

News in Brief: Meatpacking Case Highlights HR's Liability

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The upshot of the case, in which authorities said children younger than 16 worked at the Agriprocessors plant in Postville, Iowa, is that human resources professionals have to take compliance more seriously to protect both their companies and themselves, says Jorge Lopez, co-manager of the immigration practice for employment law firm Littler Mendelson.

"HR has to be much more involved," Lopez says. "There is liability not just on behalf of the company, but individuals involved in the process."

On September 9, the Iowa Attorney General's Office charged Elizabeth Billmeyer, Agriprocessors' human resources manager, as well as Laura Althouse and Karina Freund—described as management employees in Agriprocessors' HR division—with 9,311 violations of child labor laws.

Company president Abraham Aaron Rubashkin and plant manager Sholom Rubashkin also were charged with the violations, as was the firm. The alleged infractions involved 32 youths younger than 18, seven of whom were younger than 16, according to the criminal complaint.

The complaint alleges violations including employing a child younger than 18 in a meatpacking plant and employing a child younger than 16 who operated power machinery. Agriprocessors also shortchanged employees on overtime pay, according to the complaint.

Althouse and Freund also face immigration-related charges. Althouse was charged with aiding and abetting document fraud, aiding and abetting aggravated identity theft and conspiring to harbor illegal immigrants. Freund was charged with aiding and abetting the harboring of illegal immigrants.

Each Agriprocessors official faces the possibility of years behind bars as well as millions of dollars in fines.

In a statement, Agriprocessors denied that it knowingly employed underage workers. Althouse and Freund could not be reached for comment.

Claims of wage-and-hour, child-labor and immigration infractions add up to a volatile mix when it comes to a company's reputation, says Mike Cherson, executive vice president of public relations firm Success Communications Group. Cherson, whose firm has studied reputation issues, says labor abuses lead to wider questions about a firm.

He says people will ask, "If this is how they treat their employees, what else are they doing wrong?"

Employers, especially those in fields such as construction and agriculture, have to do more to verify the status of potential workers, says Randy Pennington, a consultant on workplace and leadership issues.

Paying for background-checking services is a key step, he says.

The issue largely boils down to courage on the part of HR managers, Pennington says.

"I don't believe that most HR professionals are knowingly violating the law," he says. "I also know it is very difficult to look at your boss and say, 'We have to go to a higher level of background checking.'"

Since 2006, federal officials have been stepping up criminal probes related to undocumented workers, Lopez says. "Enforcement has been the word of the day."

—Ed Frauenheim

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