To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2016

Ms. DeLauro (for herself, Mr. Gutiérrez, Mrs. Watson Coleman, Ms. Norton, Mr. Honda, Mr. Rangel, Mr. Conyers, Mr. Keating, Mr. Pocan, Mr. Scott of Virginia, Ms. Schakowsky, Mr. Jeffries, Mr. McGovern, Mr. Cicilline, Mr. Brendan F. Boyle of Pennsylvania, Mr. DeSaulnier, Ms. McCollum, Mr. Langevin, Ms. Clarke of New York, Mr. Grayson, Mr. Serrano, Mr. Lewis, Mr. Ellison, Mr. Engel, Ms. Lofgren, Mr. Van Hollen, Ms. Edwards, Ms. Matsui, Mr. Nadler, and Ms. Hahn) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Wage Theft Prevention and Wage Recovery Act”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Wage theft occurs when an employer does not pay an employee for work that the employee has performed, depriving the worker of wages and earnings to which the worker is legally entitled. This theft occurs in many forms, including by employers violating minimum wage requirements, failing to pay overtime compensation, requiring off-the-clock work, failing to provide final payments, misclassifying employees as being exempt from overtime compensation or as independent contractors rather than as employees, and improperly withholding tips.

(2) Wage theft poses a serious and growing problem across industries for working individuals of the United States. Wage theft is widespread and is estimated to cost workers more than $8,600,000,000 per year. In certain industries, compliance with Federal wage and hour laws is less than 50 percent.

(3) Wage theft is closely associated with employment discrimination, with women, immigrants, and minorities being disproportionately affected. Women are significantly more likely to experience
minimum wage violations than men, foreign-born workers are nearly 2 times as likely to experience minimum wage violations as their counterparts born in the United States, and African-Americans are 3 times more likely to experience minimum wage violations than their White counterparts.

(4) Wage theft is closely associated with unsafe working conditions.

(5) Wage theft—

(A) depresses the wages of working families who are already struggling to make ends meet;

(B) strains social services funds;

(C) diminishes consumer spending power and hurts local economies;

(D) reduces vital State and Federal tax revenues;

(E) places law-abiding employers at a competitive disadvantage with noncompliant employers;

(F) burdens commerce and the free flow of goods; and

(G) lowers labor standards throughout labor markets.
Low-wage workers are at the greatest risk of suffering from wage theft. A survey of 4,387 low-wage workers in New York, Los Angeles, and Chicago found that 68 percent of the workers surveyed had experienced some form of wage theft in the workweek immediately before the survey was conducted. These workers experienced a range of wage and hour violations: 26 percent of such workers were not paid minimum wage; 76 percent of such workers who worked more than 40 hours in the workweek immediately before the survey was conducted were not paid at the overtime rate; and, in the year before the survey was conducted, 43 percent of the workers who attempted to address such issues by filing a complaint with their employer or who attempted to form a labor organization experienced retaliation by their employers, including by being fired, suspended, or receiving threats of reductions in their hours or pay.

In 2012, State and Federal authorities as well as private attorneys recovered at least $933,000,000 in wage theft enforcement actions, which was nearly 3 times the value of all bank robberies, residential robberies, convenience store and
gas station robberies, and street robberies in the
United States during that year.

(8) A Department of Labor study of wage theft
in California and New York found that wage theft
deprived workers of 37 percent to 49 percent of
their income, pushing at least 15,000 families below
the poverty line and driving another 50,000 to
100,000 families deeper into poverty.

(9) A study analyzing wage theft claims in the
State of Washington from 2009 to 2013 estimated
that the total economic cost of wage theft to the
State totaled more than $64,000,000 resulting from
the lower economic activity and spending of low-
wage workers due to their lost wages.

(10) A Department of Labor study of wage vio-
lations in California and New York found that wage
theft deprived families of $5,600,000 in possible
earned income tax credits and resulted in a
$22,000,000 loss in State tax revenue, a
$238,000,000 loss in payroll tax revenue, and a
$113,000,000 loss in Federal income tax revenue.

