

Wage and Hour Collects \$172 Million in Back Wages for over 246,000 Employees in Fiscal Year 2006

The Employment Standards Administration's Wage and Hour Division (WHD) recovered more than \$171.5 million in back wages for over 246,000 employees in fiscal year 2006. Back wage collections represent a 3.6 percent increase over back wages collected in fiscal year 2005. The number of workers who received back wages in fiscal year 2006 increased by 2.3 percent over the number receiving back wages in fiscal year 2005. The agency concluded 31,987 compliance actions and assessed nearly \$7.9 million in civil money penalties.

WHD Enforcement Statistics – All Acts	FY 2005	FY 2006	Change (05-06)
Back Wages Collected	\$166,005,014	\$171,955,533	3.6%
Employees Receiving Back Wages	241,379	246,874	2.3%
Complaints Registered	30,375	26,256	(13.6%)
Enforcement Hours	969,776	951,971	(1.8%)
Average Days to Resolve Complaint	85	93	9.4%
Concluded Cases	34,858	31,987	(8.2%)

Over 222,000 Employees Received Fair Labor Standards Act Back Wages

In fiscal year 2006, more than 222,000 employees received a total of \$135.7 million in minimum wage and overtime back wages as a result of Fair Labor Standards Act (FLSA) violations. WHD collected over \$120.5 million in back wages for FLSA overtime violations and more than \$15.2 million for FLSA minimum wage violations. Back wages for overtime violations represented roughly 89 percent of all FLSA back wages collected, and the number of employees due overtime back wages represented about 87 percent of all employees due FLSA back wages. WHD assessed employers \$2.9 million in FLSA civil money penalties.

	Cases	Back Wages Collected	Percent of FLSA Back Wages	Employees Receiving Back Wages	Percent of Employees Receiving FLSA Back Wages
Minimum Wage	11,867	\$15,228,183	11%	52,701	13%
Overtime	11,223	\$120,500,820	89%	194,811	87%

COMPLIANCE WITH THE PART 541 OVERTIME SECURITY REGULATIONS

Of the \$135.7 million in FLSA back wages collected, over \$13.2 million were collected for approximately 12,000 employees for violations of the revised Overtime Security regulations (29 C.F.R. Part 541). This compares to \$13.6 million collected for approximately 10,000 employees in fiscal year 2005. The violation most frequently cited was one in which the employee's primary duty was not "the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers." This violation of the administrative duty test was cited in 353 cases and affected approximately 2,800 employees.

BACK WAGES COLLECTED FOR WORKERS IN LOW-WAGE INDUSTRIES INCREASED

WHD continues to pursue compliance in low-wage industries that employ young and immigrant workers. In fiscal year 2006, the agency collected nearly \$50.6 million in back wages for approximately 86,700 workers in low-wage industries - an increase of over 10 percent of back wages collected in the same low-wage industries during the previous fiscal year. Over a third of WHD enforcement resources are attributed to investigations in nine low-wage industries, which include day care, restaurants, janitorial services, and temporary help.

Low-Wage Industries Statistics	Cases	Back Wages	Employees
Agriculture	1,410	\$1,688,599	2,968
Day Care	911	\$1,302,282	4,459
Restaurants	4,342	\$16,945,668	29,102
Garment Manufacturing	442	\$2,914,067	2,882
Guard Services	664	\$10,684,509	10,670
Health Care	1,615	\$10,094,948	24,227
Hotels and Motels	864	\$2,622,655	4,925

Janitorial Services	528	\$3,253,038	4,349
Temporary Help	396	\$1,060,895	3,198
Total Low-Wage Industries	11,172	\$50,566,661	86,780

Low-Wage Industries Statistics	FY 2005	FY 2006	Change (05-06)
Back Wages Collected	\$45,783,743	\$50,566,661	10.4%
Employees Receiving Back Wages	96,511	86,780	(10.1%)
Cases in Low-Wage Industries	12,468	11,172	(10.4%)

LOW-WAGE WORKERS IN THE GULF COAST RECEIVE OVER \$1.2 MILLION IN BACK WAGES

In fiscal year 2006, WHD opened over 300 hurricane-related cases, which resulted in the recovery of more than \$1.3 million in back wages for 2,699 employees. WHD has also collected an additional \$760,000 in back wages on cases not yet concluded. WHD's enforcement activities in the Gulf Coast region included investigations of contractors and their subcontractors primarily working on debris removal contracts subject to the federal McNamara-O'Hara Service Contract Act (SCA). In addition, in New Orleans, WHD investigated contractors working on U.S. Army Corps of Engineers contracts to place blue tarps over the rooftops of damaged homes. In Gulfport, Mississippi, WHD investigated the reconstruction efforts of the casinos located along the Mississippi shore.

