

June 6, 2022

ATTORNEY GENERAL RAOUL FILES LAWSUIT AGAINST STAFFING AGENCIES FOR USE OF NO-POACH AGREEMENTS

Lawsuit Seeks to End Practice of Preventing Temporary Workers from Switching Agencies

Chicago — Attorney General Kwame Raoul announced a lawsuit against several staffing agencies and their mutual client over allegations that they interfered with temporary workers' ability to seek better employment opportunities with other staffing agencies.

[Attorney General Raoul's lawsuit](#) was filed in Cook County Circuit Court against Alternative Staffing Inc. (ASI), American Quest Staffing Solutions Inc. (American Quest), Creative Staffing Solutions Inc. (Creative), Midway Staffing Inc. (Midway), Staffing Network LLC (Staffing Network) and SureStaff Inc. (SureStaff), as well as their client, Vee Pak LLC, doing business as Voyant Beauty (Vee Pak). The complaint alleges that the six staffing agencies formed an unlawful agreement through which they refused to hire each other's employees. The lawsuit alleges Vee Pak facilitated the no-poach agreement by acting as a go-between for the staffing agencies and assisting in enforcing the agreement.

"No-poach agreements allow employers to take advantage of workers by trapping them in low-paying jobs and limiting their ability to seek better employment opportunities," Raoul said. "I am committed to holding companies accountable when they engage in unlawful employment practices that prevent employees from seeking opportunities that allow them to better support themselves and provide for their families."

ASI, American Quest, Creative, Midway, Staffing Network and SureStaff are temporary staffing agencies that compete with one another to recruit and hire workers for temporary employment at third-party client locations. Vee Pak, a company that manufactures and packages beauty products, used all six companies to hire temporary employees to work at its facilities in Countryside, Illinois and Hodgkins, Illinois. Attorney General Raoul's lawsuit alleges that from early 2016 until at least late 2019, the staffing companies agreed not to recruit, solicit, hire or poach each other's temporary workers employed at Vee Pak's facilities. The conspiracy benefitted Vee Pak and the staffing agencies at the expense of the temporary employees, as the no-poach agreement eliminated the need for the staffing agencies to compete for workers by offering better wages, benefits and conditions of employment.

According to the Attorney General's lawsuit, the agreement involved the staffing agencies monitoring for temporary Vee Pak employees switching from one participating staffing agency to another. If one staffing agency noticed a worker switching to any of the other participating staffing agencies, the temporary worker would either be returned to their original staffing agency or fired altogether. The Attorney General's lawsuit alleges that Vee Pak helped to enforce the agreement by notifying the agency out of compliance with the agreement, and ensuring the agreement was enforced.

Attorney General Raoul's lawsuit seeks an injunction to immediately stop the illegal no-poach agreement, as well as civil penalties and damages.

This lawsuit builds on Attorney General Raoul's efforts to advocate for workers and fight unlawful employment practices, such as those that restrict employees' rights and opportunities. For example, in July 2020, Raoul filed a similar lawsuit in the Circuit Court of Cook County, alleging that three staffing agencies and their client conspired to eliminate competition and harm temporary workers in Illinois by interfering with their ability to seek better employment opportunities and better wages and benefits. On June 3, the

Attorney General won an initial victory in that case when the Illinois Appellate Court agreed that the temporary staffing industry can't use a loophole to avoid state antitrust protections. The ruling has implications for temporary staffing agencies throughout the state, which will now face greater potential for antitrust enforcement actions under Illinois law.

In 2020, Attorney General Raoul announced a previous consent decree with Vee Pak, doing business as Voyant Beauty, which resolved allegations that the company retaliated against female employees who reported persistent and pervasive sexual harassment in the workplace. The consent decree required the company to take action to address claims of sexual harassment.

Attorney General Raoul encourages workers who believe their rights have been violated to call his Workplace Rights Hotline at 1-844-740-5076, or file a complaint by visiting the [Attorney General's website](#).

