Working for Workers

Minnesota Attorney General's Labor Day Report September 2025













Each Labor Day, we honor the workers of America – the people who are the engine of our country's prosperity. It's also a day to reflect on the struggle workers have faced in our country's history – the struggle for fair wages and safe workplaces, and against discrimination or exploitation. The workers of today owe much to the labor force of yesterday, and it's on us to continue our forward progress for all working people.

This year's Labor Day comes amid new challenges for America's workers, with the executive branch of our federal government seeking to roll back or ignore the progress workers have earned over the last century. As Attorney General, I'm committed to upholding the law and the Constitution to protect Minnesota's workers from federal overreach. I've built a new Rule of Law Division within my Office to do just that – and since January we've taken the federal government to court over 30 times.

These may be extraordinary times, but even as the federal government keeps us busy, my Office will never lose sight of our ongoing commitment to protect Minnesota's workers. We've taken on companies denying workers their legally guaranteed protections. We've sued businesses that weren't paying employees the wages they earned. And we've helped advance new protections for gig workers, jobseekers, and folks who have been improperly classified as contractors when they qualify as employees.

This report takes a closer look at what we've been able to accomplish over the past year, and the work that still lies ahead.

To Minnesota's workers: Thank you for everything you do. You provide for your families, you energize your communities, and you help our state thrive. Know that my Office will work tirelessly every day – not just Labor Day – to help you afford your lives and live with the dignity, safety, and respect you deserve.





Who We Are

Our team of attorneys, investigators, and paralegals monitor and call out businesses and government actors who trample on the rights of workers. When national companies or the federal government take advantage of people who rely on their adherence to the law, it hurts Minnesotans. Under Minnesota statute and the Attorney General's authority, our Office enforces Minnesota employment laws to help workers afford their lives and live with dignity, safety, and respect.

How We Help Workers

The Wage Theft Division has civil enforcement authority over many Minnesota employment laws. This means that we can investigate suspected violations of Minnesota laws that are designed to protect the people of Minnesota from unlawful employment practices. These include:

- Paying less than the minimum wage
- Not paying overtime
- Requiring off-the-clock work
- Withholding final paychecks
- Unauthorized deductions from paychecks
- Withholding tips
- Misclassification of employees as independent contractors
- Retaliation against whistleblowers
- Prevailing wage violations
- Violating migrant workers' rights
- Paying employees differently based on gender



If a Wage Theft Division investigation finds that any of these violations occurred, the Attorney General has several tools to put things right. These tools include injunctive relief to stop the illegal practices, payment of back wages, restitution, and civil penalties. The Attorney General can also file a lawsuit on behalf of the State of Minesota to enforce laws against non-compliant employers.

The Wage Theft Division works together with our federal, state and local partners in government to maximize the resources and authority available to address the many needs of all workers. We also partner with non-governmental organizations to identify workers in need, industries of concern, and gaps in the system that government agencies have yet to fill.

By working together with individuals and organizations across the state, we are doing all that we can to protect workers, enforce the law and help all Minnesotans afford their lives and live with dignity, safety and respect.

How To Reach Out

The Wage Theft Division relies on people coming forward to alert us when wage theft is occurring. Our Office is staffed with attorneys, investigators, paralegals, and intake specialists who are standing by to hear your concerns and take action to stop workers' rights from being violated.

Workers with concerns or complaints about systematic violations of state and federal wage laws can contact the Attorney General's Office through its <u>online complaint form</u>, which is available in Spanish or English. The Attorney General's Office can also be contacted by phone at (651) 296-3353 (Metro area) or (800) 657-3787 (Greater Minnesota). If you would like to learn more about wage theft, check out the <u>wage theft page</u> at Attorney General's website, or connect with <u>Maria Minvielle Montes</u> on our team.



File a Complaint:
Available in English or Spanish
www.ag.state.mn.us/wage-theft/complaint



Call Our Office: (651) 296-3353 (Metro area) (800) 657-3787 (Greater Minnesota)





Connect With Our Staff:
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The Wage Theft Division team comes to work every day to make sure that workers receive every dollar they have earned. This past year, the Wage Theft Division team has fought for several key victories on behalf of hard-working Minnesotans.

State v. Evergreen Acres Dairy LLC

In September of 2024, we agreed to a settlement with Evergreen Acres Dairy. The Attorney General had previously alleged in a civil lawsuit that Evergreen was systematically depriving its vulnerable, low-wage dairy employees of wages they earned by shaving both regular and overtime hours from employees' paychecks, not paying wages owed at the beginning and end of employees' employment, and deducting rent for substandard onsite housing. Under the terms of the settlement, Evergreen paid \$250,000 to be distributed to workers and will continue to improve its housing. Additionally, Evergreen is subject to three years of monitoring by the Attorney General to ensure that they comply with the law and the terms of the agreement.

