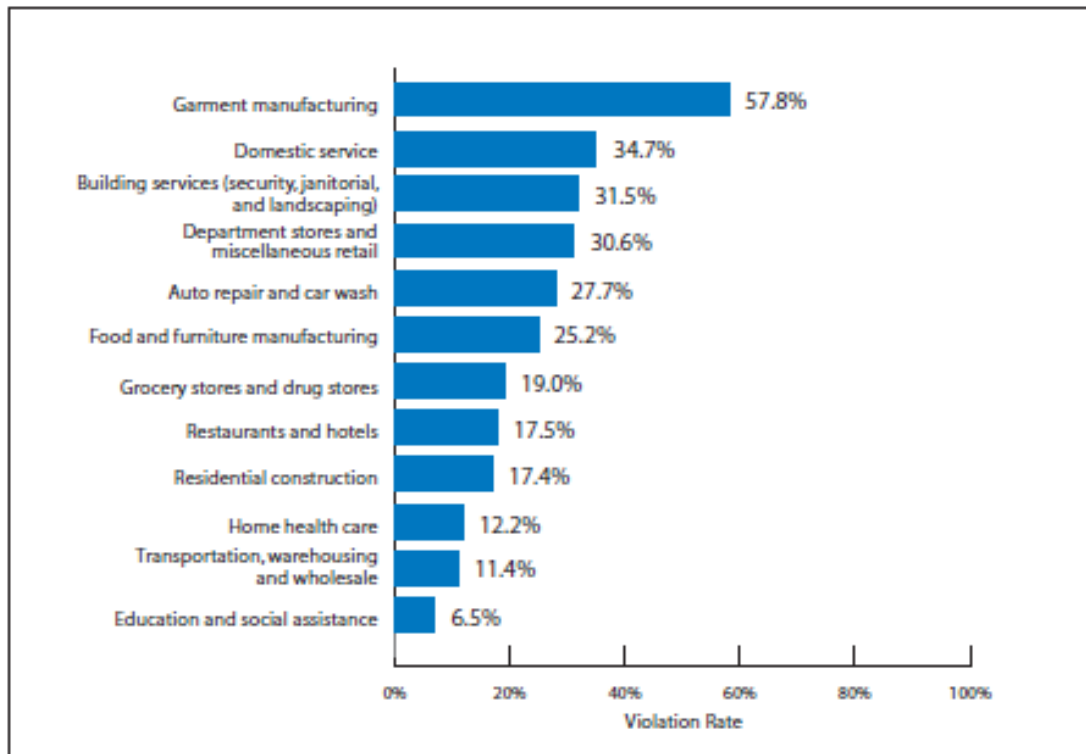


Wage Theft: A serious problem for low-wage workers

FIGURE 5.
MINIMUM WAGE VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008



WAGE THEFT IN LOS ANGELES COUNTY 2008

AVERAGE WEEKLY EARNINGS: \$318.00

Minimum Wage Violations: - 21.82

Overtime Violations: - 6.09

Off-the-Clock Violations: - 2.87

Rest Break Violations: - 8.65

Illegal Deductions from Pay: - .26

Tip Stealing: - .12

EARNINGS REDUCED TO: \$278.19

WAGE THEFT SUBTOTAL \$39.81

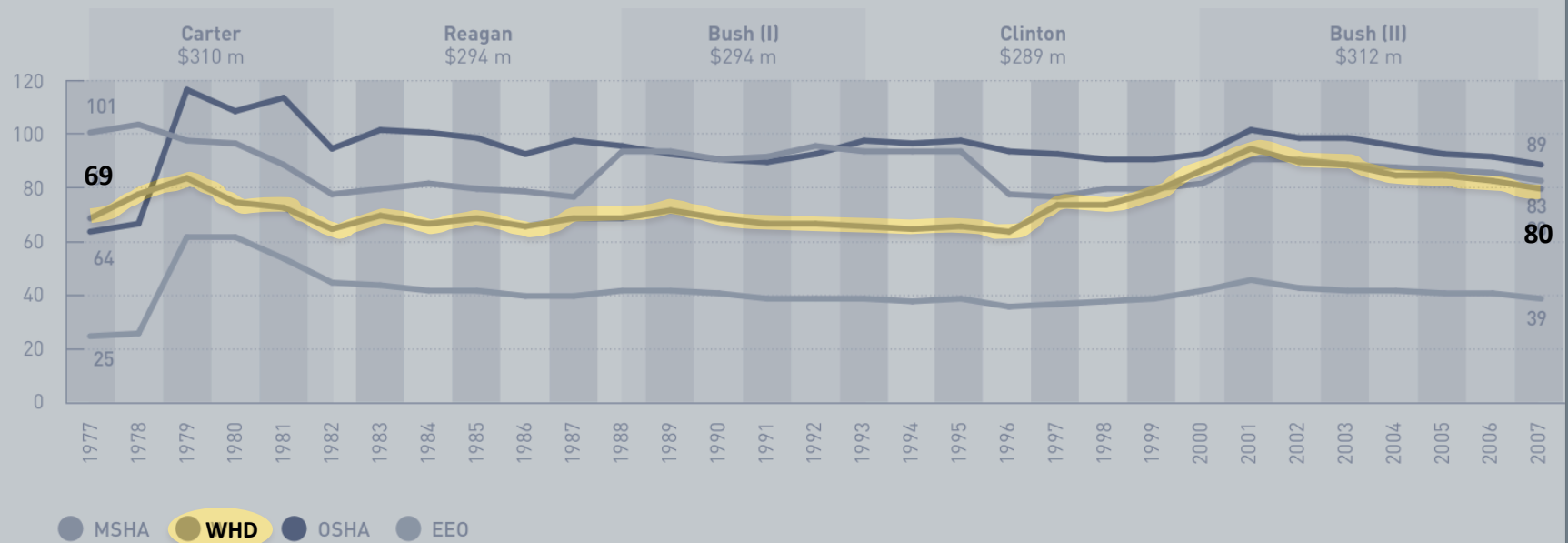
Why enforce at the local level?

