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## CFA News Flash

November 2016

### LOS ANGELES APPAREL MANUFACTURERS UNDER SCRUTINY

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November 17, 2016

Referring to LA Times article

The mission of the domestically-made manufacturing community represented by the California Fashion Association (CFA) is to grow the apparel manufacturing business in California, while abiding by federal and state law.

The current article in the Los Angeles Times depicts the results of an investigation into the apparent relationship of 'private-label' manufacturing by local contractors for RETAILERS. **Historically, the retailer was the customer** of the manufacturing community. The business generated by these retailers was due to the efforts of the California manufacturers to be legally compliant.

In the past, retailers had no fiduciary interest in the production of merchandise unless the retailer signed a purchasing order for raw materials. Generally, for protection from such responsibility, retailers sought out **registered manufacturers. Registered apparel manufacturers took responsibility under the law.**

**Manufacturers doing business with major retail brands are not the problem.**

Currently, many retailers are going directly to contractors, eliminating the creative layer of manufacturing and going directly to any contractor willing to work for the cost pre-determined by the 'suggested retail' prices. All such retailers should be interested in complying with labor law issues.

**Monitoring of California factories has resulted in an 80% reduction in the probability of compliance irregularities.** None of the retailers mentioned in the article have used the services of California monitoring companies, and, to be fair, may not be aware of the appropriate laws they must follow.

As the L.A. Times article suggests, retailers do have 'monitoring' in place overseas, but do not seem to take the same protection seriously when manufacturing in the U.S.

The California Fashion Association will attempt to reach out to all 'private label' retailers who are assuming the factory-direct model with an offer to keep them informed. The California Fashion Association 'Position Paper' is below and the CFA Compliance Manual for 2016-2017 is available electronically for this purpose.

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**A STATEMENT OF POSITION; LABOR LAW COMPLIANCE**

**The majority of California's apparel makers make no use of 'underground' factories where workers are not treated fairly in accordance with current labor law. The legitimate manufacturers and contractors repudiate these illegal operations as unfair competition.**

California's Registration requirement (AB633) defines the difference between those companies working within the legal requirements of social responsibility, and the 'others.' Joint liability between a contracting factory and a brand holder for wage/hour and OSHA conditions is clearly delineated.

**Any California company working with apparel products is required to be registered with the State of California.** Apparel production not only directly involves manufacturers, contractors and retailers, but other operations as well: laundry and dye houses, full-garment packagers, cutting, grading, specialty contractors, trim and pleating production, as well as distributors.

Media presentations of this industry depict the conditions in these illegal operations as indicative of a typical garment manufacturing facility. It is not! The typical facility is a workplace where people are paid fair wages and overtime is paid as required by law; with OSHA violations minimal or non-existent.

The media and political bias ignores the impact of the industry on the regional economy. The apparel industry is the 'ladder-up' for those with limited education and the desire to use their 'eye-hand coordination' skills. With on-the-job experience and personal growth, any person's dedication to his or her future is a ticket to upward mobility.

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**TO READ THE COMPLETE LOS ANGELES TIMES ARTICLE,  
"SOME GARMENT MAKERS EARN JUST \$4 AN HOUR" CLICK BELOW:**



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