While the civil lawsuit is resolved, a separate criminal matter is still ongoing. In February of this year, the Attorney General <u>charged</u> Keith Schaefer, the owner and operator of Evergreen, with felony racketeering and four counts of felony wage theft.







Conagra

In November of 2024, we obtained a settlement with Conagra Brands, Inc. over its failure to provide seasonal, traveling employees at its Waseca fruit and vegetable processing facility with key information prior to the start of employment and their failure to retain records as required by law.

Under Minnesota Statutes section 181.86, employers must provide an employment statement to employees who "travel more than 100 miles to Minnesota from some other state to perform seasonal agricultural labor in Minnesota." The statement must include information such as the type of work, the date employment begins, when the employee should arrive at the worksite, how much money the employee will earn, and whether housing is provided. Importantly, this information must be provided to workers at the time of recruitment, so that employees know details about the work they will be performing prior to traveling from out of state to work.

Under the terms of the settlement, Conagra Brands agrees to provide seasonal employees with employment statements that comply with Minnesota law. Conagra Brands also will pay \$142,000 to employees for its past non-compliance.

Arise Virtual Solutions

In December of 2024, we <u>obtained a settlement</u> with Arise Virtual Solutions ("Arise"), on behalf of workers who were being misclassified as independent contractors despite their work being largely controlled by Arise and its client corporations.

Approximately 300 Minnesota workers were hired by Arise to provide customer service for several Fortune 500 companies. After investigating, the Attorney General determined that workers were treated more like employees. Before they could begin work, customer service agents were required to undergo substantial unpaid training and sign mandatory arbitration agreements/class waivers. Furthermore, because workers were misclassified as independent contractors, they were not all receiving minimum wage, overtime pay, or mandatory rest breaks that would be required for employees.

The Minnesota Attorney General <u>reached a settlement</u> for Arise to pay \$300,000 in restitution to workers. The settlement agreement also required Arise to stop doing business in Minnesota.



State v. Shipt, Inc.

(Worker Misclassification)

In October 2022, we <u>filed a lawsuit</u> in Hennepin County District Court against gig-economy company Shipt, Inc., alleging that it has misclassified its delivery workers as independent contractors to avoid the cost of providing them with the employment protections guaranteed by Minnesota law. Misclassification of employees as independent contractors is a pervasive issue. Recently, the district court rejected Shipt's challenge to the Attorney General's authority to bring lawsuits when companies misclassify their workers.

Madison Equities, Inc.

(Failure to Pay Overtime Compensation)

On June 5, 2023, we <u>filed a lawsuit</u> in Ramsey County District Court against Madison Equities—a company that owns, leases, and manages real estate in downtown St. Paul. We alleged that Madison Equities failed to pay its hourly employees overtime compensation. While the district court dismissed the lawsuit, the Attorney General has appealed to the Minnesota Supreme Court. The Minnesota Supreme Court's decision is pending.





This year, there are several new laws and updates to old laws that you should be aware of. Some of this legislation was a direct result of our shared advocacy, some are laws that the Wage Theft Division will enforce, and all are important laws that everyone should know about. The better you know your rights, the easier it is for you to exercise them.

Misclassification

Test for Construction Worker Employment

As of March 1, 2025, construction businesses must use a new test to determine if a worker can be classified as an independent contractor. This includes work in both the public and private sectors for commercial or residential building construction or improvement services. If all 14 factors of this test are not met, the construction worker must be classified as an employee, and the construction worker will receive all the protections and benefits that employees are guaranteed by law.

Misclassification Fraud Impact Report

The Commissioners of the Minnesota Department of Revenue, Department of Employment and Economic Development, and Department of Labor and Industry must coordinate to analyze the financial impact of worker misclassification, including the cost to government programs, taxes, and workers. The report is due January 15, 2027, and every six years thereafter. Previously, these same state partners provided a report in February 2025.

Consumer Protection Restitution Account Act

The Consumer Protection Restitution Account Act establishes an account intended to help victims of scams and fraud recover their losses. The account is funded by payments (like civil penalties) obtained from enforcement actions, settlements, and judgments. This new tool will help hold violators accountable AND make Minnesota workers whole. This account went into effect on July 1, 2025.

Changes to Wages

Effective January 1, 2025, Minnesota's minimum wage was increased to \$11.13 per hour. Effective January 1, 2026, the minimum wage will increase to \$11.41 per hour. Some cities, including Minneapolis and St. Paul, may have a higher minimum wage. Check with your local government to find out more about which minimum wage applies to you.

Minimum Compensation for Rideshare Drivers

Effective December 1, 2024, Minnesota rideshare drivers (for companies like Uber and Lyft) will earn at least \$1.28 per mile and \$0.31 per minute when a passenger is in their vehicle. Drivers must also be paid at least \$5 per ride. This law also expands insurance requirements, requires procedures for deactivating drivers, mandates greater pay transparency and established driver resource centers where drivers can go for assistance with their deactivation appeals and learn more about their rights.



