



FROM THE OFFICE OF THE  
DC ATTORNEY GENERAL  
BRIAN SCHWALB

# 2024 LABOR DAY REPORT

PROTECTING DC WORKERS



**2024 Labor Day Report**  
Office of the DC Attorney General Brian Schwalb

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL



Happy Labor Day!

**Today we honor the contributions that working people and the labor movement have made to our community and nation.** From securing rest on weekends and the eight-hour workday to passing minimum wage and child labor laws, the American labor movement has made our country a much stronger and more equitable place.

Our wage and overtime laws reflect the reality that workers deserve time to rest, to spend time with family, and to do “what they will” outside of work. Reflecting our values, the District has enacted some of the strongest worker protection laws in the nation. But these laws do not enforce themselves, and we know that there are certain employers who willfully violate our workers’ rights, cheat their employees, and reap an unfair advantage over competing law-abiding businesses.

That is why the Office of the Attorney General works every day to stand up for DC workers and to aggressively enforce the District’s labor laws. I am extremely proud of the work that we have done and will continue to do. **Since I took office 20 months ago, we have recovered nearly \$15 million for the District and its workers — including \$9 million in wages returned to workers and over \$5 million in penalties.**

This report celebrates some of our team’s outstanding work to realize the promise of the District’s workers’ rights laws through enforcement, education, and community engagement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian L. Schwalb".

Brian L. Schwalb  
Attorney General for the District of Columbia






# THIS YEAR BY THE NUMBERS

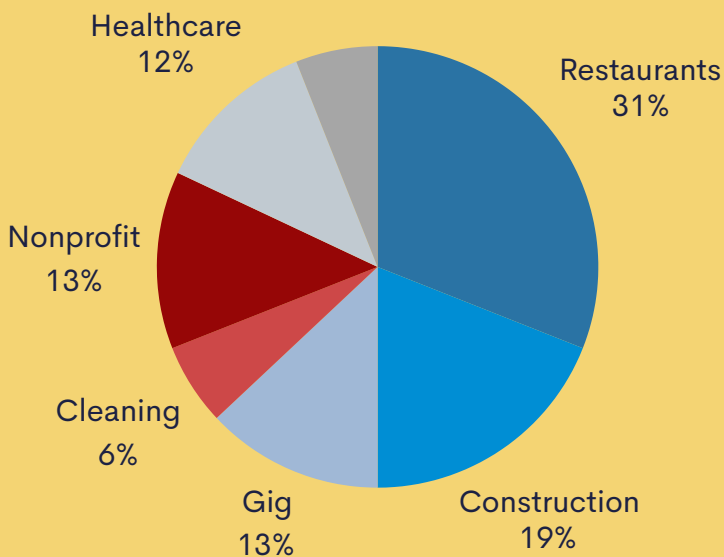
Our Impact from Labor Day 2023 to Labor Day 2024

 **\$9,513,559.96**

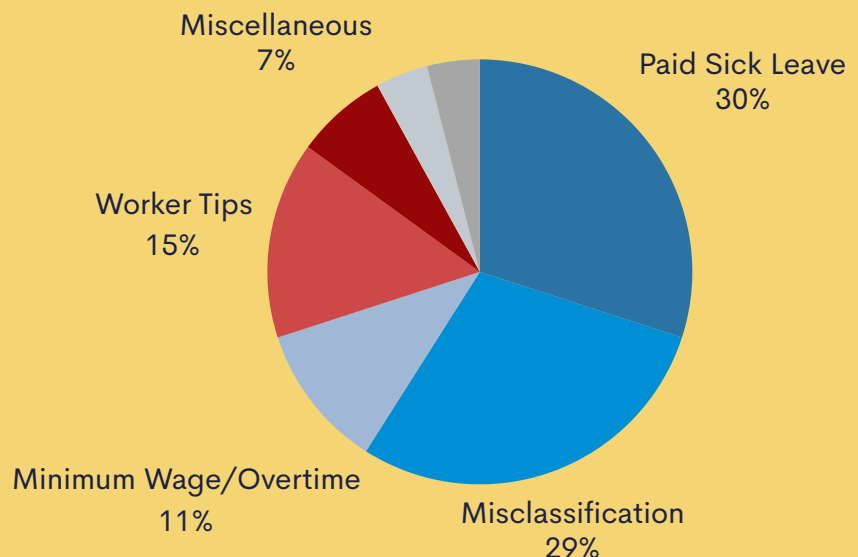
**SECURED FOR WORKERS AND THE DISTRICT**