The lawsuit is being handled by Public Interest Division Chief Christopher G. Wells; Bureau Chief Alvar Ayala, Deputy Bureau Chief Lydia Colunga-Merchant and Senior Assistant Attorney General Christian Arizmendi for Raoul's Workplace Rights Bureau; and Assistant Attorneys General Paul Harper and Richard Schultz for Raoul's Antitrust Bureau.

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

THE STATE OF ILLINOIS, by its Attorney
General, KWAME RAOUL,

Plaintiff,

v.

ALTERNATIVE STAFFING, INC.,
AMERICAN QUEST STAFFING SOLUTIONS,
INC., CREATIVE STAFFING, INC.,
MIDWAY STAFFING, INC.,
STAFFING NETWORK, LLC,
SURESTAFF, LLC, and VEE PAK, LLC d/b/a
Voyant Beauty,

Defendants.

2022CH05069

Case No. _____

Jury Trial Demanded

COMPLAINT

Plaintiff, the State of Illinois (the "State"), by and through Kwame Raoul, Attorney General of the State of Illinois, brings this complaint alleging violations of the Illinois Antitrust Act, 740 ILCS 10/1 *et seq.*, against Alternative Staffing, Inc.; American Quest Staffing Solutions, Inc.; Creative Staffing, Inc.; Midway Staffing, Inc.; Staffing Network, LLC; SureStaff, LLC; and Vee Pak, LLC d/b/a Voyant Beauty.

INTRODUCTION

1. This action challenges unlawful agreements among six temporary staffing agencies, facilitated by a common client (Vee Pak), to refuse to solicit or hire each other's employees. This "no-poach" conspiracy harmed temporary workers in Illinois by interfering with the workers' ability to seek better opportunities and terms of employment. Instead of competing with one another to attract workers, these six temporary staffing agencies colluded with one another—with express support and cooperation from their common client—to undercut competition.

2. Defendants Alternative Staffing, Inc. (“ASI”), American Quest Staffing Solutions, Inc. (“American Quest”), Creative Staffing, Inc. (“Creative Staffing”), Midway Staffing, Inc. (“Midway”), Staffing Network, LLC (“Staffing Network”), and SureStaff, LLC (“SureStaff”) (collectively, the “Agency Defendants”) are temporary staffing agencies. All six Agency Defendants placed temporary employees at their common client, Defendant Vee Pak, LLC (d/b/a Voyant Beauty) (“Vee Pak”). The Agency Defendants agreed with each other not to recruit, solicit, hire, or “poach” temporary employees from one another at Vee Pak’s Countryside and Hodgkins facilities (the “Facilities”). Vee Pak facilitated the Agency Defendants’ agreement by acting as a go-between to communicate the agreement among the Agency Defendants and by assisting in enforcing the Agency Defendants’ agreement. All Defendants participated in the conspiracy.

3. Defendants’ no-poach conspiracy was not reasonably necessary to any separate, legitimate business purpose, transaction, or collaboration among the companies.

4. Defendants’ no-poach conspiracy suppressed the wages of the temporary workers who were employed by the Agency Defendants and staffed at the Facilities, and prevented workers who were unhappy with their treatment and conditions of employment from switching among the Agency Defendants.

5. The conspiracy among competitors, facilitated by a common client, is a *per se* violation of the antitrust laws.

JURISDICTION AND VENUE

6. This Court has jurisdiction under 735 ILCS 5/2-209(a) because Defendants’ unlawful acts performed pursuant to the conspiracy occurred in Illinois.

7. This Court has jurisdiction under 735 ILCS 5/2-209(b) because Defendants are corporations organized under the laws of Illinois or do business within Illinois.

8. This Court has jurisdiction over actions alleging violations of the Illinois Antitrust Act under 740 ILCS 10/7.

9. The claim or claims against at least one of Defendants arose in whole or in part in Cook County. At least one of Defendants resides in Cook County. Venue as to each defendant is therefore proper in this judicial district pursuant to 735 ILCS 5/2-101.

