

**Look Who's Minding the Shop;**  
**California Garment Makers Try to Police Workplace**

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## **Body**

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In the latest crackdown on sweatshops in the nation's largest garment center, investigators working in teams of two stand watch outside sewing factories, noting the number of employees and their arrival times.

Then, moving inside, they split up. One inspector occupies the management, checking time cards, immigration work permits, tax forms and other documents. The other talks to workers on the floor, interviewing enough of them to insure that none can be singled out as a whistle-blower.

The investigators' reports, grading the workplace for compliance with state and Federal laws on safety and wages, can be damning. There is just one catch: these are not Government agents; they are employees of a private company, the Cal Safety Compliance Corporation. And their reports are not sent to law-enforcement officials, but rather to Cal Safety's clients, the big clothing makers who contract with the small sewing shops and are under pressure from the Federal Government to clean up their act.

In fact, the 52 inspectors who work for Cal Safety have instructions to introduce themselves as "manufacturers' representatives," so that the owners and their employees "will know we're not the Government," said Carol Pender, who founded the company in 1990.

So how effective can their efforts be? That is an important question in an industry that has thwarted numerous attempts over the years to eliminate the exploitation of its workers. Critics say the self-policing is doomed to failure because the interest of the big clothing companies to have clothes made cheaply runs counter to the Government's goal to end exploitation.

But the Labor Department thinks otherwise. With fewer than 800 labor standards inspectors to police American workplaces, a 19 percent decline over the last decade, it is the inspiration behind the private sector's involvement in the drive against sweatshop abuses.

[In Washington on Friday, the department issued its first-ever report on the nation's garment workers, showing that almost half of the sewing shops that were investigated had violated Federal labor laws. The largest number of

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enforcement actions, 86, taken in the six months ended March 31 were in California, while the total of back wages recovered for employees was greatest in New York, at \$593,000.]

In November 1992, the Labor Department began invoking an obscure provision of the 1938 Fair Labor Standards Act that authorized it to confiscate "hot goods." It threatened manufacturers with the seizure of clothing produced by exploited labor, unless they could show they were making honest efforts to buy only from legitimate operators.

The effort got under way slowly but was bolstered last summer by the public furor over the discovery of a slave camp for Thai immigrants in El Monte, Calif. The police found nearly 70 workers locked inside a dilapidated garment factory surrounded by barbed wire and spiked fences. The prisoners had been forced to stitch together American brand-name clothes under threats of death if they tried to escape. Federal labor officials later notified more than a dozen large retailers that goods from the plant might have ended up in their stores.

[Two of the owners were sentenced to six years in prison last Monday, and five others are scheduled to be sentenced next Monday.]

Meantime, the Labor Department's threat to confiscate tainted merchandise from clothing companies has spawned a new industry concentrated in the Los Angeles area of private "sweatshop cops." These specialists are hired by the clothing manufacturers to audit the payroll practices and interview the employees of their subcontractors.

The biggest is Cal Safety, which has already signed up more than 100 garment makers, charging \$200 for each quarterly audit it makes. Other inspection companies include Apparel Resources of Yorba Linda, Calif., which was founded in 1992 and has 40 clients, and Stonefield Josephson, an accounting firm in Santa Monica, Calif., which began offering the service to its clients 1992. In addition, many manufacturers say they themselves monitor their subcontractors.

Most clients receive detailed quarterly reports on their subcontractors, with failing grades given for violation of wage or safety laws or payroll discrepancies. Ms. Pender of Cal Safety said her auditors had inspected 90 percent of the state's 4,000 licensed contractors and had given so many low ratings that half had been cut off by at least one manufacturer.

The Los Angeles metropolitan area is the main battlefield of the Government's war on illegal sweatshops. Fed by an influx of immigrant labor from Asia and Latin America, the city's apparel industry has surpassed New York's to become America's biggest, with \$15.2 billion in sales last year and one-quarter of the nation's million garment workers.

In industrial parks and decaying office buildings in Orange and Los Angeles Counties, they cut, stitch, knit, iron, trim and dye fabric for 4,000 registered sewing contractors and an estimated 1,000 underground ones. According to a survey by state officials conducted in 1994, just as the effort to enlist the private sector in policing the shops was getting under way, 90 percent of them worked in sweatshop conditions that flouted state and Federal wage and safety laws. Even sewing shops that stay within the law rarely offer their employees paid vacations or health benefits.

Given the low-tech nature of the sewing business, unscrupulous entrepreneurs can easily escape investigators -- whether those sent by government or the manufacturers -- by keeping duplicate books and shutting down a site one day and opening up elsewhere the next.