-  **\$5,611,574.39** in restitution for workers
-  **\$3,901,985.57** in penalties for the District
-  **16** settlements affecting thousands of workers

## INDUSTRIES



## ISSUES



# CONTACT OUR OFFICE

## Reach OAG's Workers' Rights and Antifraud Section


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OAG is committed to protecting workers' rights to fair wages, overtime pay, and sick leave. Under District law — one of the most progressive in the nation — employers who fail to pay their workers, or who do not pay their workers on time, can be liable for up to four times the amount of unpaid wages, as well as administrative penalties, attorney's fees and costs.

**If your rights have been violated, please contact us:**

 **workers@dc.gov**

 **trabajadores@dc.gov**

 **202-724-7730**

**Complaints are an essential part of what we do.** We respond to every tip to our office, and many result in restitution to workers and employers improving their practices. This year, we received over 260 complaints.

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OAG's worker protection team includes Assistant Attorneys General **Norman Anderson, Anabel Butler, Deepa Goraya, Sarah Levine, Jessica Micciolo, Jude Nwaokobia, Charlie Sinks, Morgan Sperry, and Christian Whitmer**; Investigators **Kenithia Alston and Shelby Miller**; Paralegal **Diego Pereira**; Staff Assistant **Mina Kasama**; Assistant Section Chief **Dennis Corkery**; and Section Chief **Graham Lake**.

**AM I  
GETTING  
FIRED?**

IHG is committing unfair labor practices

**UNITE  
HERE!**

**WORKER  
NEED A  
RAISE.**

UNITE HERE!

**RESPECT**

**ONE  
UNION  
STRONG**





# ENFORCEMENT

## Three Record-Breaking Settlements in 2024

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### DC's Largest Workers' Rights Recovery Ever: \$3.75 Million from Power Design

Power Design, a major construction firm, agreed in July 2024 to pay **\$3.75 million**, including **\$1.74 million** in restitution to workers, and \$1.12 million in penalties to the District. The settlement resolves OAG's suit against Power Design, general contractor John Moriarty & Associates, and multiple labor brokers — based on the labor brokers misclassifying hundreds of workers as independent contractors, all as part of an unlawful scheme to avoid paying sick leave and payroll taxes. The settlement requires all defendants to overhaul their payroll and contracting practices to prevent future misclassification.

### DC's Largest Gig Enforcement Recovery: \$3 Million from Arise Virtual Solutions

In May 2024, Arise Virtual Solutions, Inc. (Arise) — a gig economy customer service firm — agreed to pay **\$3 million** to customer service workers and the District to resolve OAG's misclassification lawsuit. OAG alleged that Arise, which provides a workforce of at-home customer service call workers for client companies, unlawfully failed to pay workers minimum wages, overtime, and paid sick leave by misclassifying them as independent contractors rather than employees. Under the settlement, Arise must pay \$2 million in damages to workers, \$1 million in penalties, and cease all business in the District.

### DC's Largest Restaurant Recovery: Over Half a Million from Swahili Village

In July 2024, Swahili Village M Street, LLC and its owner agreed to pay **\$526,973** to restaurant workers and the District to resolve OAG's 2023 wage theft lawsuit. In its suit, OAG alleged that Swahili Village systematically stole wages and tips from its staff — in violation of multiple wage and hour laws — and denied all workers paid sick leave. Under the settlement, Swahili Village must pay back wages to workers, pay penalties to the District, come into compliance with District labor laws, and submit to ongoing monitoring by OAG.



