

Louisiana Workforce Commission Investigates Universal Placement International on Behalf of Local Filipino Teachers

The Louisiana Private Employment Service Law, La. R.S. 23:101-121 (LPES) states that “no person, company, corporation, or partnership shall operate, solicit, or advertise and employment services in this state unless licensed by the assistant secretary.” La. R.S. 23:104. Based on this law, 361 Filipino teachers¹ that were recruited to fill vacant teaching jobs in Louisiana by Universal Placement International (UPI) filed a complaint with the Louisiana Workforce Commission (LWC) claiming that UPI was in violation of the LPES. They alleged that UPI was not licensed to operate a private employment service in Louisiana and was charging unlawful fees. They also sought a refund of all fees paid to UPI, statutory fines and penalties, and attorneys’ fees, as well as a declaration that the contracts signed with UPI were null and void.² UPI argued that they did not operate an employment service in Louisiana, because their business is based in California.

Documentation presented by the teachers’ attorney revealed that UPI had made proposals to several school districts, entered into a contract with the Louisiana Department of Education in September of 2007, and placed Filipino teachers in schools within Louisiana. The Louisiana Department of Education also paid UPI a placement fee for each teacher that was placed in the Recovery School District.

The Filipino teachers alleged that UPI charged the following illegal fees:

- Marketing fees³;
- Placement fees prior to the commencement of work⁴;
- Collecting fees from teachers that were not placed in jobs⁵;
- Requiring teachers to pay 10% of their gross earnings for 24 months⁶;
- Failing to adjust the fees up or down based upon the actual gross salary of placed teachers.⁷

In the contract that UPI signed with the teachers, there was a choice of law clause for California. The teachers claimed that even with the choice of law clause the LWC had authority over contract that violate Louisiana State Law.

¹ In Re: Complaint of the Louisiana Federation of Teachers and the American Federation of Teachers o/b/o Certain Filipino Teacher Local Members, Louisiana Workforce Commission; April 14, 2010.

² In Re: Complaint of the Louisiana Federation of Teachers and the American Federation of Teachers o/b/o Certain Filipino Teacher Local Members, Louisiana Workforce Commission; April 14, 2010.

³ In violation of La. R.S. 23:111(B)(2)

⁴ In violation of LAC 40:XV.107(A)(5)

⁵ In violation of La. R.S. 23:111(B)(3)(e)

⁶ In violation of La. R.S. 23:111(B)(3)(a) which states that fees may be collected for only one year after commencing employment.

⁷ in violation of La. R.S. 23:111(B)(3)(b)

On April 14, 2010⁸ the LWC determined that because UPI was actively soliciting, advertising, and operating in Louisiana, they had violated the LPES by not being licensed to operate a private employment service in Louisiana. The LWC ordered UPI to refund all illegal fees paid by teachers, and to pay attorney's fees and a fine. UPI sought a judicial review. On July 26, 2012 the Louisiana Court of Appeals affirmed the decision of the LWC.⁹ UPI was ordered to refund \$1.8 million in illegally charged placement fees paid by Filipino teachers, pay a \$500 fine to the Louisiana Workforce Commission, and pay \$7,500 in legal fees for the Louisiana Teachers.¹⁰

⁸ Judge backs Workforce Commission ruling on Filipino recruiter, Louisiana Federation of Teachers, May 5, 2011; available at: <http://la.aft.org/index.cfm?action=article&articleID=36953df7-7cac-4689-bc60-6d902cd52c15>

⁹ Universal Placement International v. Louisiana Workforce Commission, No. 2011 CA 1353, July 26, 2012.

¹⁰ Judge backs Workforce Commission ruling on Filipino recruiter, Louisiana Federation of Teachers, May 5, 2011; available at: <http://la.aft.org/index.cfm?action=article&articleID=36953df7-7cac-4689-bc60-6d902cd52c15>