PARTIES

10. Illinois Attorney General Kwame Raoul brings this Complaint under his statutory and common law authority to represent the Plaintiff, the State of Illinois, and persons residing in Illinois. In the name of and on behalf of the people of the State of Illinois, the Attorney General seeks injunctive relief and such other equitable relief as provided under 740 ILCS 10/7(1), and civil penalties under 740 ILCS 10/7(4). Acting as *parens patriae* for the residents of Illinois, the Attorney General also seeks monetary damages, injunctive relief, and costs of suit, including reasonable attorneys' fees, pursuant to 740 ILCS 10/7(2) and the Attorney General's common law *parens patriae* authority.

11. Agency Defendant ASI is an Illinois corporation with its corporate headquarters at 5636 West Cermak Avenue, Cicero, Illinois, 60804.

12. Agency Defendant American Quest was an Illinois corporation with its corporate headquarters at 6902 West Cermak Road, Berwyn, Illinois, 60402. It was involuntarily dissolved on or about December 13, 2019.

13. Agency Defendant Creative Staffing is an Illinois corporation with its corporate headquarters at 7902 Narragansett Avenue, Burbank, Illinois, 60459.

14. Agency Defendant Midway is an Illinois corporation with its corporate headquarters at 2137 Euclid Avenue #2, Berwyn, Illinois 60402.

15. Agency Defendant Staffing Network is a Delaware limited liability company with its principal place of business located at 1815 South Meyers Road, Suite 600, Oakbrook Terrace, Illinois, 60181.

16. Agency Defendant SureStaff is a Delaware limited liability company with its principal place of business located at 650 East Devon #154, Itasca, Illinois, 60143. Agency Defendant SureStaff converted from SureStaff, Inc., which was an Illinois corporation with its corporate headquarters at 650 East Devon Avenue #154, Itasca, Illinois, 60143, until the conversion in September 2020.

17. Defendant Vee Pak, currently doing business as Voyant Beauty, is a Delaware limited liability company with its principal place of business located at 6710 River Road, Hodgkins, Illinois, 60525.

18. Whenever this Complaint references any act, deed, or transaction of any corporation or limited liability company, the allegation means that the corporation or limited liability company engaged in the act, deed, or transaction by or through its officers, directors, managers, or employees while they were actively engaged in the management, direction, control, or transaction of the corporation's or limited liability company's business or affairs.

FACTUAL ALLEGATIONS

I. The Relationship between Vee Pak and the Agency Defendants.

19. Vee Pak is a manufacturer of personal care products. Vee Pak contracts with temporary staffing agencies to obtain temporary workers to assist in production and other roles at its Facilities.

20. The Agency Defendants are temporary staffing agencies that compete with one another to recruit, select, and hire employees that will be staffed at third-party client locations on

a temporary basis. The Agency Defendants provide, or have in the past provided, temporary employees to perform work at Vee Pak's facilities, including the Facilities.

21. Vee Pak contracted with SureStaff to provide temporary workers at the Facilities as early as December 2014. In or around January 2015, Vee Pak entered into an agreement with SureStaff's competitor, ASI, to provide temporary employees alongside SureStaff. In or around September 2016, Vee Pak entered into an agreement with Staffing Network, a competitor of both SureStaff and ASI, to provide temporary employees at the Facilities. Later, in or around November 2016, Vee Pak also contracted with American Quest, yet another competitor of the temporary staffing agencies serving the Facilities, to provide temporary employees at the Facilities. By November 2016, the four competing Agency Defendants—SureStaff, ASI, Staffing Network, and American Quest—were all providing temporary workers to Vee Pak at the Facilities.

22. In or around May 2018, Vee Pak contracted with two additional temporary staffing agencies—Creative Staffing and Midway—to provide temporary workers at the Facilities. American Quest transferred its contract with Vee Pak to Creative Staffing after American Quest ceased operations in or about May 2018.

23. The Agency Defendants are responsible for recruiting, interviewing, selecting, and hiring the temporary employees assigned to Vee Pak. The Agency Defendants are also responsible for the temporary employees' payroll, including any federal, state, and local tax withholdings, and for maintaining all necessary personnel and payroll records for the temporary employees assigned to Vee Pak. Additionally, the Agency Defendants are responsible for deciding whether and when a temporary worker can work.

