

Department of Industrial Relations
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 multi-agency enforcement programs operating within the Bureau. These programs are designed to focus enforcement on 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. These multi-agency programs are specifically, the Targeted Industries Partnership Program (TIPP), which is a joint enforcement and educational effort between the Labor Commissioner and its sister agency, the Division of Occupational Safety and Health (Cal/OSHA), the California Employment Development Department and the U.S. Department of Labor, Wage and Hour Division. The second program is the Joint Enforcement Strike Force (JESF), whose members include the Labor Commissioner, the Employment Development Department, the Department of Consumer Affairs, the Office of Criminal Justice Planning, the Department of Justice, the Franchise Tax Board, and the Board of Equalization.

In 2002, investigators concentrated in several industries that have a history of labor law violations. These industries include restaurants, agriculture, construction and garment. The Bureau conducted 1,470 inspections in the restaurant industry, 1,281 in agriculture, 1,040 in construction, and 1,703 in the garment industry. As a result of these inspections, investigators issued 162 citations for violations found in agriculture, 803 civil citations among restaurant owners, 331 citations in construction, and 989 citations issued to employers of garment workers.

A total of \$1,683,180 penalties were collected for citations in restaurants, \$240,208 in construction, \$100,905 in agriculture and \$804,207 in penalties for citations issued in the garment industry.

In the 8,684 inspections conducted during 2002, the greatest number of violations found involved failure to carry workers' compensation insurance coverage, resulting in 1,520 citations. Investigators also issued 615 citations for violations relating to garment manufacturing registration requirements, 637 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 375 civil citations. Additionally, 99 citations were issued for minimum wage violations and 81 citations for violations of the state's overtime laws.

During 2002, Bureau investigators from DLSE collected \$23,426,902 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 2002, investigations of violations of prevailing wage laws resulted in \$7,715,767 in wages for workers on public works projects. In addition to collecting wages owed for underpayment or non-payment of prevailing wages, DSLE collected \$1,464,201 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 2001:

Number of Establishments Investigated	8,684
Total Number of Citations Issued for Labor Law Violations	3,363
Workers' Compensation Insurance	1,520
Child Labor	375
Cash Pay	637
Minimum Wage	99
Unlicensed Contractors	36
Garment Manufacturing Penalties	615
Overtime	81
Public Works (prevailing wage) Enforcement	
Cases Opened	1,277
Cases Closed	1,103
Wages Recovered	\$7,715,767
Penalties Collected	\$1,464,201

Amount of wages found to be unlawfully withheld	\$41,391,582
Amount of wages recovered for workers	\$31,142,669 *

* 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 Calendar Year 2002	\$ 3,166,058
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Respectfully Submitted,

Arthur S. Lujan
State Labor Commissioner

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