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DOL Dives into the Oil Patch



The Department of Labor has officially hit the oil patch. And they're hunting for overtime violations.

In a December 2012 press release, the DOL declared that it is launching an "enforcement initiative" on Marcellus Shale contractors that will last for several years. The DOL touted a six-figure back wages award against one environmental service company and promised more to come:

The investigations were conducted under a multiyear enforcement initiative focused on vendors who perform various phases of the oil and gas fracking process on the Marcellus Shale formation located beneath the commonwealth of Pennsylvania and the state of West Virginia.

Similarly, the division is conducting outreach to workers and community groups to inform them of the initiative and departmental services, and to encourage vulnerable workers to come forward with potential violations.

Read the full DOL press release <u>here</u>. Several trade and local publications have also reported on the DOL's major offensive <u>here</u>, <u>here</u> and <u>here</u>.



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DOL Investigation

Fair Labor Standards Act (FLSA)

Federal Overtime Law

Independent contractors

Misclassification as exempt

Overtime pay

Are other oil and gas plays under the DOL's radar? Maybe not. The DOL's new Secretary has set his sights on the entire oil and gas industry for safety violations. He said so in an August 2013 press release.

Plaintiff's lawyers have followed suit. Google "overtime lawsuit in the oil patch" and see what you find.

The DOL and plaintiff's lawyers are taking a hard look at:

- Independent contractors who should actually be treated as employees;
- Day rate pay structures that don't meet the detailed DOL regulations;
- Salaried exempt employees who are actually non-exempt and should get overtime pay;
- Forgetting to pay overtime wages to non-exempt employees on non-discretionary bonuses.

Those are all common overtime violations in the oil patch. That's why I'm talking for HR Southwest on <u>Overtime Lessons from the Oil Patch</u>.

