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LEGISLATIVE ACTION ALERT

Payroll Audit Independent Determination (PAID)

Trump slammed for letting employers off the hook, call it 'wage theft' program

Leading Democrats are demanding answers about a new Trump administration program that rewards employers who self-report wage and overtime violations, warning that the initiative could "seriously harm workers being cheated by their employers."

Under the pilot program, which was the focus of an [NBC special report](#) on Monday, employers who come clean about minimum wage and overtime violations can avoid additional penalties and private litigation by bilked employees.

In a letter to Labor Secretary Alexander Acosta on Tuesday, Warren, of Massachusetts, and her colleagues warned that the program, known as Payroll Audit Independent Determination (PAID), would allow employers to avoid serious consequences for wage theft.

"The PAID program fails to hold them accountable for their unethical and illegal behavior," they wrote. "Letting violators off the hook for wage theft penalties tilts the economic playing field even further against workers and in

favor of unethical corporations that break the law."

The letter was co-signed by Sens. Sherrod Brown of Ohio, Kirsten Gillibrand of New York, Chris Van Hollen of Maryland and Tammy Baldwin of Wisconsin.

The administration said it would be "premature to comment" about the pilot program since it is still underway

The Democratic senators asked Acosta to provide detailed information about the program, including the Trump administration's criteria for determining whether employers were acting in "good faith" or using the program to evade enforcement. New York's attorney general also has [filed suit](#) against the Labor Department for failing to provide records about the program.

The letter said that the six-month pilot program, which is scheduled to run until October, should not be extended until the Labor Department fully evaluates its impact.

Trump hits corporate violators — with a feather

WASHINGTON NBC NEWS© — A business that violates federal law — by failing to pay overtime, fouling the air, or committing financial fraud — could have an easier time avoiding the harshest penalties under the Trump administration if it agrees to come forward and cooperate with authorities.

White House officials said the new enforcement strategy will encourage businesses to do the right thing. But critics warn that it fosters bad behavior.

Federal officials say the approach will encourage more companies to disclose violations and help prosecutors go after the individual bad actors instead.

But consumer advocates respond that the changes will give companies a bigger menu of options to avoid serious consequences when they break the law.

"It's an astoundingly generous approach toward corporate violations," said Rick Claypool, research director at Public Citizen, a liberal consumer advocacy group, which found a [sharp drop in corporate enforcement actions](#) throughout the federal government. "Saying, 'We're going to pat you on the back, try better next time,' is not going to deter the kind of wrongdoing at the scale that companies are doing."

"Amnesty" at the Labor Department?

Employers who violate federal minimum-wage and overtime laws can now resolve their offenses with fewer potential penalties and lawsuits if they come forward under the pilot program that's expected to run through October.

In exchange for stepping forward, employers are exempt from paying additional penalties on top of giving workers what they are owed. Another reward: **Workers who agree to recover their wages through the program must give up their right to sue their employer.**

A group of Democratic state attorneys general similarly decried the initiative as an "amnesty program" and warned Labor Secretary Alexander Acosta in April that the program was unlawful for potentially circumventing state wage and hour laws. Earlier this month, New York's attorney general filed a lawsuit against the department for failing to provide records about the program, describing it as "nothing more than a get-out-of-jail-free card for predatory employers