

ARRESTED WORKERS FILE LAWSUIT; WAL-MART, CONTRACTORS ACCUSED OF RACKETEERING

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Body

Workers recently arrested in federal raids filed a racketeering lawsuit accusing Wal-Mart of conspiring with contractors in a criminal enterprise that violated the civil rights and wage protections of immigrants who cleaned its stores.

The federal court lawsuit seeks class-action status for perhaps thousands of immigrants, legal and illegal, hired by the contractors to clean the stores of the world's largest retailer, said a lawyer for the plaintiffs, James L. Linsey.

The scheme by Wal-Mart and the contractors violated the Racketeering Influenced and Corrupt Organizations Act, known as RICO, by systematically depriving the workers of labor law protections over at least the past three years, according to the lawsuit.

"It's all designed to exploit the weakest, most vulnerable people in the world," Linsey said Tuesday, a day after the lawsuit was filed. He said the action replaces a lawsuit filed in state Superior Court last week by the same workers that sought more than \$200,000 in back pay.

The lawsuit seeks unspecified monetary damages and an injunction barring Wal-Mart from further violations.

The nine named plaintiffs, all from Mexico, were among 250 people arrested Oct. 23 by federal immigration agents during raids at 60 Wal-Mart stores in 21 states. They have been released to await deportation proceedings, Linsey said.

Wal-Mart spokeswoman Mona Williams said the claims have no merit and the company will seek to have the lawsuit dismissed.

"The Wal-Mart culture is based on respect for other people, and we would never condone treating anyone poorly, legal or otherwise. We want to get to the bottom of this and are as eager as anyone to see whatever evidence federal officials might have," Williams said.

She said about 700 of its 3,000 U.S. stores are now cleaned by outside contractors, down from 1,500 several years ago.

The company acknowledged last week that federal prosecutors gave notice it is the target of a criminal investigation into the hiring of illegal immigrants.

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An employer can face civil and criminal penalties for knowingly hiring illegal immigrants or failing to comply with certain employee record-keeping regulations.

The nine workers, who cleaned stores in New Jersey, maintain they were denied overtime pay and that contractors failed to withhold taxes or make required workers compensation contributions.

The contractor arrangement was "an effort to disguise Wal-Mart's role as a joint employer of its janitors," the lawsuit said. "Wal-Mart was fully aware of and aided and abetted the rampant violation of immigration and labor law and other laws by its various janitorial contractors."

Also sued were four New Jersey contracting firms and their principals: Facility Solutions, whose location was not immediately clear, and owner Kenneth Clancy; Ruth and Sons, no location given, and principal Giovanni Alabena; JWM Commercial Cleaning, of Dover, Morris County, and owner Felipe Soto; and RT Cleaning, of New Brunswick, and owner Raul Tijerino.

None of the companies had listed phones.

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