The Sugar Law Center has established a national reputation as a champion for economic and social justice. Since our founding 28 years ago, we’ve stood alongside workers and communities fighting both corporate and government abuses of fundamental human rights. Some of our achievements in 2019 continue this legacy.

Last year, the Sugar Law Center saw our long-time team member Rashida Tlaib leave our office to take her seat in Congress. We are all proud of her efforts to bring progressive politics into the U.S. House of Representatives.

This year, we welcomed Tonya Myers Phillips back to the Sugar Law Center as our new Community Partnerships and Development Director. Tonya began her career under a fellowship with the Sugar Law Center and returns to our office after serving as the Director at the Southwest Detroit Community Justice Center. Her past work includes serving as a member of the Detroit Charter Commission and she is a recipient of the Maryann Mahaffey Public Servant of the Year Award from the United Community Housing Coalition. She has been active in progressive politics and grassroots activism throughout her career. We also saw attorney Rasheed Gilmer leave our office after completing
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a two-year fellowship. We wish Rasheed the best in his new position in private practice and know our paths will cross again in the future.

Our community justice and workers justice projects seek to bring economic and social justice home, to the lives of our clients and the communities where they live and work. Work continued on each of these projects throughout 2019 and just some of the important success we’ve had over the past year includes the following:

Community Benefits in Detroit

Throughout the years, the Sugar Law Center has stood with the West Grand Boulevard Collaborative (WGBC) in negotiations with developers in the New Center area. This year, we are proud to have worked side-by-side with WGBC to obtain the first binding community benefits agreement in Michigan between a private developer and a community group. Negotiations over the spring and summer resulted in an agreement that will ensure affordable housing, living wage for workers employed on the project, and efforts to hire from within the community. The agreement was reached with Philadelphia-based developer Grasso Holdings, who will begin work on the mixed-use building in 2020.

The community benefits agreement with Grasso Holdings followed two years of negotiations between WGBC and Henry Ford Hospital on their new Cancer Center Project. The negotiations culminated in WGBC and Henry Ford entering into a letter of agreement, whereby the hospital will continue to utilize a jobs pipeline developed by the community. The jobs pipeline provides job readiness classes and coordinates with the health systems’ human resources office to help residents access employment opportunities. The agreement further provides for a historical marker noting the original location of the Redeemer/Sweet Home Church and resolves traffic safety issues during construction, provides for curbed bike lanes, and creates landscaping enhancements in the area. The Sugar Law Center assisted with negotiations and provided technical support throughout the community’s efforts.

In September, the SLC, along with our partner the Equitable Detroit Coalition/Detroit People’s Platform, held our Statewide Community Benefits 3.0 conference. This is the third bi-annual statewide conference dedicated to sharing ideas, educating community members, and training residents on community benefits issues and advocacy. The day-long conference was co-sponsored by the SEIU, Local 1 and the UAW and was held at Tabernacle Missionary Baptist Church Conference Center.

The conference had multiple sessions during the morning and afternoon programs with workshops that included trainings on negotiation skills; understanding public subsidies; and strategies for community led advocacy. National advocate, Dr. Andre Perry, from the Brookings Institution also presented on race and structural inequality, education, and inclusion. Approximately, one hundred and fifty (150) persons attended the day-long event.

The Sugar Law Center continues to provide support to the community benefits movement in Detroit and across the state. Along with our partners at the Equitable Detroit Coalition, we continue to monitor and work to amend Detroit’s community benefits ordinance to add measures to achieve true community representation and voice in the development process and to secure accountability from developers who receive large public subsidies and too often fail to deliver promised jobs and other benefits.
Fighting Corporate and Government Exploitation of the UIA System

This year the Sixth Circuit Court of Appeals denied immunity claims by state officials in our lawsuit alleging due process violation during review of unemployment insurance claims. This case arises from the state’s contracting with private vendors to adopt a wholly computerized system for identifying fraud; investigating the facts; making final determinations; imposing the maximum penalties (in every case); and automated collections against persons seeking unemployment insurance benefits — “robo-fraud.” More than 40,000 persons were the victims of bogus fraud charges, with penalties commonly exceeding $10,000 and ranging to over $90,000. The case seeks accountability from the state and private corporations who, acting together, denied any meaningful due process to more than 40,000 persons. As a result of the court’s decision, the lawsuit is now proceeding against all parties at the federal court in Detroit. The state’s appeal followed our success in defeating multiple attempts by each of the defendants’ efforts to have the case dismissed in 2018. During the appeal, the state argued that it should be shielded from any lawsuit for their violations of due process rights arising from the robo-fraud scandal.

