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# Haitian factories under pressure

## Groups charge U.S. firms help exploit workers

By Tom Squitieri  
USA TODAY

The U.S. military intervention in Haiti in 1994 paved the way for democracy to return to the island's 7 million people.

It also opened the door for exploitation of workers by some U.S. manufacturers.

Half the 29 Haitian firms where workers sew clothes and other apparel pay less than the legal minimum wage of \$2.40 a day, according to U.S. investigators and Haitian rights groups.

Some of the USA's largest retail firms, including J.C. Penney and Kmart, sell clothes made in Haitian factories. Others, such as the Walt Disney Company, hire local Haitian companies to make their trademark gear.

All three companies say that their goods are made in factories that are in compliance with Haitian labor laws.

Factories in Haiti making Disney products are now in full operation, producing *Hunchback of Notre Dame* shirts and related items before the June 21 release of the Disney film.

Disney officials visited eight Haitian factories in May, looked at pay stubs and got letters of as-



By Leslie J. Smith, USA TODAY

Reich: Labor secretary will urge firms to monitor factories.

urance that laws are obeyed.

"We looked at the situation in Haiti and did not find anything that even looks like a violation of the law," said Chuck Champlin, a Disney spokesman. "We're more concerned about noncompliance in southern California than we are in Haiti."

Charles Kernaghan, who leads a group called the National Labor Committee, disagrees. With a staff of three, Kernaghan has been targeting sweatshops in Honduras, Haiti and elsewhere that use exploited workers to make clothes under the names of celebrities like Kathie Lee Gifford and Jaclyn Smith.

"No one doing serious research could look into the factories and say there are not seri-

ous violations," Kernaghan said. "Disney is lying."

Rep. George Miller, D-Calif., a leading congressional critic of U.S. firms using foreign sweatshops, says Disney is hiding behind Haitian government assurances that all is well.

"They did not rely on the government to go after piracy in China," Miller told a committee Tuesday. "They hired every lawyer in town."

Miller and others say Washington, which deployed 20,000 troops to restore democratically elected Jean-Bertrand Aristide to power in Haiti in 1994, has a responsibility to pressure U.S. firms to comply.

But others argue that the best way for the United States to help Haiti, where unemployment is more than 75%, is to create jobs. They say too much pressure to comply with labor laws will send the companies, with their jobs, packing.

"Haiti is competing with other Caribbean countries and others in the world," Michael Morsit of the U.S. Agency for International Development said. "This industry is very mobile. It can pull out and move very quickly."

If the agency doubts that pressure would do much good, other U.S. officials are only too eager to apply it.

At an international conference in Geneva today, Labor Secretary Robert Reich plans to call for U.S. firms marketing

goods produced in Haiti and other Third World locations to adopt tougher monitoring.

Reich also plans a July 16 meeting of U.S. retailers, manufacturers and celebrities who endorse clothing. Called "a fashion forum," the session is aimed at factory conditions.

The U.S. Overseas Private Investment Corporation (OPIC), which in March approved a \$25 million loan guarantee for businesses in Haiti, also vows to get tough on compliance.

"We want to create a middle class in Haiti," OPIC president Ruth Harkin said. "Not paying minimum wage prevents that."

Representatives of J.C. Penney, Kmart and Disney say no problems exist in the manufacture of their products. But since the exploitation issue came to light some firms have reacted.

One week after questions, J.C. Penney announced it would suspend business with any suppliers in violation of labor laws.

"We're really getting the message out to suppliers that we are firm on this," said J.C. Penney spokesman Duncan Muir, who initially said company officials "don't have any control" over factory conditions in Haiti.

Kmart also toughened its policy. In a letter to contractors June 6, Kmart warned that it would "cancel its orders, terminate the relationship and commence legal action" against vendors not paying minimum wage.

# Koss' cause of concern

## Pre-Olympic Africa trip inspired speedskater's relief effort

By Karen Allen  
USA TODAY

A year before he would wind up his career by winning three Olympic gold medals, Norway's Johann Olav Koss wondered whether he even wanted to be a speedskater.

"The life of an athlete is the maximum ego," he says. "You spend hours every day doing nothing but developing the muscles in your legs. I began to wonder, 'What is this good for in life?' I thought I should get back to studying medicine because the life of a sportsman didn't seem good enough."

So, in September 1993, Koss took a break from training. He went to Eritrea, Africa, on a trip sponsored by Lillehammer Olympic Aid, which had been formed in 1992 to help war victims in Sarajevo, Bosnia-Herzegovina, and children affected by war worldwide.

It was there that Koss found his answer — and his future.

"The first thing I saw was that this was a good effort," he says. "It was not corrupt. But I also saw that the children looked up to me. Before, their role models had been soldiers. And I thought, what if we could teach them that the finest thing to be is a sportsman instead of teaching them to be soldiers? Suddenly it was enough to be an athlete, to love your sport and to play fair."

Koss was perfect in the '94 Olympics. Skating in front of hometown fans — who watch



Relief efforts: Norwegian speedskater Johann Olav Koss watches a cultural program performed by students during his trip last month to Rwanda on behalf of UNICEF.

By Giacomo Prozzi, UNICEF

speedskating with the passion we bestow on the Super Bowl — he set three world records. "It was the most exciting time of my life," he says.

But it wasn't enough. He couldn't forget the children he'd seen a few months before.

He donated his \$30,000 in gold medal bonus money to Olympic Aid, and asked every Norwegian to donate a dollar

for each gold their athletes won. In the days after his appeal, calls came in from all over the world, and the fund climbed to \$15 million.

Lillehammer's effort ended with the Olympics, but Koss didn't. After the Games, he delivered a plane loaded with sports gear donated by Norwegian children to Eritrea.

With some misgivings, he

put on a tuxedo and hit the banquet circuit — "if that's what it takes to get money for these kids, I'll do it."

He began lobbying reluctant officials to make Olympic Aid a part of Atlanta's Games and every Olympics in the future. Turns out he's as good a lobbyist as he was a skater.

In April 1995 he was named a UNICEF special representative to work as a liaison between UNICEF and the international and U.S. Olympic Committees and Atlanta's organizers. In November, Olympic Aid-Atlanta began. It has raised \$7 million, and its goal is to triple that by Aug. 4, when the Games close.

Koss envisions Olympic Aid moving on to Nagano, Japan, in 1998, Sydney, Australia, in 2000, and becoming a permanent part of the Games.

Gwendolyn Calvert Baker, CEO of the United States Committee for UNICEF, hopes that becomes reality: "The parallels between the Olympic ideal and our goals are absolute. It's

for the International Olympic Committee to decide, but we feel if this is a success now, it will put a heart into the Olympics and show the world it's more than just a competition."

Other celebrities are lining up behind Koss. Country singer Garth Brooks donated \$1 million in concert proceeds. Michael Jordan and Andre Agassi lent their names to Olympic Aid-Atlanta, and Jordan will be featured in a poster.

Hakeem Olajuwon filmed a public service announcement, speedskater Bonnie Blair does fund-raisers, and Paralympic gold medalist Ann Cody begins a trip to Afghanistan Sunday.

Swimmer Summer Sanders, who will work for NBC in Atlanta, joined Koss on a trip last month to Rwanda. They helped out at a health center where babies were being immunized, visited a trauma center for children and attended a service at a massacre site, a memorial to the more than one million killed in the civil war.

The memorial, with its stark rows of skulls lined up in rows, was meant to shock. But more shocking to her, Sanders says, were the drawings of the children in the trauma center.

"It's therapy for them," she says, "but they draw amazing things. Machetes. Tons of blood. Stick figures of their parents with the body on one side and the head rolling away."

But Sanders, who began the trip not sure exactly where Rwanda was or what to expect, came home inspired.

"I'm sure a lot of people like me don't know the situation there is stable, and they are starting to rebuild," she says. "The country is beautiful — it's like Hawaii without the ocean — and the children are so full of life in spite of everything."

"One girl, maybe 6 or 7, had a leg amputated at the knee. She had a wooden attachment, not even a foot. But we were having relay races and she was so excited to be in a race, she was just kicking butt she was running so fast. I saw such hope and such desire that I thought, how can we not help these people?"

## Program launched to help Sarajevo

Just before the closing of the 1992 Summer Games in Barcelona, the committee planning the 1994 Olympics in Lillehammer, Norway, announced plans to help Sarajevo, the 1984 Olympic host.

Sarajevo was caught in the midst of a civil war in the former Yugoslavia. The city had been heavily bombed. Most of its Olympic venues were destroyed, its bobsled run used as a sniper nest and the fields around its main stadium used as a graveyard.

Olympic Aid organizers publicized the plight of Sarajevo with a poster of a child crying in pain, its head heavily bandaged, and arranged for some of the city's refugees to relocate in Norway.

Their purpose, they said, was to go back to the Olympic charter of fostering "understanding and friendship ... contributing to a better and more peaceful world," and they met their goal, raising \$15 million in aid.

Since then Olympic Aid has

expanded its goal to help children all over the world. It is helping fund trauma centers and immunization and educational efforts in 14 countries, with the aim of aiding more than 18 million children.

Olympic Aid-Atlanta, formed at the urging of Norwegian Olympic star Johann Olav Koss and former Atlanta mayor Andrew Young, hopes to raise more than \$20 million. A hotline for donations has been set up at 1-800-FOR-KIDS.

## Asian-Women Migrant Workers Face Abuse and Exploitation, Study Says

By JESSE WONG

Staff Reporter of THE WALL STREET JOURNAL

Asian women have become the fastest growing component of the world's migrant work force, but attempts by their own governments to protect them from abuse and exploitation have had only limited impact, an International Labor Office study says.

The study by the United Nations agency, released Monday, puts the spotlight on a growing problem for much of Asia: As the region's economies expand at an uneven pace, imbalances in labor supply and demand are getting wider. Yet there is little coordination among governments to deal with the burgeoning cross-border traffic in migrant labor.

Most labor-importing countries are cool to such efforts, as exemplified by their lack of support for a variety of international conventions aimed at protecting migrant workers. Nor is there much solidarity among the labor-exporting countries.

"This is due to their fear of losing their market share to others," including many countries that are just beginning to try "to break into the international market for migrant workers and to export their 'cheap and docile' labor to a limited number of increasingly choosy host countries," the study says.

### Some Restrictions Imposed

Some labor-exporting countries, notably the Philippines, have reacted to mistreatment cases by imposing restrictions or bans on women workers going overseas. Such measures often get circumvented by illegal migration. Worse still, says the study, "despite the bans and restrictions, abuse and exploitation of female migrants remain rampant."

The study didn't provide precise current figures, but says that Asian women working abroad, whether legally or illegally, now equal or outnumber men in many cases. In 1987 women accounted for 27% of the Asians who went abroad to work. The figure for the 1970s was 15%. Some estimates place the total number of Asian

women migrant workers at about 1.5 million.

Most of the women come from the Philippines, Indonesia, Sri Lanka and Thailand, although an increasing number also come from India, Bangladesh, Burma and China. Outside the Middle East, the main receiving countries include Hong Kong, Singapore, Malaysia, Japan, Taiwan, and Brunei, according to the report.

### Exorbitant Fees and Fraud

One serious problem is unscrupulous recruiters, which charge exorbitant fees or entice women into signing fraudulent contracts. Despite attempts by some governments to take over the recruiting, private operators account for nine out of 10 placements in most labor-exporting countries, the study says.

Another problem is illegal migration. As one example, the study cites Indonesian overseas workers: Illegal migrants are believed to outnumber their legal counterparts by as much as 7 to 1. And Sri Lankan migrants leaving through official channels are believed to represent only about 40% of total migrants.

Illegal migrants often face the worst exploitation. For instance, "the flood of illegal female migrants to Japan is arranged mainly by Japanese organized crime syndicates" known as the yakuza. And many of these women end up in prostitution, the study says.

## Md. Crash Reveals 40 Immigrants Officials Say Group Was Being Smuggled To Eastern Shore

By Paul W. Valentine  
Washington Post Staff Writer

A small rental truck jammed with 40 dazed and hungry immigrants crashed into a car at a Chesapeake Bay Bridge tollbooth late Wednesday, ending what U.S. immigration authorities said was a grueling two-day trek to smuggle them from Mexico to Maryland's Eastern Shore.

Police said they found the closed, darkened 15-by-7-foot cargo "box" on the Ryder rental truck packed with 33 men and four children, one a girl. Three other men were in the cab of the truck.

The group, ranging in age from 13 to 45, was cold, ill-clothed and had eaten little, said Ben Ferro, director of the Maryland district of the Immigration and Naturalization Service.

"Jugs of urine were hanging inside the vehicle. . . . There were feces" in plastic bags, Ferro said. "They had two nights in the [truck] with little food. . . . It was a kind of desperate group."

Two of the truck's occupants were hospitalized with minor injuries from the crash, as was the driver of the car hit by the truck, according to Maryland Transportation Authority Police, who patrol the state's toll bridges and tunnels.

The truck's driver, identified by police as Hermelindo Velasquez Rivera, 18, was charged with driving without a license and operating a rental vehicle without authorization. He also was being investigated as a possible illegal immigrant.

Authorities said the group assembled in Mexico near the Arizona border, then was picked up by the truck, which had been rented Mon-

day in Chandler, Ariz., a town of 100,000 near Phoenix. The truck sped more than 2,300 miles across the country, arriving two days later at the Bay Bridge, they said.

Officials would not reveal who rented the truck and said the Mexican and Guatemalan nationals could not be interviewed by reporters before today.

On Maryland's Eastern Shore, the chicken processing industry for years has been considered by INS officials as a magnet for illegal workers. Ferro would not say yesterday whether the 40 truck passengers were bound for a poultry plant. He said only that they were going to an "industry specific" to the Eastern Shore. An investigation is continuing, he said.

In July, 86 people suspected of being illegal immigrants, including 42 who worked at a poultry plant, were detained in back-to-back sweeps on the Eastern Shore.

The smuggling of immigrants into Maryland, as well as the rest of the United States, is a common phenomenon but is rarely discovered while they are being transported, Ferro said in an interview.

"It's really tragic that they're subjected to this kind of thing," he said. "We do not look kindly on these [smugglers] and the way they treat their clients."

His words echoed those of a federal interagency report to the White House in December that called for more aggressive efforts to stem the "growing trade in human cargo," both in the United States and around the world. The report said that hundreds of thousands of illegal workers are transported annually through lucrative smuggling pipelines, with many reaching the United States.

In the Washington area, most illegal immigrants are discovered only after they have arrived and are employed. Last week, 83 suspects were rounded up at their jobs by INS agents in the largest sweep in Montgomery County in five years.

Just before the Wednesday night crash, the rental truck was reported to be "moving erratically" as it pulled into the toll plaza at the west end of the Bay Bridge near Annapolis at 8:41 p.m., said police spokeswoman Lori Vidill. Without warning, it rear-ended a 1986 Toyota Celica stopped in a toll lane and crashed into a tollbooth, Vidill said. Police arrived immediately, opened the back of the truck and discovered the occupants, she said.

The group, 21 Guatemalans and 19 Mexicans, was being held yesterday at an INS facility in south Baltimore, pending possible deportation and other proceedings, according to Ferro. They were fed and given warmer clothing, he said.

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# Department of Justice

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**TEN THAI NATIONALS INDICTED ON NEW CHARGES OF  
SLAVERY AND KIDNAPPING**

WASHINGTON, D.C. -- Ten Thai nationals were indicted today on charges that they enticed laborers from Thailand, and then enslaved and forced them to toil in a makeshift garment factory near Los Angeles.

The 23 count indictment, returned today in Federal District Court in Los Angeles, supersedes earlier charges filed against nine of the Thai defendants on August 17, 1995. Today's indictment contains new charges of conspiring and committing acts of involuntary servitude and kidnapping, and additional charges of transporting and harboring aliens entering the United States. A tenth defendant was added to the new indictment.

"I am gratified that the investigative work of INS has led to the indictments issued here today," said Doris Meissner, Immigration and Naturalization Service Commissioner. "We will continue to work with other Federal agencies to enforce our immigration laws to support legal workers and close this country's door to those who traffic in human beings."

(MORE)

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The indictment alleged that the ten defendants enticed Thai citizens to travel to the United States by promising the victims high wages, good hours and freedom. Upon arrival in the U.S., the Thai laborers were transported to a work compound where they were told they would be confined and forced to work up to 20 hours at a time. The victims were housed in an apartment complex in El Monte, California encased by razor wire and spiked fences. Full-time guards were hired to prevent the workers from leaving the compound.

The indictment further alleged that the defendants used threats against the victims and their families to force the workers to remain in the El Monte compound.

"These allegations are shocking and show that slavery is not a thing of the past," said Deval L. Patrick, Assistant Attorney General for Civil Rights.

Counts two through eight of the indictment charged the defendants with committing involuntary servitude. Counts nine through fifteen charged the defendants with kidnapping, counts sixteen through twenty-two charged them with transporting aliens and count twenty-three charged them with harboring undocumented aliens. The first count charged the defendants with conspiring to commit these acts.

If convicted, the defendants face a sentence of up to life in prison.

(MORE)

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"The Immigration and Naturalization Service and the Federal Bureau of Investigation are to be commended for their extensive investigation of this case," said Nora M. Manella, U.S. Attorney in Los Angeles. "Today's superseding indictment reflects this office's and federal law enforcement's commitment to bring those responsible for the El Monte slave labor garment operation to justice."

Eight of the defendants, Suni Manasurangkun, Wirachai Manasurangkun, Surachai Manasurangkun, Phanasak Manasurangkun, Sunthon Rawangchaisong, Seri Kananchakphairi, Rampha Sathaprasit, and Suphon Wiraytwilai are in federal custody as a result of the earlier charges. The two others, Sanchai Manasurangkun and Chavalit Manasurangkun, are presently at large.

This case was investigated by the Immigration and Naturalization Service and the Federal Bureau of Investigation.

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95-577

## CRIME RINGS TIED TO SWEATSHOPS

### Groups May Be Smuggling In Asians for Garment Work

By JAMES STERNGOLD

LOS ANGELES, Aug. 24 — Raids by Federal officials this week have turned up evidence that Asian organized crime rings may be bringing Asian and other foreign workers into Southern California illegally, specifically to work in sweatshops in the area's booming garment manufacturing industry.

This is the second time in three weeks that such evidence has been turned up. Government officials said. The raids, which were carried out on Wednesday by the Immigration and Naturalization Service, found 56 illegal immigrants at three sweatshops here. Most were Thais who appear to have been recruited to cut and sew garments destined for major American department stores, Labor Department officials said. They also said it appeared that some of the garments might have been shipped to J. C. Penney.

In the latest case, the abuses have been swept up in Presidential politics, inciting bitter exchanges today between officials of the Clinton Administration and Gov. Pete Wilson of California — not over how the abuses can be stopped or their ominous economic significance, but over who is to blame.

Mr. Wilson, who is staking his bid for the 1996 Republican Presidential nomination in part on his battle against illegal immigration, asserted in a letter to Attorney General Janet Reno that the Clinton Administration had "allowed slavery to exist for years in the United States and ignored it." The Governor called for an investigation of the authorities here who oversee immigration matters, but the Justice Department insisted that it was effectively enforcing the laws.

In the earlier case, 72 Thai women who immigrated here illegally were found being held in slave-like conditions in a factory in El Monte, in east Los Angeles, some for as long as seven years.

Those raids were conducted by the state authorities after Federal immigration officials, first in the Bush Administration and then in the Clinton Administration, investigated but refused to act.

"There's a sense that this is the tip of the iceberg," said Julie Su, a lawyer at the Asia Pacific American Legal Center who is representing most of the Thai women found in the El Monte raid. "There are indications that these kind of labor law violations are rampant here."

William Slattery, the immigration agency's executive associate commissioner for operations, said there was a pattern of Asian-based crime groups recruiting Asian workers with promises of high wages, and then transporting them illegally to the California sweatshops.

"These Asians are not here by accident," he said. "They are here because of Asian organized crime groups."

The raids carry troubling economic implications. While Southern California has been losing tens of thousands of high-paying jobs in the aerospace industry and with military contractors, the garment industry has been applauded for adding jobs nearly as fast. But now there is concern over what kinds of jobs are being created and how they may be distorting the economy here.

Southern California has surpassed New York City as the nation's largest garment manufacturing center, with about 125,000 workers cutting and sewing apparel. The Labor Department estimates there are 4,000 legally registered garment contractors in the area, and perhaps 1,000 illegal shops.

The industry has been known as a persistent violator of labor laws for some time. A survey done by the Labor Department 14 months ago found that 79 percent of the shops investigated were failing to pay workers properly for overtime, and 69 percent failed to pay the minimum wage to all their workers.

William C. Buhl, the department's regional administrator here, said today that it appears that some of those jobs are going to illegal immigrants who are being recruited by organized crime rings.

"That indicates a serious problem," he said. "We're concerned that there might be some kind of process of recruitment just for this purpose."

Mr. Buhl said department officials found that the illegal workers caught on Wednesday were apparently owed back wages totaling more than \$200,000. He also said the shops might have fabricated time cards in an effort to show compliance with the labor laws.

Garment industry authorities said there were several deeper economic problems at work. One is the fact that, with more and more garments produced in places like China, where wages are a fraction of those in the

United States, American factories are finding it harder to compete except in small niches. Some manufacturers accuse the retailers of applying too much pressure on them to keep prices down.

"The retailers in the past turned a blind eye to the effect of their insisting always on rock-bottom prices from the manufacturers," said Richard Reinis, a lawyer who represents eight large manufacturers who have initiated a voluntary labor law compliance program.

Some manufacturers maintain that the real problem is lax enforcement of the labor laws, which has created an incentive for sweatshops — most of them sub-contractors to the larger manufacturers — to hire illegal workers and pay them less than the minimum wage.

"It's the total lack of enforcement of the labor laws that attracts these undocumented workers in the first place," said Ms. Su, the lawyer at the Asia Pacific American Legal Center. "If you have these kind of raids it will only push them farther underground."

Rick Rice, a spokesman for the California Department of Industrial Relations, said, "There is a sense that the fact that the laws have not been enforced properly has allowed this industry to grow so fast here."

The immigration agency said Wednesday's raids were the result of a tip it got from someone who had been emboldened by the publicity over the raid on the El Monte factory. Of the 56 people being held today, 39 are Thai, 9 are Mexican, 6 are Salvadoran, one is Honduran and one is Laotian, the agency said.

No criminal charges have been brought yet, but Federal officials said they were likely soon. In the El Monte case, nine Thai citizens were indicted on criminal charges that they brought the women here and held them illegally.

State officials identified only J. C. Penney as a destination for garments made at the three shops, although they said there were others.

Hank Rusman, a spokesman for J. C. Penney, said that the company had not yet determined whether it had bought garments from the sweatshops, but added that it "will take appropriate action" if that was borne out.

"J. C. Penney has always been a law-abiding company and we are very disturbed by the reports," he said.

But the discussion today about the problem quickly degenerated into finger-pointing by Federal and state officials eager to score political points.

Virginia Bradshaw, the state labor commissioner, complained that Federal immigration officials had acted improperly by not notifying the state of its actions beforehand. "We were notified by the press," she said. "For

them to exclude us like that is highly unusual."

She added: "Was this for political purposes? There doesn't seem to be any other conclusion you can draw."

Ms. Bradshaw suggested that Federal officials had moved swiftly this week after being embarrassed by the Government's lack of action in the El Monte case. Not only had the immigration agency failed to initiate a raid after receiving a tip about the Thai workers several years ago, but it had also withdrawn from the state-run raid at the last minute, saying it could not obtain a warrant.

Mr. Slattery of the immigration agency rejected those charges. He said the agency had acted properly at all times, was not embarrassed by its previous failure to act in the El Monte case and had not deliberately excluded state officials this time.

"The I.N.S. performed well in the El Monte case," he added, pointing to the indictments brought against the sweatshop owners.

In his letter to Attorney General Reno, Governor Wilson characterized the Clinton Administration's handling of the case as "unspeakable." But it failed to say that the initial failure to shut down the El Monte sweatshop had taken place under a Republican President, George Bush. The letter sought to make the case that the Justice Department under President Clinton had shown a pattern of indifference to illegal immigration.

"She has seen the letter," Ana Cobian, a spokeswoman for the department, said of Ms. Reno. "She will review his concerns. The United States Attorney's office is prosecuting the nine individuals to the fullest extent of the law."

## Firm Closed for Locking Up Workers

■ **Raids:** Employees were behind secured doors at night over fears of theft, investigators say.

By DON LEE  
TIMES STAFF WRITER

IRVINE—In a sunset raid Tuesday, federal and state agents shut down an Irvine garment contractor who allegedly has been locking workers overnight in a windowless embroidery room.

Government agents said several immigrant employees—including at least one underage worker—worked from about 6 p.m. to 6 a.m. at Hi-Tech Expression. Investigators said the shop's owner, Eunchang Lee of Irvine, locked the doors every night until they were reopened the next morning, posing a serious safety risk to the workers.

Rick Rice, a spokesman for Cal/OSHA, which participated in the raid, said the safety agency plans to cite the company today for failing to provide adequate exits.

In addition, Lee was cited for not having workers' compensation insurance, failing to register as a garment contractor and for employing a minor without a work permit. Agents confiscated more than 200 pieces of clothing in Tuesday's raid, including Nike T-shirts and numerous brand-name hats.

The workers told officials they voluntarily came and left their jobs, but some said they had complained to the owner about the danger of working behind locked doors.

Adalberto Flores, 20, who has worked at Hi-Tech Expression for two years, said: "I think they locked the doors because they thought the employees were stealing many things. But nobody steals anything, and it's not right to leave us there."

Indeed, Lee, 35, told investigators that he locked the doors to protect his merchandise. He said that in an emergency, workers could force open a rear door that would lead to an enclosed warehouse area, where they could open a roll-up door to get outside.

Lee said two to four employees worked the night shift

embroidering hats and clothing on computerized machines. "In case of fire, they can go out anytime," he said.

Brian Taverner, the federal wage and hour investigator who led the multi-agency raid, said it would take several minutes for workers to get out—minutes that could be crucial in an emergency.

"I can see where he's saying that he wants to protect the merchandise," he said. "But the safety of employees should be considered."

According to records obtained by the state, the workers' compensation carrier for Hi-Tech Expression canceled its policy in late December, citing the locked doors as the reason.

Because Lee did not have workers' compensation insurance, state officials fined him \$15,000. Also, Lee was fined \$500 for employing a 17-year-old worker who did not have a proper work permit, and \$1,500 for failing to register as a garment contractor, said David Dorame, a deputy labor commissioner.

Dorame said interviews with employees and a quick examination of payroll check stubs suggested that Lee could be fined for minimum wage and overtime pay violations. Dorame said labor investigators plan to subpoena all payroll records as well as other paperwork on customers' orders.

Lee said he paid workers minimum wage or higher, and that he provided overtime pay. He said he was unaware of employing a minor and that he did not know he had to register as a contractor. Lee said he has been in business

for six years in the industrial park in Irvine, near John Wayne Airport. He said he grosses as much as \$450,000 a year.

Federal and state officials had been staking out Lee's shop since last December, recording the times when Lee locked the doors and shut out the lights of the front entrance. Lee's father would come in about 6 a.m. to reopen the doors.

Times staff writer Antonio Olivo contributed to this story.

## Court Orders Assets Seizure At 2 Florida Kmart Stores

Associated Press

MIAMI, Feb. 13—When Kmart Corp. failed to immediately post a \$2 million federal bond in an age discrimination case, two of its stores became the target of a blue-light special.

About a half-dozen U.S. marshals raided the South Florida stores Monday night and emptied cash registers in an effort to collect the bond. The raid, dubbed a "till tap" by the marshals, yielded about \$45,000.

"Jesse James held up a train and counts his money in the woods. These guys counted it on the counter in front of everybody," said Louis Eso, 73, who was shopping at the Kmart in Hollywood when it was raided.

Company officials were outraged.

"I would have to think our federal marshals would have other activities they could be attending to rather than this charade," Shawn Kahle, a spokes-

woman for the Troy, Mich.-based discount store chain, said today.

The company was required to post the bond as security while it appealed a jury verdict in a lawsuit filed two years ago on behalf of Seymour Kobal, Raquel Puente and William Gordon, three pharmacists in their sixties.

The pharmacists contended that Kmart discriminated against them by firing them and hiring younger replacements. In August, a federal jury agreed and awarded them \$2.17 million in back pay and damages. A judge lowered the amount to \$920,000.

In exchange for an order barring the pharmacists from collecting their award while the case was under appeal, U.S. District Judge C. Clyde Atkins last Friday ordered Kmart to post the bond. After Kmart failed to post it by Monday afternoon, attorneys for the pharmacists got an order allowing U.S. marshals to seize Kmart's assets.

# Los Angeles Times

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Judge in El Monte Sweatshop Case May Step Aside  
Court: She cites possible conflict in role as U. S. attorney in 1992, when prosecutors did not seek a search warrant.

By PAUL FELDMAN  
TIMES STAFF WRITER

The federal judge assigned to the El Monte sweatshop case said Monday she may have to step aside because she was the U. S. attorney in 1992 when federal prosecutors in Los Angeles declined to seek a search warrant to raid the sewing factory, where workers were recently discovered to be toiling in slave-like conditions.

U. S. District Judge Lourdes G. Baird indicated at a trial-setting hearing that she had no firsthand knowledge of the 1992 decision against seeking a warrant on behalf of the U. S. Immigration and Naturalization Service. But she nonetheless wants to avoid any possible "appearance of conflict" of interest, she said, and is therefore inclined to recuse herself from the case.

Baird directed prosecutors and defense lawyers to file briefs on the issue and return to her court Sept. 5.

Eight alleged operators and guards at the El Monte factory stand charged with illegally harboring and concealing 72 illegal immigrants who were working there when it was raided by a task force led by the state labor commissioner's office this month. Federal prosecutors, who had advised the INS not to participate in the Aug. 2 raid because they did not have a federal search warrant, are also considering filing further charges, including peonage and involuntary servitude.

After the raid, federal immigration authorities acknowledged that they had investigated the factory three years ago but said that at the time, the U. S. attorney's office had declined their request to seek a search warrant, citing a lack of probable cause.

In Monday's court session, Assistant U. S. Atty. Michael J. Gennaco said that a prosecutor in the U. S. attorney's complaints unit had declined to edit and file the warrant request in 1992, instead directing the INS "to try and develop more information."

The INS, which had received an anonymous tip that 45 people were being "detained, controlled and held against their will," closed its investigation.

The federal court code calls for judges to disqualify themselves in proceedings in which their "impartiality might reasonably be questioned."

Gennaco told Baird that because the U. S. attorney's office had not investigated the El Monte case during her tenure, there might be no conflict.

Defense attorney Cornell J. Price, representing alleged factory guard Hong Wangdee, argued against disqualification, telling the judge it is unnecessary because she "didn't supervise or get involved" in the El Monte case in 1992.

Afterward, several other lawyers involved in the case said that Baird would probably step aside anyway.

Baird said that if she continues to preside over a forthcoming trial, she may seek waivers from the defendants--who also include alleged ringleader Suni Manasurangkul, 65, whom workers referred to as "Auntie"; Tavee (Boi) Uvawas, 35; Suporn (Porn) Verayutwilai, 29; Rampa (Pa) Suthprasit, 30; Seree Granjapiree, 28; Sunton (Torn) Rawungchaisong, 30, and Thanee (Noi) Panthong, 30--to avoid an appeal if they are convicted.

Meanwhile Monday, a federal magistrate judge ruled that two suspects arrested last week in raids on three additional Los Angeles area garment sweatshops could go free pending trial if they post bond.