Stagnant federal and state resources

FIGURE 1.1

DOL Enforcement Spending by Program and Presidential Administration, 1977–2007

(Constant millions of dollars)



Source: Budget of the U.S. Government, Various Years (Constant 1982–84 dollars).

What can cities do to ensure robust enforcement?

Three pillars

1. Strong **legal tools** in the minimum wage laws themselves
2. A well-staffed **local agency** that is committed to proactive enforcement strategies
3. Ongoing partnerships with **community-based organizations**

A standard set of enforcement provisions in California's local minimum wage laws

City	Enforcement Agency	Fines, penalties, & damages	Private right of action	Retaliation protection	Posting & payroll access	Revoke licenses, permits, contracts	Outreach & education
Berkeley	Y	Y	Y	Y	Y	Y	Y
Emeryville	Y	Y	Y	Y	Y		
Los Angeles	Y	Y	Y	Y	Y	Y	Y
Oakland	Y	Y	Y	Y	Y	Y	Y
Mountain View	Y	Y	Y	Y	Y	Y	
Richmond	Y	Y	Y	Y	Y	Y	
San Diego	Y	Y	Y	Y	Y		Y
San Francisco	Y	Y	Y	Y	Y	Y	Y
San Jose	Y	Y	Y	Y	Y	Y	
Santa Clara	Y	Y	Y	Y	Y	Y	
Sunnyvale	Y	Y	Y	Y	Y	Y	

Enforcement Agency Functions

Conduct education + outreach

- Educate and annually notify workers and employers
- Respond to questions from employers and workers
- Maintain hotlines, websites
- Public education campaigns (e.g. bus signs)
- Publicize enforcement actions

Respond to complaints

- Receive, investigate, adjudicate complaints
- Cite and collect fees and penalties
- Address language needs

Target key industries

- Conduct proactive investigations, targeting industries with high rates of abuse

Partner

- Coordinate with other agencies, leverage business licenses, permits
- Contract with community groups on outreach and education
- Foster effective partnerships with relevant state and local agencies

Who should enforcement minimum wage?

Public

- Federal DOL wage & hour division
- State agencies (DLSE & BOFE)
- City / county officials

Non-profit

- Community groups
- Unions

Private

- Private bar
- Other?

Community Organizations

Why partner with CBOs?

- Worker trust
- Language skills
- Cultural competency
- Industry knowledge



Small city enforcement options

1. Act as liaison between workers, state agency, and other stakeholders:

- Respond to workers' questions and direct claims to legal services groups and/or the DLSE
- Trouble-shoot problems with current cases, advocate with state agency
- Educate and notify employers about the city's minimum wage law
- Fund and partner with local community groups and legal services providers to conduct worker outreach and education
- Where few community groups exist, coordinate media campaigns to educate the public broadly
- Partner with the state to strategize pro-active enforcement audits



Designate a city official

2. Investigate, process and generate cases:

- Investigate and adjudicate wage & hour complaints
- Issue citations and collect administrative fees and penalties
- Conduct proactive investigations that target industries with high rates of violations



Rely on state agency

or

Contract with other city

or

Pool resources with other small cities to fund regional enforcement

How much enforcement?

Staffing and resources in large cities

- San Francisco
 - 5.5 FTE investigating Minimum Wage and Paid Sick Leave
 - \$1.4m budget
 - \$482,000 for community groups
- Seattle
 - 4 FTE
 - \$1.2m budget
 - \$1 million for community groups over 2 years
- Los Angeles
 - 5 FTE first year; 19 investigators requested
 - \$700,000 first year
 - \$1m per year for community groups requested

Questions?

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