

In The News

Latest labor law case has big impact on energy sector

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Dan Pipitone, a lawyer in the Houston office of Munsch Hardt Kopf and Harr PC, won a significant labor-law case that will have implications throughout the energy sector.

Judge John D. Rainey of the U.S. District Court for the Southern District of Texas, Victoria Division, has awarded Gate Guard Services L.P. of Corpus Christi, Texas, \$565,527.61 in attorneys' fees and other expenses related to a case brought by the Department of Labor that was decided in February 2013.

"The case is significant because it is the first time the Department of Labor has lost an employee misclassification case in 75 years," Pipitone told the Houston Business Journal.

The Department of Labor had investigated Gate Guard Services in 2011 and determined that the gate guards who watch the entrances to drilling sites should have been classified employees instead of contractors. Labor sued Gate Guard Services on behalf of the employees for \$6 million in back pay. When the court ruled in favor of Gate Guard Services last year, owner Bert Steindorf sued the government under the Equal Access to Justice Act.

"It's available to citizens whenever the government acts in bad faith or acts unreasonably in pursuing litigation," Pipitone told HBJ. "The reason so few of these cases go to court is because a lot of small business operators can't afford to fight the government."

On April 7, Judge Rainey issued his ruling, ordering "that GGS shall recover from the DOL attorneys' fees in the amount of \$521,812.94, paralegal fees in the amount of \$10,752.00, and travel expenses in the amount of \$32,962.67, for a total of \$565,527.61," according to the court filing.

The Dallas-based law firm is expanding its footprint in Houston. Pipitone, who just joined the firm a few weeks ago, had been chairman of the energy and maritime practice at Chamberlain, Hrdlicka, White, Williams and Aughtry, Houston's 15th largest law firm with 69 of its 117 lawyers here in Houston.

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