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Sweatshops [Folder 1]: Fashion Industry Forum

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FASHION INDUSTRY FORUM



AN EDUCATIONAL FORUM OF THE U.S. DEPARTMENT OF LABOR'S **NO SWEAT** INITIATIVE

Marymount University
July 16, 1996



An Educational Forum of the
U.S. Department of Labor's
NO SWEATSM Initiative

MARYMOUNT UNIVERSITY
July 16, 1996

Agenda

8:00 - 8:30 am **Registration and Breakfast at MARYMOUNT**

8:30 - 8:50 am **Introductory Remarks**

Sister Eymard Gallagher, President
MARYMOUNT UNIVERSITY

Robert B. Reich, Secretary of Labor
Opening remarks

8:50 - 9:00 am **Introductory Video**

9:00 - 10:30 am ***Panel 1: Sweatshops: An Ugly Stain on American Fashion***

What is the pattern of the problem for workers, manufacturers, retailers, consumers, and sports/entertainment celebrities that endorse or have licensing agreements for garments? Panel members will outline the difficulties inherent in the garment industry, and will discuss the importance of making changes. A key component of this discussion will be identifying the benefits to companies and consumers of eradicating abusive working conditions.

Gale Cottle, Executive Vice President,
Nordstrom

Roberta Baskin, CBS News-48 Hours

Cheryl Tiegs

Neil Kearney, President, International Textile,
Garment and Leather Workers Union

Nancy Penaloza, Garment Worker

Larry Martin, President, AAMA

Robert Dunn, President, Business for Social
Responsibility

10:30 - 10:45 am **Break**

10:45 - 12:15 pm

Panel 2: Approaches to Innovation

What steps are some industry leaders taking to stamp out sweatshop conditions? What are the effective programs for monitoring? What other strategies are companies utilizing? What are the leading companies--both manufacturers and retailers--doing that can be emulated by others?

John Ermatinger, Sr. Vice President for Sourcing, Levi Strauss

Kevin Sweeney, Vice President, Patagonia

Stan Levy, Greenberg, Glusker, Fields, Claman and Machtinger

Paul Gill, President, San Francisco Fashion Industries

Richard Reinis, Los Angeles Compliance Alliance

Maria Echaveste, Administrator, Wage and Hour Division, U.S. Department of Labor

12:30 - 1:30 pm

Lunch

Senator Tom Harkin

Representative George Miller

1:35 - 1:45 pm

Nicole Miller Design Unveiling

1:45 - 3:30 pm

Panel 3: Taking Action: Where do we go from here?

A discussion of how to develop partnerships to end sweatshops, step up enforcement, and provide the industry with compliance assistance. This panel will explore how every aspect of the fashion industry can take leadership to make lasting, long-term change?

Roberta Karp, General Counsel, Liz Claiborne

Bud Konheim, CEO, Nicole Miller

Warren Flick, President, Merchandising, Kmart Corporation

Kathie Lee Gifford

Lee Scott, Executive Vice President, Wal-Mart Stores

Jay Mazur, President, UNITE

Tracy Mullin, President, National Retail Federation

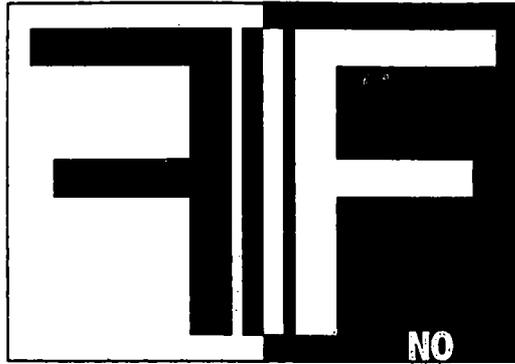
Linda Golodner, CEO, National Consumers League

3:30 - 3:45 pm

Closing Remarks

Robert B. Reich, Secretary of Labor

FASHION INDUSTRY FORUM



AN EDUCATIONAL FORUM OF THE U.S. DEPARTMENT OF LABOR'S **NO** INITIATIVE

Marymount University
July 16, 1996

PARTICIPANT

**MARYMOUNT UNIVERSITY
CENTER FOR ETHICAL CONCERNS
ARLINGTON, VA**

GARMENT WORKERS STUDY

November, 1995

Research Director/Consultant:

STEVE McFADDEN

ICR SURVEY RESEARCH GROUP

605 West State Street, Media, PA 19063

Phone: (610) 565 9280 Fax: (610) 565 2369

STUDY BACKGROUND AND OBJECTIVES

United States officials recently discovered that workers who had been smuggled into this country were making garments in sweatshops where they were forced to work long hours under extremely poor working conditions for less than the minimum wage. As a result, this research was conducted to determine:

- Whether respondents would avoid shopping at retailers if aware they sold garments made in sweatshops
- Whether respondents would be more inclined to shop in retail stores cooperating with law enforcement officials to prevent sweatshops
- Whether respondents would be willing to pay \$1 more for a \$20 garment if it were guaranteed to be made in a legitimate shop, and
- Whether respondents would be more likely this holiday season to shop in retail stores on a forthcoming list of retailers assisting authorities in their effort to end abuse of United States garment workers.
- Whether the manufacturers or the retailers should have the responsibility of preventing sweatshops

RESEARCH METHODOLOGY

The research entailed a telephone interview insert in ICR Survey Research Group's EXCEL Omnibus. Each EXCEL includes a national random sample of approximately 1,000 adults (18+), half male and half female.

Interviewing was conducted from Friday, October 27 through Tuesday, October 31. A total of 1008 interviews were completed. Data has been weighted to reflect the U.S. population 18 years of age and older (188,700,000).

IN A NUTSHELL ... HERE ARE THE FINDINGS

RETAILERS - BEWARE OF SWEATSHOP GARMENTS

Americans overwhelmingly support the idea of officials publishing a list of retailers who assist law enforcement agencies in their effort to end abuse of United States garment workers. Seven-in-ten respondents indicate they would be more likely to shop at the stores this holiday season that cooperate to end garment worker abuse. Consumers are willing to pay a price for assurances that goods they buy are not made in sweatshops. 84% of consumers would pay an additional \$1 on a \$20 item if they knew the garment was guaranteed to be made in a legitimate shop.

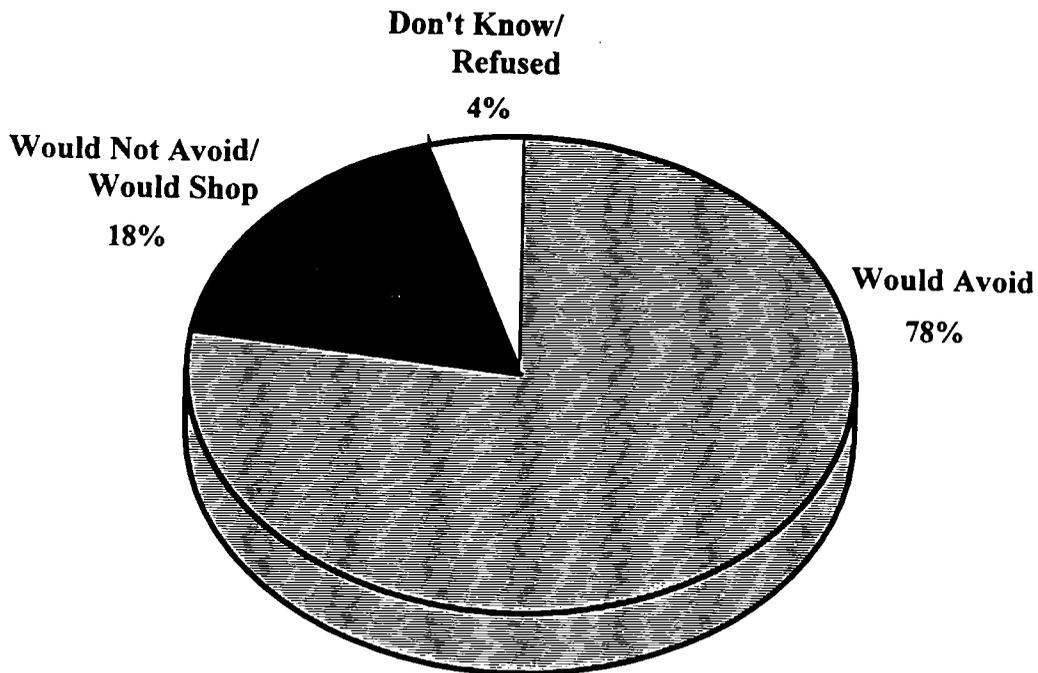
Most Americans (76%) blame the existence of sweatshops on the manufacturers who employ the contractors or workers. However, if consumers knew a retailer sold garments that were made in sweatshops, nearly eight-in-ten would avoid shopping there. As the holiday season starts to kick-off, retailers would be wise to ensure their garments were in fact made in legitimate shops. Given the potential for enticing customers with legitimately made garments, and the potential for losing customers if caught selling sweatshop-made garments, promoting legitimately made garments provides a strategic business opportunity for retailers.

WOULD YOU AVOID SHOPPING AT A RETAILER THAT SOLD GARMENTS MADE IN SWEATSHOPS?

Over three-quarters indicate they would avoid retailers if aware they sold garments made in sweatshops.

- About two-in-ten indicate they would not avoid such retailers and would shop at these retailers.
- Generally, these results are fairly consistent across all demographic groups, with the exception of those earning between \$25,000 and \$40,000, who are particularly likely (86%) to say they would avoid such stores.

RESPONSE TO RETAILERS IF AWARE THEY SOLD GARMENTS MADE IN SWEAT SHOPS

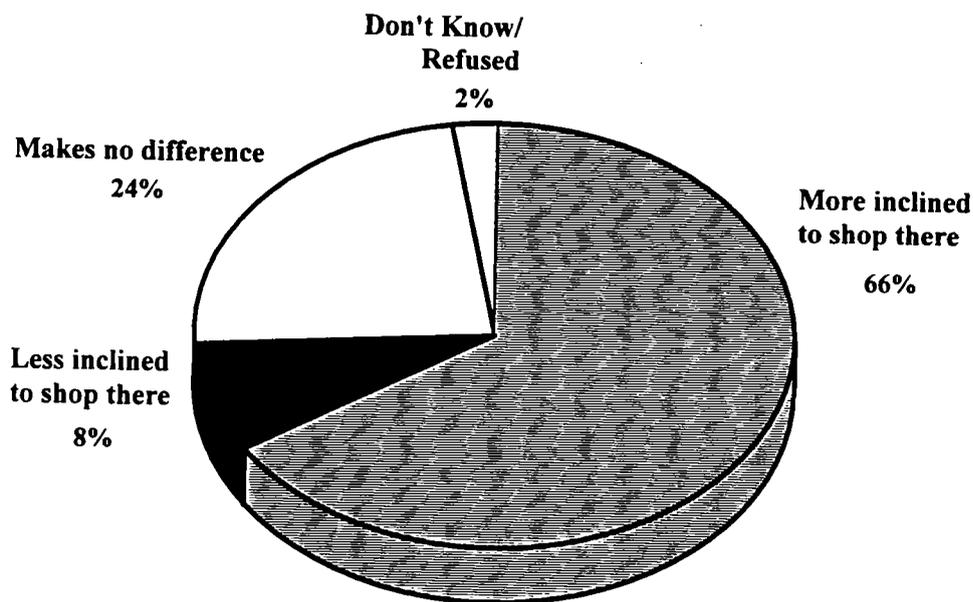


WOULD YOU BE MORE INCLINED TO SHOP AT STORES WORKING TO PREVENT SWEATSHOPS?

Two-in-three consumers say that they would be more likely to shop at a retail store if they knew that that particular store cooperated with law enforcement officials to prevent sweatshops.

- About one-quarter say that knowledge of retail stores' cooperation with law enforcement officials would not have any impact on their shopping preferences.
- About one-in-ten say they would be less inclined to shop at stores that cooperate with law enforcement to prevent sweatshops.

RESPONSE TO A RETAIL STORE IF AWARE THAT PARTICULAR STORE COOPERATED WITH LAW ENFORCEMENT TO PREVENT SWEATSHOPS

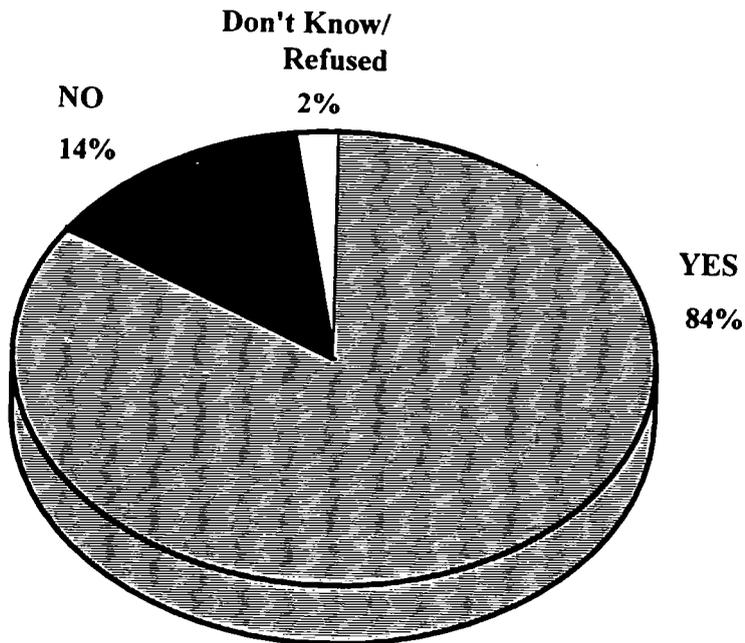


WOULD YOU BE WILLING TO PAY UP TO \$1 MORE FOR A \$20 GARMENT GUARANTEED TO BE MADE IN A LEGITIMATE SHOP?

