



Lilia García-Brower

California Labor Commissioner

General Goals

1

Make the LCO a Household Name.

Every worker & employer should know who we are, what we do, and how to access our resources.

2

Strengthen LCO's Organizational Infrastructure.

Increase key positions to improve operations and oversee strategic initiatives.

3

Establish Strategic Enforcement Approach in Each Program.

Build a strategic approach in each of our programs.



LCO-Wide Priority Initiatives

1. Decrease vacancy rate to 15% across the agency.
2. Establish full-time professionals at public counters.
3. Incorporate asset investigation across programs.
4. Develop strategic applications in each program.
5. Implement outreach initiatives in priority industries and service gap areas.
6. Build Trauma Informed skills, reform policies and protocols.

Reaching Every Californian

- **Workplace Rights Ambassador Project (“WRAP”):** Program to build institutional understanding of our office and workplace protections. We have partnered with 4 organizations representing vulnerable populations, including agricultural workers.
- **Business Engagement Program (“BEP”):** Ensuring a level playing field for law-abiding employers is part of the LCO’s obligations. Since its inception in late 2020, BEP has trained over **73,000** employers. In 2022 alone, BEP has conducted **40** trainings on issues involving sick leave for COVID-19, misclassification, as well as new laws in the garment, agricultural and warehouse industries.
- **Clinics & Workshops:** This effort seeks to provide pop-up workshops & clinics in community spaces.
- **Youth Advocate Program (“YAP”):** This program reaches high-school-age students to provide critical information about workplace rights, obligations and LCO resources.



BUSINESS

ENGAGEMENT PROGRAM

1 BUILD PUBLIC AWARENESS

Every time a worker is denied workplace protections, most likely a responsible employer is being undercut. When workers and responsible employers are undercut, everyone loses. The public loses much-needed tax revenue and absorbs medical costs for uninsured worksite accidents. Injured workers cannot fully engage in the economy. Every industry decision maker must ensure full compliance with the law.

2 IMPACT INVESTIGATION

If you lose business to a competitor who is breaking the law, contact the LCO. We need to hear from you. We want to develop cases that expose unfair competition.

3 INCREASE COMPLIANCE

New California laws hold client companies responsible for the violations of their contractors. Accountability will stop the lowballing of contracts and increase compliance with workplace protections. Appropriate and consistent enforcement will protect law-abiding businesses from law-breaking businesses and help to create and maintain stable jobs in the California workforce.



California's economy thrives because of the contributions of law-abiding employers and workers. In building a California that works for all, working families need stable employment that provides upward mobility and participation in our economy.

The Labor Commissioner's Office (LCO) has a legal obligation to protect the most vulnerable workers and law-abiding employers from law breaking operators. Companies who skirt the law compromise the health and economic stability of California. The LCO fights to eliminate the unfair advantage gained over responsible employers.

The Business Engagement Program (BEP) is a targeted program of LCO to engage stakeholders in the fight to eliminate unfair competition and promote fair and legal business practices.

Recent legislation has extended liabilities to up-the-chain entities, demonstrating that part of the solution lies beyond the direct employer. The LCO is committed to building public awareness, developing impact investigations that expose unfair competition and increasing compliance with California laws.

CALIFORNIA LABOR COMMISSIONER'S OFFICE



BUSINESS ENGAGEMENT PROGRAM

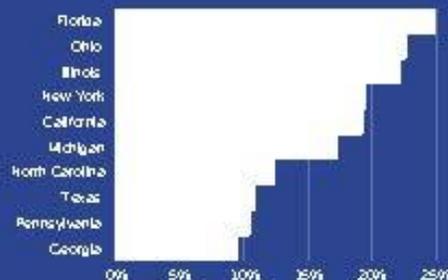
WHAT DOES UNFAIR COMPETITION COST US?

Noncompliance by California businesses hurts everyone: honest business owners, employees, and the state. State loses an estimated \$8.5 billion or more annually in uncollected tax revenue, money that could fund education, law enforcement, freeway maintenance or lower tax rates for people and businesses [1]

In California, the nation's most populous state, the underground economy employs an estimated **15 to 17 percent** of the labor force, costing the state as much as **\$28 billion** in lost revenue annually, according to the Employment Development Department.

The Economic Policy Institutes ranks California 5th among the 10 most populous states with the largest amount of wage violations.

Share of low wage minimum wage eligible workers experiencing minimum wage violations, by state.



