Working for Workers

Minnesota Attorney General's Labor Day Report
September 2026

The Office of
Minnesota Attorney General Keith Ellison
helping people afford their lives and live with dignity, safety, and respect • *www.ag.state.mn.us*

A Message From
Attorney General Keith Ellison

It's a simple equation: When workers do well, so do our communities. When workers are thriving, Minnesota thrives. My office works every day to help people afford their lives, and live with dignity, safety, and respect. Workers have been fighting for those ideas for generations, and I'm proud to stand alongside them. And on Labor Day, we send extra appreciation to the workers of our great state.

Though our nation has made great progress in the effort for safe workplaces, fair wages, and dignity for working people, the struggle continues. On Labor Day, we honor that struggle and the people who laid the foundation for today's efforts. We also celebrate the ongoing work to move us closer to a future where all workers are recognized for their contributions to our shared prosperity.

This past year, my office stood strong for workers in all kinds of ways: taking on unfair training requirements, misclassification of employees, and businesses that failed to pay workers what they were owed—just to name a few. Our new Civil, Housing, and Worker Protection Division is set up to protect workers in many facets of their lives. And we continued to work with the legislature to advance policy that will make Minnesota an even better place to earn a living.

Most Minnesotans play by the rules, and so do most Minnesota businesses. But workers can trust that I will always be in their corner when bad actors break those rules—and that includes the federal government. My office is always ready to help you know your rights, and to stand up for you when those rights are being violated.

Thank you for everything you do to make Minnesota such a vibrant place for all of us.

Keith Ellison

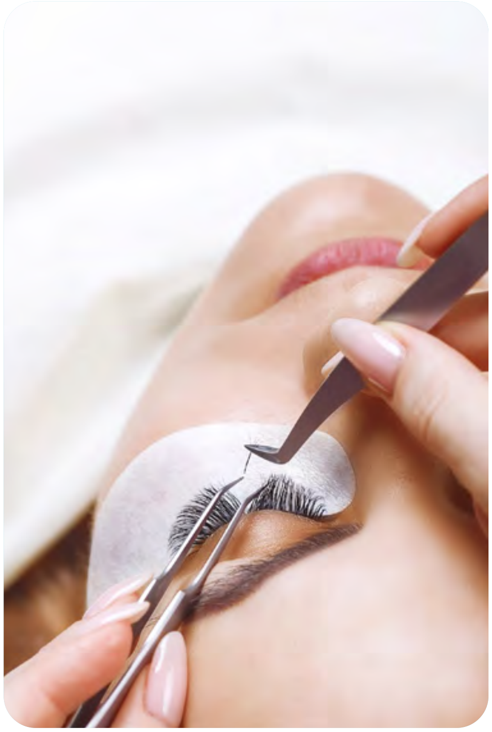
Working For Workers

The talented lawyers and investigators of the Minnesota Attorney General's Office, come to work every day to make sure that workers receive every dollar they have earned, and the protections due to them by law. This past year, the Office has won several key victories on behalf of hard-working Minnesotans.

Deka Lash Settlement Stopping Predatory Training Agreements

In September 2025, the Worker Protection team finished an investigation into two salons over their use of predatory training repayment agreement provisions ("TRAPs") that punished their workers unlawfully. Southern Escape Ventures and HW Holdings, two franchisees of Deka Lash, a national franchisor of eyelash extension salons, required their workers to sign TRAPs for additional on-the-job training specific to Deka Lash's products and services. These employment agreements were mandatory, so workers had no choice but to sign them.

The TRAPs said that the companies had the right to seek reimbursement of up to $3,000 if an employee left their job within six months or up to $1,500 if the employee left before one year. At times, Southern Escape Ventures withheld an employee's final paycheck to help recover these alleged training costs.



Under Minnesota Statutes section 181.645, an employer may only require its employees to pay for the expenses of training that "is required to obtain or maintain a license, registration, or certification." Deka Lash training programs were standard employment training and did not contribute to any license or certification. At the end of the investigation the Attorney General's Office obtained compliance from the companies and they agreed to settle the investigation.

As part of its settlement agreement, Southern Escape Ventures paid the entire remaining amount of its unauthorized wage deductions in restitution to its workers. The companies also notified and released all current and former employees from any existing TRAPs, and are prohibited from seeking to collect money under any TRAPs.

Twin Cities Stadium Concession Workers – “MN Fundraising Initiative” Shutdown

In July 2026, the Worker Protection team obtained a landmark settlement that shut down a supposed nonprofit — MN Fundraising Initiative—that was not operated for any charitable purpose but instead acted as a staffing agency to misclassify hundreds of employees as “volunteers” who staffed concession stands at sports stadiums and other venues in the Twin Cities — including Target Field, Target Center, Allianz Field, US Bank Stadium, Grand Casino Arena, and numerous University of Minnesota locations.

