



News & Types: Client Advisories

# Child Labor Law Violations are Increasing

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By: Frank J. Del Barto

Practices: Employment, Labor & Benefits

Most developed countries have laws governing the use of child labor. In addition, many companies have codes of conduct that address human rights obligations as well as prohibitions against the use of child labor. In the United States, the Department of Labor (“DOL”) enforces the Fair Labor Standards Act (“FLSA”). The FLSA sets forth the minimum wage, overtime, and recordkeeping requirements, as well as the various child labor restrictions. In addition to the FLSA child labor requirements, all fifty states have implemented child labor laws that impose different or more stringent requirements on the use of child labor.

For fiscal year 2023, the DOL investigated 955 cases involving 5,792 children nationwide, which is a 14% increase from fiscal year 2022. For fiscal year 2023, the DOL assessed more than \$8 million in civil money penalties, which represents 83% from fiscal year 2022 in assessed penalties. In March 2024, the DOL’s Office of the Solicitor announced that it had obtained a federal consent judgment that requires a Morristown, Tennessee, manufacturer of outdoor power equipment components to cease employing children unlawfully and to follow federal child labor laws in the future. Through its investigation, the DOL found that the company subjected ten children to oppressive child labor conditions and actually observed a child operating a power-driven hoisting apparatus, an occupation prohibited for workers under the age of 18. Having observed a minor operating the hoist, the DOL then prevented the shipment of goods from the facility. The consent judgment required the company to pay a \$296,951 civil money penalty, set aside \$1.5 million as disgorgement of 30 days’ profits related to its use of child labor, establish an anonymous tip line, and allow unannounced searches of the facility for three years.

Companies must review the regulations and guidance to determine permitted and hazardous occupations for children, which are based on age. Generally, children under the age of 14 are only permitted to deliver newspapers, babysit on a casual basis, work as an actor or performer in movies, TV, radio, or theater, and/or work for a business owned entirely by their parents as long as they are not employed in mining, manufacturing, or any hazardous occupation. Minors who are 14 or 15 may work outside of school hours for limited periods of time, but only in non-manufacturing and non-hazardous jobs. For example, minors who are 14 or 15 years old may not work in most occupations involving transportation, construction, warehousing, communications, and public utilities, including working with machines or tools used in hoisting or in any work requiring ladders, scaffolds, or similar equipment. Minors who are 16 or 17 years old may work an unlimited number of hours but may not work in coal mining, most occupations in forest fire fighting, forest fire prevention, timber tract, forestry service, and logging and sawmilling. In addition, minors who are 16 or 17 may not work with power-driven

woodworking machines, operate most power-driven hoisting apparatus such as forklifts, and/or operate power-driven metal-forming, punching and shearing machines.

The DOL provides training materials and offers several best practices for employers to consider. These best practices include training supervisors and managers on child labor requirements, providing child labor publications to current and new employees, establishing an internal phone number that allows employees to report child labor violations anonymously, and recommending that companies post “Stop” stickers on hazardous equipment to alert all employees that no one under 18 years of age may operate the equipment.

If you need assistance or are concerned about the child labor laws in the United States or in a particular state, please contact your relationship attorney to ensure compliance; the DOL penalties can be significant.

*Masuda Funai is a full-service law firm with offices in Chicago, Detroit, Los Angeles, and Schaumburg.*