24. The Agency Defendants and Vee Pak are not parties to any joint venture or business collaboration with each other or together with Vee Pak.

II. The Agency Defendants agreed not to recruit, solicit, hire, or poach each other's temporary workers at the Vee Pak Facilities.

25. Beginning in or about February 2016, and continuing at least until late 2019, the temporary staffing agencies providing workers to Vee Pak's Facilities maintained and enforced an agreement not to recruit, hire, solicit, or poach each other's temporary workers assigned to the Facilities. The purpose of this illegal conspiracy among ostensible competitors was to restrict competition among the Agency Defendants for temporary workers. With this illegal no-poach conspiracy in place, the Agency Defendants could avoid having to compete by offering better wages, benefits, or other conditions of employment. In other words, the no-poach conspiracy benefitted the Agency Defendants at the expense of their temporary workers.

26. The core of the no-poach conspiracy among the Agency Defendants was an agreement not to recruit or hire temporary workers employed by another Agency Defendant at Vee Pak's Facilities. The Agency Defendants also agreed that if a temporary worker wished to switch employment from one Agency Defendant to another Agency Defendant at the Facilities, the worker would not be permitted to do so. The Agency Defendants further agreed that if a temporary worker managed to switch to another Agency Defendant at Vee Pak, and the switch was later noticed by another Agency Defendant, the temporary worker would be returned to the original Agency Defendant. The consequence for a temporary worker violating the no-poach conspiracy could even include termination in some circumstances.

27. The Agency Defendants enforced their conspiracy by communicating with each other directly or through Vee Pak. If one of the Agency Defendants acted against the conspiracy by hiring the temporary employees of another Agency Defendant, an Agency Defendant would complain to Vee Pak, to the offending Agency Defendant, or to both.

28. If the complaint was made to Vee Pak, Vee Pak would then communicate the issue to either the offending Agency Defendant or all of the Agency Defendants, and ensure that the conspiracy was enforced.

29. Numerous internal emails and emails exchanged between Vee Pak and the Agency Defendants evidence the conspiracy.

30. For example, on February 10, 2016, a Senior Staff Coordinator of Staffing Network sent an email to Vee Pak's President, complaining that a temporary worker had switched from Staffing Network to ASI, and that other first and second shift temporary workers were being told to switch agencies to continue working at Vee Pak. Vee Pak's President responded: "This has not been something I have heard or been aware of and it is not anything I support."

31. Shortly thereafter, the Senior Staff Coordinator of Staffing Network sent an email to Vee Pak to ask whether one of its temporary employees was working for Vee Pak under a different agency. Although that temporary employee had been reporting to work all week, she had not been clocking in under Staffing Network and her name did not appear on Staffing Network's daily premises report. Continuing the conversation regarding this incident, Staffing Network's Chief Sales Officer sent an email on March 17, 2016 to Vee Pak's President stating: "In all due respect, in our last meeting you told me that you would not allow agency employees to skip from agency to agency. You currently have agencies that have a respectful working relationship, but allowing this will change all that."

32. About one hour later, Vee Pak's President responded by stating the following:

You know me – **I am not a supporter of individuals changing agencies and all the agencies know it.** It is Vee Pak's position that we do not support nor will we tolerate one agency's management soliciting the employees of another agency on site at VeePak. If that is happening, by all means let me know who and when, and we will address it and put a stop to it.

33. Vee Pak's President then wrote that agencies would be risking a "black mark" on their record by allowing temporary employees to switch agencies. Staffing Network's Chief Sales Officer responded in an email dated March 23, 2016 that he hoped to "work on a mutually beneficial situation for all vendors supplying personnel to VeePak." This email correspondence led to an in-person meeting on or about March 29, 2016 between Staffing Network's Chief Sales Officer and Vee Pak's President.

