



The LRC: Since 1986, local governments, health care professionals and employers committed to ending lawsuit abuse.

HB 1965 – *Qui tam* for employment law enforcement Incentivizes frivolous and abusive lawsuits

Please vote NO on HB 1965

HB 1965 authorizes private citizens (“relators”) to sue on behalf of the government to enforce labor and employment laws in exchange for a portion of the financial award. The relator may also be a “representative organization” suing on behalf of an employee. The relator may claim a large portion of any recovery—up to 40%—plus attorneys’ fees and costs. If the employer prevails in the lawsuit, however, he/she has no right to recover attorneys’ fees or costs.

The LRC opposes *qui tam* legislation. These laws encourage frivolous and abusive lawsuits with little-to-no consequence for the relator. The Legislature has a responsibility to protect both Washington employers and workers from abusive, meritless and costly litigation.

Key Facts about HB 1965

- HB 1965 is unnecessary because effective remedies are available already for all workplace safety and employment laws covered by the bill.
- Permits any “person” to bring suit, meaning a relator doesn’t need to have firsthand knowledge of the complaint. This goes beyond potentially aggrieved employees.
- Splits civil penalties between the agency and the relator, not aggrieved employees.
- HB 1965 would allow new, unprecedented bounty-hunter lawsuits for alleged violations of enforcement of:
 - the Minimum Wage Act
 - Washington Law Against Discrimination
 - laws relating to the payment of wages
 - prevailing wage
 - health care facility employee overtime
 - WISHA
 - leave laws
 - laws relating to gender equal pay and advancement opportunities
 - laws relating to agricultural labor
 - laws granting the authority to L&I for meal and break rules
- Relator enforcement undermines a company’s efforts to comply with the law. Employees are dissuaded to report an employment issue to the human resources compliance department in favor of bringing a lawsuit with a significant cash payout.
- A similar California law was subject to rampant abuse and was used to harass employers for shakedown settlements.

HB 1965 is ripe for abuse

In 2017 alone California had 8,000 *qui tam* cases filed. Average settlement per employee was close to \$75,000 but the employee received only \$200 due to attorneys’ fees and other costs.

In a *qui tam* case, it was determined Uber misclassified employees. It cost the company \$7.8 million. Trial lawyers netted \$2.6 million, the state was awarded \$3.6 million and each “harmed” employee received only \$1.08.