# RESTAURANT INDUSTRY

## Fighting Back Against Wage Theft and Exploitation

In 2024, OAG initiated dozens of investigations into the restaurant industry to protect workers like servers, bartenders, barbacks, bussers, hosts, and cooks, who commonly face wage and tip theft, denial of paid sick leave benefits, and other forms of exploitation. In addition to OAG's record-breaking settlement with Swahili Village, OAG achieved a number of other positive outcomes as a result of its restaurant enforcement:



In June 2024, OAG announced a settlement with Potomac Foods Company, which operated a Burger King franchise on Connecticut Avenue, to resolve the District's investigation. Specifically, OAG investigated whether Potomac failed to promptly pay workers their final paychecks after closing as District law requires. OAG also investigated whether Potomac failed to consistently pay overtime premiums to eligible workers. **Under the settlement, Potomac will pay over \$24,000 to workers and \$22,500 to the District.**



In August 2024, OAG reached a settlement with IHG Management LLC to resolve allegations that IHG failed to provide accurate, honest, and transparent compensation policies to workers at Moon Rabbit, when the restaurant was owned and operated by IHG at the InterContinental Hotel. **As part of the settlement, IHG will pay \$126,650 to former workers, pay \$60,000 in penalties to the District, and change its practices at restaurants in its portfolio.**







# CONSTRUCTION INDUSTRY

## Rooting Out Worker Misclassification

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Construction workers, whose work is physically demanding and dangerous, can be uniquely harmed by worker misclassification, which denies workers access to paid sick leave and workers' compensation for on-the-job injuries. OAG has conducted a targeted approach to confronting this issue. In addition to our record-breaking settlement with Power Design, **OAG has ramped up its enforcement efforts in the construction industry this year:**



In September 2023, OAG reached a settlement with T&A Construction, LLC (T&A), a drywall contractor that conducts business in DC. An OAG investigation revealed that several of T&A's subcontractors improperly misclassified construction workers as independent contractors. As a result, these workers were denied paid sick leave and other benefits. Under the settlement, **T&A will pay \$100,000 to workers and \$125,000 in penalties to the District.**



In February 2024, OAG reached a settlement with Tricon Construction, a framing and drywall installation company that conducts business in DC. OAG's investigation uncovered that four Tricon subcontractors misclassified workers as independent contractors. As a result, these workers were deprived of paid sick leave and other work benefits. **Under the settlement, Tricon will pay \$200,000 to workers and \$150,000 in penalties to the District.**



In June 2024, OAG filed a lawsuit against W.G./Welch Mechanical Contractors, LLC and four other construction companies for worker misclassification. In the suit, OAG alleges Welch and the four other companies engaged in a widespread misclassification scheme that resulted in lost wages and benefits to hundreds of workers. **Our suit seeks to recover all unpaid wages, paid sick leave benefits, and penalties — and require the companies to comply with DC laws.**





# THE GIG ECONOMY


## Ensuring Gig Workers Are Protected

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**OAG continues to fight worker misclassification in the gig economy.** When gig workers are misclassified as independent contractors, they are denied important protections and benefits, like the minimum wage, overtime pay, paid sick leave, reimbursement for business expenses, and more.

 In 2024, OAG continued its ongoing litigation against Shipt, a gig economy company that offers shopping and delivery services. In its suit, OAG alleges that Shipt misclassifies its entire workforce of “shoppers” who perform the delivery services at the heart of Shipt’s business. **OAG’s suit seeks to recover unpaid wages and paid sick leave owed to shoppers, force Shipt to fulfill its duty to pay into the District’s public benefits programs, and recover penalties.**

 In March 2024, OAG secured \$3 million dollars in a settlement to resolve its lawsuit against Arise Virtual Solutions, Inc., a gig economy customer service company, for misclassifying its entire workforce of work-from-home customer support agents as independent contractors. **As a condition of settlement, Arise must cease all business in the District and pay \$2 million in damages to workers.**

 In June 2024, OAG announced its settlement with Fetch Package, Inc., a gig economy package receipt and delivery company, to resolve the District’s misclassification investigation. Under the settlement, **Fetch will pay over \$100,000 to impacted delivery drivers, pay over \$50,000 to the District, begin classifying eligible workers correctly, and submit an annual compliance report to the District.**