Outreach to the worker community and to federal contracting agencies complemented WHD's enforcement in the region. Throughout the prior fiscal year, WHD joined with faith-based organizations, community activists, the federal contracting community, foreign consulates, and local media to provide outreach and education about the laws it enforces to employers and employees of the Gulf Coast region.

The circumstances encountered in the aftermath of Hurricanes Katrina and Rita provided unique challenges to WHD's ability to respond to the changing working conditions and to secure the rights of workers in the Gulf Coast region. WHD's immediate actions following the hurricanes were geared toward advising the public of federal wage and hour laws and assisting workers who had not received their last paycheck.

Following Hurricane Katrina's landfall, WHD offices in New Orleans, Louisiana, and Biloxi, Mississippi, were damaged and closed. Once temporary offices were opened, WHD sent five additional bilingual investigators to support the agency's compliance assistance and enforcement activities. In January 2006, WHD began rotating up to ten additional bilingual (English/Spanish and English/Portuguese) investigators and managers from other offices around the country to supplement the activities of the full-time WHD staff members who report to the Gulf Coast offices.

NUMBER OF MINORS EMPLOYED IN COMPLIANCE WITH CHILD LABOR LAWS

Results for fiscal year 2006 show a total of 3,723 minors found illegally employed, an average of 3.4 minors illegally employed per investigation. The majority of child labor violations occurred when workers under the age of 16 worked too many hours, too late at night, or too early in the morning. In total, 2,356 minors were employed in violation of the child labor hours standards. Hazardous Occupation Order (HO) violations were found in a third of the cases with child labor violations. Violations of HO No. 12 (paper balers) were the most common type of HO violation found followed by violations of HO No. 10 (meat slicers), and HO No. 2 (driving). WHD assessed nearly \$3 million in child labor civil money penalties in fiscal year 2006.

Child Labor Statistics	FY 2005	FY 2006	Change (05-06)
Self-Directed Child Labor Cases	1,406	952	(32.3%)
Cases with Child Labor Violations	1,129	1,083	(4.1%)
Minors Employed in Violation	3,703	3,723	0.5%
Minors Per Case	3.3	3.4	3.0%
Cases with HO Violations	396	361	(8.8%)
Minors Employed in Violation of HOs	1,091	994	(8.9%)

FAMILY AND MEDICAL LEAVE ACT ENFORCEMENT

The number of Family and Medical Leave Act (FMLA) complaint investigations concluded in fiscal year 2006 declined slightly from investigations concluded in fiscal year 2005. The number of violation cases declined by 19 percent from the number in fiscal year 2005, and over 26 percent fewer employees were affected by FMLA violations. Termination of employees seeking FMLA leave continues to be the primary reason that employees filed a complaint.

FMLA Enforcement Statistics	FY 2005	FY 2006	Change (05-06)
Number of Complaints	2,784	2,161	(22.4%)
Nature of Complaint			
Refusal to Grant FMLA Leave	647	522	(9.3%)
Refusal to Restore to Equivalent Position	328	261	(20.4%)
Termination	1,132	870	(23.1%)
Fail to Maintain Health Benefits	50	31	(38.0%)
Discrimination	627	477	(23.9%)
Status of Compliance Action			

FMLA Enforcement Statistics	FY 2005	FY 2006	Change (05-06)
No Violation Cases	1,429	1,069	(25.2%)
Employer Not Covered	37	39	5.41%
Employee Not Eligible	176	152	(13.6%)
Complaint Not Valid	1,058	765	(27.7%)
Other	158	113	(28.5%)
Violation Cases	1,355	1,092	(19.4%)
Number of Employees Affected	1,626	1,200	(26.2%)
Amount of Monetary Damages	\$1,867,807	\$1,772,342	(5.1%)

FISCAL YEAR 2007 INITIATIVES

The long-term reconstruction of the Gulf Coast region will necessitate a strong and continuing WHD presence for the foreseeable future. Throughout the next several years, WHD will continue to allocate enforcement resources to the region, explore new strategies and partnerships to reach vulnerable workers, and pursue all opportunities to meet any new compliance challenges that may arise along the U.S. Gulf Coast.

In addition to this effort, WHD regions have planned regional and local initiatives for fiscal year 2007. The initiatives utilized the strategies of compliance assistance, partnerships and alliances, and enforcement to increase compliance with the FLSA, including youth employment, in low-wage industries. A component of the agency's low-wage focus will include regional and district initiatives in agriculture to increase compliance with the Migrant and Seasonal Agricultural Worker Protection Act.

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