Salary Ranges Required in Job Postings

Last year, the Minnesota Legislature enacted the Minnesota Pay Transparency Law which became effective on January 1, 2025. The new law prohibits an employer with 30 or more employees at one or more sites in Minnesota from posting a job opening without disclosing the starting salary range or a fixed pay rate, and a general description of the accompanying benefits including health or retirement benefits. This law helps applicants make more informed decisions in the job-seeking process.

Training Reimbursement Agreement Provisions (TRAPs)

Many employers require or offer training to employees relevant to the job they are or will be performing. A TRAP is an agreement between an employer and employee in which the employer requires the worker to "reimburse" the employer a predetermined amount of money for training costs if the worker leaves the job before a certain amount of time has elapsed. While these agreements may be lawful in certain situations, some TRAPs unfairly place training costs on employees and restrict movement of workers. The Attorney General encourages all employers to review any agreements requiring reimbursement of training costs and to seek advice from an attorney to ensure compliance with the law.



Over the last eight months, Attorney General Ellison has filed or intervened in more than 30 lawsuits against the federal government to challenge unauthorized, unlawful and unconstitutional actions. The Attorney General has also issued numerous *amicus curiae* briefs supporting important litigation and submitted comment letters to federal agencies who have proposed rule changes that do not align with the intent of Congress or that will harm Minnesotans. Attorney General Ellison has hired four new attorneys to help lead this important work, while also ensuring that the Office can continue to provide the same uninterrupted service to our state.

Below are some of the actions the Attorney General has taken to protect Minnesota's workers from federal overreach.

Opposed the unlawful removal of Gwynne Wilcox, Chair of the National Labor Relations Board

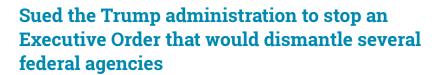
In January 2025, President Trump removed Gwynne Wilcox, Chair of the National Labor Relations Board prior to her term's expiration in 2028. Attorney General Ellison co-led a coalition of more than 20 attorneys general in filing <u>amicus briefs</u> in February, March and April, opposing the unlawful removal of Ms. Wilcox. After initially being reinstated, the US Supreme Court reversed the Court of Appeals and ruled that Ms. Wilcox would not return to the NLRB while she challenges her termination. As of the publication of this report, the NLRB remains without a quorum.

Issued Guidance on Diversity, Equity, Inclusion and Accessibility Employment Initiatives ("DEIA")

In February, 2025, Attorney General Ellison joined 16 other states to issue <u>Guidance</u> on Diversity, Equity, Inclusion and Accessibility Employment Initiatives ("DEIA"), to help businesses, nonprofits and other organizations understand the continued viability and legality of these initiatives in the workplace. This Guidance outlines how DEIA initiatives help businesses prevent workplace discrimination, affirms that DEIA initiatives are consistent with state and federal law, and provides examples of best practices.

Filed a lawsuit to stop mass firings of federal probationary employees

In March 2025, Attorney General Ellison filed a lawsuit to stop mass firings of federal probationary employees. These mass firings are an effort to summarily and dramatically reduce the size of the federal government, affecting probationary employees who were recently hired, changed offices or just promoted. In addition to the impact this had on thousands of individual workers, this action also places burdens and expenses on the states, both to support recently unemployed workers, and to review and adjudicate claims of unemployment assistance. Moreover, the unlawful layoffs will harm state finances and undermine vital state-federal partnerships. The attorneys general lawsuit asserted that If the Administration wanted to engage in this type of mass firing, it was required to follow federal laws and regulations that govern large-scale federal "Reductions in Force." Litigation is ongoing.



In April 2025, Attorney General Ellison and a coalition of 20 other attorneys general <u>sued</u> the Trump administration to stop an Executive Order that would dismantle federal agencies that support libraries, museums, minority-owned businesses, and workers seeking peaceful resolution of their labor disputes. In May, the United States District Court for the District of Rhode Island issued an order granting the states' request for a preliminary injunction to stop the Trump administration from implementing the Executive Order. Litigation is ongoing.

Supported an injunction to block layoffs and mismanagement at the Social Security Administration

In April 2025, Attorney General Ellison joined 21 other attorneys general in an <u>amicus brief</u> in support of an injunction to block layoffs and mismanagement at the Social Security Administration. Approximately 1.1 million Minnesotans and 69 million Americans currently rely on these hard-earned Social Security benefits, and they are essential to ensuring that Minnesotans can continue to afford their lives. Attorney General Ellison will continue to fight to ensure that this important benefit is available for current and future generations of workers.







