

Cook County Passes Wage Theft Ordinance; Businesses Face Harsh Sanctions For Violations of State And Federal Wage Laws

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Effective May 1, 2015, employers in Cook County could face severe consequences for violating state and federal wage and hour laws. In a recent unanimous vote, Cook County Commissioners passed the “**Cook County Wage Theft Ordinance**” (the "Ordinance"), amending various Cook County ordinances and providing that a “person or substantial owner” who has admitted liability or been found liable by a court or administrative agency for violating state and federal wage laws, including (but not limited to) the Fair Labor Standards Act, the Illinois Minimum Wage Law, the Illinois Wage Payment and Collection Act, the Illinois Worker Adjustment and Retraining Act, and the Illinois Employee Classification Act, will be: (a) barred from entering into a contract with Cook County (and allowing the County to nullify an existing contract); (b) ineligible to receive a business license; (c) ineligible to receive a property tax incentive; and (d) disqualified from receiving or renewing a County business license (including employers in unincorporated parts of Cook County). There is a five-year look back period, so any violations in the preceding five years carry the same consequences. Additionally, future violations may result in an employer being barred from doing business with Cook County for five years and the revocation of an existing business license or property tax incentive. Significantly, when persons or employers submit bids for Cook County contracts or forms for licenses or tax incentives, the persons or employers must submit an affidavit or certification declaring that the person or employer has not violated any state or federal wage laws. The certification

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includes any wage violations nationwide. In other words, employers could suffer the consequences of the Ordinance if there was a wage violation outside of Cook County or even in another state. Employers covered by the Ordinance should conduct an audit of their wage practices to ensure compliance, train management employees about wage law compliance, and approach wage investigations or claims filed with state and federal departments of labor (and lawsuits) with particular care and attention.