

Wal-Mart settles wage lawsuit for \$54 million

By **BARB KUCERA**

HASTINGS, Minn. (PAI) — In yet another instance of corporate wage theft from workers, some 100,000 current and former hourly employees of Wal-Mart and Sam's Club stores in Minnesota — and the state itself — will share up to \$54 million from the giant retailer under a legal settlement announced Dec. 9.

The agreement is the final stage in a massive wage-and-hour class action suit that put a spotlight on Wal-Mart's practice of having employees work through their rest and meal breaks. It's the latest in a series of such suits Wal-Mart has lost nationwide.

In July, Dakota County District Judge Robert King ruled the company committed more than 2 million violations of the Minnesota Fair Labor Standards Act and ordered it to pay \$6.5 million in back pay. The judge then scheduled a jury trial to determine civil penalties and punitive damages, which could have reached billions of dollars. By reaching a settlement, Wal-Mart and the workers avoided going to trial.

The lawsuit covers workers at Wal-Mart stores and Sam's Clubs locations in Minnesota for just under 10 years, from Sept. 11, 1998, through Nov. 14, 2008. The agreement also includes "a substantial payment to the state of Minnesota," according to a joint statement by Wal-Mart and Maslon Edelman Borman & Brand, one law firm representing the workers.

"We are satisfied with this settlement, gratified these hourly workers will now be paid after seven years of

litigation, and happy that the state ... will receive the largest wage and hour civil penalty in its history," said Justin Perl, an attorney for the workers.

Company spokesman David Tovar claimed the giant retailer, known for its anti-worker actions — including frequently forcing workers to toil "off the clock" — "is pleased the court in Minnesota ruled in its favor on many claims." Tovar did not say what the pro-company rulings were.

Tovar also claimed Wal-Mart's "company policy" is to pay its workers, whom it calls "associates," "for every hour worked and to make rest and meal breaks available."

He added that: "Any manager who violates these policies is subject to discipline, up to and including termination. We remain committed to providing good jobs with real career opportunity to the 1.45 million U.S. associates who choose to work for Wal-Mart and serve our customers every day."

Other evidence, both in the Minnesota court and produced from other sources nationwide, belies Tovar's statements about Wal-Mart disciplining managers who overwork employees without pay and who violate wage and hour laws.

In his ruling in July, Judge King found Wal-Mart repeatedly and willfully violated Minnesota labor laws or its contract with its employees on the issues of contractual rest breaks, statutory meal breaks, shaving time from paid rest breaks and failure to maintain accurate records.

In his decision, King found Wal-Mart was aware that employees were

not receiving breaks to which they were entitled. "In essence, they (Wal-Mart) put their heads in the sand," King stated.

In testimony before King, former Wal-Mart workers described being forced to miss breaks so they could keep up with the work, even to the point of not having time to go to the bathroom.

As part of the settlement, Wal-

Mart agreed to maintain various electronic systems, surveys, and notices that will further compliance with wage and hour policies and Minnesota laws. The settlement is subject to approval by the trial court.

The exact amount paid to class members — the workers — will depend on the court's approval as well as on the number and amount of claims submitted by class members,

both sides said in their joint statement.

King will hold a hearing for preliminary approval of the settlement on Jan. 14, 2009.

(Editor's Note: Barb Kucera is editor of Workday Minnesota. This article was distributed by Press Associates Inc.)

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