

Increase in Department of Labor Employment Investigations Prompts Review of Classifications

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Recently, the Department of Labor has expanded its activity with respect to audits of employee classifications.

Specifically, the Department of Labor has focused its attention on patternmakers and designers to determine whether or not companies are misclassifying these employees as exempt (aka "salaried") employees. The Department of Labor (and the California Division of Labor Standards Enforcement for that matter) has consistently found that patternmakers and non-head designers should be classified as non-exempt employees who are entitled to overtime and meal and rest breaks.

Further, while or after conducting an audit of a vendor or supplier, the Department of Labor recently has begun to expand its audits to include investigations of manufacturers to whom the vendors and suppliers provide goods or services. As a result of the Department of Labor investigations, some companies have been forced to re-classify these employees as non-exempt and provide back pay for overtime.

In light of the increased activity by the Department of Labor, if your company currently classifies patternmakers and designers as exempt employees, it is necessary to review these classifications to determine whether they are proper. In the event that a classification runs afoul of California or federal law, contact counsel for assistance in determining the best course of action for your company.



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