An overwhelming majority would be willing to pay a dollar more for a garment that costs \$20, if it were guaranteed to be made in a legitimate shop.

- Even among the lowest income group (less than \$15K per year), over three-quarters are willing to pay the dollar premium.

IF BUYING A GARMENT FOR \$20, WHETHER WILLING TO PAY A DOLLAR MORE IF IT WERE GUARANTEED TO BE MADE IN A LEGITIMATE SHOP

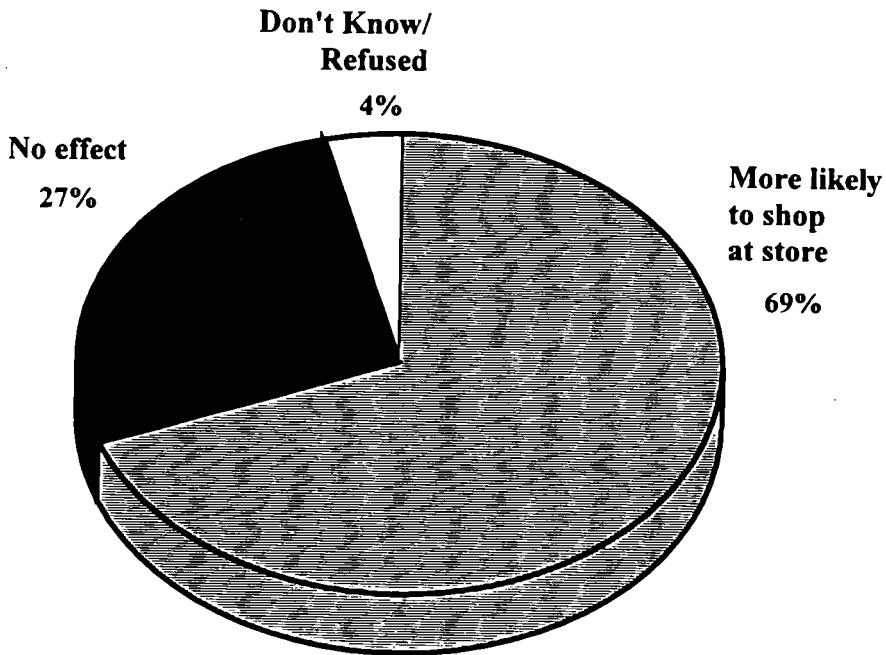


WOULD YOU BE MORE LIKELY THIS HOLIDAY SEASON TO SHOP AT STORES THAT GOVERNMENT OFFICIALS SAY ARE COOPERATING TO PREVENT SWEATSHOPS?

In anticipation of the November publication of a list of retail stores assisting law enforcement officials, two-in-three respondents say they would more likely shop at such listed stores.

- About one-quarter indicate that such a list would have no effect on where they shop.

RESPONSE TO LIST OF RETAIL STORES ASSISTING LAW ENFORCEMENT OFFICIALS



WHO SHOULD BE MOST RESPONSIBLE FOR PREVENTING SWEATSHOPS?

A majority feel manufacturers who employ the contractors or workers should have responsibility for preventing sweatshops in the United States.

- ❑ Seven percent feel the retailers who sell the garments should take responsibility.
- ❑ One in ten feels both manufacturers and retailers should take responsibility.
- ❑ Younger people (18-34) are more likely (82%) to blame manufacturers, while older people are less likely (66%) to do so. Those in the highest income group (\$50,000 or more) also are more likely (83%) to blame manufacturers and less likely to blame retailers (4%) than other income groups.

WHO SHOULD TAKE RESPONSIBILITY

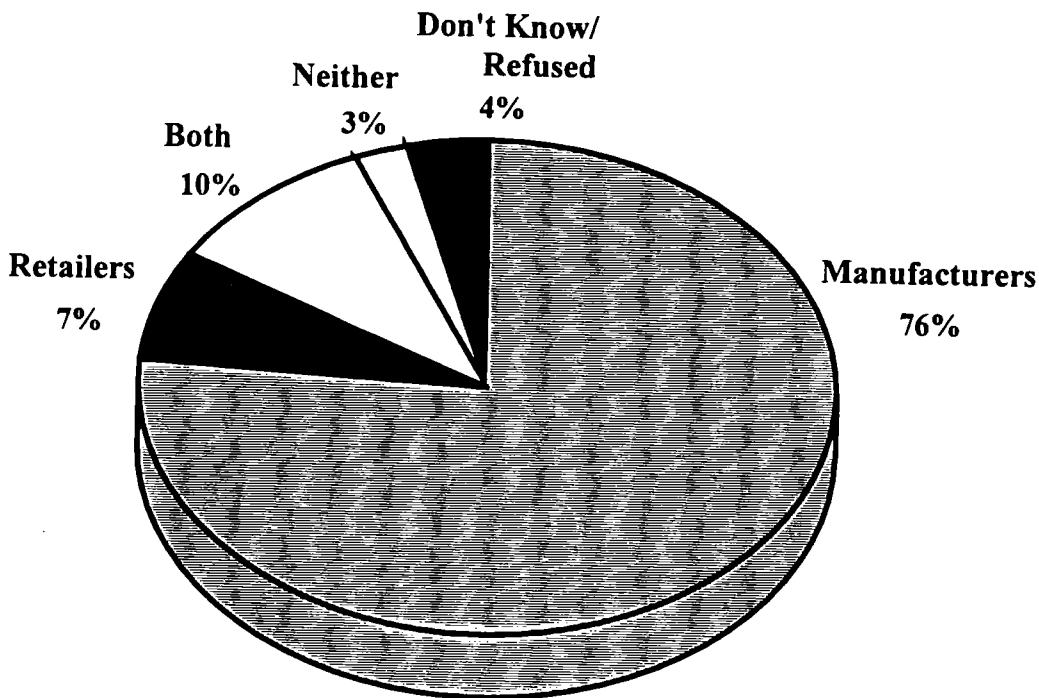


TABLE 001
SS-1. RECENTLY, U.S. OFFICIALS DISCOVERED THAT WORKERS WHO HAD BEEN
SMUGGLED INTO THIS COUNTRY WERE MAKING GARMENTS IN SWEAT SHOPS
WHERE THEY WERE FORCED TO WORK LONG HOURS UNDER EXTREMELY POOR
WORKING CONDITIONS FOR LESS THAN THE MINIMUM WAGE.
WHICH OF THE FOLLOWING SHOULD HAVE RESPONSIBILITY FOR
PREVENTING SWEAT SHOPS IN THE UNITED STATES?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMET
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
THE MANUFACTURERS WHO EMPLOY THE CONTRACTORS OR WORKERS	1440	683	757	541	316	213	144	196	236	241	314	151	357	286	331	516	306	1140	300
	76.3	75.3	77.3	82.2	78.7	74.6	71.7	65.7	76.4	74.0	78.0	75.4	82.9	74.1	74.5	78.3	77.3	76.2	76.9
THE RETAILERS WHO SELL THE GARMENTS	135	69	66	51	18	20	19	24	35	19	19	21	15	23	36	52	24	101	34
	7.1	7.6	6.7	7.8	4.4	6.9	9.3	8.0	11.3	5.7	4.8	10.7	3.5	6.0	8.0	7.9	6.0	6.7	8.6
BOTH ARE RESPONSIBLE	189	89	101	46	54	40	14	34	24	39	43	22	40	38	46	56	50	155	35
	10.0	9.8	10.3	6.9	13.4	13.9	6.8	11.5	7.7	12.1	10.8	10.8	9.3	9.8	10.4	8.4	12.5	10.3	8.9
NEITHER IS RESPONSIBLE	47	33	14	6	5	8	9	18	-	12	12	3	9	11	7	21	9	40	8
	2.5	3.7	1.4	0.9	1.1	2.7	4.6	5.9	-	3.8	3.1	1.4	2.2	2.7	1.6	3.2	2.2	2.6	2.0
DON'T KNOW	72	31	40	14	10	4	14	26	14	15	11	3	8	26	24	15	7	59	13
	3.8	3.5	4.1	2.1	2.4	1.4	6.9	8.9	4.6	4.5	2.7	1.6	1.9	6.8	5.5	2.2	1.7	3.9	3.3
REFUSED	4	2	2	-	-	2	1	-	-	-	3	-	1	3	-	-	1	3	1
	0.2	0.3	0.2	-	-	0.5	0.7	-	-	-	0.7	-	0.2	0.7	-	-	0.4	0.2	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 002
SS-2. IF YOU WERE AWARE OF A RETAILER THAT SOLD GARMENTS MADE IN
SWEAT SHOPS IN THE UNITED STATES, WOULD YOU AVOID SHOPPING
THERE?

BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMT
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
YES, WOULD AVOID SHOPPING THERE	1462	685	778	483	327	224	166	233	221	236	346	164	342	305	351	489	317	1166	297
-----	77.5	75.4	79.4	73.4	81.4	78.3	82.6	78.1	71.5	72.4	85.7	81.9	79.4	79.0	79.0	74.1	80.0	77.9	76.0
NO, WOULD NOT AVOID SHOPPING THERE/WOULD SHOP THERE	339	179	160	143	54	51	27	55	64	66	46	33	75	61	64	140	73	272	66
-----	18.0	19.7	16.3	21.7	13.3	17.8	13.3	18.3	20.7	20.4	11.3	16.7	17.5	15.9	14.5	21.3	18.4	18.2	17.0
DON'T KNOW	85	42	42	33	21	11	7	11	24	24	10	3	14	20	29	31	5	59	26
-----	4.5	4.7	4.3	5.0	5.3	3.9	3.3	3.6	7.8	7.2	2.6	1.4	3.2	5.1	6.5	4.6	1.3	3.9	6.6
REFUSED	1	1	-	-	-	-	1	-	-	-	1	-	-	-	-	-	1	-	1
-----	0.1	0.2	-	-	-	-	0.7	-	-	-	0.3	-	-	-	-	-	0.4	-	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 003
SS-3. IF YOU KNEW THAT A PARTICULAR RETAIL STORE COOPERATED WITH LAW ENFORCEMENT OFFICIALS TO PREVENT SWEATSHOPS, WOULD YOU BE MORE INCLINED TO SHOP THERE THAN AT OTHER STORES SELLING PRODUCTS OF SIMILAR QUALITY AND PRICES, LESS INCLINED TO SHOP THERE, OR WOULD THIS MAKE NO DIFFERENCE IN WHERE YOU SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	F E -		TOTAL	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K-\$24.9	\$25K-\$39.9	\$40K-\$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMETRO
	MALE	MALE																	
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
MORE INCLINED TO SHOP THERE	1237	592	645	394	284	208	142	184	130	207	297	153	305	266	303	406	263	985	252
	65.5	65.2	65.8	59.9	70.6	72.9	70.7	61.6	42.2	63.8	73.7	76.6	70.8	68.8	68.1	61.5	66.3	65.8	64.6
LESS INCLINED TO SHOP THERE	160	68	93	47	26	26	24	34	46	30	31	16	26	37	40	51	33	130	30
	8.5	7.4	9.5	7.1	6.4	8.9	12.0	11.3	15.0	9.3	7.7	8.0	6.0	9.5	9.0	7.7	8.2	8.7	7.7
MAKE NO DIFFERENCE	444	233	210	209	85	46	23	69	111	82	67	31	97	82	85	181	95	352	92
	23.5	25.7	21.5	31.7	21.1	16.2	11.6	23.2	36.1	25.3	16.7	15.4	22.5	21.2	19.1	27.5	24.0	23.5	23.4
DON'T KNOW	45	13	31	8	7	6	10	12	21	5	6	-	3	2	17	22	4	29	15
	2.4	1.5	3.2	1.2	1.8	2.0	5.1	3.9	6.7	1.6	1.5	-	0.7	0.5	3.7	3.3	1.1	1.9	3.9
REFUSED	1	1	-	-	-	-	1	-	-	-	1	-	-	-	-	-	1	-	1
	0.1	0.2	-	-	-	-	0.7	-	-	-	0.3	-	-	-	-	-	0.4	-	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 004
SS-4. IF YOU WERE BUYING A GARMENT THAT COST \$20, WOULD YOU BE
WILLING TO PAY UP TO A DOLLAR MORE IF IT WERE GUARANTEED
TO BE MADE IN A LEGITIMATE SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMT
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TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
YES, WOULD PAY MORE/IF MADE IN A LEGITIMATE SHOP	1590	766	823	548	343	244	178	243	234	263	373	181	362	326	392	542	329	1270	320
	84.2	84.4	84.1	83.3	85.3	85.2	88.4	81.5	75.8	80.7	92.7	90.6	84.1	84.4	88.2	82.2	82.9	84.8	81.9
NO, WOULD NOT PAY MORE	255	124	131	105	52	36	15	42	61	60	27	19	60	52	43	101	59	190	65
	13.5	13.7	13.4	16.0	12.8	12.7	7.6	14.1	19.7	18.6	6.8	9.4	13.9	13.4	9.7	15.3	15.0	12.7	16.6
DON'T KNOW	40	15	25	5	8	5	7	13	14	2	-	-	8	8	8	17	7	36	4
	2.1	1.7	2.6	0.7	1.9	1.8	3.3	4.4	4.4	0.7	-	-	1.9	2.2	1.9	2.5	1.8	2.4	1.1
REFUSED	2	2	-	-	-	1	1	-	-	-	2	-	-	-	1	-	1	1	1
	0.1	0.3	-	-	-	0.3	0.7	-	-	-	0.6	-	-	-	0.2	-	0.4	0.1	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 005
SS-5. IN NOVEMBER, AUTHORITIES WORKING TO CRACK DOWN ON SWEATSHOPS
IN THE GARMENT INDUSTRY WILL RELEASE A LIST OF RETAIL STORES
WHO ARE ASSISTING THEIR EFFORTS TO END ABUSE OF U.S. GARMENT
WORKERS.
WOULD YOU BE MORE LIKELY TO SHOP AT THESE STORES THAN OTHER
STORES DURING THE HOLIDAY SEASON, OR WOULD THIS INFORMATION
HAVE NO EFFECT ON WHERE YOU SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E						HOUSEHOLD INCOME					R E G I O N				M E T R O	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO METRO	NONMT	
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226	
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391	
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
MORE LIKELY TO SHOP AT STORE ASSISTING EFFORTS	1295	626	669	411	285	207	147	215	163	190	314	151	328	259	324	438	274	1040	255	
	68.6	68.9	68.3	62.4	71.0	72.5	73.3	72.1	52.9	58.4	77.8	75.5	76.1	67.0	72.9	66.3	69.2	69.5	65.2	
NO EFFECT ON WHERE I SHOP	515	246	268	234	108	69	35	57	126	105	83	43	94	109	99	194	113	399	116	
	27.3	27.1	27.4	35.6	26.8	24.2	17.5	19.2	40.9	32.3	20.6	21.5	21.9	28.3	22.3	29.4	28.5	26.6	29.7	
DON'T KNOW	73	33	40	13	9	10	14	26	18	30	3	6	9	18	18	28	8	56	16	
	3.8	3.6	4.1	2.0	2.1	3.3	6.8	8.7	5.7	9.3	0.8	3.0	2.0	4.7	4.0	4.3	2.0	3.8	4.2	
REFUSED	5	3	2	-	-	-	5	-	2	-	3	-	-	-	4	-	1	2	3	
	0.3	0.3	0.2	-	-	-	2.5	-	0.5	-	0.8	-	-	-	0.8	-	0.4	0.1	0.9	

