

N E W S R E L E A S E

News Release No.: 2018-69

Date: September 5, 2018

Labor Commissioner Cites Six Los Angeles Garment Contractors Over \$570,000 for Registration and Labor Law Violations

Los Angeles—The Labor Commissioner’s Office has cited six garment contractors \$573,704 for labor law violations after uncovering a scheme where the contractors illegally operated under one license to avoid compliance. Four of the contractors did not have valid workers’ compensation coverage for their employees.

“Shared use of a garment manufacturing registration is illegal, and it gave these contractors an unjust economic advantage over law-abiding garment businesses,” said Labor Commissioner Julie A. Su. “Sweatshop operators attempting to game the system at the expense of their competitors often do so on the backs of their own workers.”

The Labor Commissioner’s Office discovered that most of the 57 employees at the contractors’ building downtown on South Broadway worked up to 65 hours a week for less than minimum wage. Two workers, ages 15 and 16, were operating industrial sewing machines in violation of California’s child labor laws.

The Labor Commissioner’s investigation began in July after receiving a lead from the [Garment AB 633 Unit](#). Investigators visited the worksite, operating under the name Pure Cotton, Inc. Owner Kyung Ho Choi told them he collected rent but was not involved in the making of garments. His brother-in-law, Kuong Chan Kim, claimed that all of the workers were employed by his company, Union Supply, Inc., which was registered as a garment manufacturer. Further investigation revealed four other garment manufacturing contractors were operating in the building without garment licenses or workers’ compensation insurance. Kim charged each contractor a fee for the use of his license and insurance coverage, which concealed the actual number of workers.

The Labor Commissioner’s Office issued stop work orders to the four contractors operating illegally under the Union Supply, Inc. license and their inventory was confiscated. They were cited for violating wage statement and garment registration provisions, and failure to cover employees with workers’ compensation insurance.

- Cindy Soon Yun, with 20 employees, was cited \$118,600. She was also cited for violating [child labor laws](#).
- Sun Park, with 10 employees, was cited \$158,855.

- Pil Chang, with 8 employees, was cited \$37,450.
- Francisco Tecum Son, with 4 employees, was cited \$18,000.
- Union Supply, Inc., with 15 employees, was cited \$240,300.
- Pure Cotton, Inc., which has no employees, was cited \$500.

The Labor Commissioner's Office is currently pursuing wage theft investigations of the contractors.

The Garment Manufacturing Act of 1980 requires that all industry employers register with the Labor Commissioner and demonstrate adequate character, competency, and responsibility, including workers' compensation insurance coverage. Garment manufacturers who contract with unregistered entities are automatically deemed joint employers of the workers in the contract facility. Clothing confiscated from illegal operations cannot be sold, and will be donated to non-profit organizations in the Los Angeles area.

The Labor Commissioner also administers a special [wage claim adjudication process for garment workers](#) pursuant to California's AB 633, passed in 1999. This law provides not only an expedited process for garment workers to file wage claims but also provides a wage guarantee where garment manufacturers are responsible for wage theft at their contractors' facilities.

In 2014, Labor Commissioner Julie A. Su launched the [Wage Theft is a Crime](#) multilingual public awareness campaign. The campaign defines wage theft and informs workers of their rights and the resources available to them to recover unpaid wages or report other labor law violations.

The Division of Labor Standards Enforcement, or the Labor Commissioner's Office, is the division within the Department of Industrial Relations (DIR) with wide-ranging enforcement responsibilities including, adjudicating wage claims, inspecting workplaces for wage and hour violations, investigating retaliation complaints and educating the public on labor laws.

Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844-LABOR-DIR (844-522-6734).

Members of the press may contact Peter Melton or Jeanne-Mairie Duval at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

###



The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.