

August 23, 2022

**ATTORNEY GENERAL RAOUL FILES LAWSUIT AND CONSENT DECREE WITH RIVIAN
SUBCONTRACTORS OVER UNPAID OVERTIME WAGES**

***Raoul's Office Has Recovered Over \$700,000 in Unpaid Wages for Workers at Rivian, Litigation
Continues to Recover Back Wages Still Owed***

Chicago — Attorney General Kwame Raoul today announced a consent decree with construction subcontractors building a new production line for Rivian Automotive Inc. (Rivian), expanding on a settlement reached in December 2021. The settlement requires two subcontractors to pay over \$300,000 in back wages and penalties to resolve allegations that they failed to pay Mexican laborers for overtime worked.

A joint investigation conducted by the Attorney General's office and the Illinois Department of Labor (DOL) revealed that a chain of subcontractors hired to construct Rivian's new production line in Normal, Illinois failed to pay overtime wages to their Mexican workers at the site. The consent decree Raoul filed today requires China-based Guangzhou MINO Equipment Co. (MINO) and Florida-based BIW Automotive Solution Inc. (BIW), to pay owed overtime wages and civil penalties totaling \$315,000 to 59 workers who were denied overtime wages they earned.

"Any company doing business in our state must follow Illinois' laws that require workers to be fairly paid for the time they work," Raoul said. "These settlements should send a message that employers cannot hide behind subcontractors to avoid responsibility for stolen wages, and I appreciate the Illinois Department of Labor's collaboration. I am committed to holding businesses – large and small – accountable for violating laws that safeguard workers and support law-abiding businesses in Illinois."

"Illinois law requires that employees are paid in full and on time, including overtime wages," said Illinois Department of Labor Acting Director Jane Flanagan. "When employers skirt the law, it harms workers and undercuts law-abiding businesses. This resolution is the result of hard work and cooperation between IDOL and the Office of the Attorney General and should serve as an example of both agencies efforts to hold employers accountable for stolen wages."

The investigation by the Attorney General's office and DOL was based on a tip from the IBEW Local 197 related to alleged workplace violations by Rivian subcontractors. Two additional defendants, Mexico-based SDS Industrialservicio S.A. de C.V. (SDS) and its president, have refused to cooperate with the Attorney General's investigation or engage in settlement discussions. The Attorney General's office also filed a lawsuit today to ensure that they also pay penalties owed under Illinois law.

According to the Attorney General's office, MINO, BIW and SDS used an elaborate subcontracting arrangement to deny overtime pay to Mexican laborers at Rivian's facility in Normal. After Rivian hired MINO to build assembly lines, MINO subcontracted work to BIW. BIW then further subcontracted to SDS to obtain much of the workforce MINO used to fulfill its obligations to Rivian. Although SDS was responsible for paying the workers, MINO and BIW shared significant control over their work and their conditions of employment. The investigation by Raoul's office and the DOL revealed that employees at the Rivian plant typically worked between 60 and 80 hours per week, seven days a week. Illinois law requires an overtime premium of 150% of regular hourly wages for each hour worked over 40 in a week. SDS's employees did not receive any overtime wages required by law.

Under the consent decree Raoul's office filed today, MINO agrees to pay 59 affected employees \$170,000 in owed overtime wages and penalties, and BIW will pay an additional \$145,000. The Illinois Minimum Wage Law allows employees to recover up to triple the amount of damages for any underpayment of wages to which they are entitled. Through the settlement, Raoul's office is recovering about 150% of the overtime wages that employees should have received if they had been paid the required overtime premium rate. Raoul's office intends to vigorously pursue SDS and Semmelweis, the absent defendants, for the remainder of the money owed to workers.

The agreement announced today builds on the Attorney General's ongoing actions to protect laborers at Rivian. In December 2021, Attorney General Raoul announced settlements with subcontractors, including MINO, that recovered \$390,000 on behalf of 54 other workers at the Rivian site. In total, the Attorney General's office has recovered over \$700,000 in unpaid wages. Raoul's lawsuit against SDS and its president will continue.

The litigation is part of Attorney General Raoul's ongoing work to protect workers in Illinois from unlawful employment practices. [In February 2020](#), Attorney General Raoul joined a coalition of 18 attorneys general in filing a lawsuit challenging a U.S. Department of Labor rule that would have eliminated key protections for workers under the Fair Labor Standards Act. The rule, which was ultimately invalidated, would have undermined protections against the unlawful conduct uncovered during the Attorney General's investigation into Rivian's subcontractors.

Bureau Chief Alvar Ayala and Assistant Attorneys Generals Javier Castro and Henry Weaver handled the case for Raoul's Workplace Rights Bureau.

Attorney General Raoul encourages workers who have concerns about wage and hour violations or potentially unsafe working conditions to call his Workplace Rights Hotline at 1-844-740-5076 or to [file a complaint online](#).



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.

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