(11) Barriers to addressing wage theft continue
to exist decades after the enactment of the Fair
Labor Standards Act of 1938 (29 U.S.C. 201 et
seq.). These barriers have resulted, in significant
part, because enforcement of such Act has not worked as Congress originally intended and because many of the provisions of such Act do not include sufficient penalties to discourage violations. Improvements to enforcement and amendments to such Act are necessary to ensure that such Act provides effective protection to individuals subject to wage theft.

(12) The lack of a Federal right for employees to receive full compensation at the agreed upon wage rate for all work performed by the employee has resulted in workers being able to recover only the applicable minimum wage, or the overtime rate if applicable, when employers engage in wage theft.

(13) The lack of a Federal requirement to provide employees with paystubs indicating how their pay is calculated or to allow employees to inspect their employers’ payroll records significantly impedes efforts to identify and challenge wage theft.

(14) The lack of a Federal requirement to pay employees their final payments in a timely manner upon termination of the employment relationship between the employer and employee has led to unreasonable, and sometimes indefinite, delays in compensation after an employment relationship ends.
(15) While the Fair Labor Standards Act of 1938, and regulations promulgated by the Secretary of Labor, as in effect on the day before the date of enactment of this Act, require employers to compensate employees at the minimum wage rate and to provide overtime compensation when appropriate, the lack of civil penalties for violations of these requirements has dampened their effectiveness.

(16) While the Fair Labor Standards Act of 1938 and regulations promulgated by the Secretary of Labor, as in effect on the day before the date of enactment of this Act, provide employees who are subject to wage theft with the right to unpaid minimum wages or unpaid overtime compensation plus an additional equal amount as liquidated damages, this low level of damages has proved insufficient to deter employers from stealing the wages of their employees.

(17) While the Fair Labor Standards Act of 1938 and regulations promulgated by the Secretary of Labor, as in effect on the day before the date of enactment of this Act, require employers to keep records of employees’ pay, the lack of remedies for this requirement diminishes the effectiveness of the requirement.
(18) While the Fair Labor Standards Act of 1938 and regulations promulgated by the Secretary of Labor, as in effect on the day before the date of enactment of this Act, provide for limited criminal penalties when employers violate the provisions of such Act, the Secretary of Labor rarely resorts to these penalties, causing them to serve as a hollow threat.

(19) The statute of limitations under section 6 of the Portal-to-Portal Act of 1947 (29 U.S.C. 255), in effect on the day before the date of enactment of this Act, precludes employees from bringing claims for wage theft 2 years after the cause of action accrued, or 3 years after the cause of action accrued if the claim is with respect to a willful or repeat violation by the employer. Additionally, the statute of limitations is not suspended while the Secretary of Labor investigates a complaint. These strict confines of the statute of limitations sometimes result in employees being deprived of their ability to institute a private lawsuit against their employer in order to recover their stolen wages.

(20) Section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)), as in effect on the day before the date of enactment of this Act, re-
quires employees to affirmatively “opt-in” in order to be a party plaintiff in a collective action brought by another aggrieved employee seeking to recover stolen wages in court. This provision limits the ability of employees to unite and pursue private lawsuits against employers.

(21) Under the penalty structure of the Fair Labor Standards Act of 1938, as in effect on the day before the date of enactment of this Act, many employers who are caught violating such Act continue to violate the Act. A Department of Labor investigation found that one-third of employers who had previously engaged in wage theft continued to do so.

(22) The Government Accountability Office and the Department of Labor have recognized that when employers are assessed civil penalties, they are more likely to comply with the law in the future and other employers in the same region—regardless of industry—are also more likely to comply with the law.

(23) States that have enacted legislation to address wage theft by increasing the damages to which employees are entitled following violations of wage and hour laws have positively impacted the workers in such States. However, many States have not en-
acted such legislation and, worse still, some States do not have any laws protecting workers from wage theft or even agencies to enforce workers’ rights to compensation for work. This discrepancy in State laws has resulted in a fragmentation of workers’ rights across the United States, with some workers having a measure of protection from wage theft and other workers being left extremely vulnerable to wage theft.

(24) Effective enforcement of wage and hour laws is critical to increasing compliance. Given the limited resources available for enforcement, enhanced strategic enforcement of Federal wage and hour laws is crucial.

