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ATTORNEY GENERAL RAOUL: JUDGE DENIES ATTEMPT TO DISMISS LAWSUIT AGAINST STAFFING AGENCIES

Raoul's Lawsuit Against Staffing Agencies Alleges No-Poach Agreements and Wage-Fixing

Chicago — Attorney General Kwame Raoul today announced that a Cook County Circuit Court judge denied a motion to dismiss his lawsuit against staffing agencies Elite Staffing, Inc. (Elite), Metro Staff, Inc. (Metro) and Midway Staffing, Inc. (Midway), as well as their client Colony, Inc. (Colony). Raoul's lawsuit alleges that the three staffing agencies formed an unlawful agreement to refuse to solicit or hire the others' employees and to fix employees' wages. Colony allegedly facilitated the agreement by acting as a go-between to communicate the agreement and assisted in enforcing the no-poach agreement.

"I am pleased with the court's decision that prevents the companies' attempt to shirk responsibility for taking advantage of Illinois workers through no-poach and wage-fixing agreements," Raoul said. "I will continue to pursue this litigation, as well as my office's work to protect Illinois' workforce by ensuring that companies like Elite, Metro Staff, Midway and Colony are held accountable for exploiting workers."

Raoul filed his lawsuit against Elite, Metro Staff, Midway and Colony in July 2020, alleging that the staffing agencies eliminated competition and harmed temporary workers in Illinois by interfering with their ability to seek better employment opportunities and better wages and benefits. In their motion to dismiss, the defendants argued that the case should be dismissed based on their view that the Illinois Antitrust Act does not apply to labor services and outright exempts wage-fixing or no-poaching conspiracies. The circuit court [rejected this argument](#) and confirmed that although the Illinois Antitrust Act protects legitimate labor union activities from antitrust liability, it does not contain a "blanket immunization" for any activity relating to labor services that would allow employers to fix wages and agree not to poach each other's employees.

The court also held that Raoul properly alleged a conspiracy to eliminate competition on wages and the hiring of temporary workers, which if proven, would be presumed illegal under the Illinois Antitrust Act.

Elite, Metro Staff and Midway are temporary staffing agencies that compete with one another to recruit, select and hire employees to work at third-party client locations on a temporary basis. All three agencies provide temporary employees to complete light industrial work at Colony's facilities in Elgin and St. Charles, Illinois.

Beginning at least as early as March 2018, Elite, Midway and Metro Staff allegedly agreed to not hire, recruit, solicit, or poach temporary workers from each other at Colony locations in order to restrict competition between the agencies, which would have benefitted temporary employees. The agencies agreed to fix employees' wages to a below-market wage, as requested by Colony, to further inhibit competition. Additionally, the agencies agreed that they would not compete with respect to the wages paid to the temporary workers assigned to Colony. If a temporary worker did switch to another agency at the Colony location and the switch was noticed by another agency or Colony, the temporary worker would be returned to his or her original agency. Raoul's complaint alleges that Colony helped enforce the agreement between the agencies by notifying each agency if one deviated from the agreement.

In the lawsuit, Raoul is seeking an injunction to stop the illegal agreements as well as civil penalties and damages.

Attorney General Raoul encourages workers who believe their rights have been violated to call his Workplace Rights Hotline at 1-844-740-5076.

This lawsuit is the result of collaboration between Raoul's Antitrust Bureau and the Workplace Rights Bureau. Bureau Chief Blake Harrop and Senior Assistant Attorney General Elizabeth Maxeiner are handling the case for the Antitrust Bureau; Bureau Chief Alvar Ayala is handling the case for the Workplace Rights Bureau.