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ATTORNEY GENERAL RAOUL ANNOUNCES SETTLEMENTS WITH CONSTRUCTION SUBCONTRACTORS AT RIVIAN AUTOMOTIVE OVER UNPAID OVERTIME WAGES

Investigation by Raoul's Office, Department of Labor Reveals Companies Underpaid Workers

Chicago — Attorney General Kwame Raoul today announced settlements with construction subcontractors building a new production line for Rivian Automotive, Inc. (Rivian) that resolve a joint investigation by the Attorney General's office and the Illinois Department of Labor. The settlements require the chain of subcontractors to pay nearly \$400,000 in back wages and penalties to resolve allegations that they failed to pay Mexican laborers for overtime worked.

The 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 settlements require China-based Guangzhou Mino Equipment Co. (Mino); Spain-based IT8 Software Engineering, S.L. (IT8); and Mexico-based LAM Automation (LAM) – along with the companies' related entities – to pay owed overtime wages and civil penalties, totaling \$390,000, to 54 workers who were denied overtime wages they earned.

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

"Part of the mission of the Illinois Department of Labor is ensuring workers are paid the wages to which they're entitled. I'd like to recognize the hard work of employees within the Department of Labor and Attorney General's office for thoroughly investigating these claims and bringing them to a resolution," Illinois Department of Labor Director Michael Kleinik said. "Through IDOL's work with the Office of the Attorney General, we're pleased these back wages and penalties are resolved, and that action was taken to try and prevent this from happening to workers in the future."

According to the Attorney General's office, Mino, IT8, and LAM utilized an elaborate subcontracting arrangement that allowed the companies to deny overtime pay to Mexican laborers at the Rivian facility. After Rivian hired Mino to help build assembly lines at its facility in Normal, Mino then subcontracted work to IT8. IT8 then further subcontracted to LAM to obtain much of the workforce Mino used to fulfill its obligations to Rivian. IT8 and LAM helped laborers in Mexico obtain visas, including nonimmigrant NAFTA Professional (TN) visas, to work for IT8 and Mino at electrical vehicle plants in the U.S., including Illinois' Rivian plant. Although LAM was responsible for issuing payments to the workers, Mino and IT8 shared significant control over their work and their conditions of employment. In addition, Mino used these workers as part of its own labor force. 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. LAM's employees did not receive the full overtime wages required by law.

"I applaud Attorney General Raoul, his staff, and the Department of Labor for their efforts and findings of the exploitation of workers by 3 subcontractors at the Rivian plant," Mike Raikes, Business Manager, IBEW Local 197 said. "It is a bittersweet day that the Workers Protection Unit was able to bring the investigation to a close and find fraud, manipulation, and the cheating of wages for vulnerable workers. However, it is sad that in the year 2021 we have contractors going to extreme lengths to intentionally break the law. These contractors knew they were illegally bringing in foreign workers, paying less than area standards and benefits, no overtime pay, and hurting our local workers, contractors, and economy by doing so."

Under the settlements, Mino and IT8 each agree to pay the 54 impacted employees \$145,000 in owed overtime wages and penalties, and LAM will pay an additional \$100,000. 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 settlements, Raoul's office is recovering nearly 270% of the overtime wages that employees should have received if they had been paid the required overtime premium rate.

Additionally, the settlements require Mino, IT8, and LAM to obtain certifications from any future subcontractors the companies utilize in Illinois to guarantee that the subcontractors will follow Illinois law. To help prevent future violations, the settlements also require subcontractors of Mino, IT8, and LAM to provide detailed wage statements to employees reflecting hours worked, pay rates and total wages earned.

These settlements are 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, Counsel to the Attorney General Kimberly Janas, and Assistant Attorneys General Henry Weaver and Javier Castro handled the case for Raoul's Worker Protection Unit.

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.