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Atlanta Lawyer Prevails over Labor Department

Atlanta Business Chronicle
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An Atlanta-based labor and employment lawyer has won a half-million dollar judgment against the federal government on behalf of a client in Texas.

U.S. District Court Judge John D. Rainey ordered the Labor Department this week to pay more than \$565,000 in attorneys' fees to a Corpus Christi, Texas, oilfield services company accused of classifying guards employed by the company as independent contractors. The federal agency had declared the workers should have been classified as employees and, as a result, had fined the company \$6.2 million in back wages and overtime pay.

The decision was a significant victory for small businesses, which have come under increasing pressure from the federal government in disputes involving whether workers should be classified as employees or independent contractors.

"The Department of Labor and the [Equal Employment Opportunity Commission] are aggressively pursuing employers, and employers are starting to fight back," said Annette Idalski, a shareholder in the Atlanta office of Chamberlain Hrdlicka, who served as lead counsel in the case for Gate Guards Services L.P. "Not only are they winning those fights, but courts are awarding attorneys' fees for unsubstantiated lawsuits filed by the government."

In a 24-page opinion, the judge declared that the Labor Department interviewed only a handful of the company's approximately 400 gate attendants before filed an enforcement action. The company spent about \$1 million to fight the charges.

For a link to the original story, please click here.