
Cook County Institutes Law Providing Harsher Penalties for Failure to Comply with Wage and Hour Laws

By Jonathan M. Boulahanis / Mar 30, 2015

On February 10, 2015, the Cook County Board of Commissioners passed an Ordinance providing for stiff County penalties for "wage theft." The Ordinance provides penalties for companies that either receive tax benefits from the County, or do business with the County. The Ordinance also requires all companies that want to do business with the County to attest under oath that they have not violated any wage and hour laws within the last five years.

Specifically, the new Ordinance provides for the County to remove any property tax incentive awarded to a business for up to five years if it has a conviction, entry of a plea, administrative finding or admission of guilt of violation of any state or federal wage laws. Additionally, if the Company was receiving a property tax incentive for the year, the County may demand repayment of incentive monies that the business received for the current tax year.

The Ordinance also allows for the County to disqualify a business from entering into a contract with the County for up to five years if it has a conviction, entry of a plea, administrative finding or admission of guilt of violation of any wage laws. A finding of a violation of a wage law can also result in ineligibility for business licenses and automatic default under existing County contracts.

The Ordinance contemplates any violation of the following statutes of the Illinois Wage Payment and Collection Act, 820 ILCS 115/1 et seq., the Illinois Minimum Wage Act, 820 ILCS 105/1 et seq., the Illinois Worker Adjustment and Retraining Notification Act, 820 ILCS 65/1 et seq., the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2101 et seq., the Employee Classification Act, 820 ILCS 185/1 et. seq., and the Fair Labor Standards Act of 1938, 29 U.S.C. 201, et seq. as a basis for such penalties. It also broadly encompasses "violation of any state or federal" wage law as a basis for a penalty.

The County Ordinance comes just two years after the City of Chicago passed an Ordinance, 2012-8533, that punishes businesses that have violated state or federal laws as they relate to payment of wages. The City Ordinance gives the City the power to revoke or suspend a business license issued to a company that has violated wage and hour laws within the last five years.

The statutory language opens the door to heightened scrutiny for companies doing business with the County. With Cook County following the City of Chicago's lead, the Chicago metropolitan area has some of the toughest wage and hour laws in the nation, and businesses face incredible risk if they fail to comply with existing wage and hour laws.

Given the climate in the Chicago metropolitan area, as well as the increased risk of losing a license to do business, companies should audit their existing pay structure to ensure compliance with all state and federal laws. Clark Hill attorneys are available to help answer any questions or to perform such audits. Please contact Jonathan Boulahanis at (312) 985-5930 | jboulahanis@clarkhill.com with questions related to compliance with the new County and City Ordinances.

The full text of the County Ordinance can be found [here](#).

The full text of the City of Chicago Ordinance can be found [here](#).