The organization claimed that it provided grants to families for school expenses and activities like sports teams and dance, but in fact it interfered with union jobs by having its “volunteers” provide essentially low-cost labor for the benefit of vendors operating for-profit concession stands. In the investigation, the organization initially claimed the workers who staffed concession stands on its behalf were “volunteers” and “not paid for their work,” but the office uncovered that the nonprofit consistently paid them “grants” in exchange for their work. In return for the staffing services, the for-profit companies that operate the concessions where the “volunteers” worked made “donations” to the organization based on the number of workers it provided or on a percentage of the concession-stand sales.

The organization did not evaluate the financial need of its applicants — instead, “grants” were tied to the number of hours an individual “volunteered” for the organization. Nor did it make “grants” to the public at large: its “grants” went only to the “members” of the organization, whom it barred from “volunteering” for similar sham charities. This end-run around labor laws ended and workers who are employed by companies following the law benefit from it by not having their labor undercut with illegal lower-cost workers.

Labor Trafficking Initiative - Illicit “Massage” Businesses

In May 2026, AG Ellison sent letters to nine commercial landlords across the Minneapolis–Saint Paul metro area that they may be renting their property to tenants engaging in illicit massage businesses. Many Illicit massage businesses pose as legitimate massage parlors but are fronts for commercial sex and human trafficking operations. These operations exploit women who are often trafficked into the country, lured by false promises, isolated, and controlled through coercion and debt.

In letters to the nine landlords, Attorney General Ellison’s Office shares information gathered about conduct occurring at each rented property and asks the landlords to work proactively with the Office and law enforcement to identify and shut down any illicit massage business or commercial sex operation at their properties. The letters also identify common “red flag” warning signs of illicit massage businesses, along with the legal ramifications of permitting these businesses to operate from their property.

These letters represent just the first step in the Attorney General’s Office effort to stamp out these illegal, exploitative businesses. As part of this landlord-engagement initiative, the Attorney General’s Office is collaborating with local law enforcement and national anti-trafficking nonprofit The Network. The Office is also receiving investigative support from the Minnesota Bureau of Criminal Apprehension’s Human Trafficking Investigators Task Force. Its enforcement strategy is focused on traffickers and sex buyers, not the women being exploited and trafficked.

State v. Shipt, Inc.

(Worker Misclassification)

In October 2022, we filed a lawsuit in Hennepin County District Court against gig-economy company Shipt, Inc., alleging that it had violated Minnesota law by denying its delivery drivers employment protections. Last year, in September 2025, we settled the case against Shipt and obtained $800,000 in restitution for workers, in addition to new protections and improved working conditions—including timely online support, accurate earning records to be provided upon request, and accident insurance at no cost to its delivery drivers.

Under the agreement, Shipt must also provide delivery drivers it deactivates from its platform with a written statement explaining the specific contract provision Shipt believes the delivery worker has violated. Shipt must also maintain an appeals process for delivery workers who have been deactivated, and must provide a written response to such appeals within three business days. Shipt must also institute an electronic process whereby delivery workers can ask Shipt to remove unfair ratings.

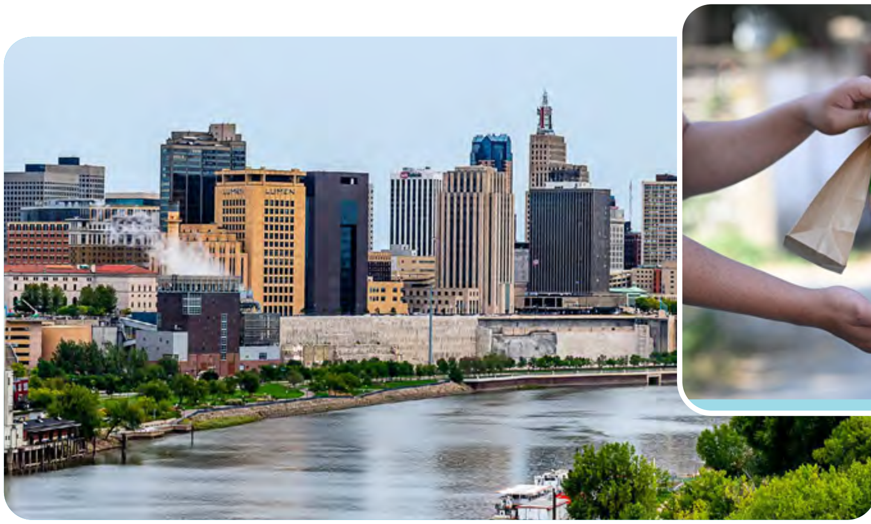
The Office continues to support and encourage legislation to make it easier to hold employers accountable for misclassifying workers. And in the meantime, we will continue to investigate complaints regarding misclassification of Minnesota employees. We encourage workers who have believe they have been misclassified to file a complaint with the Office.

