



SENATOR
MARIA ELENA DURAZO
LEGISLATIVE FACTSHEET

Garment Worker Protection Act

Senate Bill 1399

Summary:

SB 1399 would expand wage theft liability in the garment manufacturing industry, ensuring that retailers cannot use layers of contracting to avoid responsibility under the law.

Background:

In 1999, AB 633 (Steinberg) was enacted with the purpose of preventing wage theft in the garment industry and creating access to justice for victims. Some retailers and manufacturers have spent the last 20 years finding ways to circumvent this law to avoid liability, resulting in thousands of workers in California being unable to recover their stolen wages.

Los Angeles is the center of California's "underground economy" – a system characterized by scofflaw employers cheating workers out of billions in wages owed to them under minimum wage and overtime laws. No industry is rife with these violations than the garment industry, where so-called retailers that then contract with a network of manufacturers and subcontractors to produce their garments dictate the pricing structure. This leads to a vicious price competition, resulting in garment workers being paid an average of \$5.15/hour.

Problem:

These so-called retailers have frustrated the law, avoiding liability for this systemic abuse by creating layers of subcontracting, which has enabled them to claim that they do not fall under the definition of "garment manufacturer," as

defined in current law and are therefore not liable for these egregious wage violations. The intent of AB 633 must be restored, and upstream liability established, or the unrelenting problem of wage theft in the garment industry will continue.

Solution:

SB 1399 would protect garment workers by: (1) Eliminating the piece rate in the garment industry in order to ensure garment workers are being fully remunerated for all time-spent working; (2) Expanding liability for wage violations; (3) Creating a rebuttable presumption as to the identities of the guarantors based on garment workers' testimony; (4) Explicitly authorizing the Labor Commissioner's Bureau of Field Enforcement to investigate and cite guarantors.

Support:

The Garment Worker Center (Co-Sponsor)
Bet Tzedek Legal Services (Co-Sponsor)
California Labor Federation (Co-Sponsor)
Western Center on Law and Poverty (Co-Sponsor)
Voices for Progress

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