(25) For enhanced strategic enforcement to be effective, government regulators must work with community stakeholders who have direct knowledge of ongoing violations of Federal wage and hour requirements and who are in a position to prevent such violations.

(26) Partnerships between regulators, workers, nonprofit organizations, and businesses can increase compliance by educating workers about their rights, collecting evidence, reporting violations, identifying
noncompliant employers, and modeling good practices.

(27) Partnerships between regulators, workers, nonprofit organizations, and businesses have been successful in combating wage theft. In 2006, the Division of Labor Standards Enforcement of California created a janitorial enforcement team to work closely with a local janitorial watchdog organization. As of 2015, the partnership had resulted in countless administrative, civil, and criminal actions against employers and in the collection of more than $68,000,000 in back pay for janitorial workers.

(28) The Government Accountability Office has recommended that the Department of Labor identify ways to leverage its resources to better combat wage theft by improving services provided through partnerships.

SEC. 3. PURPOSES.

The purposes of this Act are to prevent wage theft and facilitate the recovery of stolen wages by—

(1) strengthening the penalties for engaging in wage theft;

(2) giving workers the right to receive, in a timely manner, full compensation for the work they
perform, certain disclosures, regular paystubs, and final payments;

(3) providing workers with improved tools to recover their stolen wages in court; and

(4) making assistance available to enhance enforcement of and compliance with Federal wage and hour laws through—

(A) supporting initiatives that address and prevent violations of such laws and assist workers in wage recovery;

(B) supporting individual entities and developing community partnerships that expand and improve cooperative efforts between enforcement agencies and community-based organizations in the prevention of wage and hour violations and enforcement of wage and hour laws;

(C) expanding outreach to workers in industries or geographic areas identified by the Secretary of Labor as highly noncompliant with Federal wage and hour laws;

(D) improving detection of employers who are not complying with such laws and aiding in the identification of violations of such laws; and
(E) facilitating the collection of evidence to assist enforcement efforts.

TITLE I—AMENDMENTS TO THE
FAIR LABOR STANDARDS ACT
OF 1938

SEC. 101. REQUIREMENTS TO PROVIDE CERTAIN DISCLOSURES, REGULAR PAYSTUBS, AND FINAL PAYMENTS.

The Fair Labor Standards Act of 1938 is amended by inserting after section 4 (29 U.S.C. 204) the following:

“SEC. 5. REQUIREMENTS TO PROVIDE CERTAIN DISCLOSURES, REGULAR PAYSTUBS, AND FINAL PAYMENTS.

“(a) DISCLOSURES.—

“(1) INITIAL DISCLOSURES.—Not later than 15 days after the date on which an employer hires an employee who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, the employer of such employee shall provide such employee with an initial disclosure containing the information described in paragraph (3).

“(2) MODIFICATION DISCLOSURES.—Not later than 15 days after the date on which any of the in-
information described in paragraph (3) changes with respect to an employee described in paragraph (1), the employer of such employee shall provide the employee with a modification disclosure containing the information described in paragraph (3).

“(3) INFORMATION.—The information described in this paragraph shall include—

“(A) the rate of pay and whether the employee is paid by the hour, shift, day, week, or job, or by salary, piece rate, commission, or other form of compensation;

“(B) an indication of whether the employee is being classified by the employer as an employee subject to the maximum hours and overtime compensation requirements of section 7 or as an employee exempt from such requirements as provided under section 13;

“(C) the name of the employer and any other name used by the employer to conduct business; and

“(D) the physical address of and telephone number for the employer’s main office or principal place of business, and a mailing address for such office or place of business if the mail-
ing address is different than the physical address.

“(b) PAYSTUBS.—

“(1) IN GENERAL.—Every employer shall pro-
vide each employee of such employer who in any
workweek is engaged in commerce or in the produc-
tion of goods for commerce, or is employed in an en-
terprise engaged in commerce or in the production
of goods for commerce, a paystub that corresponds
to work performed by the employee during the appli-
cable pay period and contains the information re-
quired under paragraph (3) in any form provided
under paragraph (2).

