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ATTORNEY GENERAL RAOUL ANNOUNCES SETTLEMENTS WITH FOUR FAST FOOD CHAINS TO END USE OF NO-POACH AGREEMENTS

Under Agreement, Dunkin', Arby's, Five Guys, and Little Caesars will Drop Provisions that Limit Recruitment and Hiring of Fast Food Workers

Chicago — Attorney General Kwame Raoul, as part of a coalition of 14 attorneys general, announced settlements under which four national fast food franchisors will cease using “no-poach” agreements, which restrict the rights of fast food workers to change jobs from one franchise to another within the same restaurant chain.

The agreements entered Tuesday with Dunkin', Arby's, Five Guys, and Little Caesars settle an investigation announced by the states in July 2018 over concerns that no-poach agreements hurt low-wage workers by limiting their ability to secure better paying jobs.

Under the terms of the settlements, the franchisors have agreed to stop including no-poach provisions in any of their franchise agreements and to stop enforcing any franchise agreements already in place. Instead, the franchisors have agreed to amend existing franchise agreements to remove no-poach provisions and to ask their franchisees to post notices in all locations to inform employees of the settlement. Additionally, the franchisors will notify the attorneys general if one of their franchisees tries to restrict any employee from moving to another location under an existing no-poach provision.

“No-poach agreements take advantage of low-wage workers, often without their knowledge, and trap them in low paying jobs, preventing them from escaping the cycle of poverty,” Raoul said. “Fast food workers have the right to seek better paying jobs that allow them to support themselves and their families.”

Illinois and other state attorneys general launched an investigation last July by sending letters to Arby's, Burger King, Dunkin' Brands, Five Guys Burgers and Fries, Little Caesar, Panera Bread, Popeyes Louisiana Kitchen, and Wendy's requesting documents, including copies of franchise agreements and communications related to no-poach provisions. The attorneys general alleged that no-poach provisions make it difficult for workers to improve their earning potential by moving from one job to another or seeking a higher-paying job at another franchise location, and that many workers are unaware they are subject to these no-poach provisions.

Since the investigation began, Wendy's announced that it will no longer use no-poach provisions in contracts with franchisees. Investigations into Burger King, Popeyes, and Panera are ongoing.

Raoul also urged anyone in Illinois who believes they may have been impacted by these practices to contact his office at 1-844-740-5076.

Joining Raoul in filing today's settlements were the attorneys general from California, the District of Columbia, Iowa, Maryland, Massachusetts, Minnesota, North Carolina, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, and Vermont.