

University of Phoenix Docked for Unpaid Overtime.

The University of Phoenix (UP) has learned the hard way that the overtime pay requirements of the Fair Labor Standards Act must be carefully observed. In June of last year, the Department of Labor filed suit against UP in federal district court alleging that it failed to pay overtime to approximately 2,600 current and former employees in its online admissions department. Some of these individuals had been working up to 60 hours per week contacting prospective students by telephone and promoting UP's online degree programs. The parties agreed to a settlement of that complaint calling for UP to pay from \$2-3 million to these workers.

A subsequent investigation by the Labor Department was conducted into pay practices for UP's "on ground" admissions counselors at its 90 campuses and learning centers around the country. A second lawsuit was filed, and in July an agreement to pay \$3.5 million was reached covering overtime due 1,700 of these admissions employees over a two year period.

A spokesperson for the Labor Department, in commenting on the case, said that overtime is a very significant issue for the department, and it is committed to insuring that workers receive the full compensation they are due under the FLSA. According to statistics released by the Labor Department, it collected \$196.6 million in back wages for 288,296 workers nationwide during the 2003-04 fiscal year.