

# THE NATIONAL LAW REVIEW

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## Kinder Morgan to pay more than \$830,000 in overtime back wages to 4,659 employees, resolving US Labor Department lawsuit

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### ***Violations affected workers in Arkansas, Colorado, Louisiana, North Dakota and Texas***

**HOUSTON** — Kinder Morgan Inc. and Kinder Morgan Energy Partners LP have agreed to pay \$830,422 in back wages to 4,659 current and former employees, resolving a lawsuit filed by the **U.S. Department of Labor** that alleged violations of the **Fair Labor Standards Act**. According to a consent judgment filed in the U.S. District Court for the Southern District of Texas, Houston Division, the companies also are permanently enjoined from future violations of the **FLSA**.

Kinder Morgan Inc., owner of Kinder Morgan Energy Partners LP, is one of the largest pipeline transportation and energy storage companies in North America. With approximately 8,000 employees at 470 facilities in the United States, the defendants provide services to local oil refineries and clients such as ConocoPhillips, ExxonMobil and Shell.

The Labor Department filed suit against both companies after an investigation led by the Houston District Office of the department's Wage and Hour Division found systemic violations of the FLSA's overtime provisions at 11 Kinder Morgan locations in Arkansas, Colorado, Louisiana, North Dakota and Texas. Bonuses paid to employees were not included as part of the regular rate of pay upon which overtime compensation should have been calculated, as required by the FLSA. Additionally, multiple locations failed to pay employees for pre-shift meetings and improperly rounded the employees' work hours to benefit the company.

"The Labor Department will hold employers accountable when they do not properly pay their workers," said Secretary of Labor Hilda L. Solis. "The FLSA requires that hours be counted and overtime pay calculated accurately and in a transparent process. Today's settlement agreement provides back wages, but will also help ensure that Kinder Morgan complies with the law in the future."

Under the provisions of the FLSA, an employer is not required to provide a bonus; however, if a non-discretionary bonus is paid, then the bonus must be included as part of the employee's regular rate of pay for the purposes of computing overtime. FLSA-covered employees must receive overtime pay for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay. The regular rate of pay cannot be less than the federal minimum wage of \$7.25 for all hours worked. Additionally, employers must maintain accurate time and payroll records.



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The consent judgment is subject to approval by a district court judge.

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