“(2) FORMS.—A paystub required under this
subsection shall be a written statement and may be
provided in any of the following forms:

“(A) As a separate document accom-
panying any payment to an employee for work
performed during the applicable pay period.

“(B) In the case of an employee who re-
ceives paychecks from the employer, as a de-
tachable statement accompanying each pay-
check.

“(C) As a digital document provided
through electronic communication, subject to
the employee affirmatively consenting to receive
the paystubs in this form.

“(3) CONTENTS.—Each paystub shall contain
all of the following information:

“(A) The name of the employee.

“(B) In the case of an employee who is paid an hourly wage, an employee who is em-
ployed at piece rates, or an employee who is paid a salary and is not exempt from the over-
time requirements of section 7, the total num-
ber of hours worked by the employee, including
the number of hours worked per workweek, dur-
ing the applicable pay period.

“(C) The total gross and net wages paid,
and, in the case of an employee who is paid an hourly wage, an employee who is employed at piece rates, or an employee who is paid a salary and is not exempt from the overtime require-
ments of section 7, the rate of pay for each hour worked during the applicable pay period.

“(D) In the case of an employee who is paid a salary in lieu of an hourly wage, the amount of salary paid during the applicable pay period.
“(E) In the case of an employee employed at piece rates, the number of piece rate units earned, the applicable piece rates, and the total amount paid to the employee for the applicable pay period in accordance with such piece rates.

“(F) The rate of pay of the employee during the applicable pay period and an explanation of the basis for such rate.

“(G) The number of overtime hours worked by the employee during the applicable pay period and the compensation required under section 7 that is provided to the employee for such hours.

“(H) Any additional compensation provided to the employee during the applicable pay period, with an explanation of each type of compensation, including any allowances or reimbursements such as amounts related to meals, clothing, lodging, or any other item, and any cost to the employee associated with such allowance or reimbursements.

“(I) Itemized deductions from the gross income of the employee during the applicable pay period, and an explanation for each deduction.
“(J) The date that is the beginning of the
applicable pay period and the date that is the
end of such applicable pay period.

“(K) The name of the employer and any
other name used by the employer to conduct
business.

“(L) The name and phone number of a
representative of the employer for contact pur-
poses.

“(M) Any additional information that the
Secretary reasonably requires to be included
through notice and comment rulemaking.

“(c) Final Payments.—

“(1) In general.—Not later than 14 days
after an individual described in paragraph (4) termi-
nates employment with an employer (by action of
the employer or the individual), or on the date on
which such employer pays other employees for the
pay period during which the individual so terminates
such employment, whichever date is earlier, the em-
ployer shall provide the individual with a final pay-
ment, by compensating such individual for any un-
compensated hours worked or benefits incurred by
the individual as an employee for the employer.
“(2) CONTINUING WAGES.—An employer who violates the requirement under paragraph (1) shall, for each day, not to exceed 30 days, of such violation provide the individual described in paragraph (4) with compensation at a rate that is equal to the regular rate of compensation to which such individual was entitled when such individual was an employee of such employer.

“(3) LIMITATION.—Notwithstanding paragraphs (1) and (2), any individual described in paragraph (4) who intentionally avoids receiving a final payment described in paragraph (1), or who refuses to receive the final payment when fully tendered, resulting in the employer violating the requirement under such paragraph, shall not be entitled to the compensation provided under paragraph (2) for the time during which the individual so avoids final payment.

“(4) INDIVIDUAL.—An individual described in this paragraph is an individual who was employed by the employer, and through such employment, in any workweek, was engaged in commerce or in the production of goods for commerce, or was employed in an enterprise engaged in commerce or in the production of goods for commerce.”.
SEC. 102. RIGHT TO FULL COMPENSATION.

Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h) RIGHT TO FULL COMPENSATION.—

“(1) IN GENERAL.—In the case of an employment contract or other employment agreement, including a collective bargaining agreement, that specifies that an employer shall compensate an employee (who is described in paragraph (2)) at a rate that is higher than the rate provided under subsection (a), the employer shall compensate such employee at the rate specified in such contract or other employment agreement.

“(2) EMPLOYEE ENGAGED IN COMMERCE.—The requirement under paragraph (1) shall apply with respect to any employee who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce.”.