Magistrate Judge Charles F. Eick set bail for Kiriya Hirunpolkul, 41, co-operator of an Eastside apparel factory, at \$20,000, and Sumran Ngernok, 34, co-owner of MICRO 100 at 865 N. Virgil Ave., at \$25,000.

Bond was set Friday for three other defendants in the case, Ngernok's husband, Apal Pinwattana, 33, and Bouaphanh and Vanhvilyay Thammango, owners of Virgil Apparel at 3109 1/2 Beverly Blvd. Still detained without bond is Tawach Tasanametin, from the Eastside factory, Good Line, at 1643 N. Indiana Ave.

Authorities charge that the defendants harbored and employed illegal

immigrants, some toiling to pay off travel debts to professional Thai smugglers. But they acknowledge that the workers, who were sewing garments destined for retailers including Disney, J.C. Penney and Bloomingdale's, were not held against their will as in the El Monte case.



Office of the Deputy Attorney General  
U. S. Department of Justice

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Washington, D. C. 20530

January 29, 1996

TO: Maria Echaveste, Administrator, Wage and Hour Division,  
U.S. Department of Labor  
Tom Williamson, Solicitor of Labor, U.S. Department of  
Labor  
Tommie Duncan, Solicitor's Office, U.S. Department of  
Labor  
Jon Kronheim, Counsel for Trial Litigation, Fair Labor  
Standards Division, U.S. Department of Labor  
Alex Aleinikoff, Executive Associate Commissioner for  
Programs, Immigration and Naturalization Service  
Lin Liu, Assistant Commissioner for Policy, Immigration  
and Naturalization Service  
Greg Bednarz, Programs Office, Immigration and  
Naturalization Service  
Jim McClain, Director, Enforcement Branch, Office of  
Field Operations, Immigration and Naturalization  
Service  
Stephen Warnath, Senior Policy Analyst, White House  
Domestic Policy Council  
Tom Brown, Chief, Office of Tax Crimes, Internal  
Revenue Service  
Tom Tinger, U.S. Customs Service  
John Esau, U.S. Customs Service  
Donna Bucella, Principal Deputy Director, Executive  
Office for U.S. Attorneys (EOUSA)  
Karla Dobinski, Deputy Chief, Criminal Section, Civil  
Rights Division  
Neil Gallagher, Deputy Assistant Director, Criminal  
Division, FBI  
Susie Bailliere, Criminal Division, FBI  
Ann Ingala, Office of the Inspector General  
Paul Price, Office of the Inspector General  
David McCay, Office of the Inspector General  
Bob Schenkel, Office of the Inspector General

FROM: Seth Waxman, Associate Deputy Attorney General and  
Gerri Ratliff, Counsel to the Deputy Attorney General  
(514-3392)

RE: SECOND MEETING OF THE INTERAGENCY WORKING GROUP ON  
SWEATSHOP STRATEGY COORDINATION

The second meeting of the interagency sweatshop working group has been rescheduled for Friday, February 2, at 10:00 a.m.



U. S. Department of Justice  
Office of the Deputy Attorney General

Washington, D.C. 20530

January 29, 1996

NEXT STEPS FOR SWEATSHOP WORKING GROUP

1. Training for Assistant U.S. Attorneys.

- **Manual with standard search warrants and pleadings.** EOUSA said that the U.S. Attorney's office in Los Angeles could develop a basic "how to" manual that could be distributed to interested Assistant U.S. Attorneys.

**Next step:** develop and distribute manual. [EOUSA: need timeframe]

- **Department of Labor training for AUSAs in selected cities, starting with Los Angeles.** The DOL Solicitor General suggested training for AUSAs to enable them to pursue Fair Labor Standards Act prosecutions.

**Next step:** flesh out training details and determine timeframe. [DOL OSG: need lead person and timeframe]

2. Concentrate efforts in the "targeted deterrence zones" already are being planned by INS and DOL.

- **Develop plans at the local level.** INS suggested we strategize at the regional or local level to determine what would work best in each targeted city. For example, INS said that INS, DOL and other agencies already are signing an MOU shortly in Los Angeles to coordinate and share information related to worksite and Fair Labor Standards Act enforcement. [INS: has this happened?]

**Next step:** identify lead person or persons to initiate and oversee development of regional/local strategies with input from INS, DOL, and the Criminal Section of the DOJ Civil Rights Division. [timeframe?]

- **Explore possibility of DOL training and cross-designating INS agents to identify Wage and Hour violations for DOL.** DOL suggested that it could train and cross-designate INS agents. The Los Angeles MOU referenced above could be amended to include this new linkage. This training should include a protocol of

questions regarding possible ISS (Involuntary Servitude and Slavery) violations to be used [during] worksite enforcement actions.

**Next step:** identify lead person or persons to develop and implement with input from INS and DOL. [INS and DOL: **timeframe?**]

3. Develop indicia for locating trouble spots. FBI said that it currently handles fewer than six sweatshop-related criminal civil rights cases per year, and that it could do more if it had a good profile to use.

**Next step:** identify lead person to determine strategy and oversee development of profiles, including examining connections between sweatshops and smuggling rings, with input from INS, FBI?, DOJ Civil Rights?, DOL?, IRS and Customs?. [**timeframe?**]

4. Enhance information sharing between agencies. The DOJ Office of the Inspector General, Inspections Division, said it has underway a 12-week review of INS sweatshop-related worksite enforcement efforts. OIG will include in its review an assessment of any needs for further coordination or intelligence sharing between all of the involved agencies. In addition, INS said that in the mid-1980s, INS and FBI had an MOU that had stemmed from an Indonesian slavery case.

**Next step:** OIG anticipates completing its review by [**date**]. INS and FBI will look for copy of 1980s MOU.

5. Develop opportunities to educate the press and Members of Congress on our efforts and need for resources. The working group did not specifically discuss this possible action item, which may best be revisited after we have made progress on implementing some of the ideas outlined above.

**Next step:** none at this time.

in Room 4118, Main Justice. If you have not already commented on the draft "next steps" memo (attached) that was circulated on November 1, please fax me your comments (514-9077) or bring them to the meeting. Please let me know if you or someone else from your office can attend the February 2 meeting. Thanks. Also attached are some recent news articles and other information relating to sweatshop issues, FYI.

Attachments

News: Analysis & Commentary

STRATEGIES

# FLOYD HALL'S SHOPPING LIST

The Kmart chief is trying to raise \$750 million

At first glance, Kmart Corp. Chairman Floyd Hall should be riding high. Since taking over the ailing discounter one year ago, Hall has been able to deftly help Kmart avert a bankruptcy filing. And the market has taken note, sending Kmart's stock up 65% so far this year.

But Hall can hardly rest easy. He now faces an even larger challenge: convincing consumers and investors that Kmart can actually compete against ferocious rivals Wal-Mart Stores Inc. and Target Stores. Since landing the job of CEO in June, 1995, Hall has restocked his management team and begun overhauling his cramped, seedy stores. Now, he is on the road, attempting to raise some \$750 million in much-needed capital on Wall Street with a preferred stock offering expected to close in mid-June. "We have the resources and the ability to become a fierce competitor," he says.

The odds remain long. Kmart's stores generate

\$195 in sales per square foot, while Wal-Mart tops \$300 and Target is above \$250. "Kmart isn't the price leader, and it isn't the most efficient discount retailer," says Richard Church, retail analyst at Smith Barney Inc. "I don't see a formula for success."

**MIDDLE GROUND.** Still, Hall thinks he has found one. He is positioning Kmart between Wal-Mart and Target. His plan calls for heavy weekly promotions of high-volume merchandise, while Kmart's regular prices will be what Hall calls "unembarrassingly close" to Wal-Mart's. It will only try to beat Wal-Mart's prices with its weekly sales. "We're not interested in starting a price war with Wal-Mart," Hall told Wall Street analysts on May 31.

Hall, however, has taken other steps to revive the ailing discounter. He cut expenses in the first quarter by \$105 million. And he expects \$270 million in additional cost cuts this year, which he says will enable Kmart to earn a profit in 1996. Analysts figure Kmart will earn \$200 million this year, up from a loss of \$571 million last year. And Hall told analysts

**SALES JOB:** Hall must make investors believe in Kmart

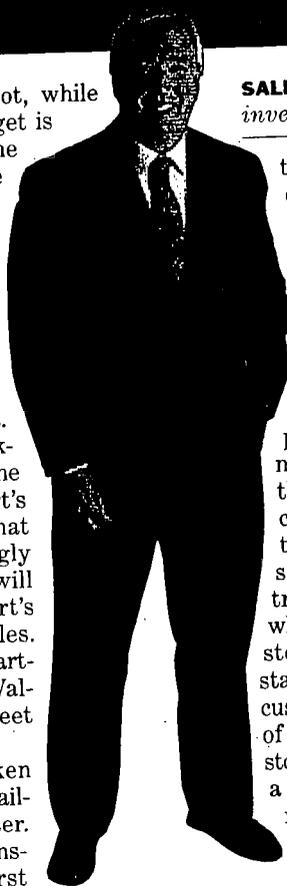
that if he can hit his goal of selling \$240 per square foot in his stores within three years, Kmart could generate annual earnings of \$820 million.

To make those numbers, Hall hired 18 new executives and tied much of their compensation to performance. Even store managers now have 50% of their annual bonus riding on customer satisfaction ratings they receive from "mystery shoppers." And Hall's controversial store redesign, which includes a convenience-store "pantry" section, has started to generate increased customer traffic. "I see a lot of improvement in their stores," says Robert Buchanan, a NatWest Securities Corp. retail analyst who issued a buy rating for Kmart on

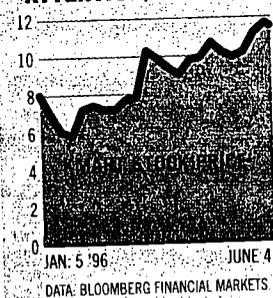
June 3—his first endorsement of that stock in 10 years.

Still, delivering on Hall's bold pledge to achieve "spectacular results" won't be easy. He has acknowledged that Kmart could fall short of its 1996 earnings goal if he unloads its unprofitable Builders Square Inc. unit at a loss. If Hall can lure customers into Kmart, though, "spectacular" isn't so out of the question.

By Keith Naughton in Utica, Mich.



ATTENTION, INVESTORS



# PRIME TIME FOR SWEATSHOPS

It took the embarrassment of a TV talk show host to get things moving, but it looks as if Labor Secretary Robert B. Reich's campaign against sweatshops finally is picking up steam.

Credit the scandal surrounding perky TV celebrity Kathie Lee Gifford. In May, reports surfaced that some of Gifford's apparel line, sold by Wal-Mart Stores Inc., was produced in sweatshops overseas and in a New York City sweatshop that didn't pay workers all their wages. Now Wal-Mart, which previously resisted Reich's call to do more about

sweatshops, has agreed to meet with New York State Labor Commissioner John E. Sweeney to discuss the problem.

Kmart Corp. is singing a new tune, too. Its Jaclyn Smith line of women's apparel is produced in Honduran sweatshops by children earning 31¢ cents an hour, according to the National Labor Committee, the tiny New York nonprofit group that exposed Kathie Lee Gifford's sweatshop connection. The Committee

**REICH AND KATHIE LEE:** Celebs fire up his crackdown



claims to have purchased Smith garments with "made in Honduras" labels at Kmart stores.

Kmart and Smith, a former star of TV's *Charlie's Angels* series, deny her garments are produced in Honduras. But now Kmart says it may demand the right to make random on-site inspections of all its subcontractors.

J. C. Penney Co. is getting tough, too, suspending shipments from two apparel manufacturers who were fined by the Labor Dept. after Reich added the Plano, (Tex.) chain to his list of retailers known to sell goods made in sweatshops.

The celebrity controversies won't solve the problem of sweatshops. But they've given a big boost to a previously low-profile campaign.

By Susan Chandler in Chicago and Wendy Zellner in Dallas

(TOP TO BOTTOM) PHOTOGRAPHS BY SCOTT GOLDSMITH; NINA BERMAN/SPA; CHART BY RAY VELLA/BW

# Honduran Girl Asks Gifford to Help End Maltreatment

By William Branigin  
Washington Post Staff Writer

Surrounded by congressmen, labor advocates and human rights workers, a 15-year-old Honduran girl yesterday appealed to celebrity Kathie Lee Gifford to help end the abuse of children in sweatshops that make garments bearing Gifford's name.

"I want to talk to Kathie Lee to ask her to help us put an end to all this maltreatment," said Wendy Diaz, a former worker at a factory in her native Honduras that made Gifford's line of clothing for the Wal-Mart retail giant. She said she was among about 100 minors, some as young as 12 years old, who routinely worked 13 hours a day for 31 cents an hour and were subjected to threats, physical abuse and sexual harassment by the sweatshop's South Korean owners.

The diminutive Honduran girl told her story at a Capitol Hill news conference aimed at promoting congressional efforts to hold retailers, manufacturers and celebrities more accountable for the labor practices behind the clothing that they produce and market.

"Parents have a right to know that the toys and clothes they buy for their children are not made by exploited children," said Rep. George Miller (D-Calif.). "The fact is, despite laws against the use of child labor and laws protecting the minimum wage, labor exploitation is rampant, both domestically and abroad."

He called on U.S. companies voluntarily to adopt the use of a "No Sweat" label certifying that "this product [was] not made with child or exploited labor." Otherwise, he said, Congress should enact legislation to ban the importation of products made with child labor and prohibit U.S. aid to countries that knowingly use child labor.

At the same news conference, Rep. James P. Moran Jr. (D-Va.) said he would invite Gifford to a hearing of the House International Relations subcommittee on international operations and human rights next month.

In emotional statements on her syndicated television talk show, "Live with Regis and Kathie Lee," Gifford has denied knowing of the conditions at sweatshops in Honduras and New York City. Wal-Mart Stores, with 1995 sales of more than \$93 billion, says it has severed its connections to both sweatshops.

Charles Kernaghan, a labor rights advocate who has helped expose sweatshop practices, said other U.S. retail chains and celebrities are also to

blame. He said girls as young as 13 told of physical and verbal abuse while working 14 to 16 hours daily at another Korean-owned sweatshop in Honduras that makes clothes bearing the Jacyln Smith label for Kmart.

Diaz, an orphan, said she started working at the Global Fashions company at the age of 13 to help support her three small brothers. She said she worked on women's pants bearing Gifford's label last year, sometimes toiling at the sweltering factory until 6:30 a.m. to fill rush orders.

The Korean supervisors would "insult us and yell at us to work faster," she said. Managers also would "touch our legs or buttocks, pretending it's a joke," she said, and would punish the girls if they complained.

She said pregnant women among the approximately 600 employees were sent to the pressing department, where they had to work 12 or 13 hours a day on their feet in tremendous heat. Diaz said the company used this tactic to force the women to quit so it could avoid paying maternity benefits.

She said employees were allowed to

use the bathroom only twice a day and punished if they talked on the job. Workers who tried to organize a union were summarily fired, she said.

Diaz said Americans from a U.S. contractor visited the sweatshop several times but never talked to the workers.

"They only went to see if the quality of the work was good," Kernaghan said. He said the New York contractor, About Sportswear, shifted production of Gifford's clothing to Nicaragua in December—not because of child labor abuse but because it found a cheaper manufacturer. For making a pair of pants that Wal-Mart sold for \$19.96, he said, the Honduran workers were paid a total of 25 cents.

"We want Kathie Lee to return her work to our factory, but with better working conditions and a just wage," Diaz said. Before quitting two weeks ago, she said, her co-workers at the plant also asked her to seek Gifford's help so that the owners "would stop yelling at us and hitting us, and so they would let us go to night school and let us organize to protect our rights."

**INSIDE  
LABOR**



## Anti-Sweatshop Program Tailored for the Times

By Frank Swoboda  
Washington Post Staff Writer

**M**ention the word "sweatshop" and most people think of a grimy 19th century factory where women and children are forced to work long hours for low pay under intolerable conditions, a problem many probably believe was long ago eradicated from the nation's workplace.

Labor historians, for instance, are quick to mention the Triangle Shirtwaist Factory fire in New York 85 years ago, in which 146 garment workers—many of them young girls—were killed because the employer had locked the exits.

But it no longer takes a historian to know about sweatshops. Last August, federal inspectors discovered 72 Thai immigrants being held in virtual slavery in an El Monte, Calif., garment factory where they were forced to work as much as 17 hours a day inside a guarded compound earning as little as 60 cents an hour sewing garments destined for some of the nation's major retailers.

Labor Secretary Robert B. Reich called the El Monte situation "outright slavery" and said he feared "there are many other El Montes waiting to be exposed."

And earlier this month, there were the revelations that some of the Wal-Mart clothing line endorsed by television personality Kathie Lee Gifford was being manufactured in New York under sweatshop conditions.

The coast-to-coast rebirth of the sweatshop in the garment industry, at a time when global competitive pressures are pushing manufacturers and retailers alike to cut costs wherever possible, has drawn new attention to a Labor Department program designed to embarrass clothing retailers to the point where they will pressure manufacturers to clean up their operations.

Operating on a comparative shoestring, \$3 million out of a \$101 million appropriation last year, the "Eradicating Sweatshops" program last month was one of 100 government programs selected as a semifinalist from 1,560 entrants in the 1996 Innovations in American Government Awards program conducted by the Ford Foundation and Harvard University's John F. Kennedy School of Government. Twenty-five finalists will be picked in September.

The awards program is designed to recognize innovation in government at a time of budget cuts. Each program is evaluated under four criteria: its effectiveness in addressing important problems; its novelty; the value of the services it provides to clients; and the degree to which it can be replicated in other jurisdictions.

Maria Echaveste, administrator of the department's Wage and Hour Division, said the anti-sweatshop program has begun to affect the garment industry. But Echaveste admits, "We still have a long way to go."

The Labor Department, which is responsible for enforcing federal wage and hour laws, began the program in 1993 when an examination of wage and hour data showed that the most often mistreated workers tended to be in low-wage industries. As a result of the findings, the department decided to target the garment industry but didn't have the money for any major inspection program to ensure that workers were being paid the minimum wage and overtime. Inspections had long been handled on a complaint basis.

According to the Labor Department, the nation's garment industry currently grosses \$45 billion a year and has more than 1 million workers. The food chain of garment production starts with the retailer who contracts with a manufacturer who, in turn, subcontracts much of the low wage work to sewing contractors, people who often are paid on a piecework basis that adds up to far less than the minimum wage and does not include benefits. There are an estimated 22,000 sewing contractors in the industry. The department has 800 inspectors to enforce the labor laws of the nation's entire civilian work force of 110 million.

So in keeping with the department's oft-repeated effort to "do more with less," the Wage and Hour Division decided to approach the enforcement problem from the top down rather than tracking complaints from the bottom up. Since the start of the program, the department has collected \$7.3 million in back wages for more than 25,000 workers.

In its application to the Ford Foundation for the innovations award, the department described its program's parts: special investigative strike forces involving state as well as federal agencies; stepped-up enforcement of the so-called "hot goods" provision of the Fair Labor Standards Act that makes it illegal to ship goods made in violation of the

law in interstate commerce; and public recognition of retailers and manufacturers that monitor their contractors to assure the laws are being obeyed.

Although the program began in 1993, Reich used the public outrage over the El Monte case to kick off the publicity campaign against retailers who handle goods from sweatshops.

Just days after the raid, Reich called a "retail summit" in New York where he asked some of the nation's major retailers to help deal with the sweatshop problem.

Last March, the department began a consumer-oriented "No Sweat" campaign in the hopes of stepping up the publicity heat against retailers that handle sweatshop goods. As part of the public awareness campaign, the department is urging consumers to ask retailers where clothes were made, whether the retailer independently monitors the contractors that make their goods and whether the retailer supports the "No Sweat" campaign with a public commitment not to buy sweatshop goods.

Soon after the department announced its Fashion Trendsetter list: 36 national retailers that have committed themselves to eradicate sweatshop conditions among their manufacturing contractors.

But change has not come easy. "I think the jury is still out," Echaveste said when asked about the success of the program. "We recognize that the retailers carry quite a lot of clout, but they have for the most part been unwilling to step up and deal with the problem."

She said the department's public campaign was beginning to make retailers rethink their position because of building consumer pressure.

Echaveste said the department hoped to build a "critical mass" of consumer concern to force change. "You didn't get sweatshops overnight and we're not going to get rid of them overnight," she said.

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Cont'd

In its awards application, the Labor Department noted that "retailers and manufacturers, as groups, have chosen to ignore their responsibility to keep the streams of commerce free of goods which are produced by employees paid illegally. The biggest obstacle to this program has been getting the higher tier players of the industry to accept their role in increasing compliance with basic labor laws at the sewing contractor level."

To get retailers and manufacturers to acknowledge their duty to help enforce the law, the department said, "requires a fundamental change in the way business has been conducted for almost 100 years. The resistance to change has been great."

## Rights rationale . . . moral misgivings

**BRUCE FEIN**

The U.S. Supreme Court last week rightly held that government may not politically handicap one side in the contemporary Kulturkampf between defenders of traditional sexual mores and enthusiasts of gay and lesbian social equality. The 5-3 majority in *Romer vs. Evans* (May 20, 1996), however, unfolded the wrong reasons by conflating two distinct groups: homosexuals and proponents of homosexual rights. The powerful dissent of Justice Antonin Scalia is rich in analysis, but falls marginally short of convincing.

In a 1992 statewide referendum, Colorado voters by a margin of 54-46 percent approved "Amendment 2" to their state constitution. Its language is both sweeping and plain. It prohibits any branch or department of Colorado government — legislative, executive, administrative, or judicial — from enforcing any law or policy founded on any "claim of discrimination" based on homosexual conduct or orientation. The effect of the amendment was to pre-empt a trio of local gay and lesbian rights ordinances, an executive order governing discrimination in state employment, and state college protections against discrimination based on sexual orientation. In addition, the amendment created a special political headwind for supporters of gay and lesbian rights: Their views could not prevail as law except by amending the Colorado constitution; ordinary legislation passed by a majority of state legislators could no longer accomplish the task.

In an opinion authored by Justice Anthony Kennedy, the Supreme Court held that Amendment 2 worked a discrimination against homosexuals that violated the equal protection clause of the Fourteenth Amendment. He reasoned that homosexuals are saddled with the unique political burden of amending the state charter to obtain legal protection, and that there was no justification for that disability except for animus toward that class of citizens.

The disability, however, was fastened not on homosexuals, but on proponents of homosexual rights. Some homosexuals disapprove of

protective legislation as gratuitous or likely to create more discrimination than it suppresses. Amendment 2 furthered, not thwarted, their political goals. The reverse was true for non-homosexuals with the opposite political leanings. They may applaud legal prohibitions on discrimination to head off potential economic boycotts, to play host to Olympian Torch runners, or to promote a society and climate consistent with deeply held beliefs concerning human rights and fairness. That group of non-homosexuals cast the overwhelming majority of

votes against Amendment 2. According to the trial court finding in *Romer*, no more than 4 percent of the population are homosexuals.

In sum, Amendment 2 discriminated on the basis of political viewpoint, not sexual orientation. That does not establish that the discrimination was wrongful, but only that Colorado should provide a good reason for its unevenhanded political playing field.

A fundamental norm of legitimate government is that one social faction should not be held to Queensbury Rules while their opponents are permitted the political equivalent of anti-personnel land mines. Bismarck's Kulturkampf against Catholicism violated that bedrock of legitimacy: the closing of countless Catholic churches, state licensing and control of Catholic clergy and seminaries, expulsion of Catholic teachers educated abroad, prohibition on catechetical instruction in non-German languages, and exile for Catholics who voiced objections to Bismarck's strongarmed tactics. Colorado's Amendment 2 betrays a Bismarckian pedigree. It seems first cousin to a political rule requiring homosexual candidates for public office to receive a 75 percent majority for election while their

rivals need to capture but 50.1 percent of the vote to succeed.

Justice Scalia correctly observes that the United States Constitution itself creates unequal political playing fields. The Prohibition Amendment tilted against wets, and the Establishment Clause of the First Amendment handicaps proselytizers of theocracy in the political arena. Indeed, the whole purpose of the Constitution is to

## Proper edict, flawed basis

create a bias against simple majorities in opposition to any of its policies. None of its features may be disturbed without the supermajorities required for constitutional amendments. Justice Scalia's observation, however, proves no more than that Amendment 2 would have been constitutional if it had been ratified as an amendment to the federal rather than Colorado's basic charter.

Justice Scalia protests that there is nothing dubious about laws animated by moral disapproval. Thus, in *Bowers vs. Hardwick* (1986), the Supreme Court upheld the constitutionality of statutes criminalizing homosexual sodomy in furtherance of the moral values of the majority. But it is one thing to punish or stigmatize homosexual conduct; it is quite another to

blunt the political views of those who would seek to alter such policies through customary channels available to others.

Justice Scalia argues that Coloradans are "entitled to be hostile toward homosexual conduct," and that Amendment 2 gave legitimate expression to that entitlement by showing moral and social disapprobation of homosexuality. That argument seems too unmeasured to convince. Any law that uniquely disadvantages homosexuals would satisfy that test, including those prohibiting police, fireman, or doctors from coming to their assistance. Justice Scalia proffers no principled theory that would disable government from subjecting homosexuals to anything short of pogroms a la Czar Nicholas II.

Justice Scalia correctly notes that preachers of homosexual rights who enter the political fray enjoy no immunity from "lawful, democratic countermeasures." But countermeasures have limits. The

# How an American Industry Gets Away With Slave Labor

**J**UST 10 days after about 70 illegal immigrants from Thailand were freed from a prison-like California garment factory, where they had worked in virtual slavery, Federal labor officials notified more than a dozen large retailers last week that goods from the sweatshop may have ended up in their stores.

Labor Secretary Robert B. Reich said the retailers had been asked to attend a meeting in Washington next month to discuss ways of preventing apparel made by slave labor from being sold in American stores. The invitation came amid a widening investigation of the garment shop in El Monte, Calif., and debate about the many other, more traditional sweatshops that still fail to pay minimum wage or overtime and often ignore health and safety laws.

In an interview, Mr. Reich elaborated on what the Government, retailers and garment manufacturers can do to curb abusive labor practices.

ALAN FINDER

**Q.** Do stores know from whom they have purchased apparel or under what conditions it has been produced?

**A.** The garment "food chain" is fairly complicated. Manufacturers often subcontract with cutting and sewing shops. The retailers contract with the manufacturers. Retailers increasingly specify what kinds of garments and the particular designs they need. Manufacturers using just-in-time inventory techniques deal with a whole set of subcontractors. It's often difficult for retailers to know precisely where a garment is cut or sewn.

**Q.** Was the women's garment industry fragmented this way so manufacturers could avoid responsibility for working conditions in shops? Or were economic conditions behind the creation of these complex networks?

**A.** We see the same pattern in many other industries. Increasingly, industries are fragmenting into networks of contractors and specialized subcontractors. The old model of a large, vertically integrated mass-production enterprise is becoming outmoded simply because consumers can now have goods tailored to their particular needs. Technology permits a wider array of enterprises to create niche markets and to supply one another with specialized services.

**Q.** Do you think consumers care whether clothing that they buy was made in a sweatshop or a factory that was abiding by all the labor laws?

**A.** Undoubtedly consumers are interested first and foremost in price and quality. But most American consumers probably don't want to buy clothes made by slave laborers in the United States.

**Q.** What can the Government do to make consumers more aware and force retailers and manufacturers to be more vigilant?

**A.** The Fair Labor Standards Act of 1938 authorizes the Department of Labor to bar interstate shipments of goods made in violation of the act, such as in sweatshops. That power was used rarely in the past. But it has proved to be an important instrument to get an industry to take responsibility for preventing these kinds of abuses. By barring shipments or threatening to bar them, we've

managed to make significant progress. The numbers of workers who have been identified as working in sweatshop conditions and whose employers have been fined has grown by 50 percent over the last 2½ years.

Now in this instance we traced the invoices to several national retail chains, Mays department stores and so on. There's no evidence that these retailers knew that the garments that they bought were cut and sewn by slave laborers in the United States, but I don't think it's too much to ask them to take greater responsibility for helping pre-



Stephen Crowley/The New York Times

Secretary Reich: a plan to prod manufacturers and retailers.

*The Labor Secretary, saying most Americans don't want clothes made in sweatshops, appeals to higher-ups in the 'garment food chain.'*

vent these kinds of abuses in the future.

**Q.** You're planning to meet with a number of these national retailers. What do you want them to do?

**A.** Let me give you an example. In June, we got the agreement of many brand-name manufacturers operating in Los Angeles County, representing about a third of the garment industry in Los Angeles, to voluntarily audit their cutting and sewing contractors for compliance with labor laws. This was a direct result of our enforcement efforts. Obviously the manufacturers did not want to run the risk of having their shipments impounded. By the same token I would expect that retailers don't want to run the risk of not having their orders filled because the garments they ordered were produced by sweatshops.

Retailers are also concerned about their

public images. They want to be good corporate citizens, I assume. The national retailers and brand-name manufacturers working together can police this industry because they are directly in the food chain.

**Q.** The number of Federal labor investigators declined by about 20 percent in the last six years. Do you have enough resources to crack down on sweatshops?

**A.** No. We've done a great deal with relatively few resources, because we've enlisted the help of manufacturers and we've used the legal authority in the Fair Labor Standards Act, which had rarely been used before. But obviously the industry has got to start taking a greater responsibility. There are nearly one million employees in the industry who are cutting and sewing garments. Almost 80 percent are women. In Los Angeles County alone there are 100,000 cutters and sewers in 4,000 separate cutting and sewing shops. It's extremely difficult for Federal inspectors to root out sweatshops. Manufacturers, however, know whom they are contracting with. Retailers are able to follow the invoice trail and assert some pressure on manufacturers and their subcontractors.

**Q.** American manufacturers are often competing with foreign manufacturers who pay much lower labor rates. Is it reasonable to expect American companies to remain competitive, or should we consider abolishing laws like the minimum wage and allow the international marketplace to determine labor rates here?

**A.** The garment industry in the United States is alive and well despite foreign competition. That's because there is an increasing demand for quick turnaround. Fashions change quickly, retailers want certain models, patterns, designs, immediately. It's often difficult for retailers to get the quick turnaround from foreign-sourced manufacturers.

The amount of money we're talking about here, the difference between a sweatshop and a legitimate cutting and sewing operation, is relatively small considering the cost of the final garment. Remember, retailers are often marking up 60 to 100 percent.

**Q.** Are you reasonably optimistic that the American garment industry will do a better job of policing itself?

**A.** The cutting and sewing end of the garment industry in the United States has had a sad history of worker abuses for more than a century. Immigrants, some of them legal, some illegal, crowded together in unsafe, unsanitary conditions working for very little money have characterized cutting and sewing shops since the turn of the century. Sometimes there's a calamity like the Triangle Shirtwaist Factory fire in New York at the turn of the century, in which hundreds are killed. Laws are then enacted. But enforcement is always difficult.

Unscrupulous employers and vulnerable workers in fly-by-night operations that can move from one location to another within days or hours make a difficult target for enforcement. The question is whether national brand-name manufacturers who contract with these small enterprises and large national retailers can have an impact. I'm cautiously optimistic.

