



**STATE OF WASHINGTON**  
**DEPARTMENT OF LABOR AND INDUSTRIES**  
*Employment Standards Program*

**COMPLIANCE AGREEMENT**

An agreement between the Department of Labor & Industries and The Boeing Company

**Section 1 - PARTIES:** The following parties enter into this Compliance Agreement, freely and voluntarily:

- [1] The Boeing Company hereinafter referred to as Boeing, and
- [2] The Department of Labor & Industries of the State of Washington hereinafter referred to as the Department.

**Section 2 - PURPOSE:** The parties enter into this Agreement to resolve claims for unpaid wages allegedly due to Boeing employees who were not paid for all hours of work while traveling for Boeing between October 7, 2019 and August 9, 2023. To avoid the inconvenience, uncertainty, and expense of litigation, the parties acknowledge that:

- 2.1 In September 2021, the Washington Court of Appeals, in the matter of *Port of Tacoma v. Sacks*, ruled that all travel time for work-related out-of-town travel is considered compensable for non-exempt employees. In so doing, the Court of Appeals adopted the Department's enforcement position on this travel time issue, thereby confirming that Washington travel-pay requirements are broader than those set forth in the federal Fair Labor Standards Act.
- 2.2 In response to the *Port of Tacoma v. Sacks* decision, Boeing reported that it soon (a) reviewed its travel-pay policies and practices; (b) revised those policies and practices to bring them into compliance with the principles set forth in that decision; (c) identified employees whose travel pay during the prior 3 years was not in compliance with the principles set forth by the Court of Appeals in the *Sacks* decision; (d) distributed notices to its AOG (or Aircraft on Ground) traveling work units regarding the proposed policy changes and anticipated correcting payments; and (e) calculated and issued some correcting payments to non-exempt employees in its AOG work units.
- 2.3 After Boeing began issuing such correcting payments, certain of its AOG employees lawfully and properly exercised their right to file claims with the Department seeking to recover purportedly unpaid travel wages.

- 2.4 The Department considered such claims on an individual basis and learned, based on information submitted by Boeing, that some of the complaints submitted to the Department by Boeing employees had incorrectly overstated the amount of wages owed, while others had understated such amounts; whereupon, Boeing made additional adjustments to proposed pay amounts as requested by the Department.
- 2.5 As the Department received additional complaints from Boeing AOG employees who asserted they had not been properly compensated for their travel pay, the Department referred the matter to its Proactive Investigations and Enforcement Unit (PIEU), which then asked Boeing to provide comprehensive travel work and pay information for all AOG employees. Boeing cooperated with all such audit requests made by the Department, and ultimately provided proof that carefully calculated and verified corrected travel payments had been issued to its AOG employee.
- 2.6 Ultimately, the Department alleges that Boeing violated RCW 49.12 and 49.46 and WAC 296-126-002(8) and 296-128-600(11) by not properly following Administrative Policy ES.C.1 concerning the proper treatment of out-of-town travel as “hours worked.” Solely in connection with these travel time violations, the Department also alleges that Boeing violated RCW 49.46.130 by failing to account for all overtime hours worked at an overtime rate of at least one and one-half times their regular rate of pay for all hours worked in excess of forty (40) in a seven-day (7) workweek, and violated WAC 296-128-600 by failing to properly account for all hours worked in accordance with the Paid Sick Leave statute, thereby resulting in Paid Sick Leave hours that were not properly accrued.
- 2.7 The Department has not alleged that Boeing’s purported violations, as described above, were “willful” violations for purposes of RCW Title 49.

**Section 3 - TERMS OF AGREEMENT:** In consideration of the mutual covenants of this Agreement, the parties agree as follows:

- 3.1 In addition to correcting payments made by Boeing to its AOG employees before the Department’s involvement in such matters, Boeing has agreed to pay, and has in fact paid, the affected workers in two payroll dates, March 7, 2024 for the hourly employees and March 14, 2024 for the employees who have subsequently moved to salaried positions, for a total of \$11,538,550.56 for a total of 495 affected employees. Each affected worker is identified in the attachment by the employee’s BEMS ID.
- 3.2 Boeing, upon payment, made available to the employees covered by this agreement a pay statement and itemized trip summary to include trips, hours worked, hourly wages, and overtime if applicable.
- 3.3 Boeing provided proof of the payments to the Department prior to execution of this Agreement.

