



April 11, 2018

**ATTORNEY GENERAL MADIGAN OPPOSES U.S. DEPARTMENT OF LABOR PROGRAM TO OFFER AMNESTY TO LABOR LAW VIOLATORS*****New PAID Program Encourages Violators to Require Employees to Waive State Law Protections – Like Higher Minimum Wage Levels – in Exchange for Payment of Overdue Wages***

**Chicago** — Attorney General Lisa Madigan, along with 10 other attorneys general, today sent a letter to U.S. Department of Labor Secretary Alexander Acosta raising serious concerns about its Payroll Audit Independent Determination (PAID) Program that allows certain employers to avoid prosecution and penalties for labor violations by simply paying back wages owed to their employees under federal law.

In the letter, Madigan and the attorneys general expressed concern that the PAID Program, a pilot program recently announced by the Department, encourages employers to have their employees waive important state law protections, like higher minimum wage levels and longer time periods to sue for labor violations, in exchange for payment of overdue wages. Even though such waivers may not be enforceable, employees may be misled into believing they have no legal recourse to fully vindicate their workplace rights.

“It is essential that workers are paid on time for the work they perform,” Madigan said. “This irresponsible program encourages unscrupulous employers to violate labor laws without penalty.”

The letter to Secretary Acosta raises multiple concerns with the PAID Program, including that it releases employers from the obligation to pay liquidated damages, penalties and interest on overdue wages. Additionally, the PAID Program appears not to require employers to pay employees at any applicable higher state or local minimum wage or overtime wage rates or to pay wages owed during longer state statute of limitations periods. For a fast food worker in Chicago, for example, that could mean the difference between recovering at the federal minimum wage of \$7.25 an hour rather than the applicable city minimum of \$11.

The letter also states that the PAID Program encourages employers to have employees sign separate releases to settle claims under state law – yet the Department of Labor refuses to oversee such state-law settlements to ensure their fairness. In addition, the letter warns that the PAID Program may improperly permit participation by employers who are currently under investigation by state attorneys general or labor enforcement authorities.

Joining Madigan in sending the letter are the attorneys general of California, Connecticut, Delaware, the District of Columbia, Maryland, Massachusetts, New Jersey, New York, Pennsylvania and Washington.

A copy of the letter can be found [here](#).

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