Opposed a proposed rule that would allow President Trump to fire workers for purely political or ideological reasons

In May 2025, Attorney General Ellison co-led a coalition of 19 attorneys general who submitted a <u>Comment Letter</u> in opposition to the proposed rulemaking by the Office of Personnel Management ("OPM") that would allow President Trump to fire workers for purely political or ideological reasons by reclassifying tens of thousands of nonpartisan federal employees. The change would undo workplace protections for career civil servants, some of whom have served for decades under both Democrat and Republican administrations. This unfair action harms workers who have devoted their careers to public service and risks eroding the effectiveness of the federal government.

Supported a lawsuit defending the right of many federal employees to collectively bargain for better wages and working conditions, and to exercise their First Amendment rights to speech

In August of 2025, Attorney General Ellison led 23 attorneys general in filing an <u>amicus brief</u> in support of the American Federation of Government Employees' lawsuit defending the right of many federal employees to collectively bargain for better wages and working conditions, and to exercise their First Amendment rights to speech. The amicus brief is in response to a Trump Executive Order, which purported to ban most federal government employees from collective bargaining under the guise of national security. The state AGs argue in their amicus that the federal government's decision to exclude these employees from collective bargaining is in fact an attempt to punish several labor unions for engaging in speech which the administration deems hostile to its agenda, in clear violation of the First Amendment.

Opposed a proposed rule change that would largely roll back protections for foreign nationals who are temporarily here as agricultural workers

In September 2025, Attorney General Ellison co-led a coalition of 18 states attorneys general in submitting a Comment Letter opposing a proposed rule change by United States Department of Labor (USDOL) that would largely roll back protections for foreign nationals who are temporarily here as agricultural workers. The Comment Letter opposes changing the USDOL rule that was just updated in 2024 to strengthen protections for workers with H-2A visas. H-2A workers are citizens of another country in the U.S. temporarily as agricultural workers. The protections in the 2024 Final Rule, which are also intended to protect the wages and terms of employment for U.S.-based workers, were necessary, in part, because the rapid growth of the H-2A program resulted in

exploitation of foreign temporary agricultural workers, unsafe housing and working conditions, and a prevalence of human and labor trafficking throughout the H-2A program.

This rule change if implemented would further expose vulnerable workers to exploitation by their employers. The proposed rule would also disadvantage U.S.-based workers by making their labor less attractive to employers who can hire workers that do not have the same protections as U.S.-based workers.



Opposed a proposed rule change that would control how states are able to ensure apprenticeship programs provide equal opportunities for applicants

In September 2025, Attorney General Ellison joined a coalition of state attorneys general in submitting a Comment Letter in opposition to a proposed rule change by USDOL that would control how states are able to ensure apprenticeship programs provide equal opportunities for applicants. Currently, under Minnesota and Federal law, apprenticeship programs need to make proactive efforts to ensure individuals from all backgrounds have an opportunity to participate in their programs. The proposed rule change would contradict Minnesota law and would limit the Minnesota Department of Labor from ensuring that all applicants and apprentices have an equal chance to participate in registered apprenticeship programs. The impact of this rule change would be felt by yet another generation of individuals, families and the Minnesota economy at large, that would not have the benefit of increased skilled labor from diverse workers.

Opposed a USDOL proposal to eliminate federal minimum wage and overtime protections for domestic service workers

In September 2025, Attorney General Ellison joined a coalition of state agencies and other attorneys general in submitting a Comment Letter opposing a USDOL proposal to eliminate federal minimum wage and overtime protections for domestic service workers. USDOL's proposed rule would particularly harm home health care workers who provide essential services to elderly and disabled individuals by undoing important wage-and-hour protections under federal law. Minimum wage and overtime violations are common in the home health care industry, and USDOL's proposed rule would exacerbate this problem if adopted. The Comment Letter joined by Attorney General Ellison urges USDOL to retain minimum wage and overtime requirements for this critical workforce.





By working together with individuals and organizations across the state, we are doing all that we can to protect workers, enforce the law and help all Minnesotans afford their lives and live with dignity, safety and respect.

Thank you to the following organizations who have hosted events for us to present on worker rights.

Bridges To Worker Justice

Cinco de Mayo Saint Paul

Fe y Justicia

FTC State Enforcement Workshop on Non-Compete Clauses

House Workforce, Labor, and Economic Development Committee

Mankato State University

Mexican Consulate

Minnesota Association of School Business Officials

Minnesota Chamber of Commerce

Minnesota Department of Health: Wage Theft and Trafficking Training

Minnesota Senate Labor Committee

National Alliance for Fair Contracting (NAFC) National Conference

North Central States Regional Council of Carpenters

Por Amor a la Creacion / For the Love of Creation

Restaurant Opportunities Centers United



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And the entire Communications and

Outreach teams!



Office of the Minnesota Attorney General

helping people afford their lives and live with dignity, safety, and respect

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