Congress of the United States  
Washington, DC 20515

May 16, 1996

The Honorable Doris Meissner  
Commissioner  
Immigration and Naturalization Service  
425 I Street, N.W.  
Washington, D.C. 20536

Dear Madam Commissioner:

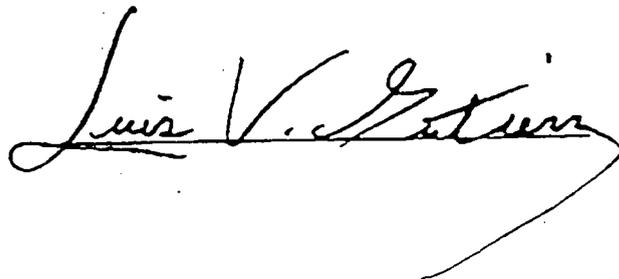
As Members of the Congressional Hispanic Caucus, we are writing to convey our full support of *Citizenship USA*, the national initiative of the Immigration and Naturalization Service (INS) to address the unprecedented increases in applications for citizenship. We are extremely encouraged to learn that this timely and ambitious initiative promises to reduce the naturalization process time from application to citizenship to six months or less. We are also aware of the involvement of local community organizations as partners to provide information and application assistance to potential citizens.

Besides working with community-based groups to deliver information and assistance, the public education campaign will be an integral part in educating the overall immigrant population. As we have discussed in the past, one of the biggest barriers for many of our immigrant constituencies is that they view the INS as an unfriendly agency. This is a hard-to-reach population because of their cultural and demographic characteristics. We are concerned that the intent of the naturalization public education program may not be realized without a culturally sensitive and targeted outreach effort.

We would like to commend you for your leadership and commitment to strengthening the integrity of the naturalization process by implementing *Citizenship USA*. We are ready to provide input in the development of an effective outreach initiative of the *Citizenship USA* initiative. Please do not hesitate to call on us as you develop your public education efforts.

Sincerely,

  
\_\_\_\_\_

  
\_\_\_\_\_

June 1996

Schedule for Naturalization Ceremonies

As of → 5/31/96

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>COMMENTS:</b> All ceremonies performed by United States District Courts (Judicial) unless highlighted in bold.  <b>Bolded ceremonies are administrative and conducted by INS.</b></p> <p>* Indicates total for 2 ceremonies on this date            ** Total for 3 or more ceremonies on this date</p>						
2	Fresno 1200 3	San Francisco 4000* New York City 3000* 4	5	New York City 6000** 6	New York City 1500 7	Garden City, NY 2000** 8
Miami 6000* 9	10	11	New York City 700* 12	13	San Diego 8000* 14 New York City 6000* Tampa 800 Boston 475	Garden City 2000** 15
Miami 6000* 16 Garden City	17	San Francisco 4000* 18	San Jose 3500 Sacramento 700 Los Angeles 10,000** 19	Los Angeles 10,000** 20	Tucson 1000 Boston 450 21	Garden City 2000** 22
Miami 6000* 23 Garden City 2000**	24	Tampa 1000 25	Los Angeles 5400 San Antonio 1250 26	Los Angeles 5400 New York City 6000** 27	Los Angeles 5400 New York City 3000* San Diego 500 Reno 400 28	Las Vegas 2000 Garden City 2000** 29
Garden City 6000** 30 Miami 6000*						

July 1996

Scheduled Naturalization Ceremonies  
5/31/96

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	1 Fresno 1250 Chicago 10,000*	2 San Francisco 4000*	3 Los Angeles 10,000* Sacramento 1500 El Paso 4000	4 New York City 2000** Seattle 500 Detroit 600	5 Jacksonville 500 Phoenix 400	6 Garden City, NY 2000**
7 Miami 6000* Garden City 2000**	8	9	10	11	12 Buena Park, CA 1600 San Diego 500	13 Garden City 2000**
14 Miami 6000* Garden City 2000**	15 New York City 3000**	16 San Francisco 4000*	17 Rochester, NY 130 at Eastman Museum Special Photo Exhibit on Immigration.	18	19 San Diego 500 Houston 800	20 Garden City 2000**
21 Miami 6000* Garden City 2000**	22	23	24	25 New York City 3000**	26 New York City 3000** Tampa 1000 Austin 500	27 Garden City 2000**
28 Miami 6000* Garden City 2000**	29 New York City 3000**	30	31 San Jose 3500 Sacramento 700	<p><b>COMMENTS:</b> All ceremonies performed by United States District Courts (Judicial) unless highlighted in bold. <b>Bolded</b> ceremonies are administrative and conducted by INS.</p> <p>* Indicates total for 2 ceremonies on this date **Total for 3 or more ceremonies on this date</p>		

Large Ceremonies Service-wide

Prepared by: Immigration and Naturalization Service

08/10/96

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
<p><b>COMMENTS:</b> All ceremonies performed by United States District Courts (Judicial) unless highlighted in bold. <b>Bolded</b> ceremonies are administrative and conducted by INS.</p> <p>* Indicates total for 2 ceremonies on same day ** Total for 3 or more ceremonies on same day</p>				<p>1 New York 3000** Chicago 15,000</p>	<p>2 Tampa 1000 Santa Barbara 800</p>	<p>3 Garden City, NY 2000**</p>
<p>4 Miami 6000* Garden City 2000**</p>	<p>5 Fresno 1200</p>	<p>6 San Francisco 4000*</p>	<p>7 Los Angeles 10,000**</p>	<p>8 Los Angeles 10,000** Houston 7000 Boston 475</p>	<p>9 Los Angeles 10,000** San Diego 500</p>	<p>10 Garden City 2000**</p>
<p>11 Miami 6000* Garden City 2000**</p>	<p>12 Jacksonville 500</p>	<p>13 Tampa 1000</p>	<p>14 Los Angeles 10,000**</p>	<p>15 Los Angeles 10,000** Odessa, TX 1000</p>	<p>16 Los Angeles 10,000**</p>	<p>17 Garden City 2000**</p>
<p>18 Miami 6000* Garden City 2000**</p>	<p>19 New York City 3000**</p>	<p>20 San Francisco 4000*</p>	<p>21 Sacramento 700</p>	<p>22</p>	<p>23 San Diego 500 Tampa 1000</p>	<p>24 Chicago 8000* Garden City 2000**</p>
<p>25 Miami 6000* Garden City 2000**</p>	<p>26 New York City 3000**</p>	<p>27 San Jose 3500</p>	<p>28</p>	<p>29</p>	<p>30 St. Paul 1200 (State Fair) Corpus Christi 600 San Diego 500 New York City 3000**</p>	<p>31 New York City 5000**</p>

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Miami 6000*	2	3	4 Los Angeles 10,000**	5 Los Angeles 10,000**	6 Los Angeles 10,000** Tampa 1000	7 Garden City, NY 2000**
8 Miami 6000*	9 Fresno 10,000 Jacksonville 500	10 San Francisco 4000*	11 New York City 3400** Sacramento 700	12 Tampa 1000 Houston 2000	13 San Bernardino, CA 1400	14 Garden City 2000**
15 Miami 6000*	16	17 Chicago 15,000 Dallas 10,000	18 San Jose 15,000	19	20 Buena Park, CA 1600 New York City 2000*	21 Garden City 2000**
22 Miami 6000*	23 New York City 3000*	24 San Francisco 4000* New York City 3000*	25 Los Angeles 10,000** New York City 3400**	26 Los Angeles 10,000** Jacksonville 500 Boston 475	27 Los Angeles 10,000** New York City 2000*	28 Garden City 2000**
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## Clinton Presidential Records Digital Records Marker

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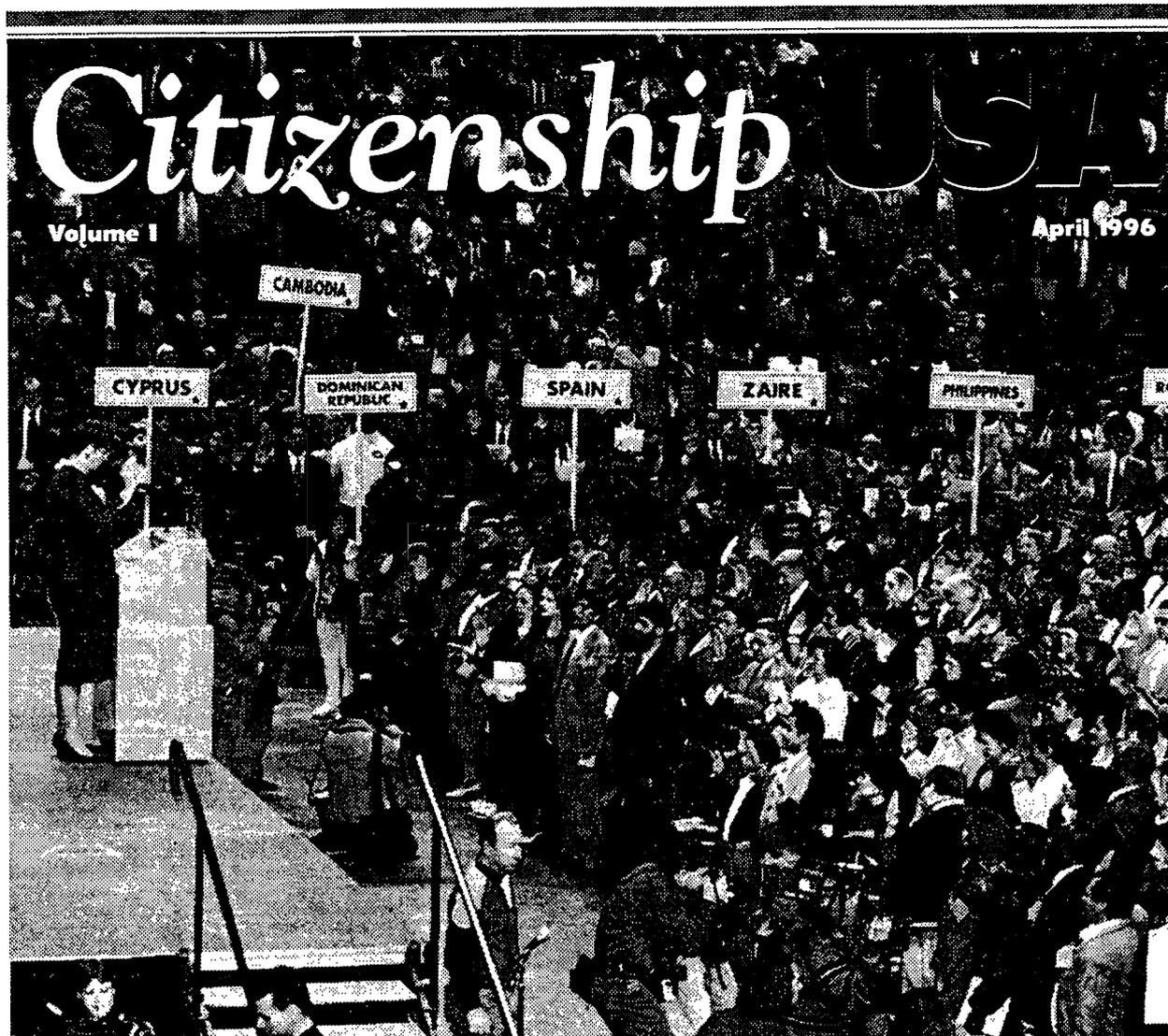
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# Citizenship USA

Volume I April 1996

Attorney General Janet Reno administers the Oath of Allegiance to nearly 3,200 citizens at the USAir Arena in Landover, Maryland, on November 20, 1995.

**I**t is with great pride that we have launched the **Citizenship USA** initiative to help thousands of legal permanent residents who have chosen to become citizens. In the United States, citizens have come from every country in the world, ... we are a nation of immigrants. By becoming citizens, immigrants can participate fully in the democratic process and in their communities, they can embrace America as home, and feel proud to be Americans."—**Doris Meissner, Commissioner, Immigration and Naturalization Service**

## CITIZENSHIP USA

**Citizenship USA** is an unprecedented effort by the Immigration and Naturalization Service (INS) to help eligible immigrants become United States citizens. Through

this special initiative, the INS aims to streamline the processing time it takes to become a citizen and become current with citizenship applications nationwide by

the end of September. As a result, more than 1 million persons are expected to become new citizens this fiscal year.

# To Ease Backlog, INS Opens New Center

**■ Immigration: Officials hope the new office in El Monte will enable them to catch up on processing citizenship applications.**

By EMI ENDO  
TIMES STAFF WRITER

**EL MONTE**—As a new center in El Monte swings into full gear this month, immigration officials hope to speed through a massive backlog of citizenship applications and slash in half the yearlong wait faced by those applying to become naturalized citizens.

U.S. Immigration and Naturalization Service Commissioner Doris Meissner on Friday officially opened the office, the last of three new centers in the Los Angeles district—which processes one-fourth of the nation's applicants.

"It's about time," said Father David O'Connell, a leader of the Active Citizenship Campaign, one of several immigrant outreach groups that have been demanding that the INS clear the bottleneck of more than 220,000 applications in the seven-county district.

The overburdened system threatened to prevent applicants from voting in November, O'Connell said, noting that some who applied for citizenship 14 months ago are still waiting to be processed.

At a news conference Friday at the El Monte center on Flair Drive, Meissner repeated the pledge she made in August to reduce the

national backlog by the end of this September, and to shorten the processing period to six months.

"We are absolutely meeting the goals we set for ourselves," Meissner said. "We want squarely to support legal immigration."

The new office was created under "Citizenship USA," a national initiative aimed at plowing through the pile of applications that grew in recent years. Part of the sharp rise in California applications has been attributed to anti-immigrant sentiments unleashed by the Proposition 187 debate.

Nearly 1 million applications are anticipated this year nationwide, twice the number in 1995. The other cities targeted for "Citizenship USA" are San Francisco, New York, Chicago and Miami.

At full capacity, officials said, the El Monte center will be able to finish as many as 1,500 applications a day. Combined with offices in Bellflower and Laguna Niguel, the district will be able to handle 2,500 cases daily, up nearly fourfold from 650 in August. The offices will operate six days a week.

The Los Angeles District's naturalization staff has increased in one year from 99 to 234, Meissner said, and will soon reach 292.

A new direct mail system, which allows applicants to send forms directly to the regional service center in Laguna Niguel, began in January.

Officials have been adding more frequent and larger naturalization ceremonies—swearing in as many as 10,000 new citizens in one day at the Los Angeles Convention Cen-

ter.

The total number of citizens sworn in by the end of this calendar year is expected to top 320,000.

Activists say the improvements come after months of lobbying of local INS officials.

Although O'Connell said the agency should have anticipated the increased load of applications and acted sooner, "at least they're responding now."

"It's a good sign that the [Clinton] administration is sincere about helping people who are legal residents become citizens," he said.

The El Monte center was designed to efficiently usher applicants through three separate areas.

"It's the best use of our time and [requires] the least time commitment from our customers," Meissner said.

Applicants with scheduled interviews are tested in English and civics in one room. If they pass, they move on to interview booths. Most are approved there and assigned a date for their swearing-in ceremony.

Those asked to complete a more detailed interview are taken to another area with private examination rooms.

A limited staff has been running the office for about a month, said section chief John Butler. With a full staff of 60 officers, it should take an applicant about 20 minutes to go through the process.

A representative of Vice President Al Gore presented an award to local INS officials for streamlining the citizenship office's procedures.

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OF  
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P1

# The Herald

# A new allegiance

## 6,000 sworn in as new U.S. citizens

By DONNA GEHRKE  
Herald Staff Writer

Six thousand new U.S. citizens were sworn in Monday in back-to-back ceremonies in downtown Miami as the nation's largest-ever citizenship drive began.

By the end of September, the U.S. Immigration and Naturalization Service expects to swear in a record million new citizens — more than double last year's total — with three-fourths of

them living in Miami, New York and Los Angeles.

Voter-registration drives already under way will allow many to vote for the first time in the fall elections.

The local INS is gearing up for more massive ceremonies in downtown Miami: At its peak, 24,000 new citizens a month will be sworn in.

During Monday's Miami kickoff of Citizenship USA at the

James L. Knight Convention Center, thousands of new citizens and their families clogged downtown Miami, backing up traffic on local streets and Interstate 95.

Gloria Mota dropped her husband, Ramon, off near the Knight Center early Monday so he could walk to his citizenship ceremony, while she looked for a

PLEASE SEE CITIZENS, 6B



**APPLAUSE:** Eddy Perez, 20, and his father, Eduardo, rejoice after Eddy participates in swearing-in ceremony for 3,000 new citizens Monday at the James L. Knight Center.

C.W. GRIFFIN /  
Herald Staff

SUN SENTINEL

MIAMI HERALD

PAGE 81

DATE 5-14-96



C.W. GRIFFIN / Herald Staff

**I SWEAR:** Margo Menendez, Guillermo Perez and Ester Kamionski were among 3,000 people sworn in as U.S. citizens in a morning ceremony at the James L. Knight Center on Monday in Miami.

## 6,000 pledge allegiance in citizenship ceremony

**CITIZENS, FROM 1B**

parking space. "I can't believe this," she said.

The congestion may become a regular feature: Another 6,000 new citizens will be sworn in Sunday during two ceremonies at the Knight Center.

It's the only way the INS can handle so many new citizens. Over the past two years, the agency has been swamped with a record number of citizenship applications. In Miami, the deluge created a backlog of tens of thousands of cases.

For years, immigrants have been camping out overnight on sidewalks near the INS office at Biscayne Boulevard and 79th Street — just to win an appointment with a processing clerk.

### Reducing the backlog

INS Deputy Commissioner Chris Sale said Monday her agency had started a new program to cut into the backlog by the end of this year.

In Miami, the INS opened a new office and hired 158 new workers, an eight-fold increase, to process citizenship applications. The agency streamlined the process so first-time applicants could mail in their paperwork. The INS also worked with volunteer groups, like One Nation, to help immigrants fill out their paperwork correctly.

"We made it easier for people to come to us," Sale said.

On Monday, U.S. Rep. Ileana Ros-Lichtinen, R-Miami, complimented the agency for its "wonderful new attitude" in helping immigrants through the often-complicated system.

During her keynote speech in the morning ceremony, she congratulated the new citizens — who came from 76 countries — for infusing optimism into the United States.

"You work hard," she said. "America is lucky to have you."

### Hard work rewarded

Congressman Lincoln Diaz-Balart, R-Miami, told the new citizens they were lucky to be in a nation that rewards merit and hard work. "Never before in history has there been such a generous nation," he said, bringing a cheer from the the new citizens.

Then Eduardo Perez helped his deaf son Eddy, 25, recite the Pledge of Allegiance. Next month, the father, who was born in Cuba, will go to his own swearing-in ceremony.

A mother and daughter, Zenaida Palacios and Anaily Lorenzana, also became citizens Monday.

"We wanted the right to vote," said Palacios, who came to Miami from Cuba in 1989. "We like being here. It's great to be a citizen."

### Proud to be Americans

Esther Kamionski thinks so, too. After fleeing Romania after World War II, she and her Polish emigre husband, Zew, ended up in South America. They came to the United States in 1980.

"This is the best country in the world," said Zew, who became a citizen two months ago.

Added Juana Caudales, a new citizen at age 90: "This country has such nice people, and I wanted to be part of it."

SUN SENTINEL

OTHER MIAMI HERALD

PAGE B6

DATE 5-14-96

# Citizens All: 300 Sworn In At Ellis Rite

By Liz Willen  
STAFF WRITER

They met in Cambodia: She was a U.S.-born monitor for the United Nations and he was her translator. They fell in love, fled to France and lived in a refugee hotel, all the while dreaming of a family life in America.

Yesterday, Mary Ellen and Sokhorn Ros of Floral Park recounted the years of drama that led to yesterday's naturalization ceremony at Ellis Island, where Sokhorn and 300 others from 59 countries became American citizens.

The induction took place beneath a white tent, only steps from the brick buildings that once processed millions of newly arrived families from overseas. Federal officials organized the ceremony to promote a nationwide effort to encourage eligible immigrants to become citizens.

"Today was the culmination of all our struggles," Mary Ellen Ros said, as her father, sister and the couple's two small sons waved American flags and wiped away tears. "It took a lot of hurdles, a lot of exams, a lot of paperwork. And it was worth it."

These days, Mary Ellen, 37, is the director of community services at the New York Association for New Americans, the largest refugee assistance agency in the country. Sokhorn works in maintenance at the Beech Hills Garden Apartments in Douglaston.

Last night, the Ros family went out to toast the newest American in their family — as did Joann Borbor and Zoila Zaborano of Corona, along with their 1½-year-old son, Jessie.

"This is a happy day for us, because we are now in a free country," said Borbor, as he and Jessie watched Zoila take an oath of citizenship.

Mayor Rudolph Giuliani told the group that his father had entered the United States through Ellis Island 96

years ago. He suggested that the dreams that had brought his father here nearly a century ago — the hope of a better life — were shared by those coming to the same place today.

"Contrary to the rhetoric we often hear from those who seek to divide our society and make scapegoats of our immigrant communities, immigrants are actually more likely to be self-employed than native-born New Yorkers," Giuliani said.

Such rhetoric has not escaped the Asian community in Flushing. The newcomers became targets of anti-immigrant sentiment recently after City Councilwoman Julia Harrison (D-Flushing) likened them to colonizers, smugglers, thieves and paupers in a newspaper article describing the impact of Asian immigration on Flushing.

She later expressed regret, but not before thousands of Asians descended on City Hall and demanded that she resign.

Giuliani took a more positive approach, saying the newcomers are renewing city neighborhoods.

"Far from being a drain on our local economy, immigrants create jobs and help our communities prosper," he said. "Their buying power and entrepreneurship have rebuilt communities from Jackson Heights to Washington Heights to Morris Heights."

In August, the Immigration and Naturalization Service, swamped by nearly 1 million applicants a year, announced it would spend \$22 million to streamline the process for turning foreigners into citizens.

The Citizenship USA project aims to clear a backlog of cases and reduce the naturalization process to six months. In New York alone, 59,000 citizenship applications were processed through March — the same number as in all of 1995.

**SOUTHERN CALIFORNIA I.A.F. NETWORK  
ACTIVE CITIZENSHIP CAMPAIGN  
\*SCOC \*UNO \*EVO \*VOICE  
770 S. ARROYO PARKWAY, SUITE 115,  
PASADENA, CALIF. 91105  
TEL. 818-584-0774 FAX 818-584-0972**

May 7, 1996

Commissioner Doris Meissner  
Immigration and Naturalization Service  
451 I street NW  
Washington, DC

Dear Commissioner Meissner.

The Active Citizenship Campaign is happy to report to you that on May 1, 1996, our meeting with Director Richard Rogers and 1,200 community leaders was a victory for INS as well as the ACC. Of the 1,200 community leaders present, 900 were actual naturalization applicants and were happy to witness INS responsiveness.

Together, we were able to accomplish four important goals:

- increases in Outreach staff,
- extended weekday hours and Saturday interviews
- follow-up meetings between leaders and District Director Rogers
- and most importantly a commitment to eliminate the backlog of 229,000 applications by September 30, 1996.

We extend our deepest appreciation to you for your leadership and to Mr. Rogers for your continued support and cooperation. Please be assured of our continued efforts to partner with Mr. Rogers and the INS to further our mutual goal of naturalization.

In the spirit of this partnership, I am requesting a meeting with you during your trip to Los Angeles this week. I am aware of your busy schedule, therefore I only request one half hour of your time. If this week is impossible, I will be in Washington, DC the week of May 20, 1996 and request a meeting during that week.

Sincerely,



Miguel Vega  
Director, Active Citizenship Campaign

Congress of the United States  
Washington, DC 20515

May 16, 1996

The Honorable Doris Meissner  
Commissioner  
Immigration and Naturalization Service  
425 I Street, N.W.  
Washington, D.C. 20536

Dear Madam Commissioner:

As Members of the Congressional Hispanic Caucus, we are writing to convey our full support of *Citizenship USA*, the national initiative of the Immigration and Naturalization Service (INS) to address the unprecedented increases in applications for citizenship. We are extremely encouraged to learn that this timely and ambitious initiative promises to reduce the naturalization process time from application to citizenship to six months or less. We are also aware of the involvement of local community organizations as partners to provide information and application assistance to potential citizens.

Besides working with community-based groups to deliver information and assistance, the public education campaign will be an integral part in educating the overall immigrant population. As we have discussed in the past, one of the biggest barriers for many of our immigrant constituencies is that they view the INS as an unfriendly agency. This is a hard-to-reach population because of their cultural and demographic characteristics. We are concerned that the intent of the naturalization public education program may not be realized without a culturally sensitive and targeted outreach effort.

We would like to commend you for your leadership and commitment to strengthening the integrity of the naturalization process by implementing *Citizenship USA*. We are ready to provide input in the development of an effective outreach initiative of the *Citizenship USA* initiative. Please do not hesitate to call on us as you develop your public education efforts.

Sincerely,

Ed Pastor

Luis V. Gutierrez

INS Commissioner Meissner  
May 16, 1996  
Page 2

Robert A. Underwood

[Signature]

Lucille Raychel Allard

Charles Romeo Bruch

Bill Richardson

[Signature]

[Signature]

Esteban E. Torres

Jose E. Serrano

Anna Ros-Lektiner

Bob Merend

Henry B. Snyders

Salomon B. Ortiz

# ***Los Angeles Unified School District***

OFFICE OF DEPUTY SUPERINTENDENT

ADMINISTRATIVE OFFICES: 450 NORTH GRAND AVENUE, LOS ANGELES, CALIFORNIA

MAILING ADDRESS: BOX 3307, LOS ANGELES, CALIFORNIA 90051

TELEPHONE: (213) 625-6261

SIDNEY A. THOMPSON  
*Superintendent of Schools*

RUBEN ZACARIAS  
*Deputy Superintendent*

November 20, 1995

Ms. Suzanna Valdez, Associate Director  
Office of Public Liaison  
The White House  
Old Executive Office Bldg., Room 121  
Washington, D.C. 20500

Dear Ms. Valdez:

I want to take the opportunity to share with you our school district's efforts in helping immigrants to make the transition to citizenship status.

In January, 1994 our Division of Adult and Career Education created seven Citizenship Preparation Centers. These Citizenship Preparation Centers now number 23 districtwide. These centers were created in consultation with the Immigration and Naturalization Service (INS) with whom we have an excellent working relationship. In addition to the traditional citizenship classes that Adult and Career Education has historically offered, these centers also provide assistance in completing the INS citizenship applications, fingerprinting, required photographs, INS testing and preparing for the INS oral interview. We also deliver the completed applications to the INS.

As a result of this full service, I am pleased to inform you of the following:

- (1) The Citizenship Preparation Center services started in January, 1994 with an enrollment of 900 adults in citizenship programs districtwide. At the end of June 1995 our districtwide enrollment was 44,000.
- (2) As a result of these adult education services, 37,000 adults since January, 1994 have completed the program and their citizenship applications (INS Form N-400) have been submitted to INS for granting of citizenship status.
- (3) Currently, citizenship applicants must present themselves at the INS offices in downtown Los Angeles for their oral interviews. We have negotiated an agreement with INS to have INS personnel do the interviewing at our adult school sites. Upon successfully completing the oral interview, the applicants will be given an immediate citizenship induction date. This will reduce the waiting period by almost a year.

- (4) Citizenship swearing-in ceremonies come under the jurisdiction of the federal district court. We have requested the federal court to have these ceremonies held at local school sites.
- (5) Citizenship classes are one of ten state-mandated adult education programs. Ninety percent of the cost for these citizenship programs, including preparation centers, comes from state funding for citizenship/ESL classes. The other 10% comes from federal Adult Basic Education funding earmarked specifically for citizenship classes.
- (6) It is our goal to have at least 40,000 adults per year obtain their U.S. citizenship.

Should you have any questions about this program, please call me at (213) 625-6261.

Sincerely,



Ruben Zacarias  
RZ/rm

**NO  
SWEAT.**<sup>SM</sup>

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# Eradicating Sweatshops Initiative Summary

June 1996

Wage & Hour Division  
U.S. Department of Labor  
Maria Echaveste, Administrator  
Robert B. Reich, Secretary

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**NO  
SWEAT..**

# Eradicating Sweatshops

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Workers in the garment industry are among the most abused in the United States. Many are paid substantially below the minimum wage and frequently are forced to work in sweatshop conditions.

The economics of the garment industry creates this situation. The industry is organized in a "food chain." At the top sit the large retailers who sell clothing but whose garments pass through a chain of many employers and many employees. At the next level are about 1,000 large manufacturers which provide the clothing to retailers, but which in turn contract for the actual production of the garments with some 22,000 contractors. Because the garment contractors fiercely compete for work (based on the fashion industry's demand for large quantities of garments to be done in very short periods of time), many contractors routinely ignore Wage and Hour laws.

The Wage and Hour Division has fewer than 800 investigators to protect the 1 million workers in this industry and, additionally, the 110 million workers in all industries in the United States. The "fly by night" nature of the garment industry overwhelmed Wage and Hour's ability to protect workers via its traditional enforcement effort, which relied on investigations of individual sewing shops.

The industry will come into compliance with Wage and Hour law only if the "asset holders" — manufacturers and retailers with the greatest economic leverage in the industry — are enlisted as industry enforcers. Wage and Hour's Eradicating Sweatshops initiative employs a three-pronged strategy of enforcement, recognition, and education to end sweatshops in the industry:

*Eradicating Sweatshops uses the law strategically to spur manufacturers to action.* It relies on an under-utilized provision in federal labor law, the "hot goods" provision, which prohibits the shipment in interstate commerce of goods made in violation of the law. Faced with the choice of having large quantities of finished garments prevented from shipment under the "hot goods" provision or of monitoring their contractors for compliance with federal labor law, manufacturers are choosing the latter.

*Eradicating Sweatshops utilizes an "up the chain" enforcement strategy.* Under Wage and Hour's previous enforcement strategy, investigations started and ended with individual sewing contractors. Now, when a contractor is found in violation of the law, the manufacturer is also educated about Wage and Hour laws, the "hot goods" provision, and are encouraged to implement monitoring programs. Retailers are also identified when Wage and Hour is able to identify the destination of the goods. The emphasis is shifted from simply discovering violations at the contractor level to strategically leveraging resources higher up in the food chain.

*Eradicating Sweatshops uses the media constructively to spur retailers to action.* Retailers are concerned about their public image. To spur the retail sector to assume responsibility for improving industry compliance, Eradicating Sweatshops utilizes an aggressive media campaign. While the Department also draws the media's attention to retailers which have purchased goods made in violation of wage and hour laws, Eradicating Sweatshops strives to create positive media coverage for those retailers which demonstrate a commitment to monitoring industry compliance.

# NO SWEAT..

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*Eradicating Sweatshops emphasizes intra-industry education and promotes public awareness.* The Wage and Hour Division builds educational relationships with retailers, manufacturers, garment unions, consumer groups and trade associations to inform the industry's business community of workers' rights and to help establish strong monitoring programs within the industry. Additionally, Eradicating Sweatshops promotes public awareness through the use of public service announcements to highlight the sweatshop phenomenon for the buying public and to recognize it as a social problem worthy of attention.

*Eradicating Sweatshops has generated results, including these examples:*

Nearly 50 manufacturers have signed Wage and Hour's Compliance Monitoring Agreement, which commits them to regularly monitor their contractors for compliance with the law. Many other manufacturers have their own compliance monitoring programs.

In Los Angeles, twelve large manufacturers established the Los Angeles Compliance Alliance to monitor contractor compliance and assume responsibility for paying back wages to workers if contractors are found in violation.

A recent compliance survey in the Los Angeles garment industry to determine the level of compliance with labor laws indicates dramatic improvement since a similar survey conducted in 1994. The first major finding was that 48% of sewing contractors are monitored for compliance by manufacturers, either through a direct agreement between the manufacturer and Wage and Hour or by a manufacturer who has voluntarily initiated a monitoring program of their own. The second major finding indicates a dramatic improvement in the compliance level of garment shops being monitored. For example, only 27% of the monitored shops (versus 64% of the firms not being monitored) were cited for minimum wage violations.