34. It was not until approximately one year later, on or about February 21, 2017, that there was another complaint about poaching temporary workers at Vee Pak when SureStaff's Regional District Manager sent an email to Vee Pak's President, complaining that ASI was recruiting SureStaff's workers. The Regional District Manager believed that ASI had encouraged at least four SureStaff temporary workers to switch agencies, and proposed the Agency Defendants and Vee Pak "establish some sort of measure to prevent agencies from stealing associates from each other. . . ." and stop inter-agency poaching from "becoming a bigger issue."

35. Vee Pak's President responded: "Agree – I will investigate."

36. Vee Pak's President then forwarded SureStaff's email to ASI's President and Director of Operations and copied SureStaff's Regional District Manager and Regional Sales Manager. Addressing ASI, he stated: "This is concerning and I know that this is not an activity which you support." Then addressing both agencies, he further stated: "Obviously, if we do not address this collectively and immediately it can very easily spin out of control. You are both trusted partners with Vee Pak and I hope we can work this out as such."

37. On or about February 22, 2017, ASI's President responded to Vee Pak's President and SureStaff's Regional District Manager and Regional Sales Manager. In his email, he provided information about how the temporary workers in question came to ASI, stating that they were not

aware that the temporary workers had been working at Vee Pak as SureStaff employees. He explained, “We would not have allowed a transfer like that unless there was a good reason by the temp.” He also stated that ASI is “very sensitive to this issue” of temporary workers switching agencies. Lastly, ASI’s President ended his email by claiming that ASI also had a temporary employee switch to SureStaff.

38. On or about February 23, 2017, SureStaff’s Regional District Manager responded to ASI’s claim in an email to ASI and Vee Pak, confirming that SureStaff did not condone the practice of poaching temporary workers from competing agencies. SureStaff’s Regional District Manager noted the competitors “should instead come work together to help our client reach their potential, and make their lives easier,” and that the competing agencies should “not hesitate to contact” SureStaff directly to address any poaching concerns.

39. In the same February 23, 2017 email, SureStaff’s Regional District Manager asked Vee Pak’s President whether he “prefer[ed] to be removed from these emails, since [they] believe[d] [they] can work this out without bothering [him] any longer.”

40. On or about February 23, 2017, Vee Pak’s President responded to SureStaff in an email, agreeing that he did not need to be involved. He then offered to provide contact information for the other two temporary staffing agencies providing temporary workers at the time at Vee Pak and suggested that “collectively you guys can have a meeting to discuss all issues facing the relationships.”

41. On or about February 23, 2017, SureStaff’s Regional Manager subsequently forwarded ASI’s email to other SureStaff employees, asking them to investigate the situation and telling them, “[L]et’s make sure not to steal associates from any of our competitors.”

42. On or about February 24, 2017, after Vee Pak's President suggested the temporary staffing agencies have a meeting, ASI's President emailed SureStaff's Regional District Manager and Regional Sales Manager and other ASI employees, stating that ASI will schedule something the following week.

43. After the February 24, 2017 email proposing a meeting among the Agency Defendants, allegations and concerns about poaching receded from the Agency Defendants' email communications for several months. Indeed, it was not until approximately December 2017 that the Agency Defendants' conspiracy required additional maintenance.

44. On or about December 15, 2017, American Quest's President spoke by phone with ASI's President to complain that ASI had hired two of American Quest's temporary workers at Vee Pak. In an email memorializing their phone call, American Quest's President stated: "I wanted to make sure that it was understood that that [sic] we are not to recruit temporary workers from within Veepak." In addition to providing the names of the two temporary workers in question, American Quest's President informed ASI that American Quest had "not terminated nor taken both workers off their assignment at Veepak."

45. Also on or about December 15, 2017, American Quest's President brought this issue to Vee Pak's attention. In an email to Vee Pak's Team Manager and a number of other Vee Pak managers, including Vee Pak's President, American Quest's President stated: "We are experiencing some issues with another agency who is hiring our temporary workers. ... In the past we have always redirected temps who are with another agency back to their respective employer."

46. On or about December 16, 2017, after an exchange of emails with Vee Pak's Human Resources Manager, American Quest's President informed Vee Pak that she "made a connection with the agency and we've came [sic] to an understanding. We will not condone any

of our temps converting to another agency unless of course a special request is made by you, our client. Both temporary workers will be placed at Veepak through our agency.”

