

[Law Firm Name]

[Address]

[City, State, Zip]

[Phone Number]

[Date]

**PRIVILEGED AND CONFIDENTIAL  
ATTORNEY-CLIENT COMMUNICATION**

To: [Client Name/Company]

Attn: [Contact Person]

Re: Advisory Regarding Worker Misclassification Exposure

Dear [Name],

We are writing to advise you regarding the significant legal and financial risks associated with the misclassification of workers as independent contractors rather than employees.

Government agencies at both the federal and state levels have intensified their scrutiny of contractor relationships. Generally, if a company exercises significant control over how a worker performs their tasks, that worker may be legally considered an employee. Key areas of exposure include:

- **Unpaid Wages and Overtime:** Liability for back pay under the Fair Labor Standards Act (FLSA).
- **Tax Compliance:** Unpaid federal and state payroll taxes, including Social Security and Medicare.
- **Benefits Liability:** Claims for unpaid health insurance, retirement contributions, and workers' compensation.
- **Statutory Penalties:** Substantial fines imposed by the Department of Labor and the IRS.

To mitigate these risks, we recommend a formal audit of your current independent contractor agreements and an evaluation of the daily operational realities of these working relationships. Please note that a signed contract stating a worker is a "contractor" is not, by itself, sufficient to satisfy legal requirements.

We are available to assist you in conducting a classification review to ensure your business remains in compliance with evolving labor laws. Please contact our office to schedule a consultation.

Sincerely,

[Attorney Name]

[Law Firm Name]