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

U.S. Department of Labor

Employment Standards Administration
Wage and Hour Division
Washington, D.C. 20210



FAX COVER SHEET

OFFICE OF THE ADMINISTRATOR
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FAX NUMBER (202) 219-4753
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LOCATION: _____

FROM Maria Echavente

If you do not receive all of the pages please call:

NAME: _____

NUMBER: _____

COMMENTS/INSTRUCTIONS:

If you're interested and have
the time please come

U.S. Department of Labor

Office of the Assistant
Secretary for Policy
Washington, D.C. 20210



July 8, 1996

Dear Fashion Industry Forum Participant:

We are extremely pleased that you will be participating in the **Fashion Industry Forum** on July 16, 1996, at **MARYMOUNT UNIVERSITY**'s main campus at 2807 North Glebe Road, in Arlington, Virginia. The Forum will begin with a continental breakfast at 8:00 a.m. and adjourn at 4:00 p.m. The day will consist of three panels of experts with Secretary of Labor Robert B. Reich moderating.

Directions and hotel accommodation options are attached. If you have any questions or need additional information, please do not hesitate to contact me at 202/219-6197. We look forward to seeing you at what promises to be an informative and important event

Sincerely,

Stephanie Swirsky

Attachments



MARYMOUNT UNIVERSITY

2807 North Glebe Road Arlington, Virginia 22207-4299 (703) 522-5600

THE FASHION INDUSTRY FORUM AT MARYMOUNT UNIVERSITY

The Fashion Industry Forum will be held at Marymount University's Main Campus which is located at 2807 North Glebe Road in Arlington, Virginia.

Directions to Marymount University From National Airport

Follow exit out of airport for the George Washington Parkway. Head North toward Washington. Take left-hand exit at Spout Run. Bear right onto Lorcum Lane. Continue on Lorcum Lane, pass through Military Road. At next light, make a right onto Old Dominion Drive. Continue to bear right following signs for Route 309. Then ...

Parking: Those needing to park on campus, turn right onto N. 26th St. and follow the signs to the Parking Garage.

Taxi Drop Off Area: Follow Route 309 to N. Glebe Rd. Bear right onto North Glebe Rd. Marymount University will be on the right, directly after the curve. Then follow the signs to the Taxi Drop Off Area.

Access

If you or any of your guests require special consideration because of physical disability, please notify the Office of Campus Safety at (703) 284-1601 at least 48 hours prior to this event.

Site Information

For site-related information only about the Fashion Industry Forum, please call (703) 284-1647.

FASHION INDUSTRY FORUM

WHO: From the celebrity who lends his or her name to a garment, to retailers, buyers, designers, manufacturers, merchandisers, models, contractors, and consumers-- this forum will provide **critical information for consumers and the industry on steps the fashion industry can take to ensure garments are made in compliance with labor laws.**

WHAT: This **FASHION INDUSTRY FORUM** is part of a multi-pronged strategy of the Labor Department of **enforcement, recognition and education** to eradicate sweatshops in the garment industry.

U.S. Secretary of Labor Robert B. Reich will convene a FASHION INDUSTRY FORUM to educate professionals in the fashion industry and consumers about what they can do to prevent garment worker exploitation in this country. The Forum continues the U.S. Department of Labor's efforts to work with the industry to take affirmative steps to prevent worker abuse. Using real life experiences of industry leaders the Forum will provide useful information about implementing similar programs in other companies and future actions that can be taken to eradicate sweatshops.

WHEN: The **FASHION INDUSTRY FORUM** will be held on **July 16, 1996** at Marymount University in Arlington, Virginia and will tentatively begin with an informal breakfast at 8:00 am and conclude at 4:00 pm.

HOW: Through panel discussions and individual speakers, companies, industry and labor leaders, and government officials will discuss key elements of independent monitoring, strategies for working with contractors and manufacturers to ensure compliance, and other issues critical to ensuring that all garment workers are afforded fair and equitable treatment.

WHY: The Forum will provide fashion leaders with information about industry practices that eliminate sweatshop conditions in the apparel business and **will provide a road map for others in the industry to follow.**

DEPARTMENT OF LABOR/MARYMOUNT UNIVERSITY
FASHION INDUSTRY FORUM

JULY 16, 1996

_____ I will attend the Fashion Industry Forum

_____ I will NOT attend the Fashion Industry Forum

Please provide the following information:

NAME: _____

TITLE: _____

COMPANY: _____

ADDRESS: _____

PHONE: day: _____ night: _____

FAX: _____

DATE OF BIRTH: _____ SOCIAL SECURITY #: _____

**PLEASE RESPOND BY FAXING THIS COMPLETED FORM NOT LATER THAN
MONDAY, July 1, 1996 to:**

Stephanie Swirsky
FASHION INDUSTRY FORUM
U.S. Department of Labor
Phone: 202/219-6197

Facsimile: 202/219-9216 or
202/219-6523

**MARYMOUNT UNIVERSITY
CENTER FOR ETHICAL CONCERNS
ARLINGTON, VA**

GARMENT WORKERS STUDY

November, 1995

Research Director/Consultant:

STEVE McFADDEN

ICR SURVEY RESEARCH GROUP

605 West State Street, Media, PA 19063

Phone: (610) 565 9280 Fax: (610) 565 2369

STUDY BACKGROUND AND OBJECTIVES

United States officials recently discovered that workers who had been smuggled into this country were making garments in sweatshops where they were forced to work long hours under extremely poor working conditions for less than the minimum wage. As a result, this research was conducted to determine:

- Whether respondents would avoid shopping at retailers if aware they sold garments made in sweatshops
- Whether respondents would be more inclined to shop in retail stores cooperating with law enforcement officials to prevent sweatshops
- Whether respondents would be willing to pay \$1 more for a \$20 garment if it were guaranteed to be made in a legitimate shop, and
- Whether respondents would be more likely this holiday season to shop in retail stores on a forthcoming list of retailers assisting authorities in their effort to end abuse of United States garment workers.
- Whether the manufacturers or the retailers should have the responsibility of preventing sweatshops

RESEARCH METHODOLOGY

The research entailed a telephone interview insert in ICR Survey Research Group's EXCEL Omnibus. Each EXCEL includes a national random sample of approximately 1,000 adults (18+), half male and half female.

Interviewing was conducted from Friday, October 27 through Tuesday, October 31. A total of 1008 interviews were completed. Data has been weighted to reflect the U.S. population 18 years of age and older (188,700,000).

IN A NUTSHELL ... HERE ARE THE FINDINGS

RETAILERS - BEWARE OF SWEATSHOP GARMENTS

Americans overwhelmingly support the idea of officials publishing a list of retailers who assist law enforcement agencies in their effort to end abuse of United States garment workers. Seven-in-ten respondents indicate they would be more likely to shop at the stores this holiday season that cooperate to end garment worker abuse. Consumers are willing to pay a price for assurances that goods they buy are not made in sweatshops. 84% of consumers would pay an additional \$1 on a \$20 item if they knew the garment was guaranteed to be made in a legitimate shop.

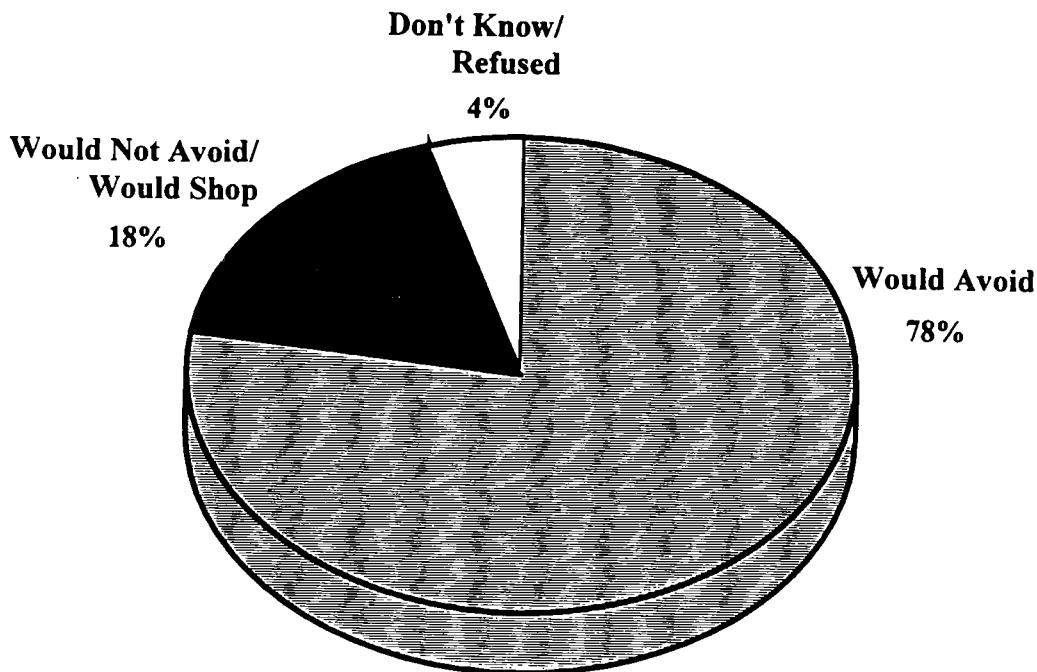
Most Americans (76%) blame the existence of sweatshops on the manufacturers who employ the contractors or workers. However, if consumers knew a retailer sold garments that were made in sweatshops, nearly eight-in-ten would avoid shopping there. As the holiday season starts to kick-off, retailers would be wise to ensure their garments were in fact made in legitimate shops. Given the potential for enticing customers with legitimately made garments, and the potential for losing customers if caught selling sweatshop-made garments, promoting legitimately made garments provides a strategic business opportunity for retailers.

