

Violation of immigration laws can support class action

by Chris Arbery and Marcia Alembik

Williams V. Mohawk Indus. Inc., 11th Cir., No. 08-13446 (May 28, 2009).

Employees of a manufacturer in Georgia have another chance to proceed with a class action alleging that the company engaged in a racketeering conspiracy to hire illegal workers and the to depress the wages of legal employees. Although the district court had denied class certification, the 11th U.S. Circuit Court of Appeals held that the denial was an abuse of discretion and remanded the case for the district court to conduct a more thorough inquiry to determine whether certification of a class would be appropriate.

In January 2004, a number of employees of Mohawk Industries Inc., including Shirley Williams, filed a lawsuit against the employer based on a novel theory: that the company had hired undocumented workers as part of an unlawful conspiracy, for which the legal employees sought remedies under the federal and state Racketeer Influenced and Corrupt Organizations (RICO) laws. The plaintiffs claimed, among other things, that Mohawk worked with temporary employment agencies to form an “enterprise” for the purpose of hiring illegal workers and reducing the wages of; legal workers.

Although the company filed a motion to dismiss the RICO claims, the district court denied the motion, and the 11th Circuit upheld this decision. The company petitioned for review, and the U.S. Supreme Court ultimately declined to hear the case. After the case was remanded to the district court, the plaintiffs filed a motion for certification of a class of employees at a number of Mohawk facilities. If certified, the class would potentially consist of thousands of employees and the stakes of the litigation would be greatly increased.

The plaintiffs argued that their claims raised common questions of fact and law and that their claims were typical of those in the prospective class. The district court denied certification of a class, but the 11th Circuit reversed, finding that the plaintiffs satisfied the commonality and typicality requirements for class certification.

Professional Pointer

Employers should ensure that they remain in compliance with all applicable laws — even laws such as RICO that might not appear to have a direct impact on their employees.