

N E W S R E L E A S E

News Release No.: 13-31

Date: June 18, 2013

Labor Commissioner Cites Garment Maker for Wage, Registration Violations

Los Angeles – California Labor Commissioner Julie A. Su issued citations totaling \$282,582 to a Los Angeles garment maker that moved and changed its business name to avoid previous citations. Violations issued to 5 Plus 2, Inc. include paying 19 employees below minimum wage and not paying overtime. Fines were also levied and garments made at the business were confiscated as a result of not properly registering the business.

“Workers who are paid by the piece, as in this situation, are still entitled to basic protections. Employers in California must keep accurate records for hours and pay, and ensure their employees receive minimum wage and overtime,” said Christine Baker, Director of the Department of Industrial Relations (DIR). The Labor Commissioner’s office is a division of DIR.

“This case demonstrates our commitment not just to addressing wage theft but also to cracking down on the shell games used to avoid detection,” said Labor Commissioner Su. “A phenomenon of the underground economy is the practice of employers who, when caught breaking the law, close down that business in name only and operate another phantom one under someone else’s name. This practice is intended to avoid responsibilities to workers and undercuts honest employers. We are conducting in-depth investigations to uncover and put a stop to these abusive practices.”

Yeong Sil Kim, manager/owner of 5 Plus 2, Inc. at 1240 S. Main St. #304 in Los Angeles, was cited following a May 28 inspection of the facility, where women’s blouses with the label “Benefit” were made. During the course of the Labor Commissioner’s investigation, it was determined that Yeong Sil Kim was also the owner of Bultina Fashion, Inc., which had been cited \$26,750 two years earlier for violations of the Labor Code. Those February 2011 citations were not paid and Kim did not respond to a request for information concerning payments to employees. Shortly after, Bultina left its location at 407 E. Pico Blvd., Suite 708.

The following year, in August 2012, an inspector for the Labor Commissioner interviewed employees of 5 Plus 2, then located at 1242 S. Santee St. #210. Although the listed owner of 5 Plus 2 was So Hye Park, the employees said they were working for Bultina Fashion and Yeong Sil Kim. The investigation found that Kim, not Park, was exercising control over the employees and the business operations. Employees were paid by the piece, and in cash; there were no time cards or records to verify hours

worked and pay received. Citations were issued for \$18,900, and 5 Plus 2 filed an appeal. However, the employer did not show at the appeal hearing, and the citations were referred to collection.

Based on the records available and the testimony of employees, an audit for wages owed was conducted by the Labor Commissioner's office. Another inspection took place at 5 Plus 2's new location on Main Street, and 150 articles of clothing were confiscated as they were made in violation of Labor Code 2675, which requires garment manufacturers and contractors to register with the Labor Commissioner's office. This action led to the most recent citations, at which point Kim acknowledged being the actual owner of 5 Plus 2.

In a recent report entitled "[State of the Division of Labor Standards Enforcement](#)," released in May 2013, the Labor Commissioner's office reported that in 2012 the Division assessed the highest amount on record of overtime and minimum wages. In the garment industry, nearly \$6.2 million was assessed in wages and penalties in 2012. In addition, the Labor Commissioner has improved enforcement of AB 633, an expedited wage claims process for garment workers which holds the manufacturers and retailers responsible as "guarantors" along with garment contractors for workers' wages. In 2012, the Labor Commissioner issued over \$7 million in AB 633 hearing awards, the highest amount on record.

Among its wide-ranging enforcement responsibilities, the Labor Commissioner's office inspects workplaces for wage and hour violations, adjudicates wage claims, enforces prevailing wage rates and apprenticeship standards in public works projects, investigates retaliation complaints, issues licenses and registrations for various businesses and educates the public on labor laws.

Additional information on labor laws and work-related topics are available on our [website](#) as well as on [Facebook](#) and [Twitter](#). Employees with work-related questions or complaints may call the toll-free California Workers' Information Line at (866) 924-9757 for recorded information, in English and Spanish, on a variety of work-related topics.

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