

Department of Industrial Relations  
DIVISION OF LABOR STANDARDS ENFORCEMENT  
P. O. Box 420603  
San Francisco, CA 94142  
(415) 703-4810



## **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 of Field Enforcement. 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. In calendar year 2004, the Bureau conducted 14 major sweeps in seven industries. These industries include garment manufacturing, agriculture, restaurants, auto body repair, real estate, and construction and courier/messenger services. The sweeps were conducted as joint enforcement efforts with the Employment Development Department (EDD), the Division of Occupational Safety and Health (DOSH), the Contractors State Licensing Board (CSLB) and the federal Department of Labor (DOL). These enforcement efforts resulted in the issuance of nearly 380 citations, and in assessed penalties of \$2,028,915.

In 2004, the Bureau conducted 867 inspections in the restaurant industry, 845 in agriculture, 563 in construction, 1,062 in the garment industry, 132 in janitorial services, and 2,327 in all other industries for a total of 5,796 inspections. In the 5,796 inspections conducted, the greatest number of violations found involved failure to carry workers' compensation insurance coverage, resulting in 1,296 citations. Investigators also issued 408 citations for violations relating to garment manufacturing

**Bureau of Field Enforcement Annual Report  
March 2005**

registration requirements, 583 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 186 civil citations. Additionally, 81 citations were issued for minimum wage violations, 27 were issued to unlicensed contractors working on construction projects, and 113 were issued for violations of the state's overtime laws.

During 2004, investigators in the Bureau collected \$24,065,126 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 2004, investigations of violations of prevailing wage laws resulted in \$9,479,281 in wages for workers on public works projects. In addition to collecting wages owed for underpayment or non-payment of prevailing wages, DSLE collected \$1,173,349 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 2004:

Number of Establishments Investigated	5,796
Total Number of Citations Issued for Labor Law Violations	2,694
Workers' Compensation Insurance	1,296
Child Labor	186
Cash Pay	583
Minimum Wage	81
Unlicensed Contractors	27
Garment Manufacturing Penalties	408
Overtime	113
Public Works (prevailing wage) Enforcement	
Cases Opened	1,271
Cases Closed	1,343
Wages Recovered	\$9,479,281
Penalties Collected	\$1,173,349
Amount of wages found to be unlawfully withheld	\$27,948,344

**Bureau of Field Enforcement Annual Report  
March 2005**

Amount of wages recovered for workers \$33,544,407\*

\* The amount recovered in 2004 exceeds the amount found due in 2004 because a major wage assessment found due in 2003, was collected in early 2004.

Amount of penalties transferred to the  
General Fund in CalendarYear 2004. \$ 2,294,617

Respectfully Submitted,

Donna M Dell  
*State Labor Commissioner, DLSE*

March 1, 2005