SEC. 103. CIVIL AND CRIMINAL ENFORCEMENT.

(a) DAMAGES.—The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), as amended by section 102, is further amended—
(1) in section 4(f) (29 U.S.C. 204(f)), in the third sentence—

(A) by striking “minimum”; and

(B) by striking “and liquidated damages” and inserting “damages, and interest”; 

(2) in section 6(d)(3) (29 U.S.C. 206(d)(3)) by striking “minimum”;

(3) in section 16 (29 U.S.C. 216)—

(A) in subsection (b)—

(i) by striking “minimum” each place it appears;

(ii) in the first sentence, by striking “and in an additional equal amount as liq-

quidated damages” and inserting “, an ad-

ditional amount as damages that is equal
to (subject to the second sentence of this
subsection) 2 times such amount of unpaid
wages or unpaid overtime compensation,
and the amount of any interest on such
unpaid wages or unpaid overtime com-
pensation accrued at the prevailing rate”;

(iii) in the second sentence, by strik-
ing “wages lost and an additional equal
amount as liquidated damages” and insert-
ing “wages lost, including any unpaid
wages or any unpaid overtime compensa-
tion, an additional amount as damages
that is equal to 3 times the amount of
such wages lost, and the amount of any in-
terest on such wages lost accrued at the
prevailing rate’’;

(iv) by striking the fourth sentence;

and

(v) by adding at the end the following:

‘‘Notwithstanding chapter 1 of title 9,
United States Code (commonly known as
the ‘Federal Arbitration Act’) or any other
law, the right to bring an action, including
a collective action, in court under this sec-
tion cannot be waived by an employee as a
condition of employment or in a pre-dis-
pute arbitration agreement.’’; and

(B) in subsection (e)—

(i) by striking ‘‘minimum’’ each place
the term appears;

(ii) in the first sentence, by striking
‘‘and an additional equal amount as liq-
uidated damages’’ and inserting ‘‘, an ad-
ditional amount as damages that is equal
to (subject to the third sentence of this
subsection) 2 times such amount of unpaid wages or unpaid overtime compensation, and any interest on such unpaid wages or unpaid overtime compensation accrued at the prevailing rate’’;

(iii) in the second sentence, by striking “and an equal amount as liquidated damages.” and inserting “, an additional amount as damages that is equal to (subject to the third sentence of this subsection) 2 times such amount of unpaid wages or unpaid overtime compensation, and any interest on such unpaid wages or unpaid overtime compensation accrued at the prevailing rate. In the event that the employer violates section 15(a)(3), the Secretary may bring an action in any court of competent jurisdiction to recover the amount of any wages lost, including any unpaid wages or any unpaid overtime compensation, an additional amount as damages that is equal to 3 times the amount of such wages lost, and any interest on such wages lost accrued at the prevailing rate.’’; and
(iv) in the fourth sentence, by striking “or liquidated”; and

(4) in section 17 (29 U.S.C. 217), by striking “minimum”.

(b) CIVIL FINES.—Section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2)(A) Subject to subparagraph (B), any person who violates section 6 or 7, relating to wages, shall be subject to a civil fine that is not to exceed $2,000 per each employee affected for each initial violation of such section.

“(B) Any person who repeatedly or willfully violates section 6 or 7, relating to wages, shall be subject to a civil fine that is not to exceed $10,000 per each employee affected for each such violation.”; and

(2) by adding at the end the following:

“(6) Any person who violates subsection (a) or (b) of section 5 shall—

“(A) for the first violation of such subsection, be subject to a civil fine that is not to exceed $50 per each employee affected; and
“(B) for each subsequent violation of such subsection, be subject to a civil fine that is not to exceed $100 per each employee affected.

“(7) Any person who violates section 11(c) shall—

“(A) for the first violation, be subject to a civil fine that is not to exceed $1,000 per each employee affected; and

“(B) for each subsequent violation, be subject to a civil fine that is not to exceed $5,000 per each employee affected.”.