47. Between on or about December 19 and 20, 2017, ASI’s President and ASI’s Onsite Manager at Vee Pak exchanged emails regarding this issue. On or about December 20, 2017, ASI’s President instructed the Onsite Manager “to make sure that we do not confirm these two people [temporary workers] ever” to work at Vee Pak with ASI.

48. Thus, as a result of the no-poach agreement between the Agency Defendants, the temporary workers who wanted to switch agencies while assigned to work at Vee Pak were not allowed to do so; indeed, the workers were told that their employment with both agencies was terminated because they switched from American Quest to ASI.

49. On or about June 1, 2018, a Vee Pak Supervisor sent a reminder email to the Agency Defendants (ASI, Creative Staffing, Midway, Staffing Network, and SureStaff) to address the issue of temporary workers switching agencies while assigned to work at Vee Pak:

VeePak does not suggest nor condone that temp employees switch agencies, nor is it the responsibility of VeePak to manage such situations if they arise. Since I have been managing production, I have heard of this happening and would encourage the agencies to work these situations out. If it is said that VeePak has encouraged such behavior it will be dealt with immediately. Such an instance was stated and dealt with in the past.

50. The same afternoon, in response to Vee Pak’s email, Staffing Network’s Staffing Specialist replied to the entire chain: “Understood, thanks for the reminder....”

51. On or about June 1, 2018, Midway Staffing’s Chief Sales Officer also responded to the Vee Pak Supervisor, stating, “All of our employees have been spoken to warned [sic] regarding this matter. We apologize for any inconvenience.”

52. Consistent with the Agency Defendants' no-poach agreement, the Agency Defendants would take action to return temporary workers to their original agency when it was discovered that temporary workers had switched agencies while assigned to work at Vee Pak.

53. For instance, on or about June 7, 2018, Creative Staffing's Sales Consultant (who was also the former American Quest President) spoke with ASI's Director of Internal Operations about one temporary worker who switched agencies while assigned to work at Vee Pak.

54. On or about June 8, 2018, ASI's Director of Internal Operations checked the worker's application. The application confirmed that the temporary worker in question currently worked at Vee Pak under ASI, but did not show that the worker previously worked at another agency. In an email, ASI's Director of Internal Operations wrote: "If in fact this is the same person please understand that we do not recruit employees from another agency for any account" The email concluded by stating ASI would cancel the temporary worker for that day.

55. On or about June 8, 2018, Creative Staffing's Sales Consultant responded that she had explained to the temporary worker "the process" and she "plan[ned] on smooth sailing from this point moving forward."

56. However, shortly afterward, Creative Staffing complained again about temporary workers switching temporary staffing agencies while being assigned to work at Vee Pak.

57. On or about June 16, 2018, Creative Staffing's Sales Consultant complained to ASI's Director of Operations and a Vee Pak Supervisor that Creative Staffing kept seeing their "regulars" working at Vee Pak through a different temporary staffing agency, specifically, ASI. She asked: "Are we supposed to just lose our people to the other vendors?" She then identified two of Creative Staffing's "regulars" that were assigned to work at Vee Pak through ASI.

58. That same day, ASI's President spoke to Creative Staffing's Sales Consultant regarding this issue. After speaking with Creative Staffing's Sales Consultant, ASI's President informed his employees that the situation was "[a]ll taken care of" and a "[f]ollow up email will be sent by [the] other agency to correct the situation." He further directed ASI's Director of Internal Operations and ASI's Onsite Manager to fire' one of the two identified temporary workers and to "DNR" the other. "DNR" is an acronym for "Do Not Return"—meaning that the second worker's job assignment at Vee Pak was being terminated.