In December 1995, Secretary of Labor Robert Reich released the Department's Trendsetters List, a list of retailers and manufacturers which have assumed responsibility for monitoring work practices of contractors. The list now contains 36 companies.

Eradicating Sweatshops utilizes concepts which are transferable to other programs in the Wage and Hour Division and other public organizations.

The Los Angeles garment initiative is easily replicated in other major garment centers such as New York and Dallas. In fact, many of the conceptual devices employed in Los Angeles have been transferred already.

Wage and Hour's array of strategies to achieve compliance in the garment industry can be applied to other low-wage industries over which Wage and Hour has enforcement responsibilities. For example, migrant workers in the agriculture industry face many of the same problems faced by garment workers.

Wage and Hour's initiative can provide lessons and concepts for state and federal agencies struggling under resource constraints. Eradicating Sweatshops is an example of how public sector organizations can utilize the multi-pronged strategy of enforcement, recognition and education to leverage scarce resources for maximum impact.

# NO SWEAT..

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Rick Meyer photo Copyright, 1995, Los Angeles Times  
Reprinted by permission

*"The Department of Labor is committed to eradicating garment sweatshops and bringing the industry into compliance with U.S. labor laws. Americans do not want sweatshop conditions to exist in their communities. We hope that the Administration's emphasis on encouraging manufacturers not to do business with known unscrupulous contractors and to monitor formally their contractors for compliance with minimum wage and overtime laws can bring long lasting positive changes in the working conditions for this country's workers."*

Secretary of Labor Robert B. Reich

## Background

Sweatshops conjure up a vision of dangerous turn-of-the-century garment factories, of rooms crowded with immigrant women and children hunched over sewing machines for a few dollars a day.

On August 2, 1995, a raid on just such a workplace in El Monte, California, demonstrated that sweatshops continue to be a tragic part of the garment industry's present.

America's garment industry today grosses \$45 billion a year and employs more than one million workers.

Retailers dictate to manufacturers what, where, and when garments are produced. Manufacturers, in turn, purchase material and contract work among some 22,000 sewing contractors. Over half of these contractors fail to pay the minimum wage. More than two-thirds do not pay overtime. Thousands have serious safety violations that threaten the health -- and lives -- of their workers.

**NO  
SWEAT..**

# DOL's Garment Industry Strategy

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Garment Shop, NY circa 1937

The Department of Labor (DOL) has 800 investigators to protect the rights of those one million garment workers and the other 110 million employees in 6.5 million workplaces. Enforcement, alone, cannot begin to address problems rampant in the garment industry.

To bring about change, DOL is relying on a three-pronged strategy of **enforcement, recognition, and education**:

## **Enforcement**

DOL's Wage and Hour Division conducts targeted enforcement sweeps in major garment centers and notifies manufacturers of the "hot goods" provision of the Fair Labor Standards Act, which prohibits the shipment of goods made in violation of U.S. wage laws.

## **Recognition**

In December 1995, DOL issued its first *Trendsetter* list, highlighting retailers and manufacturers that have assumed responsibility for monitoring the labor practices of contractors that make their garments.

## **Education**

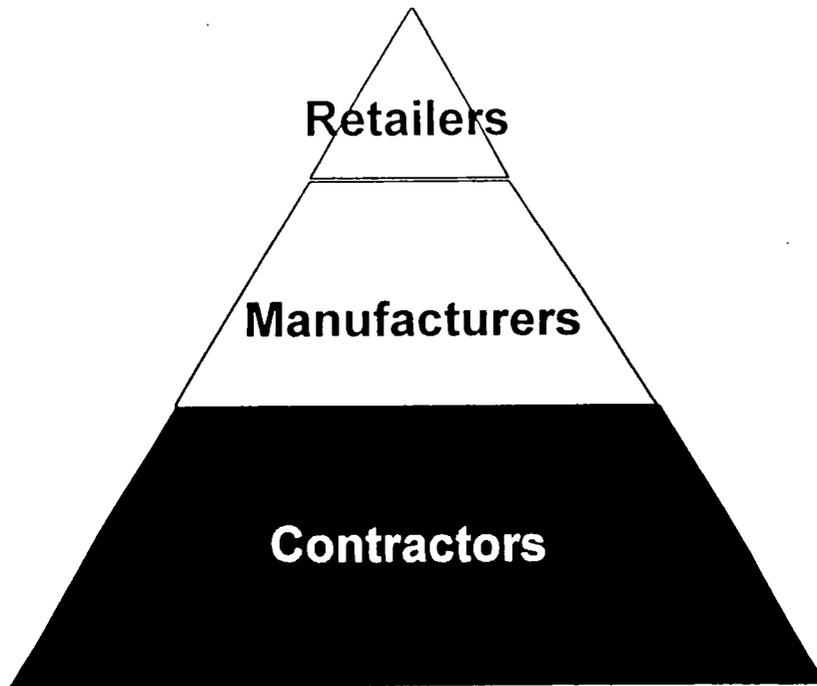
DOL is spearheading a garment public service announcement initiative, which includes print and radio public service announcements and a new Internet World Wide Web site, to provide information to consumers interested in helping to combat sweatshops. No Sweat "Clues for Consumers" have been distributed to more than 50 million supporters of the sweatshop eradication initiative.



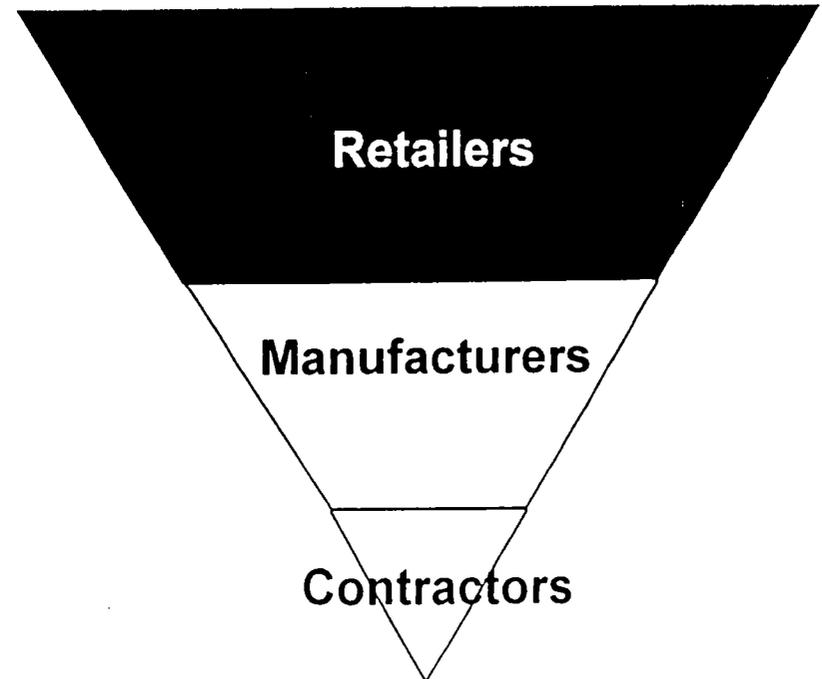
# Leveraging Compliance At The Top of the Pyramid

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The Fashion Industry By Companies and People



The Fashion Industry by Influence



**NO  
SWEAT..**

# Enforcement Initiative Innovations and Results

## BEFORE

Manufacturers were never apprised of "hot goods" violations

Average findings per investigation for two years was \$3,000 to \$5,000

Garment contractor investigations took three months or longer

Back wage collection to findings ratio was 40 to 50%

Los Angeles Wage and Hour conducted 30 to 50 investigations a year

Los Angeles Wage and Hour findings from investigations of garment contractors averaged \$200,000 a year

Los Angeles Wage and Hour responded to complaints only

No monitoring of contractors by the industry

## AFTER

All manufacturers apprised of "hot goods" violations

Average findings for 90 days are \$6,000 to \$8,000

Garment investigations take one to two weeks

Back wages collection to findings ratio is 80 to 90%

Los Angeles Wage and Hour conducts 250 to 300 investigations a year

Los Angeles Wage and Hour findings from investigations of garment contractors averages \$1,000,000 a year

Los Angeles Wage and Hour targets worst offenders who are violating the minimum wage and overtime requirements as they effect the most vulnerable, low wage earners

More than 41 manufacturers are currently monitoring over 33% of the contractors in Southern California

In 1996, compared to 1994, the average employee of a monitored shop receives about \$1,000 more in wages per year, a 12-15% approximate increase in annual wages.



# Garment Enforcement Timeline

June 1995 - May 1996

1 9 9 5

1 9 9 6

## DECEMBER

### December 5

DOL announces *Trendsetter List*, a list of retailers and manufacturers which have all pledged to help eradicate sweatshops in America and to try to ensure that their shelves are stocked with only "NO SWEAT" garments.

### December 20

DOL announces that GAP, Banana Republic, Old Navy, and GapKids are added to the *Trendsetter List*.

## JANUARY

### January 11

DOL announces that 37 employees of the Hall Manufacturing, Inc. have received \$11,500 in back wages from Haas as a result of DOL "hot goods" Temporary Restraining Order (TRO).

### January 25

DOL announces that NFL Properties is added to *Trendsetter List*.

## FEBRUARY

### February 16

Secretary Reich announces garment worker lock-in and other worker abuses found in enforcement sweeps in Dallas, New York City and Southern California.

### February 28

Administrator Echaveste met with a number of worker advocate organizations in Los Angeles to discuss strategies for identifying violations in garment shops.

## MARCH

### March 11

Administrator Echaveste participates in a forum sponsored by Congresswoman Nydia Velazquez to discuss conditions in the garment industry.

### March 18

Secretary Reich announces the signing of the agreement between Jessica McClintock, Inc., and the Asian Immigrant Women Advocates, ending a 3-year-old dispute.

### March 25

On the 85th anniversary of the Triangle Shirtwaist Company fire, Secretary Reich unveiled public service announcements to raise awareness of the plight of sweatshop workers in the U.S.



# Garment Enforcement Timeline

June 1995 - May 1996

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1 9 9 6

## APRIL

**April 12**

Secretary Reich participates in the official opening in San Francisco of the Garment 2000 Teaching Factory. Garment 2000, a consortium of contractors, manufacturers, labor, education and city government officials, was established to train workers and shop owners in new technology and business skills.

## MAY

**May 2**

The Department announces that more than 50 manufacturers have signed monitoring agreements with the Department of Labor.

**May 3**

The Department releases its first ever national report on garment worker abuse. The Department conducted 472 investigations that revealed 222 violations and resulted in the collection of more than \$1.3 million for about 3,600 garment workers.

**May 9**

The Department announces the results of a recently completed survey of garment shops in Southern California, which found that 48% of the shops investigated were monitored by manufacturers. Monitored shops were found to have less than half the violations found in shops not monitored for compliance.

**May 10**

The Department conducts week-long garment raids in Orange and Riverside Counties, CA.

**May 31**

The Secretary and Kathie Lee Gifford announce a Fashion Industry Forum in July to bring together some of the biggest names in fashion and entertainment to expand the crusade against sweatshops. The previous week, a garment shop in New York City producing goods with Kathie Lee Gifford's label was found to owe its workers more than \$47,000 in back wages.

## JUNE



# Significant Accomplishments

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Since 1993, the garment industry initiative has generated significant accomplishments, including the following:

## **Enforcement**

A recent compliance survey in the Los Angeles garment industry to determine the level of compliance with labor laws indicates dramatic improvement since a similar survey conducted in 1994. One major finding indicates dramatic improvement in the compliance level of garment shops being monitored. For example, only 27% of the monitored shops, versus 64% of the firms not being monitored, were cited for minimum wage violations. A second major finding was that 48% of sewing contractors are monitored for compliance by manufacturers, either through a direct agreement between the manufacturer and Wage and Hour or by a manufacturer which has voluntarily initiated a monitoring program of its own.

Nearly 50 manufacturers have signed Wage and Hour's Compliance Monitoring Agreement, which commits them to regularly monitor their contractors for compliance with the law. Many other manufacturers have their own compliance monitoring programs.

In Los Angeles, twelve large manufacturers established the Los Angeles Compliance Alliance to monitor contractor compliance and assume responsibility for paying back wages to workers if contractors are found in violation.

In the last three years, the department has recovered more than \$7.3 million in back wages for some 25,000 garment workers.

## **Recognition**

Recently, two major clothing retailers changed their relationships with manufacturers. On June 3, 1996, J.C. Penney informed its suppliers that it will terminate its relationship with any supplier found to be in serious or repeated violation of labor law. On June 11, 1996, Talbots announced a requirement that all its domestic suppliers have a subcontractor monitoring program in place as a condition of doing business with the company.

In December 1995, Secretary of Labor Robert Reich released the Department's Trendsetters List, recognizing retailers and manufacturers which have assumed responsibility for monitoring work practices of contractors. The list now contains the names of 36 companies.

In March 1996, Secretary Reich announced a workers' rights agreement between Jessica McClintock, Inc. and the Asian Immigrant Women Advocates (AIWA). The agreement calls for cooperative efforts by both parties to insure workers' rights as well as to promote awareness of fair labor practices. Wage and Hour Administrator Echaveste met with the parties to achieve this agreement.



# Significant Accomplishments

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## Education

In September 1995, Secretary Reich convened a Retailer Summit in New York City and issued a call to the nation's largest retailers to join the effort to eradicate sweatshops.

In November 1995, the Department begins to receive the first wave of some 20,000 calls and letters from customers of Working Assets, a long distance telephone carrier. The firm asked its customers to contact the department to encourage efforts to end garment worker exploitation.

In November 1995, Consumers' Coalition announces a nationwide education initiative to inform the public about sweatshops.

On March 25, 1996, the 85th anniversary of the Triangle Shirtwaist Company fire, Secretary Reich unveiled public service announcements to raise awareness of the plight of sweatshop workers in the United States.

In May 1996, Wage and Hour convened Garment Forums in California. The forums allowed contractors, manufacturers and retailers to share ideas about practices in the garment industry.

In July 1996, Secretary Reich will convene a Fashion Industry Forum. This forum will provide information for consumers and the garment industry on steps the fashion industry can take to ensure garments are made in compliance with labor laws.

*Sweatshops /  
garment industry*

approach \$5 million.

In fact, William C. Buhl, regional administrator of the U.S. Department of Labor, conceded that one motivation of naming the retailers publicly was the hope that many would "pony up" funds for a back-pay pool for the workers. Such an action, officials suggest, may help counter the stigma and negative publicity associated with selling garments from an alleged slave operation.

Workers' representatives say they plan to file civil suits seeking damages from the retailers and other firms that profited from the alleged slave operation.

California authorities have already won a court order freezing about \$1 million in seized assets linked to the alleged sweatshop operators, including \$850,000 in cash found at the El Monte site. However, attorneys say such funds may also be sought for the legal defense of the eight alleged sweatshop operators.

The 72 workers -- all suspected illegal immigrants -- were freed from custody of immigration officials last week and many are now looking for jobs in the above-ground garment industry. Most are expected to be sent back to Thailand after acting as witnesses in the criminal case.

Underlining the paucity of regulation in Los Angeles' no-holds-barred garment industry, officials Tuesday unveiled a grid of both licensed and unlicensed firms that apparently helped market the sweatshop-produced clothing nationwide.

Several of the unlicensed manufacturers that probably purchased sweatshop-made goods are well-established. One manufacturer -- Tomato Inc. of Los Angeles -- did more than \$3.3 million in business in 1993-94 with the Los Angeles sewing shop that is suspected of serving as a front for the El Monte operation, according to federal documents obtained by The Times. That purported front, D&R Fashion, was itself state-licensed for two years, until its registration expired in March.

Even licensed manufacturers and some of the nation's most prestigious retailers may have traded extensively in the sweatshop-produced goods. The loophole-ridden tableau, critics say, demonstrates the abysmal failure of the state licensing procedure and the federal enforcement of minimum wage and overtime laws.

"A license is just a piece of paper; it provides no protection for the workers," said Steve Nutter, regional director of the Union of Needle Trades, Industrial and Textile Employees.

Legitimate garment industry firms, which complain that the heavily publicized case is marring their image, Tuesday denounced what they termed wildly deficient oversight.

"Existing regulations are fine," said Robert Walter, president of the local Garment Contractors Assn., who spoke at a garment district news conference called by an alliance of manufacturers. "But the amount of police out there to enforce those regulations is terribly inadequate."

Los Angeles Times, August 16, 1995

But U.S. and state officials, convinced that more inspectors will never do the job alone, are emphasizing alternative strategies, such as industry self-policing. California authorities targeting sweatshops are also looking toward greater use of technology and more cooperative arrangements with other law enforcement agencies, including local agencies and federal tax and immigration officials, Bradshaw said.

Organized labor, immigrant activists and others are skeptical of industry self-policing, which they view as a case of the fox guarding the henhouse. Instead, such groups back a bill pending before the state Legislature that would hold garment manufacturers "jointly liable" for wage and other violations committed at the sewing shops hired by the manufacturer.

The bill -- similar to proposals vetoed by Gov. Pete Wilson in 1992 and 1994 -- is opposed by the California Department of Industrial Relations, Bradshaw's employer. The proposal, Bradshaw and other opponents argue, may drive garment manufacturers further into the underground economy and could even force the industry to flee California.

All retailers and manufacturers contacted have described their firms as unwitting victims of the sweatshop operators.

Jan Drummond, a Sears spokeswoman, said the giant Illinois-based retailer is not yet aware what contractor or garment manufacturer may have served as a conduit for the El Monte operation.

Mervyn's, the only retailer named by authorities as under investigation for possibly making direct purchases from the sweatshop operation may actually have bought its wares through a manufacturer, said Sandra Salyer, a Mervyn's spokeswoman.

Erwin Gilbert, president of B.U.M. Equipment, said his leisure-wear firm purchased an order of women's shorts from Tomato Inc., which may have been made at the El Monte factory.

Neiman Marcus, the Dallas-based upscale retailer, said it is "exploring" the matter with its vendors.

State and federal officials say they found Neiman Marcus labels at an unlicensed Panorama City garment factory that was one of three locations raided by a multi-agency task force Aug. 2.

One potential reverberation of the negative publicity is the possibility that manufacturers and retailers would become more cautious about buying inexpensive garments made in the United States.

On one hand, domestically made merchandise can be delivered on shorter notice with better quality control. On the other hand, the likelihood of retailers suffering a black eye for selling goods that may have been sewn by workers toiling in substandard conditions is more remote overseas.

"This is a situation that happened in America, and it's an unfortunate thing," said Gilbert, president of B.U.M. "Does it put a doubt in our mind? It really does."

Los Angeles Times, August 16, 1995

Times staff writer Karl Schoenberger contributed to this report.

GRAPHIC: Photo, State Labor Commissioner Victoria Bradshaw answers questions at news conference on alleged slave labor at El Monte sweatshop. PAUL MORSE / Los Angeles Times

LANGUAGE: ENGLISH

LOAD-DATE: August 17, 1995

## Thai Workers Held Captive, Officials Say

By KENNETH B. NOBLE

EL MONTE, Calif., Aug. 3 — Inside a squalid garment factory ringed with barbed wire and spiked fences, nearly 70 foreign workers from Thailand lived and worked, sometimes for years, in what Federal agents described today as involuntary servitude.

Before the workers were freed in a pre-dawn raid by immigration officials on Wednesday, they had lived a life in which they were locked up and guarded each night and threatened with harm or death if they tried to escape. Federal officials said that the workers' children were often held hostage to insure that the parents would continue stitching together American brand-name clothes. Sometimes, the officials said, the workers were little more than children themselves.

The workers were burdened with inflated debts they could never repay, mostly for their transportation to this country, officials said. The laborers were often bused from the airport directly to the compound and, upon arrival, stripped of their possessions. They were put to work immediately, laboring long days at wages about half the Federal minimum wage.

Late this afternoon six people were accused in a Federal indictment of abusing workers they had lured to the United States from Thailand. The six people indicted were: Suneo Manasulangkoon, Tavee Uvawas, Sunton Rawungchaisung, Rampa Suthaprasit, Suporn Verayunilai, Seree Granjapiree, Hong Wangdee and Thanee Panthong.

In an affidavit to the jury, Philip L. Bonner, an investigator for the Immigration and Naturalization Service, said that one of the people detained at the compound, Bubpha Rhangmak, told him that about a year ago two people who tried to escape were severely beaten and then sent back to Thailand. He said another detainee told him that the operators of the compound routinely abused the workers and told them that if they escaped he would "go to their hometowns in Thailand to burn their houses down."

Lucas Guttentag, director of the American Civil Liberties Union's National Immigrants Rights Project, said: "This is as bad as any incident that I have heard of, espe-

cially in terms of the amount of time the immigrants were locked up."

He added: "This should make people realize how immigrants are exploited. But I'm afraid that this kind of thing is going to grow given the increasing sense of vulnerability of immigrants."

Under Federal law, involuntary servitude occurs when a worker is compelled, by whatever means, to work at a job he or she does not want. If the worker is forced to work off a debt to his employer, the offense becomes peonage. The size of the debt does not matter, and it also makes no difference whether the worker initially agreed to take the job, or whether he was paid.

At a news conference today, Victoria Bradshaw, the California State Labor Commissioner who supervised the search, said garments found at the site included labels from such retailers as Macy's, Hecht's and Filene's (Boston). There was no evidence that these retailers knew that their garments were sewn by workers at this compound or that they were aware of the conditions at the site. And none of the retailers has been charged.

"Perhaps some of the clothes we are wearing now might have been made at this location," Ms. Bradshaw said.

James Hahn, an lawyer in the City Attorney's office in Los Angeles, called the detention of the workers "outrageous" conduct, adding that "our intention is to get convictions. We expect to get six months per incident, and when you add up 64 incidents, you could easily add that up to 30 years."

Today, several people in the neighborhood surrounding the factory said they had no idea the compound was filled with workers being held against their wills.

"I thought nothing of it," said Blanca Garcia, 26, who lives around the corner from the complex. "We would walk by and the people inside would smile. Four or five of them would be singing. They didn't look mad at all."

"One time," she said, "my dog ran through the gate and they chased it out for me and then said, 'Sorry.'"

Ms. Garcia said that occasionally she heard the whirring of sewing machines in the complex's garage and saw people working there, but she assumed they were taking garments home to be finished at night.

"They really pulled it off well," she said. "If you passed by here, you wouldn't have thought they had a business going on inside. It looks so clean."

Next door to the compound, at Rolling Homes Manor, a mobile

home park, Chuck Lieder, the manager, said that the people were quiet, and that he did not suspect a thing.

"I figured slavery went out years ago," said Mr. Lieder.

In retrospect, he said, a lot of the goings on now make sense. He now suspects that the men seated at all hours under an umbrella in the driveway of the compound were actually guards who would not allow anyone to approach the wall and escape.

"They wouldn't let anybody get close enough to the wall to talk to them."

Mr. Lieder said that he often caught glimpses of the residents, but nothing struck him as unusual.

"You would see them when they hung their cloths on the banister. And in the evening you would see them with their garage open waiting for the trucks to come, or eating a meal."

Along the front of the compound here in El Monte, a suburb about 12 miles east of downtown Los Angeles, is a five-foot high gate; windows along the rear of the unit are covered with thick iron bars. Elsewhere, windows on the second floor are blocked by plywood sheets nailed from the inside. The entire complex is surrounded by rolls of barbed wire or a six-foot high brick wall topped by metal-spikes.

Joe Bautistia, 61, who said he frequently visited his daughter's home across the street from the compound, said he never thought of the security surrounding the building as unusual.

"It never really dawned on me," Mr. Bautistia said. "I thought that the barbed wire was a precaution against crime in the area."

## Father of slain student ponders seeking charge against Hamas leader

By Ben Barber  
THE WASHINGTON TIMES

The father of an American college student killed in a terrorist attack in Gaza in April may ask the State Department to prosecute detained Palestinian Hamas leader Mousa Abu Marzuk for his daughter's death.

"I thought of doing it last night," Stephen Flatow told The Washington Times yesterday. "I might reach out to the State Department or FBI or Justice and say, 'Was this guy involved in Alisa's murder?'"

Under a 1986 law dubbed the "long-arm statute," U.S. lawmen can seize terrorists overseas for crimes committed anywhere in the world against U.S. citizens and

bring them to the United States for prosecution.

Mr. Abu Marzuk was detained at New York's Kennedy Airport last week after his name was discovered on a watch list of suspected terrorists.

His attorney, Stanley Cohen, said Mr. Abu Marzuk was a political leader of the Hamas Palestinian movement and is not responsible for terrorism.

Hamas has two faces. One part operates clinics and social services, but the other launches terrorist attacks including suicide bombings against Israelis.

Hamas, or the Islamic Resistance Movement, killed 55 Israelis in 1994 and wounded more than 150, according to the 1994 State

Department report "Patterns of Global Terrorism."

Israel this week initiated a request for extradition of Mr. Abu Marzuk by sending the State Department a letter detailing charges against him. He is accused of being one of the founders of Hamas in 1989 and of responsibility for establishing a policy of murder and terrorism as well as raising money for weapons and terror attacks.

The Immigration and Naturalization Service held an exclusionary hearing Wednesday to determine whether to admit, expel or hold Mr. Abu Marzuk. The court rejected Mr. Abu Marzuk's offer to leave the United States so long as he was not sent to Israel and set a

new hearing for next Tuesday.

Mr. Abu Marzuk, 45, lived in Northern Virginia for 14 years but was in the process of moving his wife and three sons to Brooklyn.

Mr. Flatow said his daughter was killed while traveling to a Jewish resort in the Gaza Strip to spend the Passover holiday. He said President Clinton sent an FBI team to investigate but they were denied permission to participate in the case by the Palestinian Authority.

Spokesmen for both the FBI and the Justice Department declined to answer questions on the case, saying they could not comment on an ongoing investigation.

Mr. Flatow said Islamic Jihad claimed responsibility for the at-

tack that killed Alisa, a 20-year-old student at Brandeis University. A separate attack the same day was claimed by Hamas.

"After my daughter's death, it seemed like a scene out of the movie 'Casablanca,'" said Mr. Flatow, recalling a wave of arrests carried out by the Palestinian Authority against suspected militants.

"They rounded up the usual suspects and in a week let them all go. On the Palestinian side there is no inclination for justice," he said.

A spokesman for Yasser Arafat, head of the Palestinian Authority, has asked the United States to release Mr. Abu Marzuk, who was described as "brother."

Abu Mohammed Mustafa, Hamas' representative in Syria, said U.S. interests would be negatively affected if the United States extradited Mr. Abu Marzuk to Israel, Reuters reported.

"We have been keen not to harm the U.S. interests or the American people in Palestine and outside it because we are limiting our battle against the Israeli occupiers. We wish and hope that we will not be forced to change this policy," Mr. Mustafa said.

"We wish and hope President Clinton will not submit to the Israeli demands because if, God forbid, Dr. Abu Marzuk was handed over to Israel, this will have big negative effects on America's interests in the region and the Islamic world."

THE NEW YORK TIMES MONDAY JANUARY 15, 1996

# In Small-Town Texas, the Sewing Stops

By SAM HOWE VERHOVEK

GRANGER, Tex. — Pale green and beige sewing machines line the floor, seven neat rows of ghosts at the Ca-Ce-Len Manufacturing Company, a two-room garment factory in this small farm town in central Texas. The factory, set inside a white-washed brick building on Granger's main street, closed last month, depriving 50 longtime workers of jobs that paid \$5 to \$8 an hour and marking one more small shift in how and where Americans' clothes are made.

"Now I know how the fellow who made buggy whips must have felt," said the company's owner, Douglas Benad, gesturing at the sewing machines, which used to stitch clothing as diverse as bathing suits and blazers but are now for sale and likely to wind up in factories in Mexico or Central America. "This place is kind of a dinosaur."

Little more than a decade ago, more than 500 rural towns in Texas, and hundreds of others in the South and Middle West, had contract garment factories like Ca-Ce-Len, which took its name from three local women (Carolyn, Cecilia and Lendy).

Such factories put together clothes for big American retailers and typically received a set amount for each piece — as little as 46 cents for running shorts that might have sold in the stores for a few dollars, Mr. Benad's wife, Mary, said, and as much as \$20 for blazers that retailed for \$300.

But today in Texas, barely two dozen of the small-town factories hang on, the others squeezed out of the market by a range of things — foreign competition, the removal of tariffs on apparel made overseas, a surge in illegal sweatshops and home-sewing operations in this country.

The economics behind the changes are not complex. "If you own a business and you could get a product made for a bowl of rice a day, or you could pay someone \$6 an hour, what would you choose?" Mr. Benad said.

Indeed, the enigma is that a few places like Ca-Ce-Len managed to hold on at all into the 1990's, and the same is true for many of the towns themselves. Granger seems a place out of time, a hamlet off farm roads 45 miles northeast of Austin where many people still speak Czech, the language of many of the town's settlers. Granger, population 1,250, is home to the last Czech-language weekly paper in Texas.

But the number of garment industry survivors is clearly dwindling, said Joe Allen, a retired manufacturer in the Dallas area who used to do business with Ca-Ce-Len and dozens of other Texas factories. He is now a volunteer organizer of a union-backed program to get the Federal Government to enforce laws on wages and working conditions in the illegal factories and home-sewing operations in the Dallas-Fort Worth area.

The Labor Department has conducted a handful of highly publicized raids on illegal garment factories, most notably a factory in Los Angeles where severely underpaid Thai immigrants were found last year to be turning out clothing stamped "Made in the U.S.A." under conditions reminiscent of slavery.

## Competition, some of it illegal, is killing part of the garment industry.

But Mr. Allen and other garment manufacturers said the problem is so widespread and the Labor Department so short of inspectors that most legitimate American apparel manufacturers, paying the minimum wage or more and subject to taxes and safety standards, are simply unable to compete.

Home-sewing operations, large among immigrants in the Dallas area, amount to "a sweatshop in living room," Mr. Allen said — they are piecework operations paying rates that cannot possibly result in minimum wage, and many of the workers are in the country illegally.

"A lot of us hung on too long thinking that the wage-an-hour people in the Department of Labor would come in and enforce the law," Mr. Allen said. "But instead there's been a little lip service and they've basically ignored it."

Labor Secretary Robert B. Reich has said that enforcement of the laws is a major priority of the Labor Department. Last month Mr. Reich released the department's "Trendsetter List" of about three dozen national retailers and manufacturers that had made "meaningful efforts to eradicate sweatshops in the U.S." by

dealing only with legitimate factories here and abroad.

But for many of the longtime workers at the Granger factory, most of them women, and for Mr. and Mrs. Benad, all such efforts come too late. And many concede that the factory may have been doomed anyway by changes in the global economy — changes that are not at all welcome here.

"With NAFTA, I thought the idea was that they would get some of the work, and we would get some of the work, and everybody would be able to buy everybody else's stuff," said Gladys W. Jones, a 59-year-old supervisor at Ca-Ce-Len who worked 18 years at the factory until its closing in December. "It sure hasn't happened that way, as far as I can tell."

She was referring to the North American Free Trade Agreement, which removed many tariff and trade barriers to Mexican products and which many here directly blame for the collapse of the region's garment manufacturing industry. Others say the problem can be traced to Dallas and Houston, where labor inspectors have found several illegal apparel operations in which Southeast Asian immigrants are paid less than the minimum wage.

CONT FROM 17

In any event, not one of the 50 workers from Ca-Ce-Len has found a permanent job, Mr. Benad said. Ms. Jones said she had been seeking work at nursing homes, hoping to find a job caring for older people. "I can't think of too much of anything else I could do, really," she said.

