

*Judge rules Starbucks illegally
withheld raises and benefits from
union workers*

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Los Angeles, September 30 (RHC)-- Starbucks illegally withheld wage raises and benefits from unionized employees nationwide as the company sought to put a halt to the workers' groundbreaking union campaign, a National Labor Relations Board (NLRB) judge found this week.

NLRB Administrative Law Judge Mara-Louise Anzalone held that the company violated federal labor law when it raised its wage floor to \$15 an hour and give workers a raise across the board in August 2022 for nonunion workers only.

The company kept union or unionizing workers from being able to access a host of other benefits, including enhanced sick time accrual, contributions to savings accounts, and credit card tipping, Anzalone said. Other benefits like loosened dress code standards and updated equipment were additionally withheld from union workers.

The judge has ordered the company to retroactively compensate workers for missed wages and benefits and post and distribute a notification of workers' rights in all of its corporate-owned stores for a year, due to the "intentional and categorical discrimination" against the unionized workers.

The decision condemned the company's "flagrant, corporate-wide attack on its employees' right to choose union representation." In the 45-page order, the judge also noted Starbucks's willingness to repeatedly violate federal labor laws in order to quash union activity.

"Respondent has a demonstrated proclivity for violating the [National Labor Relations] Act and infringe upon the statutory rights of its employees in any number of means during the course of their organizing efforts," Anzalone wrote.

Bloomberg wrote that Thursday's decision is the most sweeping ruling against the company to date, as it encompasses violations made against workers across the country and not just in individual stores or cities.

Last year, the company announced its new benefits package and that it would be raising wages for new nonunion employees by 3 percent or to \$15 an hour, whichever was higher. Those who had been with the company between 2 and 5 years would get raises of 5 percent, and nonunion workers with more than 5 years of experience would get raises of at least 7 percent. Then-CEO Howard Schultz was integral in the plot to discriminate against unionized workers, Anzalone wrote, employing a "carrot and stick" tactic by promising higher wages to workers who didn't unionize.

The company claimed that it was not applying the raises to unionized employees because it would constitute a unilateral change made outside of contract negotiations.

Anzalone rejected that argument and repeatedly condemned the arguments made by the company in the case, saying that the company's lawyers' arguments were "inexplicably tone-deaf." It is incredulous to say that the company believed such wage raises would be against the law while also violating the law in a host of other circumstances including by refusing to bargain with unionized stores, the judge said.

"Ultimately, accepting Respondent's 'good faith' legal compliance defense would require me, in the absence of any credible evidence, to presume that Starbucks (and presumably its counsel) so misapprehended basic labor law concepts that it considered itself compelled to deny wage and benefit increases on the basis of employees' union activities without even considering bargaining with the union," Anzalone wrote.

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