## BARNES &



## Labor Board Judge Forces Starbucks To Reopen Café After Labor Law Violations

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In most cases, a company is able to determine whether or not it wants to continue to operate a business in a certain location based on business considerations. As is often the case with labor law, though, things are not always that simple. In a recent case, an administrative law judge (ALJ) for the National Labor Relations Board (NLRB) forced Starbucks – which continues to see a nationwide unionization push – to reopen a café it had shuttered in upstate New York due to alleged labor law violations.

According to the Cornell Daily Sun, "Starbucks was found guilty of violating U.S. labor laws in its treatment of employees across unionized Ithaca locations and in the permanent closure of Collegetown Starbucks in a National Labor Relations Board ruling on Thursday, July 6. Judge Arthur J. Amchan's ruling comes after more than a year of local disputes over workers' conditions."

In his decision, Amchan determined that Starbucks violated the National Labor Relations Act in various ways, including administering discipline in retaliation for union activities at the site, only enforcing certain rules after unionization occurred, cutting worker hours after union activity emerged, and deciding to permanently close the café.

As rationale for forcing Starbucks to reopen the shuttered café, Amchan noted, "Given the wide-spread publicity given to union organizing at

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In other words, the ALJ took into account the "message" other Starbucks employees across the country may read into it if they learned a café going through a union push was closed. While Starbucks cited various business considerations as justification for the closure, the ALJ did not accept those arguments.

Historically, forcing a company to resume operations is an extreme remedy, but it does happen occasionally in cases where allegations like the ones here are at issue. Amchan's decision may be appealed to the full NLRB, but the agency recently has affirmed this harsh penalty in at least one other case. So it may be unlikely to get reversed – at least at the agency level. Accordingly, employers should take note that in these types of cases, the stakes are high and the penalties can be steep.