

United States Department of Labor

Secretary of Labor Thomas E. Perez

News Release

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Shell Oil and Motiva Enterprises to pay nearly \$4.5M in overtime back wages to employees after US Labor Department investigation

HOUSTON — Shell Oil Co. and Motiva Enterprises LLC, which markets Shell gasoline and other products, have agreed to pay \$4,470,764 in overtime back wages to 2,677 current and former chemical and refinery employees as a result of investigations by the U.S. Department of Labor that found violations of the [Fair Labor Standards Act](#).

The department's Wage and Hour Division conducted investigations at eight Shell and Motiva facilities in Alabama, California, Louisiana, Texas and Washington, which found that the companies violated FLSA overtime provisions by not paying workers for the time spent at mandatory pre-shift meetings and failing to record the time spent at these meetings.

"Employers are legally required to pay workers for all hours worked," said U.S. Secretary of Labor Thomas E. Perez. "Whether in the international oil industry, as in this case, or a local family-run restaurant, the Labor Department is working to ensure that responsible employers do not experience a competitive disadvantage because they play by the rules."

The Wage and Hour Division's Houston District Office coordinated investigations with the Gulf Coast, New Orleans, San Francisco and Seattle District Offices to ensure nationwide compliance by Shell and Motiva. The findings revealed that those eight Shell Oil and Motiva refineries failed to pay workers for time spent attending mandatory pre-shift meetings. The companies required the workers to come to the meetings before the start of their 12-hour shift. Because the companies failed to consider time spent at mandatory pre-shift meetings as compensable, employees were not paid for all hours worked and did not receive all of the overtime pay of time and one-half their regular rate of pay for hours worked over 40 in a workweek. Additionally, the refineries did not keep accurate time records.

Shell, with U.S. headquarters in Houston, is an oil and natural gas producer involved in processing crude oil to manufacture energy products, including gasoline, diesel fuel, jet fuel and petroleum coke. Motiva, which is partially owned by Shell, is a leading refiner, distributor and marketer of fuels in the Eastern and Gulf Coast regions of the United States. It markets petroleum products under the Shell brand.

Shell and Motiva have signed settlement agreements that call for training of managers, payroll personnel and human resources personnel on the FLSA's requirements. The training will stress the importance of requiring accurate recording and pay for all hours worked with emphasis on pre-and post-shift activities.

The FLSA requires that covered employees be paid at least the federal minimum wage of \$7.25 per hour. Workers who are not employed in agriculture and not otherwise exempt from overtime compensation are entitled to time and one-half their regular rates of pay for every hour they work beyond 40 per week. The law also requires employers to maintain accurate records of employees' wages, hours and other conditions of employment, and it prohibits employers from retaliating against employees who exercise their rights under the law.

For more information about federal wage laws, call the Wage and Hour Division's toll-free helpline at 866-4US-WAGE (487-9243) or its Houston District Office at 713-339-5500. Information also is available at <http://www.dol.gov/whd/>.