(c) CRIMINAL PENALTIES.—Section 16(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(a)) is amended—

(1) by striking “Any person” and inserting “(1) Any person”;

(2) in the first sentence, by striking “$10,000” and inserting “$10,000 per each employee affected”; and

(3) in the second sentence, by striking “No person” and inserting “Subject to paragraph (2), no person”; and

(4) by adding at the end the following:

“(2)(A) Notwithstanding any other provision of this Act, the Secretary shall refer any case involving a covered offender described in subparagraph (B) to the Department of Justice for prosecution.
“(B) A covered offender described in this subpara-
graph is an offender who willfully violates each of the fol-
lowing:

“(i) Section 11(c) by falsifying any records de-
scribed in such section.

“(ii) Section 6 or 7, relating to wages.

“(iii) Section 15(a)(3).”.

**SEC. 104. RECORDKEEPING.**

Section 11(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(c)) is amended by adding at the end the following: “In the event that an employee requests an inspection of the records described in this subsection that pertain to such employee, the employer shall provide the employee with a copy of the records for a period of up to 5 years prior to such request being made. Not later than 21 days after an employee requests such an inspec-
tion, the employer shall comply with the request. In the event that an employer violates this subsection, resulting in a lack of a complete record of an employee’s hours worked or wages owed, notwithstanding whether the em-
ployer or employee is responsible for maintaining the em-
ployer’s official records, any evidence of the hours worked or wages owed set forth by the employee, including evi-
dence of a documentary, testimonial, representative, or statistical nature, that is sufficient to establish to a finder
of fact a just and reasonable inference that the employee
was not fully compensated at the rate required by this Act,
including under section 6(h) as applicable, for all of the
work that the employee performed for the employer shall
establish a rebuttable presumption that the employer vio-
lated section 6 or 7 by failing to fully compensate the em-
ployee at the required rate for all work performed by the
employee for the employer and a rebuttable presumption
that the evidence set forth by the employee regarding the
specific number of hours worked by the employee for the
employer for which the employee was not compensated and
the wage rate for each of those hours is accurate. The
employer may only overcome the rebuttable presumptions
described in this subsection by providing clear and con-
vincing evidence that the employee’s evidence is inac-
curate.”.

TITLE II—AMENDMENTS TO THE
PORTAL-TO-PORTAL ACT OF 1947

SEC. 201. INCREASING AND TOLLING STATUTE OF LIMITA-
TIONS.

Section 6 of the Portal-to-Portal Act of 1947 (29
U.S.C. 255) is amended—

(1) in the matter preceding subsection (a)—

(A) by striking “minimum”; and
(B) by striking “liquidated damages” and inserting “other damages”; 

(2) in subsection (a)—

(A) by striking “may be commenced within two years” and inserting “may be commenced within 4 years”; 

(B) by striking “unless commenced within two years” and inserting “unless commenced within 4 years”; and

(C) by striking “may be commenced within three years” and inserting “may be commenced within 5 years”; 

(3) in subsection (d), by striking the period and inserting “; and”; and

(4) by adding at the end the following: 

“(e) with respect to the running of the statutory periods of limitation for such action, the running of such statutory periods shall be deemed suspended during the period beginning on the date on which the Secretary of Labor notifies an employer of an initiation of an investigation or enforcement action and ending on the date on which the Secretary notifies the employer that the matter has been officially resolved by the Secretary.”.
TITLE III—WAGE THEFT PREVENTION AND WAGE RECOVERY GRANT PROGRAM

SEC. 301. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term the “Administrator” means the Administrator of the Wage and Hour Division of the Department of Labor.

(2) COMMUNITY PARTNER.—The term “community partner” means any stakeholder with a commitment to enforcing wage and hour laws and preventing abuses of such laws, including any—

(A) State department of labor;

(B) attorney general of a State, or other similar authorized official of a political subdivision thereof;

(C) law enforcement agency;

(D) consulate;

(E) employee or advocate of employees, including a labor organization, community and faith-based organization, business association, or nonprofit legal aid organization;

(F) academic institution that plans, coordinates, and implements programs and activities
to prevent wage and hour violations and recover unpaid wages, damages, and penalties; and

(G) any municipal agency responsible for the enforcement of local wage and hour laws.