WOULD YOU AVOID SHOPPING AT A RETAILER THAT SOLD GARMENTS MADE IN SWEATSHOPS?

Over three-quarters indicate they would avoid retailers if aware they sold garments made in sweatshops.

- About two-in-ten indicate they would not avoid such retailers and would shop at these retailers.
- Generally, these results are fairly consistent across all demographic groups, with the exception of those earning between \$25,000 and \$40,000, who are particularly likely (86%) to say they would avoid such stores.

RESPONSE TO RETAILERS IF AWARE THEY SOLD GARMENTS MADE IN SWEAT SHOPS

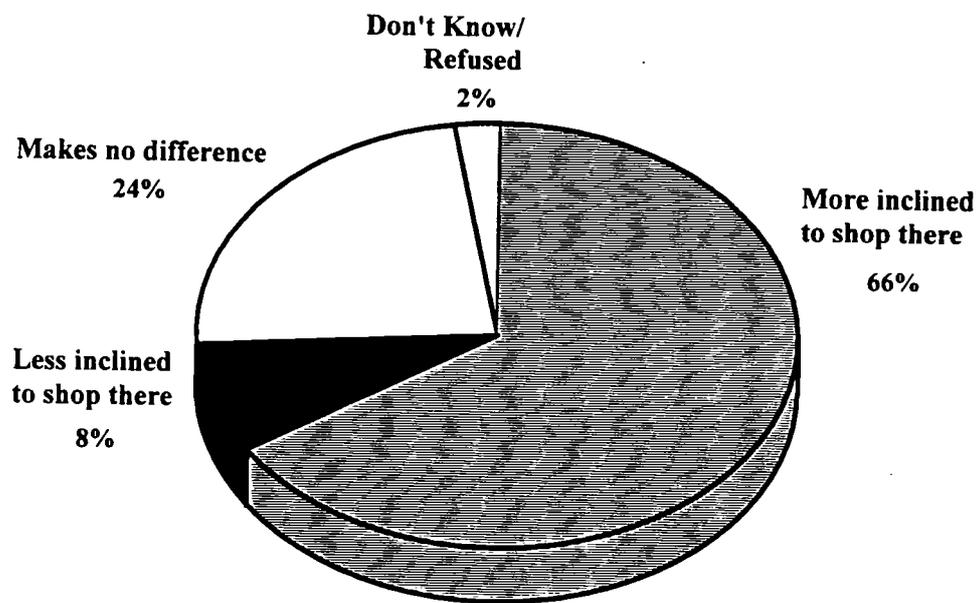


WOULD YOU BE MORE INCLINED TO SHOP AT STORES WORKING TO PREVENT SWEATSHOPS?

Two-in-three consumers say that they would be more likely to shop at a retail store if they knew that that particular store cooperated with law enforcement officials to prevent sweatshops.

- About one-quarter say that knowledge of retail stores' cooperation with law enforcement officials would not have any impact on their shopping preferences.
- About one-in-ten say they would be less inclined to shop at stores that cooperate with law enforcement to prevent sweatshops.

RESPONSE TO A RETAIL STORE IF AWARE THAT PARTICULAR STORE COOPERATED WITH LAW ENFORCEMENT TO PREVENT SWEATSHOPS

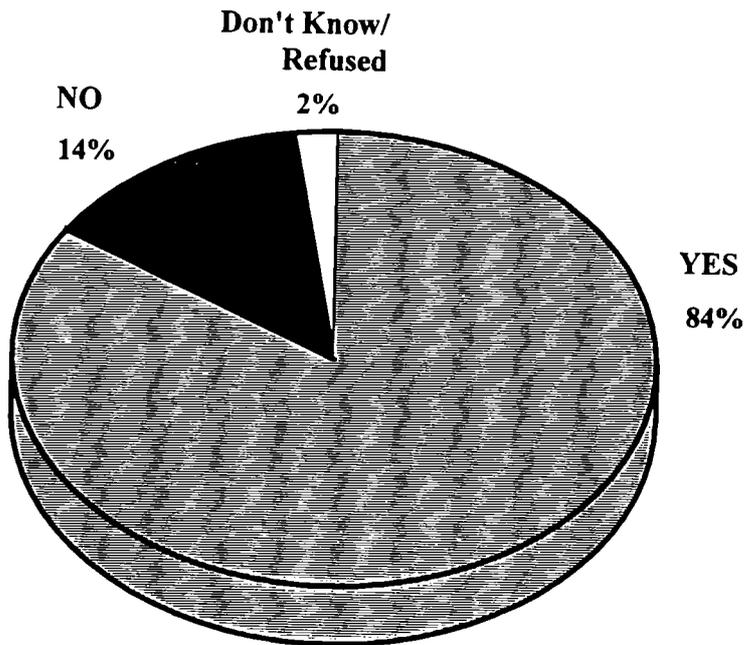


WOULD YOU BE WILLING TO PAY UP TO \$1 MORE FOR A \$20 GARMENT GUARANTEED TO BE MADE IN A LEGITIMATE SHOP?

An overwhelming majority would be willing to pay a dollar more for a garment that costs \$20, if it were guaranteed to be made in a legitimate shop.

- Even among the lowest income group (less than \$15K per year), over three-quarters are willing to pay the dollar premium.

IF BUYING A GARMENT FOR \$20, WHETHER WILLING TO PAY A DOLLAR MORE IF IT WERE GUARANTEED TO BE MADE IN A LEGITIMATE SHOP

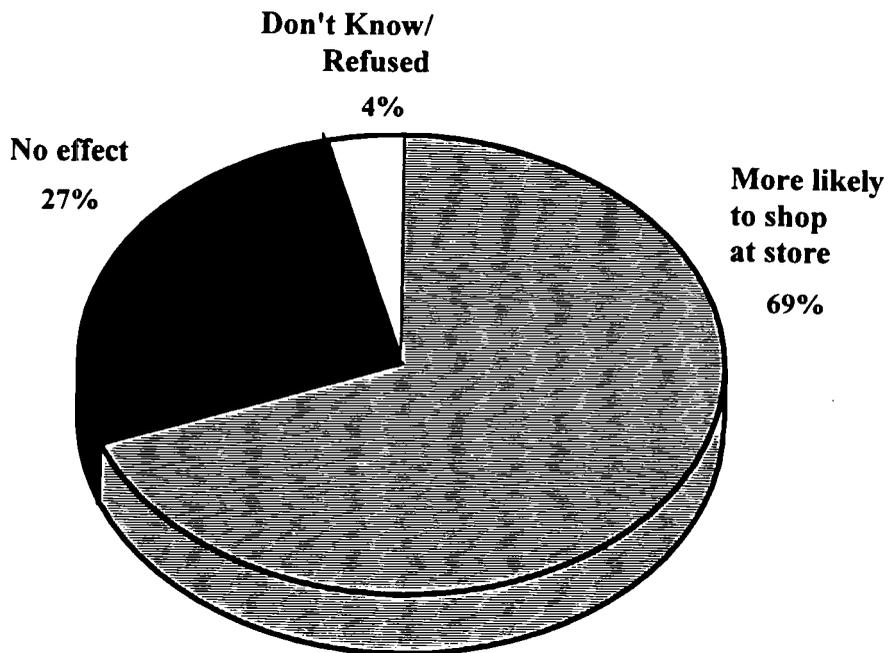


WOULD YOU BE MORE LIKELY THIS HOLIDAY SEASON TO SHOP AT STORES THAT GOVERNMENT OFFICIALS SAY ARE COOPERATING TO PREVENT SWEATSHOPS?

In anticipation of the November publication of a list of retail stores assisting law enforcement officials, two-in-three respondents say they would more likely shop at such listed stores.

- About one-quarter indicate that such a list would have no effect on where they shop.

**RESPONSE TO LIST OF RETAIL STORES ASSISTING
LAW ENFORCEMENT OFFICIALS**



WHO SHOULD BE MOST RESPONSIBLE FOR PREVENTING SWEATSHOPS?

A majority feel manufacturers who employ the contractors or workers should have responsibility for preventing sweatshops in the United States.

- ❑ Seven percent feel the retailers who sell the garments should take responsibility.
- ❑ One in ten feels both manufacturers and retailers should take responsibility.
- ❑ Younger people (18-34) are more likely (82%) to blame manufacturers, while older people are less likely (66%) to do so. Those in the highest income group (\$50,000 or more) also are more likely (83%) to blame manufacturers and less likely to blame retailers (4%) than other income groups.

WHO SHOULD TAKE RESPONSIBILITY

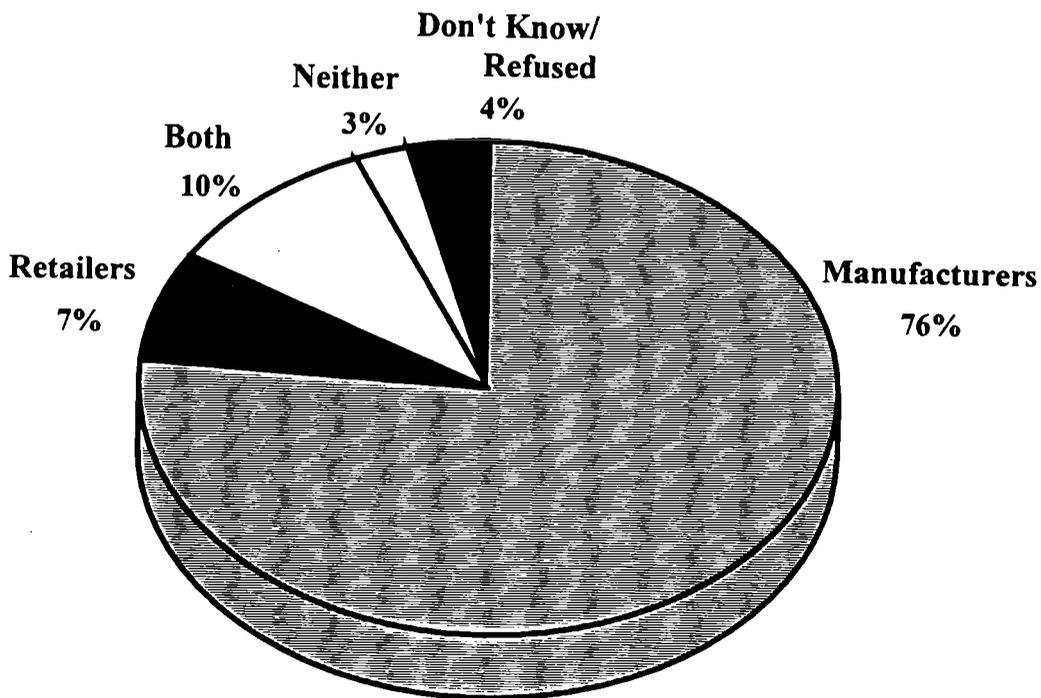


TABLE 001
SS-1. RECENTLY, U.S. OFFICIALS DISCOVERED THAT WORKERS WHO HAD BEEN
SMUGGLED INTO THIS COUNTRY WERE MAKING GARMENTS IN SWEAT SHOPS
WHERE THEY WERE FORCED TO WORK LONG HOURS UNDER EXTREMELY POOR
WORKING CONDITIONS FOR LESS THAN THE MINIMUM WAGE.
WHICH OF THE FOLLOWING SHOULD HAVE RESPONSIBILITY FOR
PREVENTING SWEAT SHOPS IN THE UNITED STATES?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMETRO
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
THE MANUFACTURERS WHO EMPLOY THE CONTRACTORS OR WORKERS	1440	683	757	541	316	213	144	196	236	241	314	151	357	286	331	516	306	1140	300
	76.3	75.3	77.3	82.2	78.7	74.6	71.7	65.7	76.4	74.0	78.0	75.4	82.9	74.1	74.5	78.3	77.3	76.2	76.9
THE RETAILERS WHO SELL THE GARMENTS	135	69	66	51	18	20	19	24	35	19	19	21	15	23	36	52	24	101	34
	7.1	7.6	6.7	7.8	4.4	6.9	9.3	8.0	11.3	5.7	4.8	10.7	3.5	6.0	8.0	7.9	6.0	6.7	8.6
BOTH ARE RESPONSIBLE	189	89	101	46	54	40	14	34	24	39	43	22	40	38	46	56	50	155	35
	10.0	9.8	10.3	6.9	13.4	13.9	6.8	11.5	7.7	12.1	10.8	10.8	9.3	9.8	10.4	8.4	12.5	10.3	8.9
NEITHER IS RESPONSIBLE	47	33	14	6	5	8	9	18	-	12	12	3	9	11	7	21	9	40	8
	2.5	3.7	1.4	0.9	1.1	2.7	4.6	5.9	-	3.8	3.1	1.4	2.2	2.7	1.6	3.2	2.2	2.6	2.0
DON'T KNOW	72	31	40	14	10	4	14	26	14	15	11	3	8	26	24	15	7	59	13
	3.8	3.5	4.1	2.1	2.4	1.4	6.9	8.9	4.6	4.5	2.7	1.6	1.9	6.8	5.5	2.2	1.7	3.9	3.3
REFUSED	4	2	2	-	-	2	1	-	-	-	3	-	1	3	-	-	1	3	1
	0.2	0.3	0.2	-	-	0.5	0.7	-	-	-	0.7	-	0.2	0.7	-	-	0.4	0.2	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 002
SS-2. IF YOU WERE AWARE OF A RETAILER THAT SOLD GARMENTS MADE IN
SWEAT SHOPS IN THE UNITED STATES, WOULD YOU AVOID SHOPPING
THERE?

