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Class Action Lawsuit Alleges Western Range Association and Member Ranches Colluded in Wage Fixing Scheme to Depress Sheepherder Pay and Exploit Migrant Workers

Cirilo Ucharima Alvarado, a Peruvian Sheepherder represented by Towards Justice and Fairmark Partners, filed a class action antitrust <u>lawsuit</u> this week in federal court in Nevada alleging that the largest association of sheep ranches in the U.S. illegally conspired to fix wages for sheepherders significantly below what those workers would be offered absent the scheme. According to the complaint, the wage-fixing scheme has had the effect of illegally withholding millions of dollars from thousands of sheepherders, most of whom come from Peru, and who come to work in the American West on temporary agricultural visas. The complaint also alleges that the association assigns workers to ranches, without giving them the opportunity to shop between employers for decent wages or fair treatment. The suit seeks to end the wage fixing and market allocation scheme and reimburse thousands of sheepherders for years of severe underpayment.

The complaint alleges the Western Range Association (WRA)–a member organization that facilitates the hiring of foreign sheepherders–consistently set wages offered by member ranches to all sheepherders at or near the minimum wage allowed; prohibited workers from any choice in or ability to change ranches; and exploited workers who are effectively indentured to their employers through H-2A visas. Migrant sheepherders, the complaint alleges, often earn around \$4-\$5 per hour for 80 or more hours per week of grueling, highly-skilled work. The suit also alleges the wage-fixing scheme has caused an artificial shortage of domestic workers, which allows ranchers to rely almost exclusively on migrant workers who are more vulnerable to exploitation.

In July 2020, the WRA assigned Cirilo Ucharima Alvarado, a lifelong sheepherder from Peru, to a ranch in Spring Creek, Nevada where he experienced inhumane working conditions, the suit alleges. Ucharima Alvarado was subject to abusive acts such as passport confiscation and threats of violence and deportation from his employer. Per WRA requirements, he had no ability to choose which ranch he was assigned in the first place or to seek a transfer, and, as the complaint states, feared further abuse or underpayment if he attempted to leave the ranch.

"Our complaint alleges that the WRA conspires with its members to artificially depress the wages paid to migrant sheepherders," said Jamie Crooks, managing partner of Fairmark Partners, LLP, one of the law firms representing Ucharima Alvarado and the proposed class. "Absent the WRA-led scheme, ranches would compete among themselves for the most talented sheepherders, which would put upward pressure on wages. Instead, the WRA's members have agreed not to compete with one another for labor, which we allege unfairly and unlawfully harms these workers."

"The basic right to shop between employers for better treatment and wages is fundamental to worker bargaining power and fair competition—and that goes for workers up and down the wage scale. It would be illegal for a large association of tech companies to set wages for software engineers at the same level across companies that should otherwise be competing for labor through higher wages and decent treatment, and it is just as illegal for employers to engage in that conduct with respect to the employment of sheepherders, some of the lowest paid workers in the American economy," said David Seligman, Executive Director of Towards Justice.

Also representing the proposed class is Thierman Buck, LLP.

The complaint was filed in United States District Court for the District of Nevada and is available here.