MEDICAL CENTER  
NAME: DR. J SMITH  
POSITION: MD  
1231 MAIN STREET





# NONCOMPETES


## Defending Worker Freedom and Competition

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Since October 1, 2022, District law has prohibited employers from imposing noncompete clauses on most workers who earn less than \$150,000 per year. Noncompete clauses limit worker mobility and depress worker wages. **OAG continues to enforce this law to ensure that workers have the freedom to seek new jobs or start their own businesses — and to ensure that businesses can freely compete to recruit the best employees.**

 In November 2023, OAG reached a settlement with Accountable Healthcare Staffing, Inc. (Accountable), a healthcare recruiting and staffing agency, to resolve an investigation into the company for subjecting its workers to illegal noncompetes. As a condition of settlement, **Accountable paid \$114,845 to workers, \$10,000 in penalties to the District, and stopped its use of noncompete clauses for workers in DC.**

 In November 2023, OAG announced a settlement with SPiN DC, LLC to resolve an investigation into the company for requiring managers to sign illegal noncompetes. **Under the settlement, the company agreed to rescind all noncompete clauses for their workers in the District.**

 In November 2023, OAG reached a settlement to resolve its investigation into Ultimate Performance Fitness (UP Fitness), a personal training company, regarding wage theft. **As a condition of settlement, in addition to paying over \$250,000 to workers and nearly \$200,000 to the District, UP Fitness also ceased using noncompete clauses or non-solicitation clauses for any workers in the District who earn less than \$150,000.**





# OUTREACH AND EDUCATION

## Meeting Workers Where They Are

OAG prioritizes outreach and education in DC communities about workers' rights issues. These efforts include awarding grants as part of two grant programs, hosting regular workgroups to discuss workers' rights issues with community partners and stakeholders, and participating in community engagement events throughout the District.

### Workers' Rights Grant Programs.

In Fiscal Year 2024, OAG awarded grants through two grant programs: one focused on workers' rights outreach and education, and one focused on domestic workers' rights.



### Workers' Rights Workgroups.

OAG's Workers' Rights and Antifraud Section meets regularly with community groups, unions, and stakeholders to update them on workers' rights cases and gather community feedback.



### Youth Outreach.

OAG attended events focused on engaging with DC youth about their workplace rights. Events included speaking with OAG's High School Advisory Council and a Turn Up the Wage Gogo event at Eastern High School.



OAG awarded **Workplace Rights Grants** to DC Jobs with Justice, First Shift Justice Project, Many Languages One Voice, and the National Reentry Network for Returning Citizens to raise awareness of worker rights issues in DC. OAG awarded **Domestic Worker Employment Rights Grants** to Many Languages One Voice and the National Domestic Workers' Alliance. These organizations engaged directly with domestic workers in DC to educate workers about the District's Domestic Worker Employment Rights Act. They also developed hazard guidance and safety materials for domestic workers.

# WORKERS' RIGHTS MEDIATION

## Resolving Workers' Rights Issues Without Litigation

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**We are proud to highlight OAG's workers' rights mediation program.** While OAG receives many complaints that result in large, successful investigations and litigations, we also often receive tips from claimants with discrete, individualized concerns. In many of these cases, OAG offers mediation, in which OAG investigators operate as a neutral party and attempt to reach a positive resolution by communicating back and forth between the worker and company.

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*“I am writing to thank you for everything you did for me during this entire process. I especially want to express my gratitude to Diego Pereira and Assistant Attorney General Jude Nwaakobia, who did an incredible job in getting justice for me. I was in an accident at work, and after being fired, my employer refused to take responsibility and did not provide the insurance information. **Thanks to these two gentlemen, my employer was held accountable, and I was able to get my medical bills and lost wages covered. Thank you so much.**”*

— **Guillermina Alvarado**, Mediation Claimant

”

Through this Workers' Rights Mediation process, **OAG has been able to assist many workers in the District who otherwise would have likely needed to pay for private attorney representation** in order to receive their final paycheck, recoup unpaid wages and additional damages, or receive compensation for paid sick leave they were denied.

