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By Andrew

Eighty-five percent of Southern California garment contractors operated in violation of wage laws and were guilty of wage theft in the 2016 fiscal year, according to an investigation of the **U.S. Department of Labor Wage and Hour Division**.

The Wage and Hour Division (WHD) took a random sample of 77 garment contractors to find how deep wage theft goes in the apparel industry. The contractors who were in violation of wage laws—including not paying minimum wage—were found to owe \$1.3 million in back wages for 865 workers in 2016. WHD also assessed more than \$65,000 in civil penalties, said Ruben Rosalez, the regional administrator for the WHD’s Western Division. The contractors were sewing garments for retailers such as **Ross Stores Inc.**, **Forever 21** and **TJ Maxx**.

Rosalez discussed the investigation on Nov. 16 at **East Los Angeles College**, a community college based in Monterey Park, Calif., that is located more than eight miles east of downtown Los Angeles. During the news conference, he spoke about the state of labor in the apparel industry and his organization’s role. “We were neutral fact finders,” he said. “We are not on the side of the retailers. We are not on the side of the workers. We were looking at this from the law as it is written.”

The highly competitive retail market has forced a set of razor-thin margins on the contractors who employ sewers, and the tight margins contribute to a situation where wage-theft laws can be widely abused.

During the press conference, Maria Ramirez, an apparel worker, described the conditions of some of the places she worked. She said that she survived on a salary of \$5 to \$6 per hour. Workplaces were often infested with cockroaches and rats. There was no ventilation in buildings and no first-aid kits if workers had a headache or were injured on the job.

Conditions could change if the retailers and brands working with these contractors did not pay so little, she said. “They live better than we do because they steal our wages,” Ramirez said.

Federal and local officials and community groups also discussed current legal efforts to cut back wage theft. Speaking were John Reamer, general manager of the **City of Los Angeles’ Central Administration, Office of Wage Standards**; Maggie Becerra, chief of the **County of Los Angeles’ Department of Consumer and Business Affairs**; Paul Chang, regional adviser of the **White House Initiative on Asian Americans and Pacific Islanders**; and Jessie Kornberg, the president and chief executive officer of **Bet Tzedek**, a public-interest law firm that runs an Employment Rights Project.

The courts could be used to enforce wage laws. Another tool is temporary restraining orders for “hot goods,” or garments that have been made in violation of federal minimum-wage and/or overtime laws and then shipped to another state. (The “hot goods” provision of the federal Fair Labor Standards Act allows the Department of Labor to restrict interstate shipment of goods produced in violation of the FLSA’s minimum-wage, overtime or child-labor provisions.) Rosalez said that many wage-theft cases are settled outside of court, and penalties are always paid to lift restraining orders for hot goods because entrepreneurs want the goods to go to market.

Rosalez and his colleagues wanted retailers and brands to better monitor contractors and working conditions in Southern California’s apparel industry. “They need to be at the table,” Rosalez said. “They monitor factories at other parts of the world. Why can’t they do it here?”

However, Ise Metcsek, president of the **California Fashion Association**, the trade group of fashion and apparel business executives, said the WHD study was flawed. The study did not cover a broad spectrum of factories. Rather, the WHD has historically targeted poorly run factories, not the best-run factories, she said. The WHD also has not given the industry a good idea of what are the best practices for a factory.

Metcsek said it is the retailer’s responsibility to confirm that a factory is registered with the authorities. These factories also provide valuable employment for people who may not have any other outlet for jobs.

“The [workers] are paid by factories that need them,” Metcsek said. “A good sewer is in demand and will get paid [fair] wages.”

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