(3) COMMUNITY PARTNERSHIP.—The term “community partnership” means a partnership between—

(A) a working group consisting of community partners; and

(B) the Department of Labor.

(4) ELIGIBLE ENTITY.—The term “eligible entity” means an entity that is any of the following:

(A) A nonprofit organization, including a community-based organization, faith-based organization, or labor organization, that provides services and support to employees, including assisting such employees in recovering unpaid wages.

(B) An employer.

(C) A business association.

(D) An institution of higher education, as defined by section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).
(E) A partnership between any of the entities described in subparagraphs (A) through (D).

(5) **EMPLOY; EMPLOYEE; EMPLOYER.**—The terms “employ”, “employee”, and “employer” have the meanings given such terms in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

(6) **SECRETARY.**—The term “Secretary” means the Secretary of Labor.

(7) **STRATEGIC ENFORCEMENT.**—The term “strategic enforcement” means the process by which the Secretary—

(A) targets highly noncompliant industries, as identified by the Secretary, using industry-specific structures to influence, and ultimately reform, networks of interconnected employers;

(B) analyzes regulatory regimes under which specific industries operate; and

(C) modifies the enforcement approach of such regulatory regimes in order to ensure the greatest impact.

(8) **WAGE AND HOUR LAW.**—The term “wage and hour law” means any Federal law enforced by the Wage and Hour Division of the Department of...
Labor, including any provision of this Act enforced by such division.

(9) **Wage and Hour Violation.**—The term “wage and hour violation” refers to any violation of a Federal law enforced by the Wage and Hour Division of the Department of Labor, including any provision of this Act enforced by such division.

**SEC. 302. WAGE THEFT PREVENTION AND WAGE RECOVERY GRANT PROGRAM.**

(a) **In General.**—The Secretary, acting through the Administrator of the Wage and Hour Division of the Department of Labor, shall provide grants to eligible entities to assist such entities in enhancing the enforcement of wage and hour laws, in accordance with this section and consistent with the purposes of this Act.

(b) **Grants.**—The grants provided under this section shall be designed to—

(1) support individual eligible entities in establishing and supporting the activities described in subsection (c)(1); and

(2) develop community partnerships to expand and improve cooperative efforts between enforcement agencies and members of the community to—

(A) prevent and reduce wage and hour violations; and
(B) assist employees in recovering back pay for any such violations.

(c) Use of Funds.—

(1) Permissible Activities.—The grants described in this section shall assist eligible entities in establishing and supporting activities that include—

(A) disseminating information and conducting outreach and training to educate employees about their rights under wage and hour laws;

(B) conducting educational training for employers about their obligations under wage and hour laws;

(C) conducting orientations and trainings jointly with officials of the Wage and Hour Division of the Department of Labor;

(D) providing assistance to employees in filing claims of wage and hour violations;

(E) assisting enforcement agencies in conducting investigations, including in the collection of evidence and recovering back pay;

(F) monitoring compliance with wage and hour laws;

(G) performing joint visitations to work-sites that violate wage and hour laws with offi-
cials from the Wage and Hour Division of the
Department of Labor;

(H) establishing networks for education,
communication, and participation in the work-
place and community;

(I) evaluating the effectiveness of pro-
grams designed to prevent wage and hour viola-
tions and enforce wage and hour laws;

(J) recruiting and hiring of staff and vol-
unteers;

(K) production and dissemination of out-
reach and training materials; and

(L) any other activities as the Secretary
may reasonably prescribe through notice and
comment rulemaking.

(2) PROHIBITED ACTIVITIES.—Notwithstanding
paragraph (1), an eligible entity receiving a grant
under this section may not use the grant funds for
any purpose reasonably prohibited by the Secretary
through notice and comment rulemaking.

(d) TERM OF GRANTS.—Each grant made under this
section shall be available for expenditure for a period that
is not to exceed 3 years.

(e) APPLICATIONS.—
(1) IN GENERAL.—An eligible entity seeking a grant under this section shall submit an application for such grant to the Secretary in accordance with this subsection.

(2) PARTNERSHIPS.—In the case of an eligible entity that is a partnership described in section 301(4)(E), the eligible entity may submit a joint application that designates a single entity as the lead entity for purposes of receiving and disbursing funds.