- 3.4 Boeing completed and provided a self-audit and accounted for any Paid Sick Leave hours accrued through the amended of hours worked.
- 3.5 Boeing developed a process for employees to submit additional records showing additional trips, hours worked, travel time, or anything applicable to their required work duties. Boeing will investigate and determine if additional wages are owed and provide payment to the employees within the standard payroll dates.
- 3.6 Boeing will ensure future compliance by completing proper payroll records, proper time reporting practices, paying agreed wages, paying overtime, and following all laws and regulations regarding the Minimum Wage Act, Wage Payment Act, and Industrial Welfare Act.
- 3.7 Boeing further agrees to consult an Employment Standards Specialist and the Department's administrative policy ES.C.1 and ES.C.2 if any questions should arise regarding whether or not an activity by an employee is considered to be "hours worked," and agrees to follow the guidance set forth in this policy.
- 3.8 Boeing agrees to follow all statutes and regulations related to payment of overtime, including but not limited to RCW 49.46.130, WAC 296-126 and WAC 296-128. The Boeing Company further agrees to consult an Employment Standards Specialist and the Department's administrative policies ES.A.8.1 and ES.A.9.1 through ES.A.9.8 if any questions should arise regarding whether or not an employee is entitled to overtime and agrees to follow the guidance set forth in these policies.
- 3.9 Boeing agrees to abide by RCW 49.46.210 and WAC 296-128-770 retaliation protections. This means an employer may not use an employee's exercise of any of the rights provided under chapter 49.46 RCW as a negative factor in any employment action such as evaluation, promotion, or termination, or otherwise subject an employee to discipline for the exercise of any rights provided under chapter 49.46 RCW. Furthermore, it is unlawful for an employer to take any adverse action against an employee because the employee has exercised their rights provided under chapter 49.46 RCW.

#### **Section 4 – RELEASE**

- 4.1 For the consideration recited, the Department releases Boeing, its directors, shareholders, officers, agents, representatives, and employees, and their successors and assignees, from all claims listed under Section 2, and all other claims the Department could have alleged with respect to travel pay by Boeing for its AOG employees prior to the date of this Agreement.

**Section 5 - MISCELLANEOUS:**

- 5.1 This Agreement has been completely read, fully understood, and voluntarily accepted after complete consideration of all facts and respective legal rights. This is a fully integrated Agreement. Any term or condition not incorporated in the Agreement is void. This Agreement constitutes the final written expression of all of the terms of agreement and is a complete and exclusive statement of those terms. No other agreements, in writing or oral, bind the parties.
- 5.2 This Agreement is made and entered into in the state of Washington and shall be interpreted, enforced, and governed under the laws of this State. The language of the Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.
- 5.3 All parties have been given sufficient time and opportunity to consult with legal counsel, if desired.
- 5.4 The parties each represent they have the full power and actual authority to enter into this Agreement and to carry out all of the actions required of them by this Agreement. Anyone executing this Agreement in a representative capacity warrants that they have full power and authority to bind their respective departments, agencies, corporations, partnerships, and/or entities.

**Section 6 - EXECUTION:** Executed by the authorized representative of Boeing and the Department respectively.

- 6.1 The undersigned hereby declare the terms of this Agreement is completely read, wholly understood, and voluntarily accepted for the purpose of making a full, final and binding compromise, adjustment, and agreement of any and all claims, disputed or otherwise, listed under Section 2.
- 6.2 For purposes of this Agreement, signatures by facsimile, PDF, and electronic signatures are acceptable.
- 6.3 The date of execution shall be the date of the last signature.

**[signature blocks on the following page]**

**The Boeing Company:**

DocuSigned by:  
Geneva M. Phillips on this 23rd day of May, 2024.  
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**Name: Geneva M. Phillips, Ph.D**  
**Director, Global Compensation**

**On Behalf of the Department of Labor & Industries:**

Bryan Templeton on this 24 day of May, 2024.

**Bryan Templeton, Employment Standards Program Manager**