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Walmart and Schneider agree to settlement in historic wage theft lawsuit filed by subcontracted California warehouse workers

Walmart and its largest import distribution subcontractor, Schneider Logistics, Inc., have agreed to an historic settlement for \$21 million for federal and state-level wage and hour violations committed at a Walmart warehouse facility in western Riverside County, California. Under the terms of the settlement, Schneider will pay the entire \$21 million in unpaid wages, interest and penalties for major wage and hour violations covering over a decade at the dedicated Walmart facility. The settlement does not say whether Walmart will contribute to the settlement behind the scenes. Both Walmart and Schneider secured complete releases as part of the settlement.

The settlement applies to over 1800 workers who worked between 2001 and 2013 at three 100% Walmart-dedicated Schneider Logistics distribution centers in Mira Loma (Riverside County), California in the case [Carrillo vs. Schneider Logistics et al.](#) The facilities, operated by various warehouse companies for Walmart since 2001, function together as the largest Walmart distribution center in the Western U.S.

“When we raised these issues, we knew it would be a fight. Schneider tried to fire us. Walmart tried to deny responsibility. But we knew that the law was on our side, and that Walmart was responsible for the conditions in the warehouse. This settlement vindicates us and our struggle for justice,” said David Acosta, one of the affected workers who was active in the lawsuit from the beginning.

The suit alleged major wage theft occurring over 10 years against “lumpers”—workers who load and unload boxes by hand from shipping containers and into trailers for Walmart. The workers, directly employed by loading/unloading companies Impact Logistics, Inc. and Rogers-Premier Loading and Unloading Services and/or Premier Warehousing Ventures, often worked double shifts- 16 hours/day, 7 days per week with no required breaks or overtime premiums, and often for less than minimum wage. The workers allege they were instead paid by an elaborate piece rate that was found to be illegal and changed quickly after the suit was filed in November 2011.

In January, Federal Judge Christina A. Snyder [ruled that Walmart](#) would have to face trial as a potential joint employer, the first time a retailer would have had to stand trial for the actions of its warehouse contractors. Walmart had maintained that it had no control over these workers, but plaintiffs’ counsel argued that the presence of up to a dozen Walmart managers on site and the daily control over the work at every level made them both aware of and liable for wage and hour violations at the warehouse.

This is only the latest victory for workers at Schneider. In October 2011, the California Labor Commissioner [cited and fined](#) the staffing agencies Rogers and Impact for over \$1 million for illegal recordkeeping and pay records. Since then, Schneider has been kept from firing plaintiffs and instead compelled to take the workers on as direct employees, with starting hourly wages of \$12.50 per hour and benefits. Earlier this year, the two staffing agencies settled for \$1.7 million.

In December 2013, Schneider settled a [separate suit](#) filed by employees at the same warehouses in 2012 for \$4.7 million. This suit alleged wage theft by Schneider of warehouse workers due to

an illegal payment scheme. (This settlement was given final approval by the Court on May 12, 2014.)

The workers and violations at Schneider were initially identified by staff of [Warehouse Workers United](#), a campaign fighting for better conditions in the warehouse industry of the Inland Southern California. Sheheryar Kaoosji, Director of the [Warehouse Worker Resource Center](#), which runs the Warehouse Workers United campaign, stated that “Walmart has denied its control of its subcontracted warehouses time and again, despite the existence of their own [Standards for Suppliers](#) document that prohibits wage theft, health and safety violations, and retaliation. Whenever workers in Walmart’s supply chain have stood up, Walmart has attempted to deny responsibility. Only through a responsible contractor policy and by allowing workers to have a voice at work without retaliation will these cases be prevented, rather than repeatedly going through slow and costly litigation.”

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