Madison Equities, Inc.

(Failure to Pay Overtime Compensation)

On June 5, 2023, we filed a lawsuit 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, we appealed to the Minnesota Supreme Court and won.

On January 16, 2026, the Minnesota Supreme Court held the Attorney General's wage theft claims against St. Paul landowner Madison Equities are not time barred. The ruling followed a more than two year challenge of the Attorney General's investigation authority under Minn. Stat. 8.31, which was also affirmed by the Minnesota Supreme Court (2021). The Attorney General is now proceeding against Madison Equities to finally recover unpaid overtime wages and make clear that companies cannot evade overtime responsibilities by shuffling workers between corporate entities.



Know Your Rights

Although the Attorney General does not have a "vote" at the legislature, we are active in advancing needed protections for workers by advocating for bills and consulting with elected representatives who are tackling the challenges faced by workers today.

Changes to Minimum Wage Law

Effective January 1, 2026, the minimum wage was increased to $11.41 per hour from $11.13 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. And remember, even though the federally mandated minimum wage is only $7.25 per hour, Minnesota's higher minimum is what workers in Minnesota must receive.

Stay-or-Pay Legislation

HF2567 / SF2533

During the 2026 legislative session, we supported legislation that would strictly limit the use of "stay-or-pay" provisions, which require a person to pay a fee when leaving their job before a specified time. Critics of stay-or-pay provisions have described them as a modern version of indentured servitude, and several states now prohibit the practice. The proposed laws would make such provisions unenforceable with certain exceptions for apprenticeships or other transferable credentials. While the legislation did not advance out of committee, we continue to support efforts to limit the use of stay-or-pay provisions.

Protecting the Rule of Law

Since January 2025, Attorney General Ellison has filed or intervened in more than 70 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.

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

Solar for All Program Termination

October 16, 2025

Filed suit challenging the Environmental Protection Agency's illegal termination of the $7 billion Solar for All program aimed at providing solar energy to low-income and disadvantaged communities across the country. Minnesota was counting on more than $62 million of federal solar funding to implement the project. It planned to use almost $47 million to finance the development of community solar gardens, tribal solar programs, solar loans for multifamily housing, and financial assistance for eligible single-family homes. The program would have contributed to high-paying jobs for skilled Minnesota workers.

Operation Metro Surge

January 12, 2026

Filed a lawsuit to challenge Operation Metro Surge, which disrupted business, workplaces, and workers' ability to show up for and perform their jobs.

Worker Exposure to Formaldehyde Inhalation Risk

February 2026

Submitted comments opposing the Environmental Protection Agency's (EPA) proposal to update the risk calculation for exposure to formaldehyde, which would improperly nearly double the acceptable level for workers' inhalation exposure. Workers who spend time in workplaces where formaldehyde is made or used are at the highest risk of exposure. According to the EPA, major sources of occupational exposure to formaldehyde include:

industries that use automotive care products, such as car waxes, polishes, and coatings; industries that use printing ink, toner, and colorant products containing formaldehyde; and industries that process formaldehyde as a reactant, which include industries that produce plastic products, paper, fertilizer, wood, and petroleum. The comments argue that the EPA's proposal improperly dispensed with the "health hazard values" that the EPA had otherwise established for such exposure and violates the Toxic Substances Control Act and other applicable laws.

Risk Management Practices for Chemical Accidents

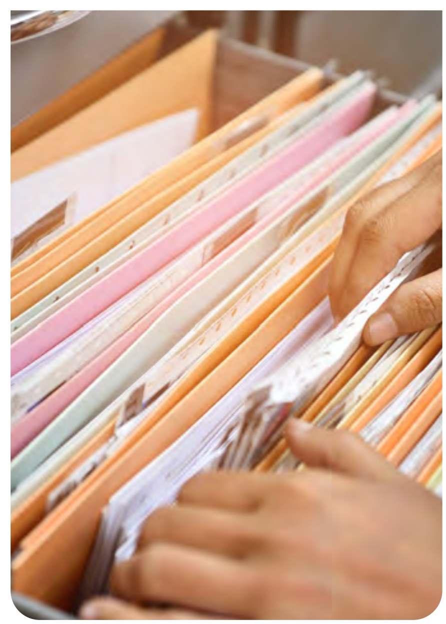
May 2026

Submitted comments opposing the EPA's attempt to roll back protections in the form of risk management programs and chemical accident protection. When the EPA instituted those protections, it specifically relied on the importance of worker input. The comments specifically describe chemical accidents leading to worker casualties and emphasize the importance of a robust program to ensure worker safety.