Source: EPI's Institute, 2017

Note: Low wage eligible workers are defined as those who are covered by the state's minimum wage law and are not exempt from it.

Industries most impacted by wage theft include restaurants, janitorial, garment, retail, construction, trucking and nail salons.

[1] <http://www.economicpolicyinstitute.org/2015/06/>

IF YOU ARE CONTRACTING WITH A COMPANY FOR SERVICES, ENSURE THAT YOU ARE DEALING WITH A LAW-ABIDING EMPLOYER.

Confirm that they have current and sufficient Worker's Compensation Insurance.



<https://www.cawork.com/coverage.com/>

Confirm that they are registered and licensed.



www.dir.ca.gov/dlse/DLSE-Databases.htm

Confirm that they are registered with the EDD.



<https://www.edd.ca.gov/>

WHEN PROVIDING LEAD INFORMATION, PLEASE INCLUDE THE FOLLOWING:

- Name of business
- Name of owner or supervisor
- Business address
- Where the work is performed
- Number of impacted employees
- Industry
- What the business does
- Description of alleged violations
- Client companies or who the company contracts with
- How they are breaking the law

THE FOLLOWING INDUSTRIES ARE LICENSED BY OUR OFFICE:

- FARM LABOR CONTRACTORS
- FOREIGN LABOR CONTRACTORS
- GARMENT MANUFACTURING*
- CAR WASH
- TALENT AGENCIES
- STUDIO TEACHERS
- CHILD PERFORMER SERVICES
- ENTERTAINMENT WORK
- PUBLIC WORKS*
- JANITORIAL*

*These registries carry joint liability statutes for contracting entities.

DON'T RISK BEING HELD RESPONSIBLE. PROTECT YOUR BUSINESS TODAY!

We are investigating law-breakers, promoting fair competition, and building relationship with law-abiding employers. What else can we do to eliminate unfair competition?



You can email us at:
MarketFair@dir.ca.gov



Agriculture Enforcement

2019			
Interest Assessed	Wages Assessed	Penalties Assessed	Collected
\$151,949.75	\$3,619,019.86	\$367,948.04	\$1,381,234.95

2020			
Interest Assessed	Wages Assessed	Penalties Assessed	Collected
\$73,035.79	\$3,335,661.59	\$26,525.00	\$1,047,105.47

2021			
Interest Assessed	Wages Assessed	Penalties Assessed	Collected
\$113,683.30	\$5,692,826.38	\$83,150.00	\$1,590,597.74

2022 through 9/30			
Interest Assessed	Wages Assessed	Penalties Assessed	Collected
\$9,051.46	\$8,337,470.78	\$181,145.00	\$875,313.45

Agriculture Enforcement

Wage Claim Adjudication

Number of Employers

- **623** in 2022

Most Common Violations

- Minimum Wage
- Rest Periods
- Overtime

Bureau of Field Enforcement

Number of Employers

- **15** in 2022

Most Common Violations

- Worker's Compensation
- Itemized Wage Statement
- Minimum Wage

Licensing & Registration Unit

Farm Labor Contractor Exam Issues

- In August 2022, the LC learned of errors in some of the Farm Labor Contractor (FLC) examinations that were administered beginning in January 2021.
- As a result, we conducted an audit of the examinations administered by our office from January 2021 through August 19, 2022.
- LCO temporarily suspended administration of the examinations while a comprehensive review of the examination was conducted.
- On October 24, 2022, we resumed administration of the examinations. Impacted FLCS are being provided another opportunity to retake the examination.
- If the statutorily required prerequisites are met, LCO is issuing temporary or permanent licenses to affected contractors, as appropriate.

Improvements in Farm Labor Contractor Exam

- Consulted with the Department of Industrial Relations (DIR) Chief Auditor to conduct an independent review of the FLC examination process;
- Authorized overtime for ongoing review of the concerns raised regarding the examination and issuance of licenses;
- Temporarily redirected attorneys and investigators to support exam evaluation;
- Resumed administration of FLC examinations;
- Strengthening protocols for the administration of FLC examinations;
- Redirected positions to increase capacity in LRU Program and Legal:
 - Two attorney positions in the Licensing & Registration Legal Unit, which will provide additional support and resources to program team members.
 - A 3rd supervisor to focus on the FLC program.
 - Reduced responsibilities of Assistant Chief to prioritize LRU.

*“People won't remember
what you do or say, but they
will remember how you
made them feel.”*

Thank You!

