will connect them with an ABA-approved attorney to help them pursue their claims against their current or former employer.

The incentive for private plaintiffs' attorneys to "sign up" for this new ABA-sponsored program is that under federal wage and hour laws they are entitled to attorney fees if their clients prevail on claims involving these laws. This means in "negotiating" a "resolution" of such claims with the client's current or former employer, these attorneys also will be negotiating some additional portion to pay themselves for the "assistance" given to the new clients they receive through the DOL-provided tollfree number.

In light of this new "program," we would again urge you to make reviewing your policies and practices to make sure they are fully compliant with all wage and hour laws a priority this holiday season or at the latest in January. If you need assistance in doing so, or if you have any questions about this alert, please contact <u>Jennifer Robinson</u> at <u>jrobinson@millermartin.com</u>, or your <u>Miller & Martin Labor and Employment law attorney</u>.

The opinions expressed in this bulletin are intended for general guidance only. They are not intended as recommendations for specific situations. As always, readers should consult a qualified attorney for specific legal guidance. Should you need assistance from a Miller & Martin attorney, please call 1-800-275-7303.

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