Others seem daunted by the prospect of gaining a new set of skills but intend to try anyway. "I'm looking for some way to learn about word processing, Lotus, computers, something like that," said Linda McFarlin, a 41-year-old mother of two young girls who worked for 16 years at Ca-Ce-Len. "That's the wave of the future, I guess."

Mrs. McFarlin, whose husband, Tommy, is a maintenance worker in the local cemetery, said she had gone to the State Labor Department to see if she could qualify for some training money on the theory that her job had been eliminated because of NAFTA. But officials there said that contention would be difficult to prove. She is now collecting \$131 a week in unemployment, less than half her wage at the sewing factory.

A deep sense of bitterness lingers in Granger, though no one knows exactly whom to blame. And Patrick J. Buchanan, the one Presidential

candidate who is focusing on the issue of reviving tariffs and eliminating the free-trade agreements that people here blame for their plight, does not seem to have any foothold.

"He's just too far out," Mr. Benad said of Mr. Buchanan. "I'm not any big fan of Ross Perot, but he sure was right about one thing — that giant sucking sound you hear it around here."

Mr. Benad, whose factory did work for big American retailers like J. C. Penney and Sears, said he could remember a time when most of the

towns in the area, including nearby Taylor and Bartlett, had some kind of small clothing factory. These factories were often vital parts of the local economy; most of their employees were women, and even part-time wages could provide an important part of the family income.

"That was our middle class," he said. "The big thing now is high tech, but there's not a lot of it in a town like this. You see people working with high-tech scanners at the grocery store. That's about the only high tech you see around here."

San Francisco, CA  
 (San Francisco Co.)  
 Hokubei Mainichi  
 (Cir. 5xW. 8,500)

DEC 20 1995

Allen's P.C. 8

## ALC, U.S. Attorney Help Workers Get Unpaid Wages

The San Francisco-based Asian Law Caucus and U.S. Attorney Michael Yamaguchi were involved in a fraud and wage violation lawsuit that resulted in 55 construction workers receiving back wages from monies recovered in a \$1.1 million settlement with a contractor.

The checks were scheduled to be presented on Dec. 20 at the Federal Building in San Francisco, ending a two-year battle by ALC and federal agencies to recover unpaid wages from Unicon Construction, which had paid some of its workers wages that were far below the federally mandated standard for work on a federally funded housing project in Richmond.

In December 1993, ALC filed a lawsuit against Unicon to recover wages for a group of 38 mostly Chinese and Vietnamese construction workers. Prevailing wage laws required Unicon to pay from \$19 to \$40.98 per hour, depending on the craft. For example, instead of receiving the prevailing wage rate of \$28 to \$37.10 per hour, carpenters and plumbers from this group received only \$9 to \$16 per hour.

According to ALC, Unicon attempted to hide its violations

from the federal government by submitting falsified payroll records and coercing workers to lie about their wages to Richmond Housing Authority inspectors.

Because of the misrepresentation, ALC also sued Unicon under the False Claims Act on behalf of the U.S. for damages and civil penalties. In addition, ALC sued on behalf of four Chinese workers who were wrongfully terminated when they demanded to be paid their prevailing wages.

"The situation that these workers faced is similar to the situations faced by many immigrant workers in the exploitative sweatshop conditions found within the garment and restaurant industries," said ALC attorney Lora Jo Foo. "The contractors in this case considered its workforce to be exploitable and expendable commodities, hiring them at one-third of the wage they were entitled to and firing them if they exerted their rights."

In July 1994, upon the urging of Yamaguchi, the U.S. Department of Justice intervened in the case and joined the ALC in prosecuting the case. After the DOJ investigation, the parties submitted the matter to mediation. In June 1995, a settlement was

reached and Unicon agreed to pay \$1.1 million to resolve all claims in the complaint.

"We are very glad that we have recovered this large sum from the contractor," said Foo. "We hope that this sends out a very clear message to contractors that wage violations of this nature are extremely costly in the long run."

"We commend U.S. Attorney Yamaguchi, the Department of Justice and the Housing and Urban Development (Department) for having the foresight in intervening in this case. The government's aggressiveness in prosecuting cases of this nature will only serve as a deterrent to future fraud and wage violations. We also applaud the Department of Labor's efforts in collaborating with the caucus in investigating this case and bringing it to a successful conclusion."

ALC, which has a long history in representing workers' rights, is currently involved in the case of 70 Thai garment workers in El Monte who were forced to work for extended hours for no wages under prison-like conditions. ALC is also a founding member of Sweatshop Watch, a coalition of organizations dedicated to eradicating sweatshop conditions.

# Fruits of Their Labor



XIANG XING ZHOU/Daily Journal

**F**ollowing two years of litigation brought by the Asian Law Caucus and federal agencies, construction workers on Wednesday received back wages as part of a \$1.1 million settlement in a fraud and wage violations suit against Unicorn Construction. The plaintiffs charged that the Oakland-based contractor intentionally paid some of its workers wages below the federally mandated prevailing rate for their work on a housing project in Richmond.

Standing beside the three unidentified construction workers displaying their checks is Asian Law Caucus attorney Lora Jo Foo. Behind them are William Bund of the Department of Labor, left; U.S. Attorney Michael Yamaguchi; and Art Agnos, the former San Francisco mayor who is with the Housing and Urban Development Department.

*Daily Journal 12/21/95*

### Z guilty of selling phony antiques

in San Francisco and Shanghai.  
The FBI began investigating the case early in 1994, when Mei and Thai attempted to sell pieces to the Asian Art Museum in San Francisco.

The defendants were indicted in August 1993. Named with them was Gwei Kiat, Mei's father, who is currently a fugitive in Malaysia.

According to Yamaguchi, Mei and Thai attempted to interest the world's leading art auction houses — Christie's, Sotheby's and Butterfield — in offering the fraudulent pieces.

Tow, senior vice president for Asian art with Christie's in New York, traveled to Malacca, Malaysia, to examine the collection of some 2,000 art objects purportedly from the Ming and Yuan dynasties. He concluded that they were fakes.

In addition to Tow, expert witnesses testifying were Clarence Shambrew, chief curator emeritus and deputy director of the Asian Art Museum; and Dorvan Stoneham, a professor at Britain's Oxford University, who is the West's foremost authority on Chinese porcelain.

Tow and Shambrew concluded that the 43 items entered into evidence could not be originals, based on the design, color, glass and type of materials used.

Mei and Thai's defense in the monthlong trial was that they were simply sales agents for Gwei Kiat and went about their business in good faith.

Judge Marilyn Hall Patel revoked bail for both defendants midway through the trial, on the grounds that they were flight risks. Their sentencing is set for March 4.

Yamaguchi said that given the size of the collection viewed by Tow — and by one San Francisco art dealer and one of the victims in the case — prosecutors feared "these items are being sold to Chinese people and museums all over the world."

Steve Shacter, Yamaguchi's top assistant, told the news "apparently have emotional value beyond their dollar value" in Chinese society because of their ancient ancestry. China places such a high premium on old, first-rate porcelain pieces that "they are non-negotiable. If these had been authentic, taking them out of China today would be a serious criminal violation."

# HUD Contractor Gives \$368,000 in Back Pay

By Rick DelVecchio  
Chronicle East Bay Bureau

A group of mostly Asian construction workers in the East Bay collected \$368,000 in back pay yesterday, ending what advocates called an unusually brazen wage rip-off of laborers involving federal funds.

One worker, who was underpaid for 18 months, received a check for \$50,000.

The payments were announced during a San Francisco news conference held by officials from the U.S. departments of Labor, Justice, and Housing and Urban Development.

According to federal investiga-

tors and advocates for the workers, two Oakland-based construction firms paid the victims only a third of what they were owed.

All but five of the 38 victims were Chinese or Vietnamese; the others were black or Caucasian. In general, investigators said, the firms did not attempt to exploit workers who belonged to other ethnic groups.

The pay discrepancies were revealed in 1993 when four Chinese workers contacted the Asian Law Caucus, a legal advocacy group. The Asian Law Caucus filed a suit leading to yesterday's settlement with the construction firms. Uni-

HUD: Page A28 Col. 1

## HUD

From Page A25

con Construction Corp. and Intercon Construction Co. The companies had separate corporate structures but were run by the same three people: Don Y.F. Lee, Stuart K. Lee and Fsi-Yu Chu.

In addition to paying full back wages to the workers, the companies will pay about \$500,000 in penalties to HUD.

Assistant U.S. Attorney General Frank Unger said the companies were accused of violating federal statutes that require construction firms working under federal contract to pay craftspeople, such as laborers, carpenters, or plumbers, the prevailing industry rate.

Those rates were built into Union's contract with HUD to renovate a low-income housing site in Richmond called Easter Hill Village. But it was alleged that Chinese and Vietnamese workers were paid \$9 to \$16 per hour at a time when the mandated rates ranged from \$16 to \$40 per hour.

Art Agnos, HUD's regional secretary, yesterday called it an "odious irony" that vulnerable employees were exploited while they were working to improve low-income housing.

Fearing that other employers in the industry might deny them jobs, the four workers who brought the original complaints did not appear at a news conference where others ceremoniously collected their back pay.

SF Chronicle  
12/21/95

... and extremely valuable ... Kief's collection and brought some ... Sentencing is set for March 6.

SF EXAMINER 12/21/95

# Companies fined for underpaying

By Kathleen Sullivan  
OF THE EXAMINER STAFF

Four Chinese immigrant construction workers who blew the whistle on an Oakland contracting firm that cheated them out of their wages have received back pay and a share of the \$500,000 in federal penalties levied against the company.

They also won back pay for 51 other former employees of Unicon Construction Corp. and two subcontracting firms, under a \$1.1 million out-of-court settlement announced Wednesday in San Francisco by three federal agencies and the Asian Law Caucus.

Federal investigators found that the 56 employees, most of whom are Asian immigrants, had not received the prevailing wage rate or overtime pay while they renovated a low-income housing complex in Richmond from late 1982 to early 1984.

Unicon, which has been barred from receiving federal contracts for three years, did not return calls Wednesday.

Because the \$2.7 million renovation project was funded by the federal Department of Housing

and Urban Development, the company was required to pay prevailing wages. Those ranged from \$25 an hour including benefits for laborers to \$41 an hour for sheet metal workers, said Lora Jo Foo, an attorney at the Asian Law Caucus, a nonprofit civil rights group based in San Francisco.

Instead, Unicon paid its Asian workers \$7 to \$16 an hour, Foo said. Unicon also told its employees to lie to field inspectors if questioned about their wages and hours.

Each morning, Foo said, Unicon passed out tiny wooden tiles imprinted with the job title and the prevailing wage rate in Chinese, so employees would know what to say. She said the company had also submitted falsified payroll records.

Foo said the company had intended to pay their African American and Latino workers the prevailing wage rate, but had miscalculated the amount and underpaid them as well.

In 1983, the Asian Law Caucus sued Unicon and a related company, Lytcon Construction Co., on behalf of 39 employees. The federal Justice Department joined the suit in 1984.

El Monte

ce: 12-6-95

# The New York Times

Page: \_\_\_\_\_  
Column: \_\_\_\_\_

THE NEW YORK TIMES WEDNESDAY DECEMBER 6, 1995

## U.S. Lists Retailers That Shun Goods From Exploited Workers

*P. 23*  
By Bloomberg Bureau News

WASHINGTON, Dec. 5 — The Labor Department today issued a list of 31 clothing retailers that make sure they do not buy goods made by exploited workers.

The department said those on the list complied with United States labor laws and monitored the work practices of the contractors from which they buy clothing.

"These trendsetters take that critical extra step — beyond making sure the hemlines are straight and the buttonholes are finished — when delivering their garments to American consumers," said the Labor Secretary, Robert B. Reich. "They make sure — by monitoring their contractors — that the sweat of exploited workers is not part of a garment's design."

The list, however, perplexed the retail industry. Tracy Mullin, president of the National Retail Federation, said she found the selection confusing. "Surely, there are more retailers complying with the law," she said.

Ms. Mullin said her group had been aggressive about getting retailers to sign a statement of principles, vowing to work against sweatshops. In the last month, this list has doubled to 200 retailers, including Sears Roebuck & Company, the J. C. Penney Company and Federated Department Stores Inc.

These 200 companies "are doing business exactly the way" the 31 companies on the Labor Department

list are doing business, Ms. Mullin said.

The Limited Inc., Carson Pirie Scott & Company and Baby Superstore Inc. were among the group of 31. Fourteen of the 31 were units of the Limited, one of the largest specialty retailers in the United States. Those units were Limited, Express, Structure, Limited Too, Victoria's Secret, Abercrombie & Fitch, Clique, Bath & Body Works, Henri Bendel, Lane Bryant, Lerner New York, Penhaligon's, Galyans Trading and Mast Industries.

Designer labels offered by Liz Claiborne Inc. were also on the list, including its namesake, Elisabeth, and Dana Buchman. Guess Inc., Lands' End Inc., Levi Strauss & Company and Nordstrom Inc. were also recognized by Mr. Reich. And the designer Nicole Miller, known for her colorful prints and men's ties, made the list.

Other companies that made the list were Bergner's, Boston Store, Brylane Inc., Gerber Childrenswear, Jessica McClintock, Patagonia and Superior Surgical Manufacturing.

Mr. Reich has been cracking down on work-condition violators since state and Federal authorities raided seven apartments last summer in a building in El Monte, Calif., where 72 workers from Thailand were toiling in deplorable conditions in a makeshift factory.



## ENFORCEMENT

\* { INS Bangkok reported that the U.S. Embassy, Thailand has received DOS/DOJ requests for the provisional arrest of two principals in the El Monte Sweatshop case in Los Angeles. The U.S. embassy relayed a diplomatic note to the Thai Foreign Ministry requesting the provisional arrest of the subjects. Two INS Los Angeles special agents and three Assistant United States Attorneys will interview 13 former sweatshop workers in Bangkok for consideration of designating the workers as material witnesses. INS Bangkok and INS Los Angeles special agents will follow-up on investigative leads relating to possible undetected co-conspirators.

INS Bangkok reported that several Thai nationals ordered extradited to the United States by the Thai lower courts remain in custody awaiting the decision of the Thai appeals courts on a precedent setting case involving the extradition of a former Thai member of parliament to the United States for drug trafficking. DEA Bangkok has approximately 10 cases hanging on the outcome of the precedent case, while INS Bangkok has three cases along with four cases not yet arrested.

INS Bangkok BET has received information from an informant that relatives of the alleged organizer of the Golden Venture alien smuggling case have traveled to Bangkok from Taiwan in order to bribe police officers responsible for transporting Char Lee to court appearances in return for his "escape" for a fee of 800,000 USD. The BET passed this information to the U.S. Consul General who met with the Thai Attorney General to advise him of the possible bribery attempt. The Charge d'Affaires has made it known to officials at the highest level of the Thai Government that any unexplained loss of the subject would bring a great deal of embarrassment to the Thai Government.

INS Seoul has received information from the U.S. Embassy Consular Section, Anti-Fraud Unit of a large scale fraud scheme operating between Korea and Los Angeles. On the U.S. side a fictitious school "Belmont College Preparatory School" is being used to obtain Student Visas (F-1). Once the students arrive in the United States they apply to change to a legitimate school, usually a public school. Students have also entered the United States on tourist visas (B-2) and then obtained a fraudulent I-20 form from "Belmont" to apply for Change of Status. It is unknown whether this scheme involves other nationalities within the region.

INS Tegucigalpa passed information to Honduran authorities which resulted in the arrest of eight Peruvian nationals and four courier/smugglers in Choluteca, Honduras en route to the United States. One of the smugglers was a Honduran Customs official.

## OVERSEAS DETERRENCE

INS Manila and the U.S. Embassy Anti-Fraud Unit have joined consular and immigration officers from other foreign embassies in Manila to coordinate a two-week interdiction operation at Ninoy Aquino International Airport. For the last several months these embassy representatives have attempted to get better cooperation from airline, security, and immigration officials on the interdiction of mala fide travelers passing through the airport. The group met with the Philippine Immigration Commissioner who stated that he will again shuffle his inspectors from the airport to dispel rumors of corruption. The Commissioner is trying to get computerization at the airport in addition to appointing an officer as a contact person for foreign embassy representatives to deal with on specific cases or problems. The Commissioner also wants to revise Philippine entry and departure stamps due to past counterfeiting of these stamps.

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# United States Senate

COMMITTEE ON THE JUDICIARY  
WASHINGTON, DC 20510-6275

January 24, 1996

The Honorable Janet Reno  
Attorney General  
United States Department of Justice  
Washington, D.C. 20530

RE: Proposed Amendments to Involuntary Servitude Statutes

Dear Attorney General Reno:

I am writing to seek the views of the Department of Justice regarding an amendment I may offer to the pending Immigration Reform bill (S. 269) to increase the penalties for violations of involuntary servitude laws.

*even higher?*

S. 269 currently contains provisions increasing the criminal penalties for alien smuggling. However, the bill contains no provisions relating to involuntary servitude and related slave trade offenses (18 United States Code, Sections 1581-1588). Alien smuggling and involuntary servitude frequently go hand in hand, as victims are smuggled into the United States and then forced to work in sweatshop conditions amounting to involuntary servitude in order to pay off their massive debts. The recent slavery cases in Los Angeles and New York City have called dramatic attention to this serious problem.

Under current law, penalties under the involuntary servitude statutes range from two to five years. It is my understanding that a number of United States Attorneys' offices have bypassed these statutes in prosecuting involuntary servitude cases because the penalty provisions are inadequate. Instead, prosecutors charge crimes such as kidnaping that authorize lengthier punishment but which may not comfortably fit the facts of the case. This problem would be exacerbated if the penalties for alien smuggling are increased but those for involuntary servitude are not.

The amendment I am considering would raise the maximum penalty for involuntary servitude to ten years. In addition, it would direct the Sentencing Commission to review the current guidelines applicable to these offenses and amend them if necessary to reflect the increased maximum penalty.

My staff has discussed this matter informally with the Civil Rights Division and the Office of Legislative Affairs, but I would appreciate official guidance from the Department on the appropriateness of this proposal. I have also sought the views of the Sentencing Commission.

It is my current understanding that the full Committee markup of the bill will take place in mid to late February, although this date is subject to change. I would therefore appreciate the Department's views on this proposal at your earliest convenience.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Kennedy", written in a cursive style.

Edward M. Kennedy

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The New York Times

May 29, 1995, Monday, Late Edition - Final

SECTION: Section 1; Page 23; Column 2; Metropolitan Desk

LENGTH: 1706 words

HEADLINE: Garment Shop With a Grand Vision;  
In Queens Factory, Workers Are as Important as the Product

BYLINE: By JOE SEXTON

BODY:

The women come to the squat brick factory in Queens from apartments in Jackson Heights and Corona, arriving by city bus before morning has fully broken. Their backs and legs aching, but willing, they come wearing saris or carrying merengue tapes.

Among them, Luz Lopez treks through the half-light to Sequins International in Woodside. She came to New York with her father from Colombia in 1969, and she has spent much of her life since working in one factory or another.

"I have been in factories in this city that were dark and awful, places where there were bosses everywhere staring, places where they timed how long you were in the bathroom," Ms. Lopez said. "Now, my daughter asks why her mom is smiling at 6 in the morning as she goes to work."

Indeed, the stereotypical scenes of garment factory life do not exist inside the front doors of Sequins International, a third-generation textile shop that makes novelty apparel and employs roughly 350 workers.

A classroom for English courses has been constructed next to the lunchroom on the second floor of the 85,000-square-foot plant, and instruction goes on during work hours. Committees of workers are present at most major management meetings. Many of the machines that produce the tiny plastic sequins have been redesigned to ease the threat of physical injury. A social worker provided by the union has been called in to help many of the women confront the problem of domestic violence. Instead of endlessly performing one task, the women work in teams, alternating assignments, expanding their skills and limiting isolation.

And mixing with the dominant tongues of English, Spanish and Hindi is the sometimes awkwardly ornate language of management theory. Amid the thump and whirl of decades-old machinery, the talk is not of oppression or strikes, but of "worker empowerment," "investment in human resources" and a "self-directed workplace."

"It doesn't feel like a factory," said Ms. Lopez, a former shop floor worker at Sequins who is now a middle-level manager. "It feels good. It feels like the future."

The familiar portrait of garment and textile manufacturing in the city is one of a dying or scandal-plagued industry: companies departing to pursue cheap labor in other states or overseas; sweatshops exploiting workers, some of them

The New York Times, May 29, 1995

children. The gospel for survival is to cut costs -- in any way, at every turn.

But there are exceptions -- factory shops that have concluded that operating a legal, efficient and humane workplace does not mean economic suicide. In these shops, unions can be partners, the city and its assets of brainpower and governmental economic development funds can be resources, and the immigrant workers can be treated as valuable components in any equation for success.

The president of Sequins International, Lawrence Gladstone, said his shop is one of those exceptions. Mr. Gladstone, whose grandfather founded the business on 36th Street and Eighth Avenue in Manhattan in 1941, said his strategy derived more from economic sense than an abundance of altruism.

Facing competition from China and India -- "In China, there are 500,000 women and children with needle and thread and sequins," he likes to say -- Mr. Gladstone said that product quality, not inexpensive labor, was critical to enduring profitability.

Indeed, Mr. Gladstone, 31, has bet the future of his \$30 million-a-year business, one that produces roughly 1 million yards of sequins annually, on the following formula: Educated, healthy workers who are not limited to single-task, assembly-line routines will produce better goods with less waste, allowing him to both cut costs and charge more. He thinks the workers will return his trust and civility with greater commitment, and he projects that he will be able to run a shop soon in which each worker accounts for \$100,000 in annual sales. In the year since he began his initiatives, production efficiency, he said, has improved by 80 percent.

"The typical picture of small-scale American manufacturing will make you cry," said Moreno Tagliapietra, a consultant from the Center for Economic Development at La Guardia Community College who has advised management at Sequins. "The people at Sequins have chosen a completely different alternative to traditional management. They don't follow the rules."

Mr. Gladstone, who said he read more than 100 books on management theory before taking over from his father in 1993, has taken advantage of financial grants from the garment workers union and money from the state and city economic development corporations. He has hired Mr. Tagliapietra, part of whose fee is paid by the state, to help with his organization. He has allowed Mount Sinai Hospital to use his workers for a study on repetitive strain injuries.

"This was never an abusive shop where workers were exploited," Mr. Gladstone said. "But it operated with a whip-and-stick approach, with supervisors and bean counters. The human beings were broken down. We decided to work on the social system of the factory."

The project has had its moments of both epiphany and profound hurt. Workers who had suffered the embarrassment of having their own children correct their grammar have been thrilled by the chance at learning English, and shocked that they would be allowed to do it during their work shifts. Others who had their shoulders and wrists wrecked by years of operating the same machinery -- one woman who turned a spooling crank for years fantasized that she suffered from bone cancer -- wept when they were offered medical help and assured that their repetitive strain injuries were treatable.

The New York Times, May 29, 1995

"It was death," said Ana Valencia, a mother of two who spent half a dozen years operating a spooling machine at Sequins. "It was like grinding coffee all day long. I wanted to throw parts of my body away."

But a reduction in staffing also resulted from the reconfiguring of the factory and its operation. About 80 workers were let go last year, leading to a certain level of suspicion among the remaining workers about the eventual impact of all the grand management talk. As well, many of the women -- most are from Colombia or the Dominican Republic and some are from India and Bangladesh -- found themselves strangely intimidated by the demand that they become more involved in the strategies and conditions of the factory.

"I thought I couldn't do it, the different techniques, the different jobs," said Cassandra Vassell, a native of Jamaica who has worked at Sequins for 25 years. "But I did. I feel responsible. The atmosphere is good. But I know some of the girls are worried that they will not be able to do everything they want us to."

Jean Robert Paul, a Haitian immigrant who has been at Sequins for 18 years, is less reserved.

"You get hooked on it," he said of the added responsibility and sense of power. "This is, like, colossal. There are not enough words."

The scene inside Sequins is a mix of noisy productivity and conviviality, with senior management officials walking the shop floor, consulting with union-provided teachers and talking on a first-name basis with the women who chop sequins from strips of plastic or who operate the giant crocheting machines that attach the sequins onto fabric. Pete Meyer, a supervisor at the factory for 28 years, wears a patch on his shirt that reads: "Cultural Champion."

Workers, whose single-task focus almost never required them to speak with anyone during the course of their day, now have to read orders, resolve problems and coordinate work, and they sometimes manage the skill and courage to do it while speaking their imperfect but precious English. In the classroom, a carpeted room that will soon be equipped with a computer, Dominican women who might not have ever shared a lunch table with their Indian co-workers, share tables and laughter.

In fact, for the more advanced English students, the first assignment was to begin to write their personal work stories, and thus compiling a history of the factory itself. They interviewed Mr. Gladstone's father, questioned their colleagues and put pen to paper. Some of the modest, abbreviated personal histories hang on the walls of the classroom.

One begins: "I came to this country in 1967. Six months later I came to work for Sequins. Everything for me was new and hard because everything in my country, Puerto Rico, was different. I don't have responsibility, just go to school and help my grandmother in the house. One year after I got married with a wonderful man, my husband until today. We have three children. Two girls and one boy. Two of them got married. And I have four grandsons. All of my family is here in New York. I now have to learn more English. I am not satisfied."

Officials with the International Ladies Garment Workers Union, while reserving final judgment on just how much power Mr. Gladstone is willing to

The New York Times, May 29, 1995

turn over to his workers, said they were impressed by the scope of management's investment. "Have I heard of this being done elsewhere?" asked Tracy Gross, the union's educational director. "Yeah, at G.M. or some other giant outfits with great resources. In the garment industry? No."

Mae Ngai, an official with the Consortium for Worker Education, a nonprofit organization involving 31 labor unions, has helped put together the management plan at Sequins. Ms. Ngai noted with a smile that the workers who find themselves at meetings with company executives are often too shy to say much.

"Look, we have been in places where we had to fight for the money to get chalk," Ms. Ngai said. "The workers at Sequins probably don't know what it all means. But they are going down a road and are happy with it."

That happiness surfaces five mornings a week in the smile that so bewilders Luz Lopez's daughter. Ms. Lopez, who acts as confidante and representative and mediator for the workers, has taken on a lot. She has listened as the women have opened up and told her of being abused by husbands and boyfriends.

"I ask myself sometimes how am I going to be able to do this, and I wish I could take some of their pain from them," she said. "In a way, it is too much. But I feel like I was born to do it."

GRAPHIC: Photos: Sequins being made at Sequins International in Queens. The company produces one million yards of sequins annually. (Angel Franco/The New York Times) (pg.23); Some of the machines at Sequins International have been redesigned to reduce the strain on workers. This machine adjusts for the height of the worker and gives workers the choice of sitting or standing while working. (Rebecca Cooney for The New York Times) (pg.23); After checking the finished product for imperfections, workers at Sequins International fix them by sewing on sequins using sewing machines. (Rebecca Cooney for The New York Times) (pg. 24)

LANGUAGE: ENGLISH

LOAD-DATE-MDC: May 29, 1995

# Garment Gumshoes

## State, U.S. Agents to Step Up Hunt for Labor Violations in Booming L.A. Clothing Industry, Despite Accord With Firms

By JOHN M. GLIONNA  
TIMES STAFF WRITER

Overbearing bosses in Los Angeles' garment industry often get hot under the collar when Howard Hernandez tries to look out for the little guy.

Hernandez, along with other investigators for the state Division of Labor Standards Enforcement, is a watchdog for the working poor who toil in garment production warehouses across the city, people for whom a decent wage is more dream than rock-bottom reality—skilled and unskilled laborers often forced to work hours of unpaid overtime under sometimes treacherous conditions.

"These are real people," said the 15-year deputy labor commissioner. "They're fathers, mothers and family breadwinners who work hard for their pay."

Decades after labor reforms supposedly wiped out so-called clothing sweatshops, some garment companies remain throwbacks to another time. Investigators say conditions in many garment factories run from "primitive to god-awful," with cases of bosses locking fire exits and children as young as 13 working nine-hour days.

After local garment manufacturers last month signed an agreement with federal Labor Department officials to begin policing their own industry, Hernandez knew his job was going to be more important than ever. Rather than relax, he and the other investigators are ready to step up enforcement.

Under the new Compliance Alliance, private police hired by manufacturers are to assist government labor investigators by auditing contractors and identifying shops that break laws on minimum wage, overtime pay and child labor.

For Hernandez, the agreement is "like letting a few foxes guard the henhouse."

He is suspicious of this new enforcement arm, worrying that the ranks of the private industry police will include former state and federal labor agents paid to point out legal loopholes, not expose violations.

The concerns are timely: In the last five years, the local garment-making business has tripled to become an \$8-billion-a-year industry—the largest of its kind in the nation. Outstripping even New York City, the industry employs more than 150,000 workers through its manufacturers and contractors.

And as business booms, labor abuse grows along with it.

"In an industry this large, you're going to have problems if you completely abdicate enforcement," said Jose Millan, assistant chief of the California Labor Commission. "You have to stay aggressive with these people. There's just no substitute for that."

The wage investigators are out to protect people such as Luis Diaz, 25. For \$4.25 an hour, the father of two makes his living fashioning women's clothing from spools of cloth for JB America Inc., a South-Central firm supplying such well-known clothing outlets as Sears, Miller's Outpost, Broadway, Mervyn's and Wet Seal.

On Tuesday, Hernandez and a handful of investigators launched a surprise inspection of the windowless factory where Diaz labors, often six days a week. Spawned by a letter from an underpaid employee, the raid was part of a program in which state and federal authorities pool resources to enforce labor laws in the garment and agriculture industries.

The two-hour sting, resulting in \$20,000 in fines for violations including illegal cash payments and unpaid overtime, brought a nervous smile to Diaz's face.

"In the end," he said, motioning to other workers, "it makes things better for us."

Garment makers claim that abuses—while severe—do not occur industrywide.

"Not all manufacturers are hoodlums trying to circumvent the law," said Bernard Lax, president of an industry lobbying group called the Coalition of Apparel Industries in California. "You can't paint the whole industry with the same brush."

More than 90% of 4,000 local garment contractors have staffs of 50 employees or fewer, he said. "Many are ethnic small-businessmen who don't have the resources to stay informed. The enforcement people need to realize that while some shops are knowingly breaking the law, others are ignorant that what they're doing is a crime."

Lobbyists are pushing for a bill to establish guidelines and a licensing program for the industry's new police force. "To make sure these private police know they're working to enforce the law and not for the manufacturers," Lax said.

Meanwhile, labor investigators say they are intensifying efforts.

Under the 3-year-old Targeted Industries Partnership Program, federal, state and local agencies—including the federal Department of Labor, state Division of Labor, Standards Enforcement and state Division of Occupational Safety and

Health—have joined resources to enforce labor laws.

In monthly sweeps, a phalanx of investigators who once worked separately, often overlapping, now share information and investigative results. The routine raids by Hernandez and his fellow investigators are follow-ups to sweeps of suspect shops where federal investigators used undercover agents for surveillance.

Since 1992, investigators have confiscated a warehouse full of merchandise from offending manufacturers—clothes later donated to charity. They have fined

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**'In an industry this large,  
you're going to have  
problems if you completely  
abdicate enforcement.'**

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**JOSE MILLAN**  
*Assistant chief of the California Labor  
Commission*

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garment makers for working with unlicensed contractors, enforcing a little-known 1938 law known as the "hot goods statute," which bars interstate transport of products made at companies violating federal labor laws.

In 1994, investigators conducted about 500 garment industry audits statewide—most of them in Los Angeles—assessing \$4.5 million in penalties and collecting \$2.6 million in unpaid wages. Targeted were such well-known garment-makers as Quicksilver, Guess, Dakota sportswear and Contempo Casuals.