Our office continues to see the impact of State of Michigan’s robo-fraud system. Despite claims by the State that the crisis has ended, we continue to be contacted by persons where the state is still attempting to collect on bogus fraud charges from the computerized system. In many instances, the individual has had fraud charges dismissed on her/his appeal, but the state continues to pursue payment on tens of thousands of dollars of penalties, claiming that other unidentified charges remain. This even occurs in cases when the individual had attempted to appeal ‘any and all’ charges of fraud. As a result, we continue to represent individuals on their appeals and in 2019, represented more than two dozen individuals and provided consultations to dozens of others, prevailing in nearly every hearing conducted.

In past years, our work led to the State of Michigan stopping its practice of only using computer software to identify, investigate, make factual findings, and then make determinations on fraud charges against persons making claims for unemployment insurance benefits. Our work also led to the review, by human investigators, of persons who had fraud charges alleged by the computerized system, leading
to tens of thousands of fraud charges being reversed. As a result of this work, further improvements at the unemployment insurance agency have been put in place to begin to ensure that all persons who lose their employment receive the benefits to which they are entitled. Some of these changes include reducing by half the time-limit for the state to pursue collection activity against claimants; greatly reducing the amount of penalties against claimants who make inadvertent errors on claims forms; and expanding claimants’ eligibility for hardship waivers.

**Fair Funding for Low Income Communities**

In 2019, the Sugar Law Center, our co-counsel, and Michigan residents had a very significant victory in efforts to bring fair state funding to Michigan’s cities. After extensive written briefs and oral argument, the Michigan Court of Appeals granted judgment in our favor on one of our claims that the state fails to properly share revenue with Michigan cities. This lawsuit is the culmination of efforts by Taxpayers for Michigan Constitutional Government to stop the long decline and cuts in revenue sharing by state officials who balance the state budget through unlawful schemes that short local communities on monies owed. The lawsuit is the first known case to be filed under Article 9, § 30 of the state Constitution and the first to prevail in court. The lawsuit alleges that the state has, for decades, purposefully and continually miscalculated the state’s minimum amount of required payments to local governments. This causes a severe shortfall of payments to municipalities that annually exceed of $1 billion. The State’s actions have created a substantial burden on local units of government, who have had to make significant cuts to services and programs in order to stay solvent. As cities are forced to do more with less, programs are canceled, assets sold, and essential services suffer (i.e. trash pick-up, water treatment, infrastructure maintenance, health services, public safety, parks and recreation, etc.). This effects each and every Michigan resident. The failure to meet the revenue sharing requirements has resulted in the wide loss of services in municipalities across the state and has hit urban communities the hardest. An appeal to the Michigan Supreme Court by state officials is expected.

This case arises out of our work opposing Michigan’s emergency manager law and to prevent its spreading to other states facing financial stress. The law permits the state to appoint emergency managers over financial troubled cities and school districts. These laws should be found unconstitutional and, as a result of institutionalized racism, are overwhelmingly invoked over communities of color. The law overlooks that local financial emergencies have resulted, in significant part, from the state’s own financial irresponsibility. The emergency manager law gives vast and overreaching powers to an appointed emergency manager who steps in to oversee municipalities’ finances while simultaneously stepping over our constitutional right to elect our own governance. It takes away the people’s voice by circumventing their power, while targeting public sector unions and privatizing public assets. While we did not prevail on our efforts to directly invalidate Michigan’s emergency manager law, our efforts were significant part of a tapestry of efforts to make the appointment of new emergency managers politically untenable and we will continue these efforts as long as the law is on the books.

