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DIVISION OF LABOR STANDARDS ENFORCEMENT  
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## ANNUAL REPORT ON THE EFFECTIVENESS OF BUREAU OF FIELD ENFORCEMENT

Labor Code § 90.5(d) requires the Labor Commissioner to report annually to the Legislature concerning the effectiveness of the Bureau of Field Enforcement (Bureau). This report shall include: (1) the enforcement plan adopted by the Labor Commissioner and the rationale for the priorities, (2) the number of establishments investigated by the Bureau, and the number and types of violations found, (3) the amount of wages found to be unlawfully withheld from workers, and the amount of unpaid wages recovered for workers, and (4) the amount of penalties transferred to the General Fund as a result of the efforts of the Bureau.

The Bureau investigates complaints and takes enforcement actions to ensure employees are not being required or permitted to work under unlawful conditions. Enforcement action taken by Bureau investigators involves the enforcement of child labor laws; the requirement of employers to carry workers' compensation insurance coverage; audits of payroll records, collection of unpaid minimum wages, overtime, as well as prevailing and other unpaid wages; the issuance of civil and criminal citations; and the confiscation of illegally manufactured garments, and injunctive relief to preclude further violations of the law.

The Labor Commissioner has maximized enforcement efforts through the use of focused enforcement programs operating within the Bureau. These programs are designed to target those employers committing flagrant violations or operating in the underground economy. The Labor Commissioner is intent on giving the economic advantage back to the law-abiding employer, and to protect workers from unlawful labor practices. Two of these programs that operated in 2003 within the Bureau were multi-agency units in which the Labor Commissioner staff conducted joint inspections with staff from the Employment Development Department (EDD) Tax Audit Unit. These joint enforcement programs, known as the Targeted Industries Partnership Program, and the Employment Enforcement Task Force, focused on inspecting industries that operate regularly in the underground economy, such as janitorial services, agriculture, restaurants, and construction. Additionally, the Labor Commissioner in 2003, initiated a "Low Wage Task Force" whose enforcement efforts were primarily centered on the garment industry, an industry that has a history of labor law violations.

In 2003, the Bureau conducted 976 inspections in the restaurant industry, 855 in agriculture, 882 in construction, 1,289 in the garment industry, 119 in janitorial services, and 2,695 in all other industries for a total of 6,816 inspections. In the 6,816 inspections conducted, the greatest number of violations found involved failure to carry workers' compensation insurance coverage, resulting in 1,290 citations. Investigators also issued 560 citations for violations relating to garment manufacturing registration requirements, 692 citations for paying

employees in cash without the required itemized wage deduction statement, and violations of minors working in the workplace resulted in the issuance of 210 civil citations. Additionally, 100 citations were issued for minimum wage violations and 126 citations for violations of the state's overtime laws.

During 2003, Bureau investigators from DLSE collected \$11,642,532 in wages owed to employees in California.

In addition to enforcement of specific Labor Code statutes and provisions of the Industrial Welfare Commission (IWC) wage orders, the Bureau investigates complaints arising from violations of the state's prevailing wage laws, and conducts payroll audits on behalf of California's workers for back wages owed. During 2003, investigations of violations of prevailing wage laws resulted in \$8,005,171 in wages for workers on public works projects. In addition to collecting wages owed for underpayment or non-payment of prevailing wages, DSLE collected \$1,224,823 in civil penalties for wage and public works violations.

In accordance with subsections (2), (3), and (4) of Labor Code § 90.5(d), the following data is presented to demonstrate the effectiveness of the field enforcement unit during 2003:

Number of Establishments Investigated	6,816
Total Number of Citations Issued for Labor Law Violations	2,994
Workers' Compensation Insurance	1,290
Child Labor	210
Cash Pay	692
Minimum Wage	100
Unlicensed Contractors	16
Garment Manufacturing Penalties	560
Overtime	126
Public Works (prevailing wage) Enforcement	
Cases Opened	1,538
Cases Closed	1,435
Wages Recovered	\$8,005,171
Penalties Collected	\$1,224,823
Amount of wages found to be unlawfully withheld	\$50,481,250
Amount of wages recovered for workers	\$19,647,703*

\* These figures denote only wages recovered through the Bureau and Public Works. General wage claims filed with the Labor Commissioner are not processed through the Bureau.

Amount of penalties transferred to the  
General Fund in CalendarYear 2003.

\$ 2,584,088

Respectfully Submitted,

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