"We're making a difference, we're making a dent," said Hernandez, 44, a father of three from Montebello. "We have to believe that. It keeps us going."

State Labor Commission official Millan said bosses know they can get away with breaking the law because many garment workers are undocumented laborers and other working poor fearful of reporting abuses. And heightened

competition within the industry has inspired bosses to cut corners by ignoring safety and wage laws.

Many smaller shops play a cat-and-mouse game with investigators. Labor agents once closed a plant, only to find that it opened a week later at a new location—but with the same workers.

"You can't blame the laborers," Millan said. "You ask them, 'Why are you still working for these scumbags?' And they tell us, 'Because we need to eat.' We can't allow these people to . . . abuse workers willing to labor at any cost."

Wary of sending a chill through the ranks of undocumented workers, state investigators say they choose to look the other way in enforcing immigration laws for what they call the greater good of improving working conditions.

When asked if he was doing workers any favors by closing down shops that at least offer steady work, Hernandez said he believes his efforts eventually will benefit workers across the board.

At JB America, four investigators—one federal and three state—fanned out across the factory's floor to interview a dozen workers in Spanish about conditions, hours worked and time paid. Using a laptop computer, Hernandez checked workers' stories against those of management, inspecting time cards and other records.

Company Vice President James Moon observed the inspection with a sigh: "This is part of the price of doing business. We don't purposely break rules. Our record is clean."

Not anymore. The firm racked up state fines for having no garment manufacturing registration, maintaining incomplete records and paying employees in cash for Saturday work. There were additional violations for unpaid back pay and added health and safety fines for exposed electrical wires and faulty fire extinguishers.

Hernandez said that when he was young, he and his brothers bought socks and underwear in the garment district. "We . . . couldn't believe how cheaply they could make the stuff," he said. "Now I know how."

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April 18, 1994, Monday

SECTION: Front Page ;Pg. A1

LENGTH: 1924 words

HEADLINE: A HARVEST OF ILL WILL ;  
BEARGRASS PICKERS TELL OF EXPLOITATION AND ABUSE

BYLINE: Debby Abe

BODY:

Trinidad Solorio Hernandez will soon slog through the forest underbrush in what amounts to a crap shoot.

If he's lucky, the mountain slopes will yield clump after clump of beargrass, a graceful, long-bladed plant used in floral arrangements. The contractor who brings him to the forest to pick the beargrass will return him safely to Tacoma.

But if luck forgets his name, Solorio could wind up stranded in the woods.

That happened last November, the 30-year-old man said, when a contractor abandoned him and three crew members in the mountains above Medford, Ore.

When they ate the last of their beans and rice, the hungry harvesters fashioned sticks and rubber bands into crude slingshots. They survived, he said, by hunting rabbits and squirrels and roasting them over a fire.

They hiked two days through a foot of snow before reaching the nearest town.

And Solorio never saw a dime for his two weeks of work.

Complaints of worker exploitation in the beargrass picking industry are as plentiful as the dozens of homeless Latinos milling about Tacoma's Skid Row.

The harvesters, often Latinos who are undocumented immigrants, say some contractors refuse to pay them as agreed. Others fail to provide adequate food or shelter in the rugged mountains where the workers gather the plant.

A few laborers say they have been beaten by bosses or left in the woods.

Eric DeBode, director of Nativity House, a homeless drop-in center in downtown Tacoma, said he hears the complaints at least twice a month.

"This type of work is very difficult for very little money," he said, "and often risk of mistreatment."

The migrant workers are part of the burgeoning special forest products industry. In this field, pickers harvest the brush, mushrooms and medicinal plants once considered little more than clutter next to timber, the old money king of the forest.

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But these smaller woodland treasures have enticed a seamy underworld into the once serene forests.

Industry insiders say poachers steal beargrass, salal and mushrooms from public and private lands. Many pickers have begun to pack guns, raising the prospect for violence. Some harvesters are suspected of evading taxes or illegally collecting welfare.

Among the most compelling predicaments are those migrant workers face.

Many say they are recruited to pick beargrass, one of the newest stars in the special forest products industry. Its long, slender leaves are used in floral arrangements or basketry.

Those who gather beargrass are typically Southeast Asian refugees or Latino migrant workers. While most are independent harvesters, some of the more experienced laborers have become contractors who hire others to pick.

They travel the Northwest and as far away as Montana and Northern California to hunt for the plant, which flourishes in the mountain forests.

They spend hours hunched over, pulling the stalks close to their white bulbous roots. The sharp leaves sometimes slice the skin. At day's end, they hoist onto their shoulders 100-pound loads of their harvest and trod back to their vans.

Their payoff fluctuates wildly depending on the market and employment conditions.

The Internal Revenue Service contends one Tacoma couple sold more than \$1.2 million in forest greenery to wholesalers from 1989 to 1991 - and underreported that income by more than \$950,000, federal court records say.

The couple, who have not been criminally charged, argue the vast majority of their income went for business expenses. They say the hefty wholesale receipts the IRS cites were not only for beargrass they picked, but for greenery they bought from others to resell.

And the couple deny workers' reports that they also hired people to pick for them.

Whatever the case, the tax records hint at the sums that can pass through the hands of successful beargrass businessmen.

Other pickers appear to live at the poverty level, said Duane Adams, who issues beargrass-picking permits in the Gifford Pinchot National Forest's Packwood Ranger District in Skamania County.

"I've seen them working in the snow in tennis shoes and no coats," Adams said.

Lennie Morris, a Shelton evergreen wholesaler who routinely catches migrant workers illegally picking salal or beargrass on his land, said contractors typically pay pickers less than half the market price for the greenery.

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But to America's newest arrivals, who may be poorly educated, speak little English or live here illegally, it is work all the same.

Sergio Hernandez, a 21-year-old laborer whose residency status is in dispute, said Latino laborers can earn more gathering beargrass than working on farms - if the contractors pay them.

"There's a few who are good, and they treat people good, give good food, pay good," he said through a translator.

#### Dodging hunters' gunfire

Migrant workers interviewed in downtown Tacoma said the beargrass contractors prefer to hire Latinos when they make the recruiting rounds at the homeless shelters.

The pickers and Latino advocates say they know why. The contractors always pay in cash, never deducting Social Security, income tax and other withholdings.

"They're hired because they're very easy to exploit, and very hard workers," said Betsy Rodriguez Baranski, an outreach worker at Centro Latino SER, a nonprofit agency in Tacoma that serves Latinos.

The News Tribune attempted to contact several beargrass contractors, who either declined to comment or could not be reached.

The workers say the contractors agree to pay them and to provide food, shelter and transportation to and from the mountains.

But the promises often fall short.

After a job, the contractors sometimes drop off the pickers in downtown Tacoma, saying they will return with a paycheck once they sell the beargrass. Some contractors never come back, the workers say.

In the mountains, the harvesters are at the mercy of their bosses. Several pickers said contractors typically carry pistols, Uzi submachine guns or rifles.

Sergio Hernandez said one of his worst jobs was in September, when a Tacoma contractor took him and four other pickers to Idaho.

It turned out to be hunting season. Whenever they rustled the bushes, Hernandez said, eager hunters answered with gunfire. The boss didn't leave enough food, forcing the pickers to hunt with makeshift slingshots for squirrels and birds.

When the contractor returned each week to drop off more rations and pick up the beargrass, the workers begged him to take them back to Tacoma. He answered their pleas with the promise: "Next time."

Hernandez said the hardships were definitely not worth the \$500 he earned for the 30-day job.

"My hand was all messed up, I was scared, very hungry," he said. "When I get to the city, I say, 'Thank you, God!'"

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## Assaulting workers

The laborers often suspect they are picking illegally.

Ernesto Villeda Rivera said through a translator that contractors often buy harvesting permits for far fewer workers than the number actually picking. The U.S. Forest Service, for instance, requires permits for each picker.

"A lot of times we know they're doing something sneaky because they take us up to the place at nighttime or on weekends," said Villeda, a 60-year-old Mexican who has a permit to work legally in the United States. "It's always sneak in and sneak out."

Juan Perez said he and a fellow picker were walking to town to buy pop when contractors stopped them at gunpoint last December near Salem, Ore.

The two contractors, who did not have picking permits, did not want the workers to be seen, he said.

Perez, a small Guatemalan man with a weathered face, remembers the pain as the men kicked him in the shoulder, in the back, in the side.

After the bosses brought the crew back to Tacoma, Perez remained in so much distress that a friend asked Anna Maria Garcia, a Tacoma-Pierce County Health Department outreach worker, to help.

"I came to take him to the emergency room, but he was so drunk," Garcia said. "I said there's no way emergency will see you. He had taken in all this alcohol to kill the pain."

But the beating did not keep Perez, a refugee from the Guatemalan civil war, from returning to the woods to work.

"I have no time for fear," he said through an interpreter. "I just have to survive. I gotta eat."

## Few report abuse

Adams, with the U.S. Forest Service, confirmed some beargrass gatherers fail to buy permits, and he suspects some pickers are illegal immigrants. However, he said he knew of only one instance of a contractor exploiting workers.

But most pickers say they don't complain to the authorities.

Those without immigration papers say they fear deportation. Others have no faith in the American justice system, saying it discriminates against brown-skinned people.

Occasionally, they tell outreach workers or advocates for the homeless about their employment disputes.

Rodriguez Baranski, of Centro Latino in Tacoma, said she receives numerous reports that Latino farm workers, including the beargrass harvesters, are exploited.

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But they often know only the first name of an employer or have only a vague recollection of dates they worked, making it tough to seek recourse, she said.

And the fear of deportation keeps many workers from pressing complaints. Employers tell them, she said, "Fine, come forward. I'll call Immigration on you."

Representatives of the state Department of Labor and Industries and the private, nonprofit Evergreen Legal Services said their agencies will assist migrant workers in employment disputes, even if they are here illegally.

State worker-protection laws governing wages, hours, workplace safety and workers insurance apply to all employees, regardless of their residency status, said L&I spokesman Roland Lund.

And Rebecca Smith, an attorney with Evergreen Legal Services, said state and federal laws require forestry contractors to give workers, in writing, their conditions of employment and wage terms.

"If you work in Washington state, you deserve a safe workplace and deserve to get paid," said Suzanne Taylor, L&I spokeswoman. "We don't tell the INS they're out there."

Even if a vengeful employer alerted the Immigration and Naturalization Service, it's doubtful the agency would take action, said INS spokeswoman Irene Mortenson.

The INS focuses on those who have committed another crime, such as selling drugs or killing someone, she said.

"We don't have the manpower to pick up every illegal alien."

But the message has eluded the migrant workers.

Most shrug off the lost paychecks and try to warn others about the bad contractors. More experienced pickers go into business for themselves.

Sergio Hernandez said he only wishes he and other Latino migrant workers could be treated fairly.

"It's a job nobody else will do," he said. "I've never seen a white person picking beargrass in the mountains. Only Mexicans and Cambodians."

SIDEBAR: Where to call (A8)

Workers in the agricultural and special forest products industry can report employment disputes to:

The state Department of Labor and Industries.

In Pierce County, call 596-3945.

In King County, call 281-5505.

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Statewide, call toll free to 1-800-LISTENS. Bilingual assistance can be arranged through this number.

Othere statewide numbers to call:

Evergreen Legal Services, Farmworker Division.

Statewide, call 1-206-259-3421 or toll free to 1-800-822-0225.

GRAPHIC: COLOR PHOTO; Duncan Livingston: A sign warns against picking in a Mason County area leased to Mary and Dewey Bell. They say thieves are forcing them to mount armed patrols of the area.

COLOR PHOTO; Teri Harris: Beargrass pickers, from the left, Trinidad Solorio Hernandez, Antonio Cardenas Robles, Juan Perez and Ernesto Villeda Rivera, tell of the trials of their trade.

SIDEBAR; ILLUSTRATION; Greg Harris: WEALTH FROM THE WOODS (A8). PLEASE SEE MICROFILM FOR COMPLETE TEXT.

SIDEBAR: Where to call (A8)

LOAD-DATE-MDC: September 28, 1994

# A STAIN ON FASHION

*The Garment Industry Profits From Cheap Labor.*

*Time to Mend Its Ways.*

By Robin D. Givhan  
Washington Post Staff Writer

**S**ome have called it a shopper's high. It's that feeling of intoxication that comes from getting a deal, finding a sale, circumventing the system. Americans hold one quarter of the world's purchasing power. We want quality, style and selection. We want it cheap.

And we got it.

Pocket T-shirts for \$20. Private-label turtlenecks at \$9.99. Cashmere sweaters for \$99.

But the price was much higher than any of us had dared to imagine.

One of those \$20 Gap T-shirts in our chest of drawers could have been made by a Central American teenager who says she regularly labored for 18 hours a day in a garment factory. The bargain dress on your back might have been made by kids who couldn't go to the bathroom without a pass from their boss. Those inexpensive pants that you boasted were made in America may have been assembled in Los Angeles by Thai workers imprisoned behind barbed-wire fences.

The dark underbelly of the fashion industry has been revealed. Again. Turn-of-the-century sweatshops reborn. On Aug. 2 in El Monte, just outside of Los Angeles, government officials raided a sweatshop housed in a trim apartment building. The complex was filled with Thai immigrants who were said to be virtually imprisoned and forced into labor. Days later, three more raids. More sweatshops. More oppressive conditions.

And there was the tour. Judith Viera and Claudia Molina, two Central American teenagers, traveled around the country describing the inhumane conditions under which they worked in El Salvador and Honduras. Ear-splitting music was piped in to force them to work faster, Molina said. Only two bathroom breaks in a 14-hour day. And that \$20 Gap T-shirt would net a worker in El Salvador only about 16 cents for her labor.

Consumers recoiled in horror. The U.S. Labor Department snapped into action. Labor Secretary Robert B. Reich is holding a "summit meeting" at New York's Fashion Institute of Technology today. He invited the nation's largest department stores to collectively search for ways to clean up the garment industry. But its multiple layers, myriad players, fickle consumers and inherent pressures make that a daunting task.

"I think consumers haven't really been exposed to the general deterioration of conditions in the garment industry," says Jeff Hermanson, director of organizing for the Union of Needletrades, Industrial and Textile Employees (UNITE!). "Labor is the most easily depressed cost. . . . That doesn't make it right, but that's the fact."

"We have to start thinking about what we buy," says John Ca-

vanagh, a fellow at the Institute for Policy Studies and author of "The Journey of a Blouse" and author, with Richard Barnet, of "Global Dreams."

In response to allegations that they were selling clothes made in sweatshops, department stores released statements explaining that they didn't know, *couldn't know*, about the inhuman conditions.

Retailers like Eddie Bauer said they would investigate the allegations regarding Central America. The Gap was skeptical that such conditions even existed but would look into the accusations.

The stench reaches far.

## Corporate Codes

"It's a glitzy industry, the fashion side," Hermanson says. "It may be easy for many to hide from what is apparent to those of us in labor. 'Sweatshops are becoming typical rather than the exception.'"

Sweatshops have become a part of doing business in the garment industry—particularly for those involved in inexpensive to moderate merchandise, where pricing is key. Even the most well-intentioned companies—those praised by watchdog groups as examples of how to operate humanely in a global economy—sometimes have stumbled. The Gap, Levi Strauss and Phillips-Van Heusen, for instance, all have corporate codes of conduct addressing issues of wage minimums, humane working conditions, hiring practices and more.

Getting contractors to adhere to these codes is not so easy. Since Levi Strauss instituted its "terms of engagement" about four years ago, it has ceased business with about 5 percent of its contractors and has required improvements by about 25 percent of them. Those improvements ranged from clearing the path to a fire exit to actually *creating* one. The company has about 600 contractors worldwide.

"In many respects, we're protecting our single largest asset: our brand image and corporate reputation," says spokesman David Samson.

Phillips-Van Heusen Corp., which includes

Geoffrey Beene, Gant, Jantzen, Izod and G.H. Bass & Co., makes its ethics guidelines clear to contractors upfront. And to prevent violations, it regularly dispatches a team of corporate employees to make surprise inspections of contractors' factories.



DATE: 9/12/95  
PAGE: 3A

**BORDER FENCE:** Construction will begin within two weeks on a 10-foot-high, 1.3-mile fence along the U.S.-Mexican border near Sunland Park, N.M., an area officials say is fraught with crime. "Border violence is a very real threat," said Immigration and Naturalization Service Commissioner Doris Meissner. "The targets can include everyone from Border Patrol agents to illegal immigrants," she said. Opponents say building the barrier is an insult to Mexico.

"We have zero tolerance for anyone violating our policy," says CEO Bruce Klatsky. "As soon as we find out about violations, we're not going to be doing business anymore."

But sometimes there are contractors who, when unable to fill an order in the time allotted, turn to subcontractors—who might run a sweatshop. And the layers begin to build.

"If we find out that someone did that, then we shut them off," Klatsky says. "You've got to be very firm. I see brands and retailers being quoted and saying they can't do anything about it and I just get disgusted by the industry."

"Deep down, most consumers are mothers and fathers. They don't want kids to work," Cavanagh says. "But the last thing companies want consumers to think about are the conditions under which garments have been made."

Consumer pressure, Cavanagh says, could change the tide. To start, shoppers have to ask: What did the company do once labor abuses were reported?

What the Gap did, for instance, was to send Stan Raggio, its senior vice president of sourcing and logistics, to El Salvador to investigate Mandarin, an alleged sweatshop. Garments ear-

marked for the Gap accounted for about 15 percent of Mandarin's production. Accusations against Mandarin all involved violations of the Gap's two-year-old code of conduct.

A week after Raggio's examination of the plant, three more Gap inspectors—including one native Spanish speaker—visited Mandarin to talk to workers.

"Our goal is to make sure, as best we can, that our clothes are manufactured by vendors that are socially responsible," Raggio says.

After speaking with about 60 laborers at the factory, Raggio says the Gap's findings did not match the horror stories told by Viera. The San Francisco-based company was satisfied, and Mandarin is once again an approved contractor.

"We researched this and we took great pains to be independent," Raggio says. "We didn't just talk to management or government officials. We really went under the surface."

Eddie Bauer's vice president of sourcing also led a troop of executives to El Salvador to conduct a "full-scale investigation," says a spokeswoman. The ongoing inquiry has included discussions with factory workers, Mandarin management and government officials in the United States and in El Salvador. The company is searching for "proof of the allegations and evidence of violation of the code of conduct."

Mandarin remains an approved vendor until Eddie Bauer finishes its investigation.

The actions of Hecht's, one of the May department stores cited as a destination for garments produced in the El Monte sweatshops, isn't as clear. In a formally worded response, a corporate spokesman states simply that the company requires its vendors to follow the law. The spokesman would not say what action—if any—would be taken if vendors broke the law.

## Profit Pressure

Lousy working conditions pervade the fashion industry. There is a certain nonchalance about long hours and low pay.

"You walk down Eighth Avenue [in Manhattan] and you get to 39th Street and down, and there are waves of immigrant workers. Who

knows what kind of conditions they're working in?" says David Rees, manager and buyer for Linda Dresner, which largely works with established European manufacturing companies.

"Do we know what the factories are like? Absolutely not," Rees says.

Traditionally, garment workers have been immigrants, women and children. They didn't need English to do their jobs. Women knew how to sew. And children simply would do what they were told.

The industry has always been highly decentralized, with projects often doled out on a piecework basis. A woman might stitch up garments at home and be paid per item. How do you regulate her hourly wage? How do you know if her child helped?

In the '40s—before globalization of the marketplace—sweatshops were largely wiped out through unionization, which began in New York. Then apparel manufacturers began moving "beyond our abilities to organize," Hermanson of UNITE! says. "They moved to low wage areas and to areas with large immigrant populations."

Cheaper labor offshore, price pressures and a generally anti-union atmosphere have helped to spawn new sweatshops both here and abroad, say labor observers.

Globalization allowed much of the labor-intensive work to be moved offshore. "As soon as you can find labor for one-tenth of the cost here, it puts enormous downward pressure on what stays here," Cavanagh says.

The business of clothes has become, more than ever, a business of numbers.

"There's intense pressure to come up with profits per square foot," says retail consultant Fred Marx. "The job today is less qualitative and more quantitative. When you get into apparel, which is already a high-risk business, taking a risk and being wrong can cost you your job."

## The Buyers

Buyers live on the hot seat. They are the garment industry's number crunchers.

The pressure "can make a buyer turn into an alcoholic in six months," says Karen Daskas, a former Bonwit Teller buyer for women's designer sportswear. She and her sister now own Tender, a women's specialty boutique in Birmingham, Mich.

"I know one buyer, she went home and drank every night. It was pressure, pressure, pressure."

"You don't know how many customers say they'd like to go with me on a buying trip. They think I'm going to dinner at Le Cirque," Daskas says. "They don't know I'm eating cold pizza in the back of a cab."

Buyers most often don't see the factories. They sometimes don't meet the manufacturers. Labor practices aren't discussed.

"It isn't brought out in the open, not often," Daskas says. "When you deal with these little companies, you assume nothing is going on. You'd have to push to really find out. And sometimes the representatives don't actually know."

Often, though, retailers don't push.

"I've heard, over the years, of contractors who are monsters. They're out to make a buck," Daskas says. "But I suppose if they can produce halfway decent merchandise for a good price . . ."

"Big stores don't care. They just don't care," she says. "I have to be able to look at myself in the mirror at night."

## Change of Clothes

Competition in retail has changed drastically in the last decade. Corporations like May and Federated grow ever fatter while independents disappear or are gobbled up. Those giant retailers wield a lot of power. So do companies such as the Gap, Levi Strauss, Wal-Mart and others. And they lord it over manufacturers, who have to bring their products in at a price that meets retailer demands but still allows them their share of the profits. And they have to do it fast. Manufacturers guess at quantity. And if they guess too high, they're stuck eating the cost and losing money. Guess too low and they're forced to play catch-up by using subcontractors.

## Ignorance Is Bliss

For retailers and top-tier manufacturers, ignorance often is easier than pushing for information about labor conditions.

"I'm not skeptical that they had no idea of the extremity of the situation," says Hermanson of UNITE!. "But they certainly know that at the price they pay, these garments can't be made legally."

Likewise for consumers. If something sounds like a steal, then someone, somewhere, is probably getting ripped off.

Admittedly, some of the companies are huge, with hundreds, maybe even thousands of outlets, says Rosalyn Will, co-author of "Shopping for a Better World," a guide to socially responsible companies.

"I'm sure it's very complex to stay on top of this," she says.

The question, though, is this: How hard are companies trying? How wide must profit margins be?

In 1993, the labor cost to Nike for a pair of \$80 sneakers was 12 cents. The year before that, the company had \$3.4 billion in sales and spent \$180 million in advertising.

The markup on apparel routinely is 100 percent from wholesale to retail. Jewelry markups can be even higher.

"Greed, that's a lot of it," Will says. "I wonder where the end of it is going to be."

Activists argue that consumers will have to get riled. They'll have to be angrier about child labor thousands of miles away than they are about teenagers hiking up their skirts for a Calvin Klein ad. They'll have to stop demanding the impossible deal. They'll have to hold companies accountable. And companies will have to work just as hard at unearthing information about labor practices as they are at unearthing new marketing strategies.

After all, says Klatsky of Phillips-Van Heusen, "There's no correlative between price and human dignity."

Or at least there doesn't have to be.

## INSIDE THE BELTWAY

By John McCaslin

### **Dopes on dope**

Whoever is responsible for illegal immigration in this country must be high on something, opines Rep. James A. Traficant Jr., Ohio Democrat, who notes that illegal border crossings are at an all-time high.

And many of the illegal aliens, the congressman adds, end up with food stamps, free health care, free education and free housing.

"I say, ladies and gentlemen, it is time to put American military troops on our border, [where] we have got millions of illegal immigrants, many of them running over our borders with backpacks full of cocaine and heroin.

"Beam me up. Whoever created this immigration policy is in fact smoking dope."

## Labor Secretary Is Told of Sweatshop Conditions

By DON VAN NATTA Jr.

Inside Ying Yi Deng Chan's frayed, palm-sized notebook is the carefully kept record of her exploitation for the last six years in New York City's sweatshops.

On each page, the 56-year-old Chinese immigrant has recorded every 12-hour day she worked as a garment worker, how little she was paid and how often she worked and was never paid at all. Five years ago, for instance, she earned \$295 for a 60-hour week making shirts; these days, she gets just \$122 for the same amount of work.

She now gets 30 cents for stitching a waistband to a skirt that she said she once

saw on sale at A. & S. for \$80.

The United States Secretary of Labor, Robert B. Reich, listened to Mrs. Chan, and the anguished stories of three other sweatshop workers, at an extraordinary meeting yesterday in the heart of Manhattan's garment district. The sweatshop workers were invited to talk with Mr. Reich by a local office of Unite, a textile workers union representing 355,000 work-

ers. Mr. Reich scheduled yesterday's meeting with sweatshop employees, as well as with national clothing retailers, after learning that some of the nation's most prominent stores had received merchandise manufactured in a compound in El

Monte, Calif., that was raided by Federal authorities last month. More than 70 workers were found working in virtual slave conditions, behind barbed-wire fences, while reportedly producing millions of dollars in garments for retailers like Neiman Marcus, Filene's and Montgomery Ward.

Mr. Reich met yesterday morning, behind closed doors at the Fashion Institute of Technology, with 15 national retailers and representatives from two retail trade groups to seek ways to improve monitoring of wage and hour infractions in the nation's garment industry.

As a result, retailers said they would recommend to members that they include specific references to the Fair Labor

Standards Act in purchase contracts. The Labor Department, in turn, agreed to begin identifying sweatshop owners to retailers.

"The Department of Labor feels they don't have adequate enforcement," said Tracy Mullin, president of the National Retail Federation, which is the world's largest retail trade association, with 1.4 million American retail stores. "We're obviously willing to help. But it is really the manufacturing industry that has to police its subcontractors, not the retailers."

With 900 investigators — and only 14 in

the New York metropolitan area — the Labor Department is encouraging more self-policing by manufacturers and retailers, Mr. Reich said yesterday.

Later in the day, at the Unite office, Mr. Reich listened, grim-faced, to four New York sweatshop workers describe unsafe, unsanitary conditions at shops along Eighth Avenue in midtown, in Chinatown and in Sunset Park, Brooklyn.

More than 50,000 people work at New York City's 4,500 sweatshops, according to a General Accounting Office report. Most are Asian and Hispanic women who speak little or no English, the study showed.

The four workers — two Chinese, and two Hispanic — identified themselves and the sweatshops where they now work. The four, all naturalized United States citizens, agreed that working conditions and pay scales have worsened over the last few years in New York City's sweatshops.

"In the past, the conditions were not nearly as bad as they are now," Mrs. Chan said yesterday, speaking through an interpreter, to Mr. Reich. "Things have gotten much, much worse."

Several of the workers said they often would not get paid for several weeks. When they complained, the shop manager or foreman usually gave them the same excuse.

"The manager would say he had not been paid so he could not pay us," said Rosa Guaman, who came to the United States from Ecuador in 1989. "We hear that all the time."

A few weeks after arriving in New York City from El Salvador in 1993, Belgica Reinoso began working in a New York City sweatshop on West 38th Street. During one five-and-a-half-week period, she was not paid at all for making blouses and skirts, despite working 12 hours a day, every day.

"I was always depressed," Mrs. Reinoso recalled. "I knew I'd never have enough to pay for the groceries, the baby sitter, the subway tokens."

Mr. Reich just shook his head. "If anybody doubts that there are sweatshops operating illegally and exploiting workers in this country, you must listen carefully to these stories," he said. "I have heard them again and again in this country."

After the hearing, Mrs. Reinoso and Ms. Guaman handed Mr. Reich evidence of the cramped conditions where they now work, including color snapshots and national brand labels, torn from the clothes they have helped manufacture. Mrs. Reinoso gave Mr. Reich a typewritten, two-page list of the brand names the sweatshop where she works help make.

The four women said they would continue to work at the sweatshops, which are now known to the authorities. As the Labor Secretary shook their hands, he told them, "We will definitely follow up on this."

## AROUND THE NATION

### U.S., Apparel Groups To Target Sweatshops

NEW YORK—Following the discovery of immigrants working like slaves, the White House and retail apparel industry yesterday said they were stepping up efforts to end sweatshop conditions in the United States.

Labor Secretary Robert B. Reich emerged from a summit with apparel group representatives and applauded the industry's efforts to restrict purchases from manufacturers that violated health and labor laws.

In the \$89 billion apparel industry, large retailers buy clothing from manufacturers, who often contract out the work to smaller manufacturers, many of whom flout U.S. labor laws. The issue of sweatshops assumed national prominence when government officials found workers living under conditions Reich likened to slavery.

Last month, during a raid on a Southern California sweatshop, government officials discovered 72 immigrants from Thailand who earned less than \$1 per hour and were compelled to work 16 to 22 hours a day.

The Labor Department traced the manufacturer's invoices to some of the largest retailers in the nation, including Nieman Marcus, Filene's, J.C. Penney, Macy's West and Sears.

"I don't believe American consumers, when they buy garments, want to buy garments made by slave labor in the U.S.," Reich said. "This will not be tolerated in the United States."

Two industry groups, the National Retail Federation and the International Mass Retail Association, said they would spell out to their suppliers the U.S. wage and hour standards and work with the Labor Department to identify manufacturers who violate the laws.

"The solution is enforcement of existing labor laws," said Tracy Mullin, president of the National Retail Association.

American attorney with Deacons Graham & James, "True project finance is impossible, because for true project finance you need to be able to take over the project lock, stock and barrel, and you can't do that."

Sedlak, like others, says the failure to allow investors to have effective security interests has turned off banks to lending. "They're actually eager to lend, but they're not foolhardy," he points out.

Taxes are another area of concern for investors, law firms and expatriate attorneys. Under regulations being considered, Vietnamese authorities are seeking to tax expatriates on their worldwide income, and declare as taxable income such traditionally exempt benefits as housing allowances.

That would make Vietnamese tax laws among the most burdensome in Asia for expatriate residents. Needless to say, for U.S. citizens, the lack of a treaty preventing double taxation could be disastrous.

Repatriation of profits, while not an immediate issue, is one that "is going to be a major problem" as more foreign investments begin to turn a profit, according to Lucy Wayne, a former Coudert Brothers attorney who now has her own practice in Ho Chi Minh City.

Making agreements stick may be the most serious problem of all. The investor has little recourse should something go awry. "There is no administrative law in the sense of forcing a government agency to do its job," observes Magennis. "If someone refuses to issue a license, or wants to tax you wrongly, there is no remedy other than political appeal to a higher official."

At the private level, informal dispute resolution through discussion, mediation or conciliation is the order of the day. Enforcement of contracts, and of legal rights generally including enforcement of arbitral awards, remains largely untried, and a new system of economic courts called for in legislation in 1994 has yet to be implemented.

Foreign attorneys all acknowledge the importance of having either skilled locals on the payroll or forging relationships with Vietnamese law offices or consulting firms to function effectively. "There was a time when you could cover Vietnam from outside. I don't think you can do that now," said Russin & Vecchi's Scown. However, the demand far exceeds the supply of domestic



Foreign investment backs textile factory in Ho Chi Minh City.

legal personnel. Most of the bar is engaged in criminal defense work, and only a handful have the experience and training to handle sophisticated commercial transactions.

But is there enough business to justify the invasion of foreign firms? "There's a huge amount of work," says British lawyer Anthony Foster of the London firm of Freshfields, who has had only one day off in five months.

