

MEMORANDUM
DEPARTMENT OF LABOR
AND WORKFORCE DEVELOPMENT

STATE OF ALASKA
Labor Standards & Safety Division

TO: Wage & Hour Administration
Anchorage
Juneau
Fairbanks

DATE: November 28, 2007

FILE: WHPL # 203

PHONE: (907) 465-4855

FROM: Grey Mitchell 
Director

SUBJECT: Self-Audits and Settlements

When a complaint/investigation/audit is initiated and the investigator has determined that wages and/or liquidated damages or other penalties may be due, the investigator must refrain from discussing any settlement options with the employer until the case has been reviewed with his or her supervisor. Settlements are only to be considered after an investigation is complete.

The option for an alleged violation to be resolved through a self-audit must not be presented as a mandatory requirement. Self-audits may be recommended in cases where the alleged violator does not have a significant history of violations and demonstrates an intent to cooperate with the investigation process, and where the audit requires a review of voluminous records. Self-audits are not appropriate when the department is investigating a wage claim formally assigned under AS 23.05.220. However, a self-audit is an appropriate recommendation to allow an employer to voluntarily resolve potential violations and avoid penalties by making payment of any amounts determined to be due employees.