59. Shortly after speaking with ASI's President, Creative Staffing's Sales Consultant sent an email to a Vee Pak Supervisor, copying ASI's President and Director of Internal Operations. The email stated that ASI and Creative Staffing would "deal with these issues" of temporary workers switching temporary staffing agencies at Vee Pak. The email also stated: "There is a mutual understanding in place not to transfer any temps. We will ensure these issues are to a minimal [sic] until no longer a problem." Both ASI's President and the Vee Pak Supervisor responded to the email by thanking Creative Staffing's Sales Consultant, and ASI further complimented her on their "continued partnership and working with each other on these issues."

60. The Agency Defendants did not limit discussions of their no-poach agreement to each other and to Vee Pak. They also made it clear to their respective temporary workers that they could not switch agencies as a result of the Agency Defendants' agreement.

61. For example, on June 16, 2018—the same day she complained to ASI—Creative Staffing's Sales Consultant sent a text message to one of the temporary workers who had attempted to transfer to ASI but had been blocked. The text message instructed the temporary worker that she could not switch staffing agencies.

62. Less than an hour later, Creative Staffing's Sales Consultant then sent a group text message to approximately 24 of its temporary workers telling them that they could not switch to a different agency and still work at the Vee Pak Facilities because of an agreement between all of the temporary staffing agencies.

63. Also in or around June 2018, an ASI Onsite Supervisor at Vee Pak told a temporary worker who had just arrived for her shift with ASI that Creative Staffing had complained about the temporary worker switching from Creative Staffing to ASI. ASI then sent the temporary worker home without working that day. The temporary worker later spoke with one of ASI's dispatchers, who stated that as a result of having violated the no-switch policy, the worker would not be permitted to work anywhere through any of the Agency Defendants. As a result, the temporary worker had to look for new employment and lost out on days that she could have been working and earning money at Vee Pak.

64. The Agency Defendants' no-poach conspiracy at Vee Pak continued into 2019. On or about February 21, 2019, Midway complained to Vee Pak of a temporary worker who wanted to switch to another agency. Midway's Branch Manager emailed Vee Pak's Human Resources Manager and its Second Shift Supervisor and Team Manager about the situation. The email noted: "In the past employees were not allowed to switch agencies, I let [the worker] know this policy might still be in place. Please advise on how you would like to proceed, thank you." The Vee Pak Second Shift Supervisor and Team Manager responded: "we have a policy [the worker] can't go to other agencies."

65. Emails obtained in the State's investigation also show that the no-poach conspiracy continued to exist and be enforced in mid-2019. On or about July 16, 2019, SureStaff's Regional Operations Manager complained to Vee Pak's President stating:

I've also heard that Midway Staffing has been talking to our associates to steal them from us, and I was hoping that you would help us to stop this unethical behavior? SURESTAFF works very hard to recruit, screen, transport, and serve our employees, and we would not allow another staffing agency to downright steal them from us without a logical explanation. Like I said, this is a very unethical practice typically employed within the staffing industry, and I wanted to make you aware of it.

66. In addition, on or about October 8, 2019, Staffing Network's Associate Director of Operations sent an email to Vee Pak's President and other officers stating that another temporary worker with Vee Pak had switched to Midway. The email noted: "As we have previously discussed, this is not allowed."

67. Defendants' no-poach conspiracy harmed competition among the Agency Defendants for temporary workers assigned to Vee Pak's facilities. The conspiracy prevented temporary workers from switching among the agencies serving the Facilities. Workers who sought to switch were prevented from doing so and, in some circumstances, terminated. Vee Pak knew of, condoned, and aided in enforcing the prohibition on switching among the Agency Defendants. The net effect of this conspiracy was to impair the ability of temporary workers at Vee Pak's Facilities to obtain better wages and working conditions. Through this complaint, the State seeks to remedy the harm done to workers by Defendants' illegal conspiracy and to stop Defendants from further violating the Illinois Antitrust Act.