Owen Nee Jr., a partner in Coudert Brothers' Hong Kong office, agrees, saying the greatest profits are yet to come. Nee, who served with the U.S. military in Vietnam and has kept close tabs on developments there since visiting at the invitation of Hanoi in 1987, expects the firm's offices in Vietnam to be profitable within a year. They will be staffed by a partner and an associate and will receive support from a Vietnamese consulting firm and Coudert's eight other Asian offices.

Others doubt secretly whether there is enough business to go around and predict the market will consolidate as it did in such former hot spots as Brussels and Moscow.

"A lot of firms are coming in, throwing away a lot of money, and I'm not sure they have the client bases to support it," says one American. "I wouldn't be surprised if the number goes up to 30 foreign firms within two years, and then falls back to 10 or 15 two years after that."

Another acknowledged that

"everyone thinks it is going to be quite tough. A year ago, there were two or three firms, now there are 15 or 20 firms, and there has not been a marked increase in the amount of work."

Even if there is plenty of business, Baker & McKenzie's Lockwood says Vietnam is a long-term investment. At the moment, "Everyone has a small office," he says, "so there's no leverage."

Baker & McKenzie's Burke says prospects for continued rapid economic development in Vietnam are actually better than

they were in now-booming China.

The reasons? Unlike China, which was almost completely isolated for nearly 30 years, the most active commercial part of Vietnam in the once capitalist South was only cut off for a little more than a decade, and there are plenty of people around, he says, with sophisticated business skills.

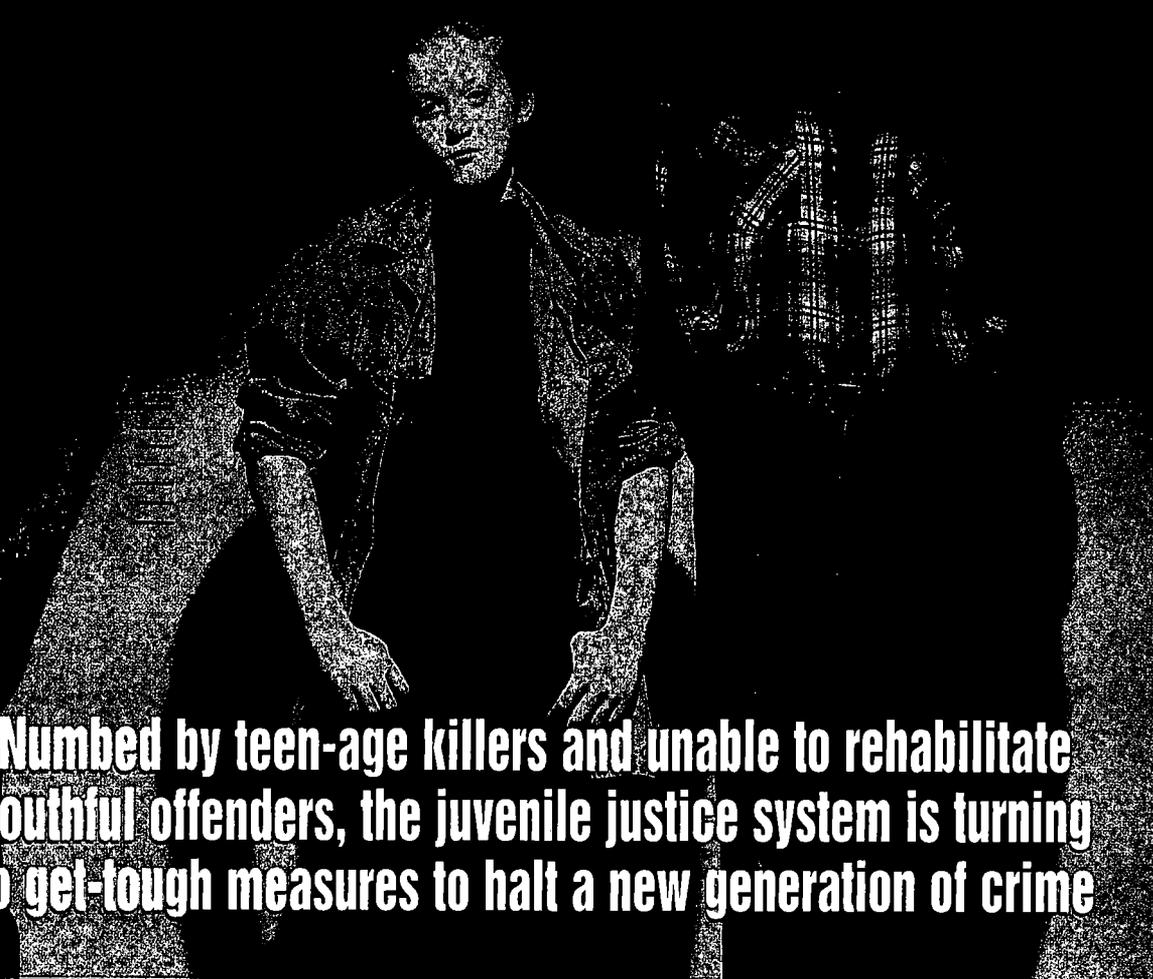
Others suggest it is because Vietnam has learned from the experience of other countries in the region, and compared to China's population of one billion, it is "an easier ship to turn."

On the other hand, "Vietnam presents the same hurdles as China, but not the same rewards," argues Burke. Moreover, unlike China, Vietnam is plagued with a greater historical bad-debt load and lack of hard currency. Unless resolved, these factors will continue to have a corrosive effect on its economic prospects.

A more remote risk is the possibility of a crackdown and a return to hardline policies. But in the meantime, the rewards are abundant. And they are not purely economic.

Says Burke, "To do this kind of work where you're building new factories and watching workers go to work in a place that's better than they worked at before, for higher wages, I really feel it's much more rewarding than what I would be doing if I were back in the States." ■

# Hard Times for Bad Kids



**Numbed by teen-age killers and unable to rehabilitate youthful offenders, the juvenile justice system is turning to get-tough measures to halt a new generation of crime**

BY MARK CURRIDEN

One by one, they parade before the judge. Most are sporting expensive athletic shoes or Army-style boots. A few have pimples. Some are frightened. But most display "a'tude"—giving the impression that they are bored and could not care less about what is happening.

"Why did you steal the car?" the judge asks.

The 16-year-old shrugs his shoulders. This is his third time before the judge. The first was for

*Mark Curriden writes on legal affairs for the Atlanta Journal-Constitution and other publications.*

shoplifting a wallet and gloves; the second was for burglary after a neighbor caught him stealing two cameras. The first appearance resulted in unsupervised probation; the second in six weeks' confinement at an unsecured detention facility.

This time, he will be sent to another Minnesota treatment program for a longer period of time. And if that fails, he will be transferred to another facility—neither of them secured.

"These kids think it's a joke," says William McGee, a former defense attorney and now juvenile court prosecutor in Minneapolis.

"They have no respect for the system. As a society, we have glam-

orized sex and violence. As a result, we have a generation of children who are simply amoral."

Throughout the nation, the search by cities, counties and states for ways to stop the spread of increasingly more serious and violent crimes among youths is in full swing. Officials argue that the juvenile courts are not equipped to handle the kinds of crimes being committed by today's minors. And many judges feel they are struggling just to keep from drowning, let alone making any progress.

"There's one group of kids out there that, no matter what we do, will end up in maximum-security prisons as adults," says Judge Bertrand Poritsky of the St. Paul, Minn.,

## LOOK WHO'S SWEATING NOW

How Robert Reich is turning up the heat on retailers

**A**fter federal agents raided an El Monte (Calif.) sweatshop last August that had enslaved 72 Thai immigrants, Labor Secretary Robert B. Reich wasted no time. He ran straight to the media with the names of several large retailers whose names had been found on boxes in the dingy shop. Angry and embarrassed, Sears, Montgomery Ward, and Dayton Hudson agreed to meet Reich in New York in mid-September to discuss ways to combat the use of sweatshops. Even though the chains aren't liable if they unknowingly sell illegally made goods, they promised to adopt a statement of principles calling on their suppliers to adhere to federal labor laws. Retailers fervently hoped that this would end the public-relations debacle and get that pesky Reich off their backs.

No such luck. In recent weeks, Reich has drawn up plans for a media blitz against retailers. His aim: to get stores to crack down on sweatshops by policing the 20,000 tiny U.S. garment makers that supply the half of the country's clothing that isn't imported. He fired the latest broadside during an Oct. 2 appearance on *The Phil Donahue Show*, where he showed a videotape of the Thai workers who had been held behind barbed wire and paid less than \$1 an hour. The largely blue-collar audience cheered when one of them said: "Nobody can live on even \$4 and change an hour. We're all being exploited."

Reich isn't stopping there. He's planning more sweatshop raids and promises to name more stores that sell sweatshop-made goods in a full-scale campaign beginning the week after Thanksgiving. That's the start of the four-week Christmas buying season, when stores rake in 20% of their annual sales. Although it's unclear just how responsive consumers will be, "Reich could hurt the industry," warns Robert C. Blattberg, director of the Center for Retail Management at Northwestern Uni-

**BULLY PULPIT**  
Reich is calling for retailers to mount their own random checks of subcontractors

versity. Even "a small percentage change in sales can mean a big change in profits."

There's not much doubt that garment sweatshops, once considered a turn-of-the-century problem, have resurfaced in a big way under the pressures of a global economy. It's partly because of the way the apparel industry works. At the top, large retailers sell clothes to the public and negotiate prices with large manufacturers. The manufacturers, from Guess jeans to Ralph Lauren, design garments and rely on some 20,000 subcontractors to sew the clothes. While the industry employs 800,000 people in the U.S., most shops are tiny, with 5 to 50 workers, and they go in and out of business at the drop of a pin. The workforce: mostly female immigrants from

Latin America and Asia who earn an average of \$7.34 an hour—just over the federal poverty level.

The apparel industry has been under fierce pressure from imports in the past 20 years, largely because the work is so labor-intensive. The competition has held down wages in the U.S. and fostered the spread of sweatshops. A 1989 report by the General Accounting Office found that some two-thirds of the 7,000 garment shops in New York City were sweatshops. Last year, a Labor Dept. spot check of 69 garment shops in Southern California found a stunning 93% had health and safety violations (charts). **BUYING POWER.** The Labor Dept. has had a tough time keeping up. Cutbacks under Presidents Reagan and Bush slashed the number of investigators to 816 from 970 in 1989. And congressional Republicans' current budget-cutting efforts have targeted an additional 12% reduction for investigators, who must police all 6.5 million employers covered by federal labor laws.

Now Reich wants the retail industry to take up the enforcement slack. Last year, he mounted a series of raids against garment manufacturers, invoking a little-used 50-year-old law to hold them liable for their suppliers'

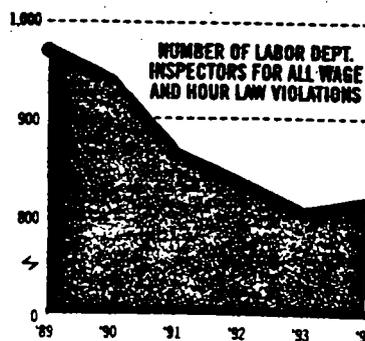


### SWEATSHOPS ARE WIDESPREAD...

A SNAPSHOT OF THE INDUSTRY BASED ON A 1994 RANDOM CHECK OF 69 CALIFORNIA GARMENT MAKERS

HEALTH AND SAFETY VIOLATIONS	93%
IMPROPER PAYROLL RECORDS	73%
NO OVERTIME PAID	68%
LESS THAN MINIMUM WAGE PAID	51%

### ...YET INSPECTORS ARE SCARCE



BT

COMET

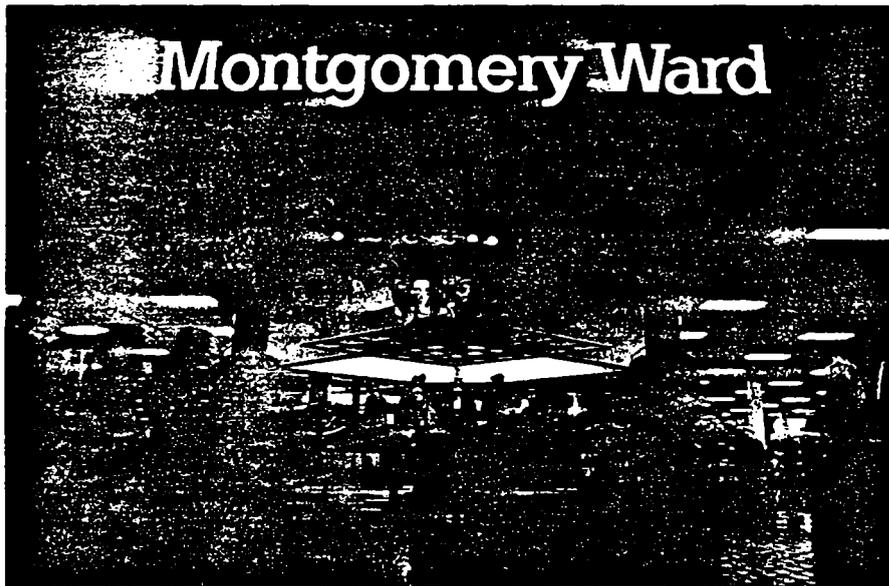
illegal actions. The law doesn't cover retailers, however.

So the Labor Secretary is turning to public pressure. His goal is to get retailers to use their immense buying power to make sure that subcontractors comply with labor laws. Mainly, he wants them to mount spot checks of their own. Retailers should hire inspectors to visit shops randomly and without warning, he says. "We need to enlist retailers as adjunct policemen," says Reich. "At a time when business says to government, 'Get off our back. We can do it ourselves,' we're giving them the opportunity."

The retailers say such demands are unfair. The logistics would be enormous,

Retailers also argue that their contracts don't say anything about spot checks. "We don't have the legal authority or the manpower to do that," says Tracy Mullin, director of the National Retail Federation, a trade group. "The Labor Dept. is trying to get us to do their work for them."

**LEVERAGE.** Reich retorts that retailers are just ducking the issue. They can afford to hire a few inspectors with labor law expertise, he says. The giant companies also have plenty of leverage to force both manufacturers and minuscule shops to accept new contracts allowing random spot checks. And while the task may be daunting, any added enforcement is better than doing nothing as



for one thing. A large department store such as Sears, Roebuck & Co. has up to 10,000 direct suppliers, which in turn farm work out to even more subcontractors. Nor do stores have the expertise to detect violations in the government's "very complex" wage and hour laws, says the general counsel at one large retailer. "We can go into a location, but that doesn't mean we would know what we're looking for," he says.

Just making the connections between supplier and retailer isn't always easy. Sears and Mervyn's, a division of Minneapolis-based Dayton Hudson Corp., which were identified as receiving goods from the El Monte shop, still haven't been able to confirm the charge after two months of investigating. Montgomery Ward did confirm a connection and has filed a federal lawsuit against its supplier, New Boys Inc., which subcontracted with El Monte.

#### P. R. PROBLEM

Montgomery Ward was among the big retail chains embarrassed by ties to slave labor

the Labor Dept.'s resources dwindle.

Still, it's possible that Reich's campaign won't move price-conscious consumers, says Northwestern marketing professor Mohanbir Sawhney. After all, union campaigns against companies

that make sweatshop goods here and abroad have had relatively little impact.

But image-sensitive retailers may not want to run the risk. They're suffering through a fourth tough year of lackluster apparel sales and need a home run at yearend. "We didn't know" isn't much of a rallying cry, concedes Robert L. Mettler, Sears' president of apparel, who wants fellow retailers to find ways to address the issue. Retailers aren't directly responsible for sweatshops. But if Reich has his way, they'll have a lot more responsibility in the future.

*By Susan Chandler in Chicago*

### EDITORIAL

BY DAVID GERGEN  
EDITOR AT LARGE

## OUR MOST VALUED RIGHT

**T**he startling revelation that a Democratic White House rifled through the FBI files of at least 408 citizens who worked in prior Republican White Houses cannot be swept away as so many other "mistakes" are these days. This incident cries out not only for a full investigation but also for action to build stout walls protecting privacy in the information age.

At the moment, we cannot know for sure why the Clinton White House searched the private FBI records of such prominent Republicans as James Baker, Kenneth Duberstein, James Brady and Tony Blankley. The official explanation puts the blame on a lowly civil servant from the U.S. Army, assigned temporarily to help the president's personnel team screen individuals for access to the White House, although there are reports he was an experienced political operative. It is said that he was given a wrong list of former employees and then innocently requested and searched through files given to him by the FBI. The current chief of staff, Leon Panetta, has wisely apologized. President Clinton, who lamely called it a "completely honest bureaucratic snafu," should have called it the outrage it was and accepted more responsibility.

Perhaps the episode was innocent; this writer was serving as counselor to the president at the time and did not see or hear any suggestion of skulduggery. Still, Republicans and others are fully justified in demanding an accounting. Private citizens, especially those whose files were scoured, deserve to know whether public employees have trampled upon privacy rights to advance a political agenda.

Whether the motives were innocent or malicious, it is already clear that the walls supposedly protecting our privacy have gaping holes. Here was an anonymous civil servant who was empowered to obtain from the FBI the most sensitive personal and financial information about unsuspecting private citizens, rummage through the files for dirt, then pass on the information to a political appointee at the White House. There were no safeguards anywhere. Apparently files pass through many hands on a routine basis: last week the FBI disclosed that it annually answers thousands of requests for background information from agencies across the govern-

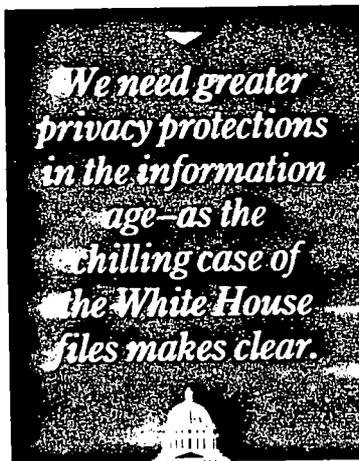
ment. Who can feel secure amid such sloppiness?

In a 1972 case defending citizens against unregulated wiretaps, Justice Lewis Powell wrote for a unanimous Supreme Court that "history abundantly documents the tendency of government—however benevolent and benign its motives—to view with suspicion those who most fervently dispute its policies." And, he might have added, there is an equally powerful tendency for government to turn its powers against its foes. Franklin Roosevelt used the FBI against his political enemies; John Kennedy hired Carmine Bellino as a personal gumshoe; Robert Kennedy wiretapped Martin Luther King Jr.; and Richard Nixon employed both wiretappers and "plumbers."

The problem is that human nature isn't getting any better, but technology is. With modern computers, federal agencies now have the power to amass mountains of information—culled from more than 8,000 different record systems—about the private lives of U.S. citizens. Everything from our taxes, health care, work, travel and military records to past scrapes with police or even sexual escapades—somewhere the information is only a few keystrokes away. The possibility for abuse is breathtakingly large—and growing.

Earlier in the decade Sen. Paul Simon tried to reform the privacy system. He pointed out that in two areas—phone taps and tax returns—we have erected strong safeguards, but in many other areas, including the threats that employees and consumers now face in the commercial marketplace, we have been woefully inadequate. And the Privacy Act of 1974, weak from the beginning, has never been seriously updated.

The time has come for a major overhaul of privacy laws. Does the government need to keep as much background information as it does, especially with the cold war over? How do we strictly curtail access? Do we need an independent national commission to monitor and defend our privacy, as Senator Simon believes? After the file fiasco, the Clinton administration has a solemn obligation to take the lead in erecting stronger and higher walls to protect what Louis Brandeis called "the right most valued by civilized men." ■



# The Washington Times

DATE: 6/19/96  
PAGE: A18

## Mrs. Clinton answers, sort of

The righteous indignation — and evasiveness — with which the Clintons greet questions they do not wish to answer were on display again this week. They turned up, unsurprisingly, in Hillary Clinton's non-responsive response to questions the now-defunct Senate Whitewater Committee asked the first lady to answer in writing — and under oath — about her involvement in the sham real estate deal known as Castle Grande and about the mysterious disappearance and reappearance of her Rose Law Firm billing records.

First of all, Mrs. Clinton chose to ignore the committee's request that she take an oath of truthfulness: Her written response was handed over unsigned and unsworn. Why?

Then, the first lady didn't even bother to answer the question about Castle Grande raised by testimony from Madison Guaranty Savings & Loan officer Don Denton that Mrs. Clinton "summarily dismissed" his warning to her in an April 7, 1986, telephone conference that one of the loan arrangements she was making for the real estate development was improper. Mrs. Clinton simply referred the committee to her previous sworn testimony to federal banking regulators in the matter of Castle Grande — testimony that chiefly amounts to a typical Clintonian refrain of "I do not recall."

Finally, the Rose billing records: They were missing while under subpoena for many months; they show Mrs. Clinton did more than the "minimal" work she's always claimed she did for Madison (including on Castle Grande); and they "appeared" in the highly secure White House residence book room in August, whence they were stuck away in a filing room — and not unearthed until January — by White House aide and former Rose employee Carolyn Huber.

The committee sent detailed and inclusive questions about the first lady's knowledge, handling and/or reading of those records, as well as information about how and when they got into the book room, and where they were before they got there. Mrs. Clinton's answer: "I do not know how the billing records came to be identified by Mrs. Huber at the White House, although I have read various media accounts." Why won't the first lady answer straight questions with a straight answer?

Why, for that matter, should Mrs. Clinton's two-page statement, have been accompanied by a seven-page letter — filled with aggressive defense — from her personal lawyer, David Kendall? Particularly since Mr. Kendall didn't really come up with anything the regular mouthpieces couldn't have thought of

(and probably *did* think of, now that one mentions it), denouncing the committee, its questions and its conclusions as as "the procedural style of the Queen of Hearts in 'Alice in Wonderland': 'Sentence First, evidence afterwards!' "?

And while his client refused to deal with Mr. Denton's recollection of that 1986 call, Mr. Kendall did. But again, he merely made use of some other familiar Clinton tactics for dealing with it. He started by simply dismissing it as a fiction. Mr. Denton came up with to save his own skin. Every White House spin doctor and his uncle tried that one on with David Hale's testimony about Arkansas bank fraud; so, of course, did the defense attorneys for Gov. Jim Guy Tucker and James B. and Susan McDougal, whom Hale accused of working with him to defraud the Small Business Administration. It didn't work with the Hale testimony: The defendants were found guilty on 24 of 30 counts.

In any case, there is the discomfiting fact that the call Mr. Denton referred to is right there in black and white in those famous billing records — and billed to Castle Grande, too. Perhaps Mr. Kendall was absent the day they taught "When Not to Advance Strange And/Or Damaging Theories of Your Own in Defense of Your Client" in law school. Because the explanation he offered the committee for the billing of a phone call he and his client insist never happened raises more questions than it answers.

Mr. Kendall suggested the phone conversation with Mr. Denton was actually about another matter entirely (unnamed, naturally); Mrs. Clinton did, he freely admitted, bill the call to Castle Grande; but that was because she had not yet opened an account on the other matter. Wrote Mr. Kendall about this intriguing theory, "While it is impossible to prove definitely that this is what happened, the theory is considerably more plausible than Mr. Denton's suddenly recovered memory." While there are many cynics in Washington who are perfectly prepared to find it plausible that Hillary Clinton would engage in that kind of billing-record hanky-panky, one might hardly have expected her own attorney to be the one making the suggestion.

Of course, such an interpretation surely never entered Mr. Kendall's mind. What does seem to have entered it, and the first lady's as well, is the cunning notion that all the hot outrage, the fancy footwork and the cover stories might serve to distract attention from the fact that Hillary Clinton has once again failed to provide serious, honest and thorough answers to legitimate questions about highly suspicious events and behavior.

Memo from

S. Lael Brainard

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To: Steve Warnath

Lebelly / sweatshops.

event. Please

call for more

details.

893 P04 JUL 22 '96 18:25

**TALKING POINTS FOR CALLS TO CEO'S**  
**PRESIDENTIAL LABELING ANNOUNCEMENT**

- o I called to talk to you about the President's plan to announce in the next 10 to 15 days with leaders in the garment industry a voluntary, non-governmental effort to develop a consumer label indicating that clothes were made in compliance with labor standards — domestically and internationally.
- o As you may know, the Administration has been working with industry and labor over the past three years to eradicate sweatshops in the garment industry.
- o The problem has gained an enormous amount of attention in recent weeks with the revelation that some of the items for talk show host Kathie Lee Gifford's clothing line were made in a NY City sweatshop and in a Honduras plant under unacceptable conditions.

NOTE: This followed last summer's discovery in Los Angeles of a virtual "slave labor" camp, at which dozens of workers were held behind barbed wire and forced to sew clothing.

- o Just this past week, Labor Secretary Reich held a Forum in the Washington D.C. area where representatives from all aspects of the fashion industry participated in a day long discussion of the challenges embodied in eradicating sweatshops and the importance of taking tangible steps quickly.
- o We have received a lot of feedback from the industry, acknowledging the seriousness of the problem and the need to join together to identify solutions, especially strategies that mean something to consumers.
- o A recent survey indicated that sweatshops are an issue about which Americans care deeply. According to the survey, more than three-fourths of Americans would avoid shopping at stores if they were aware that the stores sold goods made in sweatshops. 81% said they would be willing to pay more for a garment if it were guaranteed to be made in a legitimate shop.

NOTE: The survey was conducted by Marymount University in November, 1995.

- o Consumers want to act responsibly, but they have virtually no information.
- o A label installed in a shirt, pair of pants, skirt, tie, dress, etc. would send a clear message to consumers and allow companies that don't use sweatshops to get credit.
- o In the next 10 to 15 days at the White House, the President will launch with leaders in the fashion industry a non-governmental, industry-driven effort to develop a voluntary

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consumer label.

- o The leaders joining him in a couple of weeks will commit to:
  - (1) developing the standards for the label;
  - (2) designing the system to ensure that the label is legitimate (i.e. monitoring/inspections); and
  - (3) committing to use the label.
  
- o The group will also include representatives from labor and non-governmental organizations.
  
- o I hope you will join your colleagues in the industry in this effort.
  
- o I will follow up with you in the next couple of days.

NOTE: IF YOU WANT TO GIVE THE CEO A STAFF CONTACT, THE PERSON TO CALL AT DOL WILL BE SUZANNE SEIDEN AT 202/219-8365 OR 219-8366.

**AGENDA  
LABELLING CONFERENCE CALL**

**JULY 23, 1996**

**9:30 am**

- A. DATE OF ANNOUNCEMENT**
- B. CONGRESSIONAL STRATEGY -HARKIN/MILLER**
- C. FACT SHEET DISTRIBUTION (see attached)**
- D. OUTREACH**
  - 1. Business**
  - 2. Labor**
  - 3. Celebrities**
  - 4. NGOs**
  - 5. Consumers**
  - 6. Players' associations**
  - 7. Associations**
- E. GOVERNMENT'S ROLE**

**FACT SHEET: PRESIDENTIAL LABELING EVENT**

**WHO:** A group representing all segments of the garment industry: chief executive officers from several well-known garment retail and manufacturing firms, designers, union officials and representatives of consumer groups and other non-governmental organizations.

**WHAT:** The group would join the President at a White House gathering, at which he would challenge them to work together to develop a label within 6 months. The label would indicate to consumers that the garment--whether produced in the U.S. or abroad--was made in accordance with acceptable labor standards. The label would be wholly independent of government. The President would urge the group to adopt standards for the label at least equal to those already found in the strongest codes of conduct (governing domestic and overseas production) adopted by some of the nation's leading apparel manufacturers and retailers. The President would also indicate that only a label backed up by a serious inspection mechanism (again, independent of government) would meet his challenge.

The members of the group would pledge to develop a label within 6 months--this would entail, for example, arriving at applicable labor standards and designing an effective inspection mechanism. Business representatives would also pledge to put the label (once developed) in garments manufactured by their firms (retailers would pledge to use the label in their own lines).

**WHEN:** The event would be held between July 30 and August 5.

**HOW:** The group assembled at the White House would subsequently determine the process for developing the label (i.e., how the relevant decisions would be made). The Secretary of Labor would be available to act as a facilitator if requested. In any event, the Secretary would be in regular contact with the key participants in the process to remain updated on their progress. The Department of Labor would offer to provide ongoing advice and technical assistance.

Working Draft  
July 22, 1996 (6:07pm)

### Contact List Possibilities

#### Notes:

- "Trendsetters" are retailers and manufacturers which have taken extra steps to eradicate sweatshops (i.e., monitor working conditions through inspections). Currently, there are 36 organizations on DOL's *Trendsetter* list.
- DOL = DOL staff to contact.

