

WALMART SUPPLIERS ACCUSED OF WAGE THEFT



Three Los Angeles-area based companies that handle Walmart's goods have been charged with fraudulent pay practices in a suit filed in federal court. The class action lawsuit, filed by a group of workers at a California warehouse that handles goods bound for Walmart stores, alleges that workers have been routinely shortchanged on their paychecks, required to work in dangerously hot conditions and threatened with termination when they've complained to superiors. While Walmart itself is not being sued, the suit names Walmart contractor Schneider and three of its subcontractors who supply temporary labor to the facility as defendants. The suit accuses the firms of pressurizing supervisors to understate the number of hours employees worked so that they could pay them less. Such agencies hire large number of workers to do difficult and often unstable work. The region southwest of Chicago has over the past 15 years evolved into one of the largest hubs for dry goods heading to retail stores across the Midwest. The high concentration of temp workers also indicates the big-box industry's reliance on workers hired by third-party companies. Most of the workers are Latino immigrants who do not speak English and have no education beyond middle school. According to the suit, workers "spend their workdays performing strenuous, unskilled physical labor in an environment where the temperature often exceeds 90 degrees". In addition when workers questioned their paychecks, their bosses "routinely responded with threats of retaliation and actual retaliation, including by sending the inquiring workers home without pay, refusing to give them work the next day ... and imposing other forms of discipline on them". A statement issued by a lawyer for the Schneider parent company, Schneider National, states that "Schneider is confident that it is in full compliance with all applicable statutes and regulations governing its warehousing operations, and we expect the same of our vendors. Such vendors are independent of Schneider. We do not have a joint employer relationship with our vendors and any allegation to that effect is absolutely false". The Inland Empire warehouses are an economic juggernaut that employs approximately 100,000 people and are a distribution hub for brand-name products such as Apple computers, Gerber baby clothes and Polo apparel. According to Labor Commissioner Julie A. Su, "Warehouses are one example of the ever-increasing contracting out of labor. It's difficult for enforcement, and in many instances it's a deliberate effort to avoid compliance". She said the charges marked the beginning of an "in-depth" investigation of the companies operating inside the warehouse.

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