BASE: TOTAL RESPONDENTS

	S E X		A G E					HOUSEHOLD INCOME					R E G I O N				METRO STATUS		
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMT
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
YES, WOULD AVOID SHOPPING THERE	1462	685	778	483	327	224	166	233	221	236	346	164	342	305	351	489	317	1166	297
	77.5	75.4	79.4	73.4	81.4	78.3	82.6	78.1	71.5	72.4	85.7	81.9	79.4	79.0	79.0	74.1	80.0	77.9	76.0
NO, WOULD NOT AVOID SHOPPING THERE/WOULD SHOP THERE	339	179	160	143	54	51	27	55	64	66	46	33	75	61	64	140	73	272	66
	18.0	19.7	16.3	21.7	13.3	17.8	13.3	18.3	20.7	20.4	11.3	16.7	17.5	15.9	14.5	21.3	18.4	18.2	17.0
DON'T KNOW	85	42	42	33	21	11	7	11	24	24	10	3	14	20	29	31	5	59	26
	4.5	4.7	4.3	5.0	5.3	3.9	3.3	3.6	7.8	7.2	2.6	1.4	3.2	5.1	6.5	4.6	1.3	3.9	6.6
REFUSED	1	1	-	-	-	-	1	-	-	-	1	-	-	-	-	-	1	-	1
	0.1	0.2	-	-	-	-	0.7	-	-	-	0.3	-	-	-	-	-	0.4	-	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 003
SS-3. IF YOU KNEW THAT A PARTICULAR RETAIL STORE COOPERATED
WITH LAW ENFORCEMENT OFFICIALS TO PREVENT SWEATSHOPS,
WOULD YOU BE MORE INCLINED TO SHOP THERE THAN AT OTHER
STORES SELLING PRODUCTS OF SIMILAR QUALITY AND PRICES,
LESS INCLINED TO SHOP THERE, OR WOULD THIS MAKE NO
DIFFERENCE IN WHERE YOU SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E						HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMETRO	
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226	
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391	
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
MORE INCLINED TO SHOP THERE	1237	592	645	394	284	208	142	184	130	207	297	153	305	266	303	406	263	985	252	
	65.5	65.2	65.8	59.9	70.6	72.9	70.7	61.6	42.2	63.8	73.7	76.6	70.8	68.8	68.1	61.5	66.3	65.8	64.6	
LESS INCLINED TO SHOP THERE	160	68	93	47	26	26	24	34	46	30	31	16	26	37	40	51	33	130	30	
	8.5	7.4	9.5	7.1	6.4	8.9	12.0	11.3	15.0	9.3	7.7	8.0	6.0	9.5	9.0	7.7	8.2	8.7	7.7	
MAKE NO DIFFERENCE	444	233	210	209	85	46	23	69	111	82	67	31	97	82	85	181	95	352	92	
	23.5	25.7	21.5	31.7	21.1	16.2	11.6	23.2	36.1	25.3	16.7	15.4	22.5	21.2	19.1	27.5	24.0	23.5	23.4	
DON'T KNOW	45	13	31	8	7	6	10	12	21	5	6	-	3	2	17	22	4	29	15	
	2.4	1.5	3.2	1.2	1.8	2.0	5.1	3.9	6.7	1.6	1.5	-	0.7	0.5	3.7	3.3	1.1	1.9	3.9	
REFUSED	1	1	-	-	-	-	1	-	-	-	1	-	-	-	-	-	1	-	1	
	0.1	0.2	-	-	-	-	0.7	-	-	-	0.3	-	-	-	-	-	0.4	-	0.4	

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 004
SS-4. IF YOU WERE BUYING A GARMENT THAT COST \$20, WOULD YOU BE
WILLING TO PAY UP TO A DOLLAR MORE IF IT WERE GUARANTEED
TO BE MADE IN A LEGITIMATE SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O S T A T U S	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMT
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
YES, WOULD PAY MORE/IF MADE IN A LEGITIMATE SHOP	1590	766	823	548	343	244	178	243	234	263	373	181	362	326	392	542	329	1270	320
	84.2	84.4	84.1	83.3	85.3	85.2	88.4	81.5	75.8	80.7	92.7	90.6	84.1	84.4	88.2	82.2	82.9	84.8	81.9
NO, WOULD NOT PAY MORE	255	124	131	105	52	36	15	42	61	60	27	19	60	52	43	101	59	190	65
	13.5	13.7	13.4	16.0	12.8	12.7	7.6	14.1	19.7	18.6	6.8	9.4	13.9	13.4	9.7	15.3	15.0	12.7	16.6
DON'T KNOW	40	15	25	5	8	5	7	13	14	2	-	-	8	8	8	17	7	36	4
	2.1	1.7	2.6	0.7	1.9	1.8	3.3	4.4	4.4	0.7	-	-	1.9	2.2	1.9	2.5	1.8	2.4	1.1
REFUSED	2	2	-	-	-	1	1	-	-	-	2	-	-	-	1	-	1	1	1
	0.1	0.3	-	-	-	0.3	0.7	-	-	-	0.6	-	-	-	0.2	-	0.4	0.1	0.4

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

TABLE 005
SS-5. IN NOVEMBER, AUTHORITIES WORKING TO CRACK DOWN ON SWEATSHOPS
IN THE GARMENT INDUSTRY WILL RELEASE A LIST OF RETAIL STORES
WHO ARE ASSISTING THEIR EFFORTS TO END ABUSE OF U.S. GARMENT
WORKERS.
WOULD YOU BE MORE LIKELY TO SHOP AT THESE STORES THAN OTHER
STORES DURING THE HOLIDAY SEASON, OR WOULD THIS INFORMATION
HAVE NO EFFECT ON WHERE YOU SHOP?
BASE: TOTAL RESPONDENTS

	S E X			A G E					HOUSEHOLD INCOME					R E G I O N				M E T R O	
	TOTAL	MALE	FE- MALE	18-34	35-44	45-54	55-64	65+	UNDER \$15K	\$15K- \$24.9	\$25K- \$39.9	\$40K- \$49.9	\$50K+	NORTH EAST	NORTH CNTRL	SOUTH	WEST	METRO	NONMT
TOTAL UNWEIGHTED	1008	507	501	310	261	172	112	127	156	159	222	113	247	210	244	351	203	782	226
TOTAL WEIGHTED	1887	908	979	658	402	286	201	298	309	325	403	200	431	387	445	660	396	1497	391
-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
MORE LIKELY TO SHOP AT STORE ASSISTING EFFORTS	1295	626	669	411	285	207	147	215	163	190	314	151	328	259	324	438	274	1040	255
	68.6	68.9	68.3	62.4	71.0	72.5	73.3	72.1	52.9	58.4	77.8	75.5	76.1	67.0	72.9	66.3	69.2	69.5	65.2
NO EFFECT ON WHERE I SHOP	515	246	268	234	108	69	35	57	126	105	83	43	94	109	99	194	113	399	116
	27.3	27.1	27.4	35.6	26.8	24.2	17.5	19.2	40.9	32.3	20.6	21.5	21.9	28.3	22.3	29.4	28.5	26.6	29.7
DON'T KNOW	73	33	40	13	9	10	14	26	18	30	3	6	9	18	18	28	8	56	16
	3.8	3.6	4.1	2.0	2.1	3.3	6.8	8.7	5.7	9.3	0.8	3.0	2.0	4.7	4.0	4.3	2.0	3.8	4.2
REFUSED	5	3	2	-	-	-	5	-	2	-	3	-	-	-	4	-	1	2	3
	0.3	0.3	0.2	-	-	-	2.5	-	0.5	-	0.8	-	-	-	0.8	-	0.4	0.1	0.9

Note: Frequencies are reported in 100,000's. 1887 = 188,700,000 which represents the U.S. Population 18 years of age or older.

Stanis - authority

e-mail to Carol re: can verify

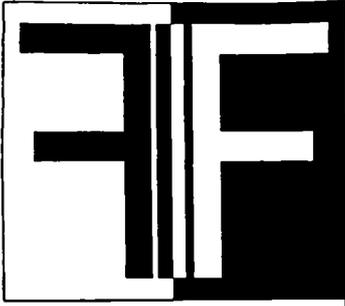
Call Richard person back

July 16, 1996

To: Molly Brostrom
Sandra Bublick-Max
Dennis Burke
Mike Cohen
Julie Demeo
Elizabeth Drye
Diana Fortuna
Lyn Hogan
Chris Jennings
Diane Regas
Jeanine Smartt
✓ Steve Warnath
Paul Weinstein

From: Andy Tomlinson
Manoj Mate
Bridget Carberry

Here's the latest edition of DPC Press Clips for Tuesday, July 16, 1996.



An Educational Forum of the
U.S. Department of Labor's
NO SWEAT Initiative

MARYMOUNT UNIVERSITY
July 16, 1996

Panelist Biographies

PANEL 1

Roberta Baskin, CBS News Correspondent, *48 HOURS*

Roberta Baskin has a distinguished career in consumer and investigative reporting. She is currently the head of the investigative unit for the CBS News *48 HOURS* primetime hour. She has previously served as correspondent for *Eye to Eye* and for CBS News. She also served as an investigative reporter for local stations, including WJLA-TV Washington, DC. Her reports have included several sweatshop and child labor investigations nationally and abroad. She has been honored with more than 75 awards and her work has led to congressional hearings and legislative action.

CBS News' *48 HOURS* is beginning its ninth season. Anchored by Dan Rather, this single-topic news hour has received critical acclaim for its innovative style, which presents a single issue from many points of view. The issues are presented in long form to allow for thorough exploration. The result has been the most successful regularly scheduled documentary series in the history of television.

Gail Cottle, Executive Vice President, Nordstrom

Gail Cottle has held a variety of positions with Nordstrom since beginning her career. Her background in merchandising has been primarily in Women's Apparel having held several buying and merchandise management positions. Ms. Cottle's experience includes an extensive background in product development and sourcing. She has worked extensively throughout Southeast Asia, Europe and South America since Nordstrom initiated programs in 1975. Ms. Cottle's current responsibilities as Executive Vice President are overseeing operations, merchandising and marketing for Nordstrom Product Development of Women's Apparel, Children's, Accessories and Gifts. Nordstrom Own Product represents approximately 20 percent of annual sales.

Founded in 1901 by Swedish immigrant, John W. Nordstrom and his partner Carl F. Wallin, Nordstrom is a fashion specialty retailer with 81 stores in 16 states. Nordstrom offers a large selection of quality fashion apparel, shoes and accessories for men women, and children. The company's sales in 1995 exceeded \$4.1 billion. In 1995, six fourth generation Nordstrom family members were appointed to the co-presidency, continuing the company tradition of family participation. As it enters its tenth decade of operation, Nordstrom remains committed to its founders philosophy: offer the customer the best service, selection, quality and value.

Larry Martin, President, American Apparel Manufacturers Association

Larry K. Martin has served as President of the AAMA since January 1995, previously serving as their Director of Government Relations, representing the industry before Congress and government agencies since June 1984. Prior to coming to the AAMA, Mr. Martin served as Vice President of the American Fiber Producers Association. He began his career on the staff of the US Senate and in the newspaper business.

The AAMA is the central trade association for the US apparel industry, representing 70% of the domestic production. AAMA members manufacture every type of garment and are located in virtually every state in the country.

Cheryl Tiegs

Cheryl Tiegs has had one of the most prolific modeling careers ever, spanning every major magazine in Europe and America. Often referred to as the "All-American Girl," she has appeared on three *Time* magazine covers. Ms. Tiegs made the successful transition from designers' model to model designer when she was still active in the field. "After some twenty-plus years in front of the camera, I thought the next logical step would be to move into designing. After all, I had been in the fashion business and around clothes trying to make them look good, and finding what 'worked and what didn't.' A certain level of expertise has rubbed off on me after all these years," she says. Ms. Tiegs lends her fashion and design acumen to a number of projects, including her successful line of clothing, eyeglass frames, fine jewelry, fashion watches, hosiery, socks and shoes. She has also authored a book on beauty, appeared in a *Sports Illustrated* exercise video and was the *Good Morning America* Fashion, Beauty and Fitness Correspondent.