Worker Exposure to Trichloroethylene (TCE)

August 2026

Submitted an amicus brief urging the court to ensure that the EPA moves forward with its 2024 rule phasing out the manufacture, processing, and distribution in commerce of Trichloroethylene (TCE) for all uses. In part, the rule is designed to address work-related chronic illnesses caused by TCE such as cancer, liver disease, and kidney disease. These are not only harmful to worker health, but can also generate substantial healthcare costs in the form of emergency room visits, long-term care expenses, and medications which may not be covered by employer-provided benefits—especially if the harms manifest long after employment exposure.



EEOC and AmeriCorps Data Collection and Reporting under Title VI and VII of the Civil Rights Act

August 2026

Submitted objection to proposed rulemaking by AmeriCorps to dispense with Title VI disparate impacts regulations, in addition to proposed rulemaking by the U.S. Equal Employment Opportunity Commission (EEOC) to eliminate recordkeeping and record preservation requirements related to reports required by Title VII of the Civil Rights Act. These reporting requirements have remained critical investigative tools for the EEOC, States, employers, and workers. They provide clear requirements for employer recordkeeping under Title VII.

Nuclear Worker Radiation Protection and Nuclear Site Safety Practices

August 2026

Submitted comments regarding nuclear sites and how proposed rules would impact worker safety in many ways. Among the numerous revisions are increased allowable radiation dose exposure, reduced monitoring and reporting requirements, subjective variance and deviation standards, and revised air emission and water effluent standards to allow higher levels of radioactive pollution. Critically, the proposed rule would eliminate longstanding, internationally recognized standards, replacing them with a more nebulous approach. The comments oppose significant aspects of the proposed rules, including those that lower standards necessary to protect worker health. The States argue that the Nuclear Regulatory Commission has failed to support its proposals with evidence, failed to propose or consider alternative approaches to achieve its stated goals, and failed to allow the public or the States adequate time to comprehend and meaningfully review the regulatory changes.

TBBPA Draft Risk Evaluation

August 2026

TBBPA is a toxic chemical used in various products as a flame retardant. Exposure can lead to immunologic, neurologic, carcinogenic, and reproductive issues. Despite this, the EPA's recent risk evaluation would conclude that TBBPA only presents an unreasonable risk to health and the environment in 4 out of 24 conditions of use. Our office submitted comments that the EPA did not use the best available science in reaching its conclusion, failing to compare TBBPA to other flame retardants using a class-based analysis. The EPA also failed to evaluate aggregate exposures—despite acknowledging that TBBPA has been found in drinking water, ground water, indoor air, fish, breast milk, and soil. The comment's position is that EPA should re-do its risk evaluation to properly consider both the science and the workers who stand to be impacted.

Federal Aviation Administration Preemption of Flight Crew Standards

September 2026

Submitted comments in opposition to the Federal Aviation Administration's attempt to preempt state worker protection laws governing meal and rest breaks for flight crews.

Outreach

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

Worker Protection Team

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. 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 Worker Protection Team 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 an investigation finds that any of these violations occurred, the Attorney General's Office has several tools to put things right, including 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 Worker Protection team 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

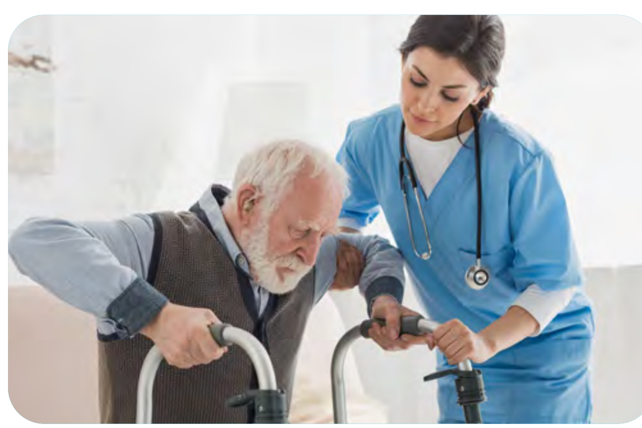
The Worker Protection team relies on people coming forward to alert us when they suspect or experience employment law violations. Our office is staffed with attorneys, investigators, paralegals, and intake specialists who are standing by to hear your concerns and take action.

Workers with complaints about systematic violations of state and federal wage laws can contact the Attorney General's Office through its online complaint form, 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).

Learn More:
www.ag.state.mn.us/wage-theft

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)



Office of the

Minnesota Attorney General

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

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