



PRESS RELEASE

Attorney General Frosh Joins 11 Attorneys General Opposing Program to Offer Amnesty to Labor Law Violators *PAID Program Encourages Violators to Require Employees to Waive State Law Protections in Exchange for Payment of Overdue Wages*

BALTIMORE, MD (April 11, 2018) – Maryland Attorney General Brian E. Frosh, part of a coalition of 11 Attorneys General, sent a [letter](#) to U.S. Labor Secretary Alexander Acosta raising serious concerns about the U.S. Department of Labor’s Payroll Audit Independent Determination (PAID) Program, a pilot program that allows certain employers who violate labor laws to avoid prosecution and penalties in exchange for simply paying the back wages their employees were already owed under federal law.

The letter makes clear that the PAID Program encourages employers to require their employees to waive important state law protections, like higher minimum wage levels and longer time periods to sue, in exchange for the employer’s payment of overdue wages. Even though such waivers may not be enforceable against state law enforcement entities, employees may be misled into believing they have no legal recourse to fully vindicate their workplace rights.

“Employers should not be given the green light to take advantage of employees,” said Attorney General Frosh. “The PAID program essentially allows employers who commit wage theft to get an interest-free loan from their employees with no penalty. It’s wrong.”

The letter to Secretary Acosta raises multiple concerns with the PAID Program, including that it releases employers from the obligation to pay liquidated damages, penalties, and interest on overdue wages, removing an essential deterrent for employers who break the law. Additionally, it appears the PAID Program will not require employers to pay employees at any applicable higher state or local minimum wage or overtime wage rates, or to pay wages owed during longer state statute of limitations periods.

The PAID Program also encourages employers to require employees, who may be unaware of their rights under more protective state labor laws, to sign separate state law releases in order to receive their wages under the PAID Program. Finally, the letter warns that the PAID Program may improperly permit participation by employers who are currently under investigation by state attorneys general or labor enforcement authorities.

The letter to Secretary Acosta was led by New York Attorney General Eric Schneiderman and signed by the Attorneys General of New York, California, Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Jersey, Pennsylvania, Washington, and the District of Columbia.