Neil Kearney, General Secretary, International Textile, Garment and Leather Workers' Federation

Neil Kearney was appointed General Secretary of the ITGLWF in 1988. This followed a career active in union and political activities. Mr. Kearney not only served in various union positions and United Kingdom governmental bodies connected with the textile, clothing and footwear industries but he served as elected leader of the opposition on the Council in London. As General Secretary, he has visited nearly every country in which the ITGLWF has an affiliated organization and a number of others besides – 120 in total. He regards this activity in the field as being vitally important in keeping the ITGLWF in touch with its affiliates and their members. Mr. Kearney has been in the forefront of trade union action aimed at building a greater public awareness of the exploitation that takes place in the textile, garment, shoe and leather industries and through this public awareness, campaigning for change. Mr. Kearney serves as a member of the Steering Committee of the International Confederation of Free Trade Unions and he is currently the Vice-Chairman of the International Trade Secretariat General Conference.

The International Textile, Garment and Leather Workers' Federation represents 207 trade unions in 101 countries with a combined membership of over 7.25 million workers bound together in solidarity. The ITGLWF plays a lead role in the international labor movement's campaigns in promoting worker rights and in combating child labor.

Nancy Peñaloza, Garment Worker

Nancy Peñaloza is a garment worker in Manhattan's fashion district. She has been working as a sewing machine operator in sweatshop garment factories for nine years. She is married and has two young children. She is the volunteer education director at the UNITE Garment Workers' Justice center where she coordinates free classes in English, GED and Spanish literacy.

Robert H. Dunn, President and CEO, Business for Social Responsibility

Robert H. Dunn has been President and CEO of Business for Social Responsibility (BSR) and the BSR Education Fund since December 1994 and has served on the Board of Directors since 1993. For the prior 13 years, Mr. Dunn worked at Levi Strauss & Company where he was Vice-President of Corporate Affairs and Executive Vice-President of the Levi Strauss Foundation. Mr. Dunn also served as Deputy Appointments Secretary to former President Jimmy Carter during the last two years of his administration, as well as Ambassador to Mexico and a cabinet member and Governor's Chief of Staff in the State of Wisconsin. He was also an Associate Dean and lecturer at Wesleyan University.

BSR is a national association of businesses, with more than 800 members, whose purpose is to help companies implement responsible business policies and practices. BSR member companies include some of the country's most distinguished businesses representing every sector of the economy, including AT&T, Federal Express, Home Depot, Honeywell, Polaroid, Starbuck, and Time Warner, as well as many smaller companies.

PANEL 2**John Ermatinger, Vice President of Operations and Sourcing, Levi Strauss North America.**

As Vice President of Operations and Sourcing since April, 1993 Mr. Ermatinger's responsibilities include overseeing the United States operations organization and managing production sourcing from Asia, Europe and Latin America. Mr. Ermatinger joined the company in 1973 as a stocktaker for Men's Jeans. He was promoted through the company, and in the process gained wide experience with all aspects of the garment industry. He has been a sales representative; merchandise manager; general manager of Levi Strauss Istanbul; and special projects manager for Levi Strauss North America marketing.

Mr. Ermatinger also serves on the board of directors of the American Apparel Manufacturers Association.

Paul Gill, President, San Francisco Fashion Industries

Mr. Gill is in his third consecutive term as president of the San Francisco Fashion Industries, an organization representing more than 300 apparel manufacturers in the Bay Area. As president of the SFFI, Mr. Gill has worked with the local manufacturing community to improve compliance standards in Northern California. Mr. Gill is also a founding member of Garment 2000, an innovative partnership between contractors, manufacturers, organized labor, technical experts, educators, and government established in 1994 to increase compliance with labor laws by addressing the root causes of substandard and illegal wages and to help revitalize the Bay area garment industry in preparation for the next century.

Mr. Gill has been involved in the garment industry for over 20 years, including most recently co-owning Mousefeathers, Inc., a Berkeley manufacturer of better clothing for girls.

Stan Levy, partner, Greenberg Glusker Fields Claman & Machtinger LLP, Los Angeles, CA.

Mr. Levy specializes in an apparel industry practice. From 1992 until early this year, Mr. Levy was General Counsel at Guess?, Inc., where he developed the company's program for monitoring contractor compliance with federal and state labor, health and safety, and other laws. The Guess? program has become a model for the apparel industry. Mr. Levy also served as lead counsel for the uninsured depositors and special counsel to the U.S. Department of Justice and the National Credit Union Association in federal court litigation involving one of the largest bank failures in U.S. history and Director of Training for the Criminal Division of the Los Angeles City Attorney's office.

Kevin Sweeney, Vice President and Director of Environmental Strategies, Patagonia

As Vice President and Director of Environmental Strategies, Mr. Sweeney is a member of the company's seven member Management Team. He works closely with the company's business partners/suppliers and outside environmental organizations, and oversees the art, administrative services and public affairs departments. In his early years at Patagonia, he led the development of the company's environmental and social programs as the company assumed a leadership role in the areas of business ethics and corporate environmentalism.

From 1993 to 1995, Mr. Sweeney served as Assistant Secretary of the Interior. Prior to joining Patagonia, he was press secretary for Senator Gary Hart, a television reporter and a policy analyst at The Wharton School's Analysis Center for Energy Statistics.

**Maria Echaveste, Administrator, Wage and Hour Division,
U.S. Department of Labor.**

As Wage and Hour Administrator since June, 1993, Ms. Echaveste is responsible for the management and policy direction of programs related to a variety of Federal wage and employment standards, including those related to minimum wage and overtime, and child labor. Ms. Echaveste has made the improvement of working conditions and compliance with the Fair Labor Standards Act in the garment industry a major initiative for the Wage and Hour Division, and she has worked to bring together all segments of the garment industry to address this problem.

Ms. Echaveste's prior experience includes serving as national Latino coordinator for President Clinton's 1992 campaign, practicing law with firms in Los Angeles and New York, and working at the U.S. Commission on Civil Rights in Washington, D.C.

Richard Reinis, Executive Director, Los Angeles Compliance Alliance.

Mr. Reinis, a partner in the Los Angeles law firm of Reinis & Reinis, was a leading force behind the creation of the Compliance Alliance. The Compliance Alliance, established in June, 1995, is a group of manufacturers which came together voluntarily to monitor their contractors for compliance with the Fair Labor Standards Act. Through the Compliance Alliance, over 2,000 area contractors are monitored for compliance with the Act.

PANEL 3**Roberta Karp, Vice President Corporate Affairs and General Counsel, Liz Claiborne**

Ms. Karp currently serves as Vice President Corporate Affairs and General Counsel for Liz Claiborne, a manufacturer and retailer of women's apparel and accessories, cosmetics, shoes, eyewear, optics, watches and home design furnishing accessories. She serves as the company's liaison to Business for Social Responsibility and is guiding the company's efforts to strengthen its internal auditing processes of contracted production factories, as well as launch pilot independent monitoring programs in certain regions. Ms. Karp is on the Executive Council of Liz Claiborne and serves as a member of the Liz Claiborne Foundation, the Company's center for charitable activities.

Bud Konheim, CEO, Nicole Miller

Mr. Konheim began his career by working in his family's own garment business for 27 years. In 1975, when his family's business dissolved, he formed his own company, P.J. Walsh and hired Ms. Nicole Miller to work for him. In 1982, Mr. Konheim entered into a partnership with Ms. Miller and renamed their company, Nicole Miller. Mr. Konheim is a member of the Board of Directors of the Fashion Roundtable.

Nicole Miller, Ltd., designs, produces, distributes and sells women's and men's tailored apparel, childrenswear, perfume and body products, eye wear, timepieces, handbags and accessories, jewelry, stationary, shoes, socks and formal wear. Its distribution is worldwide and includes: the United States, Canada, Germany, England, Spain, Mexico, Argentina, Saudi Arabia, Japan, Singapore, and Hong Kong. Nicole Miller, also opened their first boutique in New York City in 1986 and today they are operating twenty-five stores throughout the world and their company's designs are sold throughout North America.

Warren Flick, President, Merchandising, Kmart Corporation

Mr. Flick currently serves as President for Merchandising of Kmart Corporation. Prior to his current position, Mr. Flick served in various senior executive positions with such well-known retailers as Sears Roebuck & Co. and Montgomery Ward. Mr. Flick also serves as the Executive Vice President of the Fashion Association.

Kmart Corporation was founded in 1899 in Detroit, Michigan and was known as the S.S. Kresage Company. In 1962, the first Kmart discount department store opened in Garden City, Michigan. In its first year of operation its sales topped \$483 million and in 1966 it registered its first billion-dollar year. Today, Kmart employs some 300,000 individuals and there are more than 2100 Kmart stores that operate in the United States, Puerto Rico, Canada, the Czech Republic, Slovakia, Mexico and Singapore.

Kathie Lee Gifford

Kathie Lee Gifford is an entertainer and businesswoman. She is currently the co-host of the *LIVE* with Regis and Kathie Lee show. Ms. Gifford along with her husband Frank Gifford devote a great deal of time to numerous charitable causes including Variety Club International's "The Children's Charity" and the Association to Benefit Children, which spawned the Cody Foundation. The resources from the foundation support "Cody House and Cassidy's Place," facilities that provide shelter and care to H.I.V. positive and crack-addicted children.

Ms. Gifford has also developed a clothing line, the Kathie Lee Collection at Wal-Mart and has written two books whose proceeds continue to support various charities.

H. Lee Scott, Jr., Executive Vice President, Merchandise and Sales, Wal-Mart Stores

Lee Scott is currently Executive Vice President of Merchandise and Sales for Wal-Mart Stores Division. He has served as an assistant director of transportation, Vice President of Transportation, and Executive Vice President of Logistics.

Wal-Mart Stores is based in Bentonville, AK and is the largest retailer in the world. Founded in 1962 by Sam Walton, the currently serves approximately 60 million customers a week through 2,252 Wal-Mart stores and 433 SAM's Clubs. The company has more than 675,000 associates worldwide and added 41,000 new jobs last year.

Jay Mazur, President UNITE

Mr. Mazur has a long and distinguished career in organized labor. He currently serves as the President of UNITE (Union of Needletrades, Industrial and Textile Employees) a new union that was created in 1995 by the merger of the Amalgamated Clothing and Textile Workers Union and the International Ladies Garment Workers Union. UNITE, under Mr. Mazur's leadership, has been at the forefront in the battle to assist garment workers in fighting exploitive labor conditions.

Linda Golodner, President and CEO, National Consumers League

Ms. Golodner is the chief executive officer of the National Consumer League. Before coming to the League in 1983, Ms. Golodner was president of her own public affairs firm, representing nonprofit institutions, associations and political organizations. She also has worked for the U.S. House of Representatives and she is a former Commissioner and Chair of the Fairfax County Commission for Women. Ms. Golodner has served as Chair of the U.S. Department of Labor Child Labor Advisory Committee and chairs the Child Labor Coalition, a group concerned about international and domestic exploitation of children in the workplace.

The National Consumers League was founded in 1899, to bring consumer power to bear on marketplace and workplace issues. Priority issues for the League are food and drug safety, health care reform, fair labor standards, telecommunications, financial services, environmental issues and consumer fraud.

Tracy Mullin, President, National Retail Federation

Tracy Mullin was elected President of the National Retail Federation in 1993, the nation's largest trade group speaking for the retail industry. Prior to her appointment as president, Ms. Mullin served as head of the organization's government and public affairs department, as well as executive vice president of their Washington division. Ms. Mullin previously served as senior legislative assistant to Senate Minority Leader Hugh Scott of Pennsylvania.

The NRF is a membership organization, including both retail and associate members. Associate membership encompasses companies that provide products and services to the retail industry as well as colleges and universities, and the media (print, radio and television). The Federation represents an industry that encompasses over 1.3 million U.S. retail establishments, employs over 20 million people and registered sales in excess of \$1.9 trillion in 1992.

U.S. DEPARTMENT OF LABOR

**SECRETARY OF LABOR
WASHINGTON, D.C.**

July 16, 1996

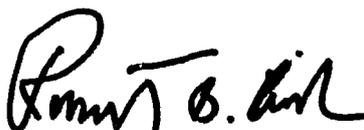
Dear Fashion Industry Forum Participant:

Welcome to the Fashion Industry Forum -- an educational program of the Department of Labor's "No Sweat" initiative. I am extremely pleased that you are joining me here today, for what I know will be a very interesting and informative session. The enormous amount of interest in the Forum is testimony to the importance all aspects of the fashion industry place on eradicating workplace abuse in this country and internationally. Clearly, there is widespread recognition that each of us plays a critical role in developing and implementing workable solutions.

Today we will hear from leaders throughout the fashion industry -- retailers, designers, manufacturers, workers, policy makers, consumers, and celebrities. We will explore the extent of the sweatshop problem, the challenges faced in eradicating the abuses, and innovative steps many are taking to ensure labor law compliance. Most importantly, we will leave here today with a range of options and tools for putting an end to sweatshops in America.

Thank you for your participation in this important effort.

Sincerely,



Robert B. Reich



OFFICE OF THE
PRESIDENT

MARYMOUNT UNIVERSITY

2807 North Glebe Road Arlington, Virginia 22207-4299 (703) 284-1598 Fax (703) 284-1595

July 16, 1996

Dear Participants of the Fashion Industry Forum,

On behalf of our trustees, faculty, staff and students, welcome to the nation's capital and to Marymount University.

