



Fast-Food Chain Employers: Take Steps Now to Avoid Being the Next FLSA Headline

Insights

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On almost a daily basis, we read articles about class action lawsuits and settlements against fast-food chains. Almost all chains have had them. Fisher Phillips has defended many of these lawsuits for different chains in all parts of the country. Most class claims are based on one or more of the following types of allegations under the FLSA and/or state wage-related laws:

- Managers illegally adjusted timesheets to avoid overtime,
- Improper use of tip credit,
- Mileage reimbursement or other business expense reimbursement insufficient,
- Improper calculations of overtime pay,
- Employer-retained delivery charges belong to employees,
- Improper uniform deductions, and
- Retaliation against those who complain.

A number of large plaintiff-oriented law firms around the country are bringing these class action cases and looking for more. Adding further fuel to the fire, the New York Attorney General is investigating potential "wage theft" in the fast-food industry. Many fast-food restaurants have received subpoenas from the Attorney General as part of this investigation. Click [here](#) to read more about the investigation.

This action should serve as a reminder to employers in all states that sometimes even compliance with the FLSA is not enough. Employers must also take into account the restrictions that states and other jurisdictions might impose under their own laws, particularly with respect to deductions and the payment of wages.

With the recent announcements of million-dollar-plus settlements, fast-food employers would be wise to immediately audit their pay practices to ensure they are not the next big headline.

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