

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.