We take great pride in being the host site for this first-of-its-kind gathering, and we share with Secretary Reich and with each of you the commitment to end sweatshops, child labor and other worker abuses in the garment industry in the United States and abroad.

For the past year, Marymount has been a partner with the U.S. Department of Labor regarding this critical issue. The University's Center for Ethical Concerns and our Fashion Design and Merchandising department have worked together to implement a variety of activities at the university, community and national levels, including public forums, curriculum development, and last November, a path-breaking national consumer survey that revealed American's intolerance of sweatshops in the garment industry.

Our role in today's forum is not the culmination of our involvement. Rather, it is a message of our strong desire to continue to work with government and every aspect of the fashion and apparel industry to effectively combat this problem and seek viable solutions.

Assured prayers and our very best wishes for a successful forum.

Sincerely,


Sr. Eymard Gallagher, RSHM
President

Students

The University's diverse student body of approximately 2,100 undergraduates and 2,100 graduate students represents 38 states and many foreign countries. Of the 1,300 full-time undergraduate students, 550 live on campus.

Faculty

The faculty includes 117 full-time members. A number of highly qualified adjunct instructors supplement the regular faculty each semester.

Special Programs

Internship experience is required in all programs. Potential internship settings may be found at these locations and at many other sites:

- ♦ Washington-area corporations
- ♦ research and professional agencies
- ♦ government offices
- ♦ political organizations
- ♦ congressional offices
- ♦ educational institutions
- ♦ special service agencies
- ♦ health care facilities

The London Program offers internships abroad for qualified juniors and seniors who can live, study, and work in London for one semester. Students in the program find many life-long benefits:

- ♦ learning about different cultures, peoples, and customs
- ♦ gaining a fuller understanding of American culture by experiencing how others see it
- ♦ advancing their career prospects through an internship in a British or international setting

Schools

ARTS AND SCIENCES
BUSINESS ADMINISTRATION
EDUCATION AND HUMAN SERVICES
NURSING

Degrees offered

Bachelor of Arts
Bachelor of Business Administration
Bachelor of Science
Bachelor of Science in Nursing
Associate of Applied Science in Nursing
Master of Arts
Master of Business Administration
Master of Education
Master of Science
Master of Science in Nursing

Major Fields and Programs

Accounting	Human Resource Development
Biology	Human Resource Management
Environmental Science track	Human Services Psychology
Molecular and Cellular track	Humanities
Business Administration	Information Management
Business Law	Interior Design
Business Psychology	International Business
Communications	Legal Administration
Computer Science	Liberal Studies
Criminal Justice	Management
Economics	Management for Organizational Effectiveness
Economics and Public Policy	Management Science
Education	Marketing
NK-8	Mathematics
English as a 2nd Language	Nursing
Secondary Education	Organization Development
Learning Disabled	Paralegal Studies
English	Philosophy and Religion
Fashion Design	Physical Therapy
Fashion Merchandising	Political Science
Finance	Psychological Services
Graphic Design	Counseling
Health Care Administration	School Guidance Counseling
Health Care Management	Retail Management
Health Fitness Management	
Health Promotion Management	
History	

Library

The Emerson G. Reinsch Library houses a collection of more than 135,000 volumes and 1,200 journal titles. Special services include on-line catalogs and CD-ROM database searching. Students have access to member libraries of both the Washington Research Library Consortium and the Northern Virginia Consortium, which include 5 million volumes, 5 million microform items, and 50,000 serial publications.

Consortium

Through membership in The Consortium of Universities of the Washington Metropolitan Area and the Washington Research Library Consortium, Marymount students have access to academic courses and library resources at 11 universities in the Washington, D.C. area.

Campus Ministry

Spiritual life is fostered through daily Mass and other religious programs. Retreats, spiritual counseling, prayer services, and Bible study are available. Campus ministry serves students of all major faiths.

Accreditation

Marymount University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the master's, bachelor's, and associate's degrees. Specialized accreditations include Association of Collegiate Business Schools and Programs (ACBSP), Foundation for Interior Design Education Research (FIDER), National Council for the Accreditation of Teacher Education (NCATE), National League for Nursing (NLN), and Division of Teacher Education and Licensure of the Virginia State Department of Education. The paralegal program is approved by the American Bar Association.

Student Life

Marymount has more than 30 student organizations and clubs open to all students. They include honor societies, student government, student newspaper, yearbook, student chapters of professional organizations linked to career majors, social and spirit clubs, and volunteer service groups. Residence hall living is available to men and women during the academic year and the summer sessions. The room and board fee includes 24-hour Health Center privileges during the Fall and Spring semesters and student health insurance.

Athletics

Students compete in intercollegiate athletics through membership in both the National Collegiate Athletic Association Division III and the Capital Athletic Conference. Men's sports include basketball, golf, lacrosse, soccer, and swimming. Women's teams include basketball, soccer, swimming, and volleyball. An intramural program and facilities for personal health and fitness, such as the exercise room and pool, provide sports opportunities for all students.

Alumni

With more than 15,000 living alumni, Marymount has a rich history of involvement with its former students through alumni clubs in other states, campus reunions, and special events. Alumni receive *Today*, the University magazine, and support the educational mission through annual giving, recruitment of students, and career counseling.



MAIN HOUSE
MARYMOUNT UNIVERSITY
ARLINGTON, VIRGINIA

The University

Marymount University, founded in 1950 by the Religious of the Sacred Heart of Mary, is a coeducational Catholic university governed by an independent Board of Trustees.

University motto:

Tua luce dirige—Guide us by Your Light

Academic colors: Blue and white

Athletic teams: The Saints

Campus

Undergraduate and graduate programs are offered on the 21-acre Main Campus. Other Marymount educational centers in Northern Virginia include the Ballston Campus in Arlington; the Loudoun Center at CountrySide, Sterling; and several other sites in McLean and Reston.

Resources of Washington, D.C.

Marymount University is located in Arlington, Virginia, a suburban setting just minutes from Washington, D.C. University shuttle bus service is available from the campus to the area's public transportation system, Metrorail. With this easy access to our nation's capital, exciting opportunities for learning extend beyond campus

- ♦ to capture the action of American political and governmental issues as they occur,
- ♦ to reveal the breadth and variety of international cultures that enrich life around Washington, and
- ♦ to inspire and remind us of the depth of character and commitment that comprises the history of our nation.

Financial Aid

Comprehensive financial aid programs, including federal, state, and institutional grants, loans, and scholarships, are available to qualified students. **For more information, contact the Financial Aid Office, (703) 284-1530.**

Costs

Full-time undergraduate tuition and fees for 1995-96 academic year (September-May) are \$11,900. Room and board charges are \$5,470 per semester for a double-occupancy room and \$5,970 for a single-occupancy room. Graduate tuition is \$410 per credit hour.

USEFUL TELEPHONE NUMBERS

Academic Affairs	(703) 284-1550
Admissions	(703) 284-1500
Toll-free	(800) 548-7638
TDD	(703) 284-3801
Advancement	(703) 284-1647
Alumni	(703) 284-1541
Financial Aid	(703) 284-1530
Library	(703) 284-1533
Registrar	(703) 284-1520
Student Services	(703) 284-1615

Marymount University does not discriminate on the basis of race, color, national origin, sex, age, or disability in any of its educational programs or activities. For inquiries regarding nondiscrimination policies, contact Sr. M. Murphy, RSHM, 504 Coordinator, College Hall, (703) 284-1480; or Dr. Martin F. Larréy, Vice President for Academic Affairs, Title IX Coordinator, Rowley Academic Center, (703) 284-1550. The Campus Safety Report, describing campus safety policies and campus crime information, is available upon request.

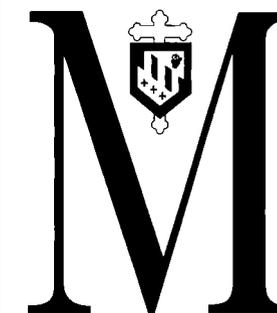
MARYMOUNT UNIVERSITY

2807 North Glebe Road

Arlington, Virginia 22207-4299

(703) 522-5600

e-mail: admissions@marymount.edu



MARYMOUNT
UNIVERSITY

FACTS

1995-96

2807 North Glebe Road
Arlington, Virginia 22207-4299

(703) 522-5600

The Center for Ethical Concerns

One of the hallmarks of Marymount University is its commitment to providing a values-based education. The Center for Ethical Concerns was founded in 1993 to provide a forum for the exchange of ideas about ethical issues and problems. Through lectures, seminars, workshops and symposia, the Center offers students, faculty and the public opportunities to examine ethical concerns facing society.

A faculty committee works with the Center's director to develop programs that are responsive to the needs of the community. Utilizing an interdisciplinary approach, the Center assists faculty in developing effective ways to teach ethical concepts in the classroom. The Center brings together students and faculty from the University's various academic disciplines to increase awareness of ethical problems and to develop effective techniques to confront these issues.

University faculty have been granted stipends to develop and enhance presentations on ethical topics in various academic fields.

Special Events

Dr. William Bennett, former U.S. Secretary of Education, addresses values and standards in American society.



Dr. Joan Konner, Dean of Columbia University's Graduate School of Journalism, was the keynote speaker at the symposium on "Morality and the Mass Media."



U.S. Secretary of Labor Robert Reich discusses concerns about sweat shops in the apparel industry.

Highlights

Some of the topics addressed by the Center include the following:

- ◆ Morality in the mass media
- ◆ America's changing values
- ◆ Images in fashion advertising
- ◆ Sexual harassment
- ◆ Rationing health care
- ◆ Smoking and health
- ◆ Libraries and the First Amendment
- ◆ Ethics on-line
- ◆ Academic freedom
- ◆ Sweatshop labor
- ◆ Teaching ethics effectively

Distinguished speakers hosted by the Center include

- ◆ Dr. William Bennett
Former U.S. Secretary of Education
- ◆ Dr. Daniel J. Boorstin
Librarian of Congress emeritus
- ◆ Dean James A. Donahue
Georgetown University
- ◆ Dean Joan Konner
Columbia University
- ◆ Dr. William Y. Penn
St. Edward's University
- ◆ Dr. Robert Reich
U.S. Secretary of Labor

Beyond the University

Reaching beyond the University, the Center seeks to address the concerns of the larger community.

As a result of a grant from the GTE Foundation, the Center sponsored a series of lectures on technology and ethics. Prominent ethicists explored issues raised by the evolution of the computer in the workplace and the emergence of the Internet as a tool for business and industry. By sponsoring conferences and specially focused seminars, the Center will work with interested organizations to address relevant issues in applied ethics.

The Center cooperates with area high schools to present ethics workshops. By making the resources of the University available for these events, the Center underscores for young people, their teachers and their parents the importance of ethics education.

In addition to hosting public events, the Center sponsors research into ethical problems, such as the 1995 nationwide public opinion survey of consumer attitudes about sweatshop labor in the garment industry.

About Marymount University

Marymount is an independent, Catholic university emphasizing excellence in teaching, attention to the individual, and values and ethics across the curriculum. Founded in 1950 in Arlington, Virginia, Marymount is just minutes from the resources of Washington, D.C. Marymount enrolls more than 4,200 men and women in 37 undergraduate and 24 graduate programs in the Schools of Arts and Sciences, Business Administration, Education and Human Services, and Nursing.



For information about the Center, please contact the director at 703-284-1561 or 703-284-1688.

For more information about the University, contact the
Office of Admissions
Marymount University
2807 North Glebe Road
Arlington, VA 22207-4299
or telephone
800-548-7638
703-284-1500
or FAX **703-522-0349**

e-mail: admissions@marymount.edu

The Center for Ethical Concerns



Marymount University
Arlington, Virginia

Clinton Presidential Records Digital Records Marker

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Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.



A Monitoring Guide

U.S. Department of Labor
July 1996

**NO
SWEAT.SM**

NO SWEAT.. NO SWEAT INITIATIVE Fact Sheet

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.

But, they still exist today.

Sweatshops are an ugly stain on American fashion, and it is up to all of us to remove it.

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. Many of these contractors violate labor laws.

Independent surveys as well as federal and state compliance data show minimum wage and overtime violations of the Fair Labor Standards Act occurring in 40 percent to 60 percent of investigated establishments. Additionally, thousands of these shops have serious safety violations that threaten the health -- and lives -- of their workers.

Many companies in the American apparel industry provide good jobs, decent wages, and fine clothing, and they deserve our support.

But the firms that utilize and tolerate sweatshop labor make it harder for honest, law-abiding shops to compete in the marketplace. Both industry and labor have an interest in making sure that companies do not mistreat their employees.

DOL's Garment Industry Strategy

The Department of Labor (DOL) has fewer than 800 investigators to protect the rights of 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. Firms that are monitored have significantly fewer violations of labor laws.

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.

For more information about the "No Sweat" sweatshop eradication initiative, contact the U.S. Department of Labor, Wage and Hour Division at (202) 219-8305 or the Office of Public Affairs at (202) 219-8211.