#### Companies/Business Leaders

1. Liz Claiborne Inc. (DOL)  
*Trendsetter*  
CEO-level contact: Paul Charron  
212/354-4900  
Company staff person contact and number: Roberta Karp  
DOL staff contact: Andrew Samet  
Status: *Consumer info not listed => FTC/liability, M*  
y
2. Nicole Miller (DOL)  
*Trendsetter*  
CEO-level contact: Bud Konheim, CEO  
Company staff person contact and number: Bud Konheim  
DOL staff contact: Suzanne Selden  
Status:
3. Marvin Traub, retired CEO of Bloomingdale's (DOL)
4. Stanley Marcus, retired CEO of Neiman Marcus
5. Kmart  
CEO-level contact: Floyd Hall  
810/643-1000  
Company staff person contact and number:  
DOL staff contact:  
Status: *N*



Working Draft  
July 22, 1996 (6:02pm)

- 11. **NFL Properties (DOL)**  
*Trendsetter*  
 CEO-level contact: Sarah Levinson  
 212/838-0660  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
  
- 12. **Patagonia (DOL)**  
*Trendsetter*  
 CEO-level contact: Mike Olson  
 Company staff person contact and number:  
 DOL staff contact:  
 Status: *Y if Neo's, outside*
  
- 13. **Levi Strauss and Company**  
*Trendsetter*  
 CEO-level contact: Bob Haas  
 415/544-6000  
 Company staff person contact and number:  
 DOL staff contact: *Robert - Marketing*  
 Status: *→ Alexis No as long as label*
  
- 14. **The Gap, Inc.**  
*Trendsetter*  
 CEO-level contact: Don Fisher or Michael Dixon (check)  
 415/952-4400  
 Company staff person contact and number:  
 DOL staff contact: *Robert - Marketing*  
 Status: *Tyson → Fisher No*
  
- 15. **Gerber Baby Products**  
 CEO-level contact: Dave Jones  
 Phone #:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:

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July 22, 1996 (6:02pm)

- 16. The Limited  
Trendsetter  
CEO-level contact: Les Wexner, Sam Fried  
614/479-7000  
Company staff person contact and number:  
DOL staff contact: ←  
Status: Alexis
- 17. Maidenform  
CEO-level contact: Elizabeth Coleman  
Phone #:  
Company staff person contact and number:  
DOL staff contact: thoughtful, interested, not seen in  
Status: Alexis
- 18. Philips-Van Heusen (DOL)  
CEO-level contact: Bruce J. Klatsky, Chairman and CEO  
212/541-5200  
Company staff person contact and number:  
DOL staff contact: Reim  
Status: Y
- 19. Sara Lee Corporation  
CEO-level contact: John H. Bryan, Chairman and CEO  
312/726-2600  
Company staff person contact and number:  
DOL staff contact:  
Status: Tyson
- 20. Osh Kosh B'Gosh (DOL)  
CEO-level contact:  
Company staff person contact and number:  
DOL staff contact:  
Status:

Working Draft  
July 22, 1996 (6:02pm)

- 21. Eddie Bauer, Inc. (owned by Spiegel, Inc.)  
 Contacts: John J. Shea, Vice Chairman, President, and CEO of Spiegel and Chairman of Eddie Bauer *Jennifer Hillman*  
 708/769-2281  
 Richard T. Fersch, President, Eddie Bauer, Inc.  
 206/882-6100 or 708/769-2281  
 Company staff person contact and number:  
 DOL staff contact:  
 Status: *likely*
- 22. Reebok  
 CEO-level contact: Paul Fireman  
 617/341-5000  
 Company staff person contact and number:  
 DOL staff contact: *Samet -> Sharon Kahn*  
 Status: *Alexis*
- 23. Depeche Mode (DOL)  
 CEO-level contact:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
- 24. Fritzi (DOL)  
 CEO-level contact: Bob Tandler  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
- 25. Timberland  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
- 26. L.L. Bean ~~Pres.~~ *Pres. Leon German*  
 Company staff person contact and number: *Dir. Source positive*  
 DOL staff contact: *sent y*  
 Status:

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Working Draft  
July 22, 1996 (6:02pm)

27. **Land's End (DOL)**  
*Trendsetter List*  
CEO-level contact: Michael J. Smith, President and CEO  
608/935-9341  
Company staff person contact and number:  
DOL staff contact:  
Status:
  
28. **Jones Apparel Ware (Jones New York) (DOL)**  
CEO-level contact:  
Company staff person contact and number:  
DOL staff contact:  
Status:
  
29. **Sears, Roebuck and Co.**  
CEO-level contact: Arthur C. Martinez, Chairman and CEO  
847/286-2500  
Company staff person contact and number:  
DOL staff contact:  
Status:
  
30. **Tommy Hilfinger (DOL)**  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:
  
31. **The May Company (DOL)**  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:

Working Draft  
July 22, 1996 (6:02pm)

- 32. VF Corporation (DOL) <sup>#4-5 B</sup> *refers.*  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
  
- 33. Fruit of the Loom (DOL)  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status: Hold for now
  
- 34. Warnaco (DOL)  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
  
- 35. Russell (DOL)  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
  
- 36. Gymboree  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:
  
- 37. Dynasty *IT* *on request*  
 CEO-level contact:  
 Phone:  
 Company staff person contact and number:  
 DOL staff contact:  
 Status:

Working Draft  
July 22, 1996 (6:02pm)

38. Warner Brothers / Disney Stores  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:
39. Kellwood M S S. W. U S  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:
40. John Moret (sp??) Lawyer Grant Institute  
CEO-level contact: w. reps. W. U S  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:

### Sports contacts

41. Major League Baseball Players Association  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:
42. NBA Players Association AFL ←  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status: Jim O'Connor

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Working Draft  
July 22, 1996 (6:02pm)

43. Tennis -- players association (??)  
CEO-level contact:  
Phone:  
Company staff person contact and number:  
DOL staff contact:  
Status:
  
44. USGA or PGA (?)  
Company staff person contact and number:  
DOL staff contact:  
Status:

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**Working Draft**  
**July 22, 1996 (6:02pm)**

**Designers** (p.t label in cover but no envelopes)

1. Marie St. John
2. Joan Vass
3. Donna Karan

Working Draft  
July 22, 1996 (6:02pm)

### Celebrities with Companies

1. Delta Burke (actress)
2. Ronnie Lott (football player, former San Francisco 49er)  
*part owner of Harrett*
3. Paul Warfield (football Hall of Famer) *part owner of paper.*

### Other Celebrities

- Michael Jordan ← helps to illustrate OVP*
1. Kathie Lee Gifford : *y*
  2. Cheryl Tiegs : *pos. but Kathie Lee negative*  
*Kathy Ireland : part owner of Harrett sports*

### Industry Associations

1. Business for Social Responsibility  
Contact: Bob Dunn
2. National Retailers' Federation
3. AAMA
4. Richard Reinis

### Labor

1. UNITE  
Contact: Jay Mazur  
212/265-7000
2. International Textile Garment and Labor Workers Union  
Contact: Nell Kearney, President
3. AFL/CIO  
Contact: John Sweeney or Rich Trumka

Working Draft  
July 22, 1996 (6:02pm)

**Consumers**

- 1. **National Consumers League**  
Contact: Linda Golodner, CEO  
202/833-3323

**Moral Voices\*** *end of press*

\*These groups have supported the minimum wage increase.

- 1. **United States Catholic Conference**  
Contact: Rev. Brian Hehir  
202/541-3000
- 2. **Evangelical Lutheran Church**
- 3. **American Friends Service**
- 4. **National Jewish Community Relations Advisory Council**
- 5. **Jewish Labor Committee**
- 6. **Church of the Brethren**
- 7. **U.S. Bishops' Conference**
- 8. **International Labor Rights Fund**  
Contact: Pharis Harvey  
202/544-7198
- 9. **International Human Rights Law Group**  
Contact: Gay McDougal  
202/232-8300
- 10. **Oberlin College**  
Contact: Don Pease  
216/775-8823
- 11. **AAFLI (??)**  
Contact: Terry Collingsworth

**Working Draft**  
**July 22, 1996 (6:02pm)**

202/778-4500

12. **Interfaith Center on Corporate Responsibility**  
**Contact: Timothy Smith or David Schilling**  
**212/870-2295**
13. **LBJ School of Public Policy**  
**Contact: Ray Marshall**  
**512/471-6242**
14. **National Council of Churches**  
**Contact: Rev. Joan Campbell, General Secretary**  
**202/544-2350**
15. **Mennonite Central Committee**  
**Contact: ??? (environmental person?)**
16. **Charlayne Hunter-Gault (journalist)**

U.S. Department of Labor

Employment Standards Administration  
Wage and Hour Division  
Washington, D.C. 20210



**FAX COVER SHEET**

**OFFICE OF THE ADMINISTRATOR**  
**WAGE AND HOUR DIVISION**

**FAX NUMBER (202) 219-4753**  
**COMMERCIAL (202) 219-8305**

TO: Steve Warnelt DATE: 8/5

FAX NUMBER: \_\_\_\_\_ PAGES: 5  
(include cover sheet)

LOCATION: \_\_\_\_\_

FROM Mona Charest

If you do not receive all of the pages please call:

NAME: \_\_\_\_\_

NUMBER: \_\_\_\_\_

COMMENTS/INSTRUCTIONS:

\_\_\_\_\_  
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\_\_\_\_\_

07/29/86 15:35 202 523 8899  
07/29/86 11:14 FAX 212 337 2323OIPA WDC  
OIPA NEW YORK

OIPA WDC

0002

0003/004

JUL-29-1996 08:25

DD/NEWARK

201 645 2384

P.02



# NEWS RELEASE

UNITED STATES DEPARTMENT OF JUSTICE  
Immigration & Naturalization Service  
Rodino Federal Building  
970 Broad Street  
Newark, NJ 07102

JULY 26, 1996  
FOR IMMEDIATE RELEASE

CONTACT: LYNN DURKO  
201-645-3807

## INS AND DOL BUST ALLEGED SWEATSHOP 52 ILLEGAL WORKERS ARRESTED

Agents from the Immigration and Naturalization Service (INS) and Department of Labor (DOL) halted operations at an alleged sweatshop today in North Bergen during an employer sanctions operation, announced Acting INS Director for the Newark District Steven J. Farquharson.

The Mitzel Corporation, located at 57-11 Kennedy Boulevard, manufactures clothing. The owners of the company allegedly employ undocumented aliens from Mexico. It is also alleged that the aliens were paid below minimum wage and forced to work overtime without proper compensation, Farquharson said.

"Surveillance information indicates that the management of the company padlocked the exit door and locked, from the inside, the employee entrance once all employees arrived for work," said Farquharson. "Besides the immigration and wage violations, representatives of OSHA and local fire marshals were present to check for possible violations."

The ongoing investigation of the Mitzel Corporation has been a cooperative effort between the INS and the DOL and will continue to determine if there have been violations of the Immigration Reform and Control Act (IRCA), which allows INS to fine employers. Penalties for knowingly hiring an unauthorized worker can range from \$250 to \$2000 per worker, while paperwork violation penalties range from \$100 to \$1000 per worker. The allegations of alien smuggling are also being investigated further.

"This operation is a result of the INS' continuing effort to join forces with other federal agencies," said Farquharson. "This joint operation is an obvious success, and a victory for law enforcement as well as human rights."

07/29/96 15:38 202 523 8899  
07/29/96 11:15 FAX 212 337 2323

OIPA WDC  
OIPA NEW YORK ↔ OIPA WDC 0003  
004/004

JUL-29-1996 08:25

DD-NEWARK

201 645 2384 P.83

The names, ages, and nationalities of those arrested are as follows: Nicola Izaguirre, 36, Honduras; Loolita Gonzalez, 32, Mexico; Maria Varela-Rojas, 23, Mexico; Humberto Corra-Guzman, 31, Mexico; Arturo Romero-Garcia, 23, Mexico; Carlos Morales-Vasquez, 20, Mexico; Osvaldo Poblano-Escamilla, 21, Mexico; Alfonso Barranco-Pena, 19, Mexico; Rodolfo Perez-Celestino, 18, Mexico; Antonio Perez-Celestino, 22, Mexico; Faustino Benitez-Galicia, 21, Mexico; Martin Rodriguez-Acoltze, 25, Mexico; Pablo Ramirez, 21, Mexico; Maria Osorio, 31, Mexico; Abel Mejia, 20, Mexico; Ines Ventura-Calderon, 23, El Salvador; Avel Sanchez-Pena, 26, Mexico; Geraldo Rojano, 19, Mexico; Delfino Sanchez-Pena, 21, Mexico; Francisco Morales-Palma, 24, Mexico; Cleto Mendoza-Mendez, 27, Mexico; Dionicio Paisano-Garcia, 18, Mexico; Marcelino Alvarez, 20, Mexico; Margarita Gutierrez, 32, Mexico; Moises Perez-Rivera, 21, Mexico; Antonio Morales, 21, Mexico; Angeles Alejo, 28, Mexico; Juan Trevino-Aguillar, 20, Mexico; Alejandra Osorio, 21, Mexico; Dominga Corona-Guzman, 38, Mexico; Dolores Flores, 35, Mexico; Jaime Jimenez-Perez, 29, Mexico; Sergio Morales-Pena, 26, Mexico; Abel Melendez-Flores, 20, Mexico; Juan Mejia, 29, Mexico; Rafael Melendez-Ramirez, 41, Mexico; Margarito Gerda, 34, Mexico; Ricarda Varela-Rojas, 31, Mexico; Leodegaria Romero-Flores, 33, Mexico; Angelo Figuero-Gutierrez, 34, Mexico; Maria Morales-Valasio, 22, Mexico; Elvira Basillo, 28, Mexico; Pedro Martinez, 26, Mexico; Leonardo Lopez-Escalante, 26, Mexico; Patricia Conila-Silva, 24, Mexico; Micaela Lopez-Pineda, 25, Mexico; Agustin Miranda-Hernandez, 36, Mexico; Jasmín Tepale-Suarez, 19, Mexico; Alberto Alvarez, 29, Mexico; and Ignacio Alejo-Vazquez, 18, Mexico.

↑  
 Make sure  
 this is not  
 done again

# UNITE!

→ "John  
gov must reform

fr: RBR

## MEMORANDUM

TO: Secretary Reich

FROM: Jay Mazur

REF: INS Factory Raids

DATE: July 29, 1996

You will recall that Nancy Penalzoza, the worker from a sweatshop in New York, spoke at the Fashion Industry Forum on July 16, 1996. Both you and I were impressed by her courage and eloquence.

However, the day following the forum, the factory she works at was raided by the Immigration and Naturalization Service. Many of her co-workers were arrested by INS agents. Nancy is stunned by this outcome. Her co-workers blame her--and her testimony-- for their plight. No worker now wants to come forward even to bring a complaint for wage and hour violations.

Even though the timing of this raid may have been coincidental, this case illustrates the perverse effects of INS raids that I have raised with you in the past. As many recent press stories have highlighted, factory raids have a minimal effect in controlling illegal immigration. But our experience teaches us that they have a dramatic chilling effect on workers' decisions to report and expose sweatshop conditions. The real effect of the recent INS raids has been to terrorize immigrant workers and communities. As Nancy's case has taught us, it will be really hard for us to persuade similar witnesses to come forward in the future. And the only true beneficiaries of that outcome will be sweatshop employers.

I believe it is important for the administration to reassess the wisdom and effectiveness of factory raids. It is all the more important given that the effect of these raids runs counter to your own strong commitment to the fight against sweatshops. I will be glad to discuss this further with you and /or other members of the administration.

1710 Broadway  
New York, NY 10019-5299  
Tel 212 265-7000  
Fax 212 265-3415

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS INTERNATIONAL AND TEXTILE EMPLOYEES AFL-CIO, INC

JAY MAZUR President  
ARTHUR LOEY Secretary-Treasurer  
BRUCE RAYNOR Executive Vice President  
EDGAR BONNEY Executive Vice President



VICE PRESIDENTS: JOHN ALLARIZO RONALD ALMAN NEIL BEASLY GARY DEMADONINA NICHOLAS S. DOMANICO CLAYTON BRONKH ED CLARK SUSAN CORWELL ELBA DIAZ SHELBY DUNLON BRUCE DUNTON JOSEPH P. HER MARK HILSCHMAN JOHN FOX SIDNEY GERTYIN SALVATORE GIARDINA LILLIAN KOLWYCK GLENNYER STANLEY GROSS JEAN HERVEY SOL WOFFMAN JOHN NUSSON JAMES A. JOHNSON BARBARA LAUFMAN WILLIAM LEE EMANUEL LEVENTHAL EDWARD MACFARLANE NETER MADONSKY MARK NICHOLAS A. STEVEN NUTTER CARMEN INFALSI GERALD ROY SALVATORE BLANCO ANTHONY SCATO AMANDA STEVENS-JACKSON JOHN SUAREZ RAY SULLIVAN JOHN TORRES JANE TRIMBLE PAUL WINKLOW

cc: CM, VT, MK, AL



## U.S. DEPARTMENT OF JUSTICE

## Immigration and Naturalization Service

509 North Bell

Houston, Texas 77060

July 31, 1996

For Immediate Release: **PRESS RELEASE**  
 Press Contact: **Dan Kane or Mariela Melero, (713) 847-1950**

### INS Arrests 33 Illegal Aliens at Houston Worksites

HOUSTON - The Immigration and Naturalization Service today announced the arrests of 33 illegal aliens earning between \$8.50 and \$12.00 per hour at various Houston worksites. The arrests of the illegal aliens, who were nationals of Mexico, Honduras and El Salvador, were a joint effort by the U.S. INS and the Wage and Hour Division of the U.S. Department of Labor at the following worksites in the Houston area: Williams Brothers Construction Company, Wester Placer Steel Inc., M & G Steel Erectors, Ibarra's Painting, Landscape Professional of Texas, Demac & Company, and Wayne Martin Masonry.

On Tuesday, July 30, 1996, 28 Mexican nationals voluntarily returned to Mexico. At the same time, 2 Mexicans, 2 Hondurans and 1 El Salvadoran were placed in deportation proceedings and will await a hearing before an Immigration Judge in Houston.

The Wage and Hour Division of the Department of Labor has accompanied INS agents in their worksite enforcement activities to ensure that illegal aliens arrested at the worksite by INS will receive all wages and overtime wages due to them. Additionally, for each employer involved, the Wage and Hour Division of DOL determines the status of compliance with the Fair Labor Standards Act, particularly in the areas of minimum wage, overtime, record keeping and child labor.

At this time, the INS is also investigating all affected employers for possible violations of immigration laws. Employers who are in violation of federal laws will be fined.



## Special Report

### Immigration

#### EMPLOYER GROUPS TAKE DOL TO TASK FOR CHANGES TO FOREIGN WORKER PROGRAM

In taking a second look at regulations revising its temporary employment program for foreign skilled workers, the Labor Department met with a new round of criticism from employers who depend on "nonimmigrant" workers admitted under the program.

In an unusual move, the Labor Department last October reissued portions of new rules governing the H-1B program, seeking public comment on regulations that went into effect in December 1994 (210 DLR A-6, E-3, 10/31/95). Opponents of the revisions hailed the Labor Department's move as a concession that its rule-making procedures were flawed, and took the opportunity to protest what they view as a move to burden a majority of law-abiding employers in an effort to correct abuses of a few.

The National Association of Manufacturers last April filed suit against the Labor Department for violating the Administrative Procedure Act by failing to seek public comment on the final H-1B rules. The latest attempt to comply with the APA by seeking public comment "does not cure the error," the group wrote. In its suit, NAM charged the Labor Department with turning "a simple, non-intrusive program driven by private-party complaints into a byzantine labyrinth of requirements."

#### Objective Wage System

A chief concern of NAM's and other groups responding to the rules is a new requirement that employers put in place an objective wage system for non-H-1B workers that would enable a third party to calculate actual wages owed to H-1B workers. The Labor Department's attempt to soften the rules' record-keeping requirements failed to quell criticism in this area.

"The requirement of an objective system ignores the realities of how businesses establish salaries for their professional personnel," NAM wrote. "Very few companies utilize for professional staff the kind of objective system that any third party can review and determine what any given employee is earning."

The requirement is aimed at ensuring that H-1B workers are being paid at least the actual wage

level paid to all other individuals with similar experience and qualifications for the specific employment in question; or the prevailing wage level for the occupation in the area of employment, whichever is higher. According to NAM, however, it "epitomizes regulatory over-reaching."

#### High-Tech Concerns

A group of high technology employers, including Microsoft, Motorola, Intel, and Lotus, recommended that the Labor Department rescind the requirement that employers document an objective actual wage system and instead put in place a policy of giving blanket approval to large employers that can document established compensation systems. The group also objected that the regulations, taken as a whole, threaten the continued success of high-tech companies in developing innovative technologies and products and marketing them abroad.

"DOL views the employment of any H-1B workers in any circumstance as an evil to be punished and therefore draws no distinctions between high tech employers offering competitive wages and working conditions to H-1B workers whose unique skills are needed for a specific project, and job contractors whose compensation practices undercut U.S. wage rates by taking advantage of cheap foreign labor," the group said in a submission to the Labor Department. "This one-size fits all approach to compliance and enforcement unnecessarily punishes the very companies that have created thousands of high paying jobs for U.S. workers by competing successfully in international markets."

In a separate comment, Intel Corp. said that while it strongly supports protections for U.S. workers, it opposes regulations "that arise due to overreaction to a few isolated cases of abuse." Many of the provisions in the Labor Department's rule, Intel said, "are impractical, unworkable, and geared at the few, unscrupulous employers who flaunt the system while placing other employers in an untenable position of having to comply with unrealistic rules."

#### Additional Restrictions

In other areas, employers objected that the new rules set unreasonable filing dates for the labor condition applications they must submit when seeking to hire H-1B workers, impose restrictive requirements with respect to posting the applications

of a causal association between risk factors and the presence of those disorders, the report said.

#### Emphasized Positive Studies

Instead, OSHA emphasized presentation of positive findings from selected studies, based on its apparent presumption that the weight of evidence supports a causal association, according to the document.

The report also found flaws in OSHA's interpretations of the studies it did cite as part of its 1995 draft rule. Those studies contain "significant methodologic deficiencies, conflicting results and conclusions which appear to differ from OSHA's interpretations," the report said.

As an example, the report said that a 1992 article cited by OSHA to support a causal association actually concluded that there are deficiencies in the majority of studies of musculoskeletal disorders in the areas of exposure assessment, diagnostic assessment, and pre-existing conditions.

Moreover, OSHA did not discuss how the majority of studies cited by the agency were designed, the report said, noting that the majority were cross-sectional studies. That type of study examines a population at a given point in time and is best used to generate hypotheses, not to prove cause and effect, according to the report.

Silverstein said it was difficult to respond to the report because she was not certain what specific studies the coalition was citing. "There are always deficiencies in a study, but that doesn't mean studies should be discarded unless there are fatal flaws in them," she said.

Concerning the use of cross-sectional studies, the Washington state official indicated that many of those studies included historical data that showed exposure to risk factors prior to the onset of symptoms associated with musculoskeletal disorders. OSHA also addressed in its draft the role of psychosocial factors and nonoccupational factors in musculoskeletal disorders, Silverstein said.

Silverstein added that she is convinced enough conclusive evidence exists for OSHA to move forward with an ergonomics rule. "I have little doubt about it, and it is also what OSHA should be doing," she said.

According to the ergonomics coalition, Sandler and Blume were chosen to compile the report because of their reputation as occupational physicians with significant experience concerning repetitive strain injuries. Their firm also has provided support for OSHA's own employee medical program, the coalition said.

—By John Sullivan

#### Arbitration

#### EMPLOYEE OPTIONS COULD REMOVE BARRIERS TO ADR, SPEAKER SUGGESTS

SAN FRANCISCO — Barriers to using alternative dispute resolution procedures to decide statutory claims could be overcome if employees had the option of selecting arbitration after a dispute has arisen, Jay S. Siegel, visiting scholar at Harvard Law School, suggested at the recent meeting of the Industrial Relations Research Association. Siegel also called for modifications in the federal courts' standard for deferral to arbitration.

The "Due Process Protocol for Mediation and Arbitration of Statutory Disputes," approved by most of the nation's prominent arbitration and law groups, left unresolved the question of whether waivers of statutory rights should be voluntary or mandatory, Siegel said (91 DLR A-8, 5/11/95). Employers want the waiver to be made at time of hire, while workers do not know what disputes will arise during their careers and are reluctant to give up their statutory rights in a vacuum.

"The reasonable position appears to favor that workers should be encouraged to utilize arbitration, but on an informed basis after a dispute has arisen," Siegel told the Jan. 5 meeting. "However, after having done so, they should be precluded from relitigating the matter if the arbitration result is not in their favor."

"A reasonable standard of deferral to an arbitration award should be applied by the federal courts where any unsuccessful claimant seeks to relitigate under one of the statutes," Siegel said.

The present standard that awards are final as long as there is no arbitrator misconduct or fraud makes arbitration awards very difficult to overturn, he said. A more reasonable standard would be consideration of whether the arbitrator considered the statutory rights involved and addressed those rights.

If these obstacles were resolved, the use of arbitration could be extended to the Equal Employment Opportunity Commission and the National Labor Relations Board, which would substantially reduce the backlog at each agency and speed up disposition of claims, Siegel said. At the EEOC, claimants in individual cases for which reasonable cause has been found could be offered the opportunity to have the case submitted to private arbitration. At the NLRB, he recommended extending the use of arbitration to discharge cases. In both situations, the arbitrators should be extended the same remedial powers that the agencies and the courts possess. Extending the use of arbitration will streamline the claims and afford quicker justice, Siegel said.

—By Nancy J. Sedmak



Office of the Deputy Attorney General  
U. S. Department of Justice

Washington, D.C. 20530

December 1, 1995

TO: Maria Echaveste, Administrator, Wage and Hour Division,  
U.S. Department of Labor  
Tom Williamson, Solicitor of Labor, U.S. Department of  
Labor  
Tommie Duncan, Solicitor's Office, U.S. Department of  
Labor  
Jon Kronheim, Counsel for Trial Litigation, Fair Labor  
Standards Division, U.S. Department of Labor  
Alex Aleinikoff, Executive Associate Commissioner for  
Programs, Immigration and Naturalization Service  
Lin Liu, Assistant Commissioner for Policy, Immigration  
and Naturalization Service  
Jim McClain, Director, Enforcement Branch, Office of  
Field Operations, Immigration and Naturalization  
Service  
Stephen Warnath, Senior Policy Analyst, White House  
Domestic Policy Council  
Tom Brown, Chief, Office of Tax Crimes, Internal  
Revenue Service  
Tom Tinger, U.S. Customs Service  
John Esau, U.S. Customs Service  
Donna Bucella, Principal Deputy Director, Executive  
Office for U.S. Attorneys (EOUSA)  
Karla Dobinski, Deputy Chief, Criminal Section, Civil  
Rights Division  
Neil Gallagher, Deputy Assistant Director, Criminal  
Division, FBI  
Susie Bailliere, Criminal Division, FBI  
Ann Ingala, Office of the Inspector General  
Paul Price, Office of the Inspector General  
David McCay, Office of the Inspector General  
Bob Schenkel, Office of the Inspector General

FROM: Seth Waxman, Associate Deputy Attorney General and  
Gerri Ratliff, Counsel to the Deputy Attorney General

RE: SECOND MEETING OF THE INTERAGENCY WORKING GROUP ON  
SWEATSHOP STRATEGY COORDINATION

The second meeting of the interagency sweatshop working group will be held on Monday, January 8, at 10:00 a.m. in Room 4118, Main Justice. If you have not already commented on the draft next steps memo (attached) that was circulated on

November 1, please fax me you comments (514-9077) or bring them to the meeting. Please let me know if you or someone else from your office can attend the January 8 meeting. Thanks.

Attachment

1. Training for Assistant U.S. Attorneys.

- o **Manual with standard search warrants and pleadings.**  
EOUSA said that the U.S. Attorney's office in Los Angeles could develop a basic "how to" manual that could be distributed to interested Assistant U.S. Attorneys.

**Next step:** develop and distribute manual. [EOUSA: what would be a good timeframe to plug in here?]

- o **Department of Labor training for AUSAs in selected cities, starting with Los Angeles.** The DOL Solicitor General suggested training for AUSAs to enable them to pursue Fair Labor Standards Act prosecutions.

**Next step:** flesh out training details and determine timeframe. [DOL OSG: should we form a subgroup to flesh out, or what do you recommend? what would be realistic timeframe?]

2. Concentrate efforts in the "targeted deterrence zones" already are being planned by INS and DOL.

- o **Develop plans at the local level.** INS suggested we strategize at the regional or local level to determine what would work best in each targeted city. For example, INS said that INS, DOL and other agencies already are signing an MOU shortly in Los Angeles to coordinate and share information related to worksite and Fair Labor Standards Act enforcement. [INS: has this happened? if so, if you send me paper about the MOU, I'll circulate it with this memo]

**Next step:** form a subgroup -- including INS, DOL, Criminal Section of the DOJ Civil Rights Division, [anyone else?] -- to initiate and oversee development of regional/local strategies. [INS and DOL: please suggest timeframe for first subgroup meeting.]

- o **Explore possibility of DOL training and cross-designating INS agents to identify Wage and Hour violations for DOL.** DOL suggested that it could train and cross-designate INS agents. The Los Angeles MOU referenced above could be amended to include this new linkage.

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**Next step:** form a subgroup -- including INS and DOL [and anyone else?] -- to develop this suggestion and implement, if agreed upon. [INS and DOL: please suggest timeframe for first subgroup meeting.]

3. Develop indicia for locating trouble spots. FBI said that it currently handles fewer than six sweatshop-related criminal civil rights cases per year, and that it could do more if it had a good profile to use.

**Next step:** form a subgroup -- including INS, FBI?, DOJ Civil Rights?, DOL?, IRS and Customs? [and who else?] -- to determine strategy for and oversee development of profiles, including examining connections between sweatshops and smuggling rings. [appropriate timeframe?]

4. Enhance information sharing between agencies. The DOJ Office of the Inspector General, Inspections Division, said it has underway a 12-week review of INS sweatshop-related worksite enforcement efforts. OIG will include in its review an assessment of any needs for further coordination or intelligence sharing between all of the involved agencies. In addition, INS said that in the mid-1980s, INS and FBI had an MOU that had stemmed from an Indonesian slavery case.

**Next step:** OIG anticipates completing its review by [date]. INS and FBI will look for copy of 1980s MOU.

5. Develop opportunities to educate the press and Members of Congress on our efforts and need for resources. The working group did not specifically discuss this possible action item, which may best be revisited after we have made progress on implementing some of the ideas outlined above.

**Next step:** none at this time.

In addition, attached are: an October 16 Business Week article describing recent DOL efforts to combat the use of sweatshops and a November 2 Wall Street Journal article on Thai criminal syndicates and sweatshops. Finally, OIG has supplied us with copies of GAO reports and related material on sweatshops which are too voluminous to distribute to everyone. If you would like copies, please contact Gerri Ratliff at 514-3392, and we will send you the information.

The GAO reports are:

- o August 1988, "Sweatshops" in the U.S. -- Opinions on their Extent and Possible Enforcement Options;

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- o June 1989, "Sweatshops" in New York City -- a Local Example of a Nationwide Problem;
- o September 1994, Data on the Tax Compliance of Sweatshops; and
- o November 1994, Efforts to Address the Prevalence and Conditions of Sweatshops.

OIG also has provided us with copies of:

- o November 1991 testimony by INS on Asian organized crime before the Senate Committee on Governmental Affairs, Permanent Subcommittee on Investigations;
- o March 1992 summary of Los Angeles County Federation of Labor fact-finding hearing on the impact of the Immigration Reform and Control Act of 1986 on the Los Angeles labor movement; and
- o a 1994 Yale Law Journal article calling for Federal and state action to stem the growth of sweatshops.

# *P*RESIDENT Supermarket

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— 8-9-96  
Steve:

FYI

| S Valdez

August 5, 1996

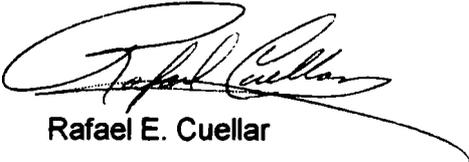
Att: Suzanna Valdez  
The White House  
Pennsylvania Ave.  
Washington, D.C. 2005

Dear Suzanna:

I received your fax on DOL's new efforts to eliminate Sweat shops, and strongly am in support of your administrations efforts to provide a fair marketplace for all business. In the state of my residency I don't see the Sweat shop issue in the garment field, however, I have seen occurrences of Sweat shop type environments in the Tortilla industry especially. The administration should not only be concerned with the garment industries, but should place forth a strong effort of concern in the food industry.

Sweat shops should not exist in our country and all they are doing is making it that much harder on the honest employer. I would like to offer any support I can to your administration and it's battle on creating a fair marketplace.

Sincerely,



Rafael E. Cuellar

## National Briefs

### Emergency drug called dangerous

CHICAGO - Doctors continue to administer a blood pressure-reducing drug in emergencies even though there is evidence it can backfire with deadly results, researchers report in today's issue of the Journal of the American Medical Association.

# Religious groups agree to target sweatshops

ASSOCIATED PRESS

WASHINGTON - Calling the existence of sweatshops a moral issue, Labor Secretary Robert Reich introduced 36 religious groups yesterday that have volunteered to help combat the problem.

"The power of the pulpit is an extraordinary power," Reich said in introducing the leaders of the national and local organizations whose mem-

berships number in the millions. "The additional power of the pulpit will have a dramatic and sustained effect."

The organizations include Baptist, Episcopal and United Methodist groups, the US Catholic Conference and various Jewish organizations such as B'nai B'rith.

The organizations will carry the anti-sweatshop message to their congregations by speaking out from the

pulpit, mobilizing communities and youth groups and contacting local retailers.

Reich acknowledged that the department's 800 inspectors alone cannot protect the rights of 110 million workers in 6.5 million workplaces.

"While the Department of Labor is the enforcer of our nation's labor laws, these religious leaders - and their congregations - are the rein-

forcers," he said at the news conference.

Noting the approach of the holiday season, Reich said individual shoppers must make retailers and manufacturers aware of their concerns so that they do not do business with garment shops that do not adhere to government wage and hour laws.

"The power of the individual con-

sumer can never be overestimated," Reich said. "Companies will respond."

The department has been waging a public awareness and enforcement campaign against the resurgence of sweatshops since a raid on a suburban Los Angeles operation that discovered 72 garment workers toiling in virtual slavery for as little as 70 cents an hour.