(3) CONTENTS.—An application under this subsection shall include—

(A) a description of a plan for the program that the eligible entity proposes to carry out with a grant under this section, including a long-term strategy and detailed implementation plan that reflects expected participation of, and partnership with, community groups and appropriate private and public agencies;

(B) information on the prevalence of wage and hour violations in each community or State of the eligible entity;

(C) information on any industry or geographic area targeted by the plan for such program;
(D) information on the type of outreach and relationship building that will be conducted under such program;

(E) information on the training and education that will be provided to employees and employers under such program; and

(F) the method by which the eligible entity will measure results of such program.

(f) SELECTION.—

(1) COMPETITIVE BASIS.—In accordance with this subsection, the Secretary shall, on a competitive basis, select grant recipients from among qualified eligible entities that have submitted an application under subsection (e).

(2) PRIORITY.—In selecting grant recipients under paragraph (1), the Secretary shall give priority to eligible entities that—

(A) serve employees in any industry or geographic area that is most highly at risk for noncompliance with wage and hour violations, as identified by the Secretary; and

(B) demonstrate past and ongoing work to prevent wage and hour violations or to recover unpaid wages.
(3) OTHER CONSIDERATIONS.—In selecting grant recipients under paragraph (1), the Secretary shall also consider—

(A) the prevalence of ongoing community support for each eligible entity, including financial and other contributions; and

(B) the eligible entity’s past and ongoing partnerships with other organizations.

(g) MEMORANDA OF UNDERSTANDING.—

(1) IN GENERAL.—Not later than 60 days after receiving a grant under this section, the grant recipient shall negotiate and finalize with the Administrator a memorandum of understanding that sets forth specific goals, objectives, strategies, and activities that will be carried out under the grant by such recipient through a community partnership.

(2) SIGNATURES.—A representative of the grant recipient (or, in the case of a grant recipient that is an eligible entity described in section 301(4)(E), a representative of each entity that composes the grant recipient) and the Administrator shall sign the memorandum of understanding under this subsection.

(3) REVISIONS.—The memorandum of understanding under this subsection shall be reviewed and
revised by the grant recipient and the Administrator each year of the duration of the grant.

(h) PERFORMANCE EVALUATIONS.—

(1) IN GENERAL.—Each grant recipient under this section shall develop procedures for reporting, monitoring, measuring, and evaluating the activities of each program or project funded under this section.

(2) GUIDELINES.—The procedures required under paragraph (1) shall be in accordance with guidelines established by the Secretary.

(i) REVOCATION OR SUSPENSION OF FUNDING.—If the Secretary determines that a recipient of a grant under this section is not in compliance with the terms and requirements of the memorandum of understanding under subsection (g), the Secretary may revoke or suspend (in whole or in part) the funding of the grant.

(j) USE OF COMPONENTS.—The Secretary may use any division or agency of the Department of Labor in carrying out this Act.

SEC. 303. GAO STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify successful programs carried out by grants under section 302, and the elements, policies, or procedures of such programs that
can be replicated by other programs carried out by grants under such section.

(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Secretary and Congress containing the results of the study conducted under subsection (a).

(c) USE OF INFORMATION.—The Secretary shall use information contained in the report submitted under subsection (b)—

(1) to improve the quality of community partnership programs assisted or carried out under this Act that are in existence as of the publication of the report; and

(2) to develop models for new community partnership programs to be assisted or carried out under this Act.

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $50,000,000 for fiscal year 2017 and for each subsequent fiscal year through fiscal year 2020, to remain available until expended, to carry out the grant program under section 302.
TITLE IV—REGULATIONS AND EFFECTIVE DATE

SEC. 401. REGULATIONS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Labor shall promulgate such regulations as are necessary to carry out this Act, and the amendments made by this Act.

SEC. 402. EFFECTIVE DATE.

The amendments made by titles I and II shall take effect on the date that is the earlier of—

(1) the date that is 6 months after the date on which the final regulations are promulgated by the Secretary of Labor under section 401; and

(2) the date that is 18 months after the date of enactment of this Act.