So far, the Federal Government's initiative has won scant support from any of the parties involved. Some California labor officials privately grumble that it is aimed more at placating public opinion than bringing about meaningful change. And representatives of both the sewing-factory owners and their workers question the wisdom of giving an enforcement role to clothing manufacturers. Patrick Cheung, president of the Northern California Chinese Garment Contractors Association, accuses the garment makers of hypocrisy for insisting that his members pay fair wages to their workers while simultaneously lowering the rates they pay the subcontractors for stitching work.

## Look Who's Minding the Shop;California Garment Makers Try to Police Workplace

"They know it's not enough," Mr. Cheung said. He said 40 sewing shops closed in the Bay Area last year, and added that profit margins among his remaining 350 members had shrunk to 3 percent from 10 percent since 1988.

For their part, the unions representing garment workers decry the new monitoring system as a case of the fox guarding the hen house. "I can't say things have gotten better," said Steven T. Nutter, regional director of the Union of Needletrades, Industrial and Textile Employees. For him, the only solution is more Government intervention. "You can't terrorize an industry when you have 15 people policing it," he said. "You hit every contractor once every seven years. They'll take that chance."

For all the doubts, there is some evidence that self-policing is doing some good. A new survey of the California garment industry by the state and the Federal Government shows that while abuses are still rampant, "companies with monitoring programs have a significantly better rate of compliance than nonmonitored companies," said Jose Millan, California's interim labor commissioner.

Mr. Millan said the survey turned up 20 percent fewer overtime violations than were found in a similar study two years ago, though little progress was made in meeting record-keeping, safety or minimum-wage requirements. "There's been slight improvement," he said. "It would be foolhardy to withdraw from the program now."

And while the big clothing companies are not happy about what they regard as another bureaucratic intrusion, they are at least going through the motions of leaning on their subcontractors to abide by Federal minimum-wage and safety laws. And Labor Secretary Robert B. Reich, at least, is hoping for a long-term payoff.

"We've got to stop this exploitation, and we can't do it alone," Mr. Reich said in a recent interview.

Law-enforcement officials have had a few successes. Most big garment makers --including Guess Inc., Chorus Line and 43 other companies -- have signed a voluntary agreement with the Labor Department to shoulder responsibility for back pay owed to workers by their contractors. So far, the agency has recovered more than \$7.3 million in back wages for more than 25,000 garment workers since 1993.

But some garment makers say the cost of policing their contractors puts them at a disadvantage to companies with overseas operations. "Our competitors can make goods anywhere in the world," complained Christopher L. Bryer, a vice president of Chazz, a unit of CMG Inc. that makes private-label apparel.

Since his company began monitoring its four sewing contractors, Mr. Bryer said, it has cut off one. But he wonders if the action did any good, saying the extra expense played a role in Chazz's decision last year to hire sewing contractors in Mexico.

Such protests fall on deaf ears in many quarters. Edna Bonacich, a sociology professor at the University of California at Riverside who specializes in the Los Angeles garment industry, said manufacturers were getting off easy. "The department's demands are minimalist," she said. "It's the language of compliance rather than a recognition of the industry's evil, exploitive practices."

Mr. Reich, meantime, is trying to extend the self-monitoring effort to retailers. In newspaper ads and radio commercials, his department is urging consumers to shop at stores that are on its "No Sweat" list of chains that keep close tabs on their suppliers.

Mr. Reich says it is the civic duty of big companies to lead the attack on worker exploitation. "It's a matter of corporate responsibility," he said.

## Graphic

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Photos: **California** labor inspectors confiscated **garments** near Los Angeles, but much of the burden of **policing** sewing **shops** has shifted to the industry itself. A Labor Department ad urges support for manufacturers that monitor conditions. (Photographs by Luis Sinco for The New York Times)

Graphs: "Less Oversight of a Bigger Business" show employment, wages, and inspection figures for the **California** apparel industry. (Sources: Economic Development Corporation of Los Angeles (employment), DRI McGraw Hill (wages), **California** Division of Labor Standards Enforcement (inspection and penalties))

## Classification

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**Subject:** **GARMENT** WORKERS (90%); INVESTIGATIONS (90%); ENFORCEMENT ACTIONS (89%); SWEATSHOPS (89%); MANUFACTURING FACILITIES (89%); LAW ENFORCEMENT (78%); FACTORY WORKERS (78%); PASSPORTS & VISAS (77%); LABOR & EMPLOYMENT LAW (77%); LABOR DEPARTMENTS (77%); WAGE & HOUR LAWS (77%); BACK PAY (77%); AGENCY RULEMAKING (77%); IMMIGRATION (72%); WHISTLEBLOWERS (71%)

**Company:** CAL SAFETY COMPLIANCE CORP (83%); LABOR DEPARTMENT (US); CAL SAFETY COMPLIANCE CORP CAL SAFETY COMPLIANCE CORP (83%); CAL SAFETY COMPLIANCE CORP CAL SAFETY COMPLIANCE CORP (83%); LABOR DEPARTMENT (63%)

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