**Justice for Vocational Students**

At the end of last year, our lawsuit against Douglas J cosmetology schools was the first case in the nation to win summary
judgment on claims that the schools must pay students for general labor and janitorial tasks that are entirely unrelated to their education. The lawsuit is brought on behalf of thousands of cosmetology students in Illinois, Tennessee, and Michigan. With the explosive increase in for-profit vocational programs over past decades has come widespread exploitation of student labor. These schools often operate on a model where profits are derived from maximizing revenue from federal student grants and loans and using student labor to generate revenue. For years, the for-profit vocational school industry has been requiring students to perform extensive unpaid noneducational work to increase their profits. The school’s use of free student labor, which includes providing cosmetology services to the public, gives them an unfair marketplace advantage against stand-alone salons where all workers are required to be paid.

In this case and with overwhelming evidence, we proved that the work that students are required to perform is entirely unrelated to their education; replaced paid staff; and annually generated millions of dollars of profit for the schools’ owners. Our case was the first win for students in nearly a dozen cases brought against for-profit cosmetology schools in recent years. This year, the Sixth Circuit Court of Appeals took the unusual step of permitting an appeal before the end of the case, based on a belief that resolution of the appeal may expedite a final resolution.

Our office continues to represent low-income and immigrant workers and a wide range of wage-theft issues. In other cases this year, we prevailed on claims of immigrant workers who work on traveling crews doing general maintenance on the exterior of big-box retailers; of low-wage home care workers employed to provide services for the elderly; and of restaurant employees. We also appeared before the Michigan Supreme Court as amicus in support of Michigan’s referendums to increase the minimum wage and to adopt paid sick leave and conducted community know-your-rights trainings and engaged in public policy advocacy to strengthen wage and paycheck protections.

**Representing the Unrepresented**

Few folks realize that even non-union workers have a right to get together, discuss their working conditions, and advocate with the employer to improve their workplace. The Sugar Law Center trains workers on these rights as well as files federal claims with the National Labor Relations Board (NLRB) on their behalf. This year we achieved a victory for salon workers following the termination of the most vocal individual who talked and met with co-workers regarding unfair deductions from their paychecks, uncompensated trainings, and other wage issues in their workplace. After raising the workers concerns with her employer, our client was terminated from her job. Following the filing of both NLRB charges and a federal lawsuit, the NLRB indicated that the charges would be upheld and facilitated a fair resolution for the workers.

**Fighting Workplace Discrimination**

This month, our client successfully settled discrimination claims against Kid Rock’s Made in Detroit restaurant (owned and operated by Delaware North) located in Little Caesar’s Arena downtown. The settlement resolves the lawsuit filed in 2018 against the restaurant. The lawsuit arose from facts where our client, the only black bartender at the restaurant, was terminated after coming into work with her hair in an Afro. She was then suspended and terminated for allegedly over pouring a single drink — something that her co-workers regularly engaged in. On the day of the settlement, the arena announced that it would not be renewing the restaurant’s lease at the facility.

**A Measure of Justice for Laid Off Workers**

The Sugar Law Center continues to represent thousands of workers laid off with no advance notice as required by the Workers Adjustment and Retraining Notification (WARN) Act. In 2019, our office and co-counsel filed suit on behalf of workers laid off at AMI Livonia, a metal stamping facility serving the auto industry. In violation of WARN, the workers did not receive fair notice of the plant’s closing.

In four other WARN cases, settlements were reached with employers who had closed worksites in Ohio, Illinois, and Massachusetts, resulting in meaningful payments to affected
workers. Our policy and advocacy work on WARN issues continues as well. In November, Sherrod Brown (OH), Patty Murray (WA), and Chuck Schumer (NY), and Representatives Tim Ryan (OH-13) and David Trone (MD-6) introduced the Fair Warning Act of 2019 before each chamber of Congress. The bills would amend the WARN in important ways. The amendments would include covering more workers and providing increased notice (90 days), along with closing various loopholes that are exploited by corporations seeking to evade the Act’s protections. Equally important, the amendments would grant the U.S. Secretary of Labor investigatory powers and provide more meaningful penalties to deter violations of the Act. The proposed amendments are long overdue and are an important step forward in the protection of the rights of working people and the finances of communities in which they live. Our office is working to inform legislators and the public on the importance of these issues.