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The Focus

A Compliance Check Newsletter

Sterling Jewelers Agrees to Pay $1.29 Million in Back Wages to 16,820 Workers in 41 States

Sterling Jewelers Inc., of Akron, Ohio, has agreed to pay $1,291,077 in back wages to resolve violations of the Fair Labor Standard Act (FLSA) overtime requirements, the Labor Department announced recently. Sterling agreed to pay the back wages to 16,820 current and former employees of its retail stores operating at 1,200 locations in 41 states. The company does business under 14 retail names around the country.

Complaint and consent judgments were filed Monday, June 12, with the U.S. District Court for the Northern District of Ohio. The consent judgment also enjoins the company from future violations of the overtime pay provisions of the FLSA. Sterling voluntarily disclosed the violations to the department, and worked cooperatively with the department to ensure that the violations were fully and satisfactorily resolved.

The company failed to include incentive pay in the calculation of overtime and it failed to pay employees for all hours worked, which the employees had entered using the firm's electronic timekeeping system. Each of those violations contributed to workers being paid less than time and one-half their regular pay for hours worked over 40 in a single workweek as required by the FLSA. The back wage payments cover the period from Nov. 2, 2003 to Feb. 25, 2006.

The FLSA requires employers to pay covered employees at least the federal minimum wage for all hours worked and time and one-half their regular rate of pay for hours worked over 40 in a week. Employers must also maintain accurate time and payroll records. For additional information, go to www.dol.gov.

EEOC Offers Tips to Companies that Employ Teens

The U.S. Equal Employment Opportunity Commission (EEOC) recently offered tips to companies that employ teenagers and called on the employer community to promote fair, inclusive, and discrimination-free workplaces for millions of young people who are preparing to enter the labor force this summer – some for the first time.

At the height of last summer (July 2005), more than seven million young people age 16-19 joined the U.S. workforce, according to the U.S. Department or Labor.

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EEOC offered employers the following tips to promote voluntary compliance and prevent harassment and discrimination cases involving young workers:

- Encourage open, positive and respectful interactions with young workers.
- Remember that awareness, through early education and communication, is the key to prevention.
- Establish a strong corporate policy for handling complaints.
- Provide alternate avenues to report complaints and identify appropriate staff to contact.
- Encourage young workers to come forward with concerns and protect employees who report problems or otherwise participate in EEO investigations from retaliation.
- Post company policies on discrimination and complaint processing in visible locations, such as near the time clock or break area, or include the information in a young worker's first paycheck.
- Clearly communicate, update, and reinforce discrimination policies and procedures in a language and manner young workers can understand.
- Provide early training to managers and employees, especially front-line supervisors.
- Consider hosting an information seminar for the parents or guardians of teens working for the organization.

Further information about the laws enforced by the EEOC is available on the agency's main web site at www.eeoc.gov.