COUNT I

No-Poach Conspiracy

***Per Se* Violation of the Illinois Antitrust Act, 740 ILCS 10/1 et seq.**

68. Plaintiff restates and re-alleges Paragraphs 1 through 57 of this Complaint as though fully set forth herein.

69. Beginning at a time known only to them, Defendant Vee Pak and Agency Defendants ASI, American Quest, Creative Staffing, Midway, Staffing Network, and SureStaff,

joined by Defendants Creative Staffing and Midway in or about May 2018, entered into and engaged in an unlawful conspiracy for the purpose, and with the effect, of allocating or dividing the market or supply for the recruiting and hiring of temporary employees assigned to Vee Pak's Facilities. Defendants' conspiracy violates 740 ILCS 10/3(1). In particular, starting at some time known only to Defendants, the Agency Defendants agreed not to recruit, solicit, hire, or poach temporary employees to be assigned to Vee Pak from other Agency Defendants.

70. During all relevant times, the Agency Defendants were competitors in the temporary staffing services industry and competed for temporary workers, including workers at Vee Pak. Defendant Vee Pak is a common customer of the six Agency Defendants. Vee Pak facilitated the Agency Defendants' illegal no-poach conspiracy.

71. These agreements are *per se* unlawful under 740 ILCS 10/3(1). Defendants' no-poach conspiracy was not reasonably necessary to any separate, legitimate business purpose, transaction, or collaboration among Defendants.

72. The effect of this unlawful no-poach conspiracy was to suppress the wages paid to temporary employees assigned to Vee Pak. This conspiracy also substantially reduced competition among the Agency Defendants in the soliciting, recruiting, and hiring of temporary workers for the Vee Pak Facilities, thereby reducing the quality of the terms and conditions of employment available to the temporary workers.

Prayer for Relief

73. WHEREFORE, Plaintiff, the State of Illinois, prays that this Court will award judgment in its favor and enter an order:

- a. Finding Defendants liable, jointly and severally, for the no-poach conspiracy alleged herein as a violation of 740 ILCS 10/3(1);

- b. Awarding treble damages in favor of the State of Illinois as *parens patriae* for all damages caused by Defendants' violations of 740 ILCS 10/3(1), pursuant to 740 ILCS 10/7(2);
- c. Awarding civil penalties pursuant to 740 ILCS 10/7(4);
- d. Awarding injunctive relief to undo the effects of Defendants' illegal conduct and to prevent further recurrences of such conduct pursuant to 740 ILCS 10/7(1) & (2);
- e. Awarding costs, disbursements, and reasonable attorneys' fees; and
- f. For such other, further, and different relief as the Court may deem just, necessary, or appropriate.

Jury Trial Demanded

The State of Illinois demands a trial by jury of all issues so triable in this case.

THE STATE OF ILLINOIS,
by and through KWAME RAOUL,
ATTORNEY GENERAL OF ILLINOIS

Dated: May 26, 2022

By: /s/Lydia Colunga-Merchant
Lydia Colunga-Merchant
Deputy Chief, Workplace Rights Bureau
Office of the Attorney General of Illinois

Alvar Ayala
Bureau Chief
Workplace Rights Bureau

Christian Arizmendi
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FILED DATE: 5/26/2022 3:53 PM 2022CH05069

STATE OF ILLINOIS)
)
COUNTY OF COOK)
)

AFFIDAVIT OF LYDIA COLUNGA-MERCHANT

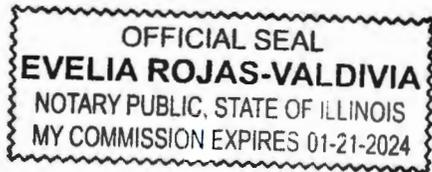
Lydia Colunga-Merchant, being duly sworn, on oath deposes and states:

1. I am the Deputy Chief of the Workplace Rights Bureau of the Attorney General for the State of Illinois.
2. I am personally familiar with the facts underlying the complaint filed in the *State of Illinois v. Alternative Staffing, Inc. et al.*
3. Based on my knowledge of those facts, I believe that the amount of money damages and civil penalties to be recovered by the State of Illinois exceeds \$50,000.

Further affiant sayeth not.

/s/Lydia Colunga-Merchant
Lydia Colunga-Merchant

Subscribed and sworn to
Before me this 26th day of
May, 2022.



Evelia Rojas-Valdivia
Notary Public

My commission expires: 1/24/2024