NO “Hot Goods” SWEAT.SM Fact Sheet

The “hot goods” provisions of the Fair Labor Standards Act (FLSA) generally make it illegal to ship goods in interstate commerce which have been made in violation of the minimum wage or overtime requirements of the FLSA or which were produced in an establishment where child labor violations occurred in the past 30 days.

- While the FLSA's minimum wage and overtime provisions apply *only to employers*, the *hot goods* provisions generally apply to all persons or firms which receive and ship the goods, including garment manufacturers and retailers, unless a statutory exception applies.
- The provisions allow the Department to obtain a court order preventing the “hot goods” from being shipped in interstate commerce.
- Instead of going to court to obtain an order to stop shipment, the Department may agree to allow the shipment of the goods if legally required wages are paid. Therefore, a manufacturer or retailer, which is under *no legal obligation* to pay back wages, may *choose* to do so in order to be allowed to ship the goods.
- The Department may also seek that a shipper of the goods, like a manufacturer or a retailer, undertake *additional* obligations, such as an agreement to monitor contractor's labor standards compliance in the future, before allowing the shipment of the goods.

Selected Exceptions to the “Hot Goods” Provisions

The “hot goods” provisions do *not* apply to a “good faith” purchaser which acquires the goods in reliance on written assurance that the goods were not “hot,” unless the purchaser had notice that the goods were “hot.”

- Manufacturers (or retailers) which own the goods at the time the violations of the minimum wage and overtime provisions take place do *not* qualify for this “good faith” exception. Retailers generally will qualify for the exception *unless* they know, or have reason to know, that the goods were made illegally.

- If a retailer knows that its supplier has sold “hot goods” in the past and does nothing to assure that the goods it receives are not “hot goods,” it may lose its “good faith” exception.

Interstate Commerce as It Relates to “Hot Goods”

- When “hot goods” are on a retailer’s shelves, they are no longer in interstate commerce. Ordinarily, such goods can be sold legally.
- Similarly, a contractor, manufacturer or retailer may elect to sell “hot goods” *in the state in which they are made*. If that case, the goods will never be in interstate commerce, and the FLSA’s “hot goods” provisions do not bar in-state shipment or sale.

NOTE: This Fact Sheet is intended to provide general guidance *only*. It does not describe all the factors which may be pertinent in the application of the “hot goods” provisions and should not be viewed as having legal force as statutes, regulations, or formal opinions do.



Wage and Hour Enforcement Approach

U.S. Department of Labor
July 1996

**NO
SWEAT.**SM

Protecting America's Garment Workers

Wage and Hour Enforcement Approach

The Law

The Fair Labor Standards Act (FLSA) establishes federal minimum wage, overtime, child labor, and industrial homework requirements. The "hot goods" provisions of the FLSA generally make it unlawful for any person, not just an employer, to ship or sell in interstate commerce goods that have been produced in violation of the law. When garment employees have not been paid in accordance with the FLSA, the Department of Labor will object to "hot goods" being shipped in interstate commerce. Once the violations have been resolved, including the payment of back wages, the Department's Wage and Hour Division will agree to allow the shipment of the goods. Therefore, a manufacturer or retailer, although under no legal obligation to do so, may choose to pay back wages to its contractor's workers so that it can ship the goods.

The "hot goods" provisions do not apply to a "good faith" purchaser that acquires the goods in reliance on written assurances that the goods were not "hot," unless the purchaser had notice that the goods actually were "hot." However, manufacturers or retailers that own the goods at the time the violations of the minimum wage and overtime provisions take place do not qualify for this "good faith" exception. Retailers generally will qualify for the exception unless they know, or have reason to know, that the goods were made unlawfully. If a retailer knows that its supplier has sold "hot goods" in the past and does nothing to assure that the goods it receives are not "hot," it may lose its "good faith" exception.

The Approach

Wage and Hour conducts enforcement sweeps in major garment centers. Every manufacturer identified as using a garment contractor found in violation of minimum wage, overtime, child labor, or industrial homework law is contacted, informed of the "hot goods" provision, and asked to voluntarily refrain from shipping goods produced by the contractor until the violations are resolved. Wage and Hour also checks whether that manufacturer has shipped "hot goods" in the past. Finally, Wage and Hour requests that manufacturers implement monitoring programs. Effective monitoring programs have been shown to significantly increase compliance with all provisions of the FLSA. The Department also issues quarterly enforcement reports with the results of our investigations.

What happens when Wage and Hour notifies a manufacturer that a contractor's goods are hot?

The First Step

If this is the first time Wage and Hour has notified the manufacturer about "hot goods," the Division will expect the manufacturer to give written assurances of future compliance with the FLSA. Objections to the shipment of goods will not be lifted unless the violations are remedied. During this contact, Wage and Hour requests that the manufacturer implement some type of monitoring program.

Wage and Hour provides sample monitoring programs and offers to work with the manufacturer on an appropriate approach to monitoring.

The Next Step

If, as a result of a subsequent investigation, Wage and Hour again contacts the manufacturer about "hot goods," Wage and Hour requires the manufacturer to commit to a written monitoring agreement in order to allow the shipment of "hot goods."

Again, Wage and Hour provides sample monitoring programs and offers to work with the manufacturer to implement an effective program.

If the Problem Persists

Where continued contacts with a manufacturer are necessary, Wage and Hour expects the manufacturer to sign an agreement with the Department which contractually obligates it to monitor its contractors and to comply with the law. The agreement sets out a very specific monitoring program, providing the manufacturer with clear guidance on how to proceed. If the manufacturer refuses to enter into this agreement, the Department will consider litigation to permanently enjoin the manufacturer from violating the law in the future.

Wage and Hour explains the program and assists the manufacturer with implementation of the agreement.

Note: During the course of *any contact*, Wage and Hour requests that the manufacturer identify all goods produced for it by a contractor found in violation. Wage and Hour will also ask the manufacturer to provide shipping dates and customer destinations on any goods no longer in its possession or control. This information is necessary to establish whether others have violated the "hot goods" provision.

When will a retailer be contacted by Wage and Hour?

Wage and Hour will contact a retailer when any of the following criteria are present:

- Manufacturer ships “hot goods” in spite of Wage and Hour objections
- Manufacturer refuses to agree to suitable assurances of future compliance
- Contractor violations are egregious, for example, back wages are more than \$5,000 or 10% of current payroll; serious child labor abuses
- Retailer has proprietary interest in the goods at the time of the violations

Any time it contacts a retailer, Wage and Hour offers the manufacturer an opportunity to participate. Wage and Hour asks retailers to either conduct their own monitoring or require their manufacturers to monitor their contractors.

What can a retailer expect from a Wage and Hour contact?

When contacting a retailer to notify it about “hot goods,” Wage and Hour covers the following topics:

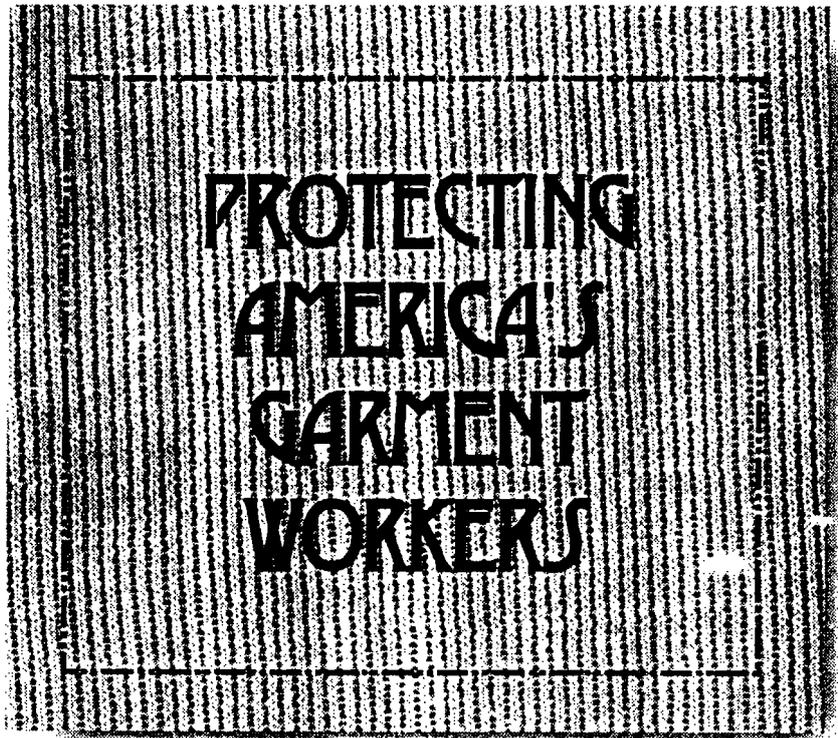
- Specific investigation findings
- Disposition of investigation; who paid what and how much; and what form of future assurances were given
- How retailers can protect themselves in the future
- Ask that they deal only with manufacturers who monitor their contractors
- Heads up for release to media
- Criteria for good faith defense
- Written pledge of future compliance

What is the Department’s Garment Enforcement Report and how often will it be issued?

Each quarter the Department issues a report on its garment enforcement investigations. The report includes the following:

- Name of contractor
- Amount of back wages recovered for workers
- Name(s) of manufacturer found using that contractor during investigative period
- Names of manufacturers monitoring contractors

This report does not constitute an endorsement by the federal government of any company, nor does it constitute disapproval of any company.



Sample Agreements

U.S. Department of Labor
July 1996

**NO
SWEAT.**SM

Sample Agreements

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- Sample Agreement for Licensing Company

- Summary Compliance Program Agreement
 - * *The basics for a monitoring program*

- Summary of Compliance Monitoring Agreement Provisions
 - * *One-page executive summary of “long” form*

- Augumented Compliance Program Agreement (“long” form)

Sample Agreement for Licensing Company

L. Licensing Company (L) is undertaking an aggressive partnership role with the US Department of Labor in working toward the elimination of exploitative, abusive violations of US labor laws. These abuses by unscrupulous manufacturers and sub-contractors, undermine the rights of all US workers.

This program is focused in three key areas: education, cooperation and the establishment of a monitoring system with trading partners:

- I. As part of its education program, L will:
 - A. Adopt sourcing guidelines for itself and its licensees
 - B. Reinforce its commitment by reviewing applicable laws with its licensees and their manufacturers
 - C. Reevaluate its license approval process to ensure that only those companies that share L's commitment to this program will be approved as licensees and manufacturers
 - D. Strengthen its contract provisions to incorporate L's sourcing guidelines

- II. As part of its cooperation program, L will:
 - A. Require that its licensees and their manufacturers cooperate with Federal or state Departments of Labor whenever such Department determines that a licensee or its manufacturer has violated labor laws
 - B. Direct its licensees not to ship goods produced in violation of labor laws whenever notified by either Federal or state Departments of Labor
 - C. Instruct its licensees not to ship goods produced in violation of applicable labor laws whenever the licensees or its manufacturer has knowledge of such violations
 - D. Require its licensees or its manufacturers to pay all back wages found due to workers

- III. As part of its monitoring system, L will now:
 - A. Train and direct its quality inspectors to identify problems in sourcing facilities
 - B. Hold its licensees accountable for the conditions under which its goods are manufactured
 - C. Initiate more comprehensive audit procedures which will include periodic reviews of personnel and payroll systems in sourcing facilities either by L or by licensees
 - D. Assist licensees in the education of quality control personnel regarding compliance with labor laws
 - E. Direct its licensees to examine the payroll practices of their manufacturers to ensure adherence to applicable labor laws

SUMMARY COMPLIANCE
PROGRAM AGREEMENT
[DOL Form SCPA(AM).P1]



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SUMMARY COMPLIANCE PROGRAM AGREEMENT

[SCPA (AM) .2]

The U.S. Department of Labor (called the DOL) and the signatory firm (called the FIRM), in the interests of promoting compliance by the FIRM with Section 15(a)(1) of the Fair Labor Standards Act, as amended (29 U.S.C. 201, et seq.), called the Act, hereby agree as follows:

1. SCOPE OF AGREEMENT; COMPLIANCE WITH ACT & COMPLIANCE PROGRAM

a) The FIRM will comply with this Summary Compliance Program Agreement (called SCPA) with respect to all of its activities.

b) The FIRM will comply with the provisions of Section 15(a)(1) of the Act, as interpreted by DOL, and will take all reasonable steps, including those specified in this SCPA, to help ensure that it does so.

2. DEFINITIONS OF CERTAIN TERMS

a) For purposes of this SCPA (including this paragraph 2), the definitions set forth in this paragraph 2 are applicable.

b) The term "SCPA" includes this SCPA, including any actual or referenced attachments.

c) The term "DOL" means the United States Department of Labor.

d) The term "Contractor" includes any one or more persons or firms (other than the FIRM) that supply, directly or indirectly by way of one or more layers of sub-contracts or otherwise, the performance of any service called for to fill any purchase made by the FIRM (and includes any prospective or proposed Contractor, where indicated by the context).

e) The term "ECP" means the Employer Compliance Program that is DOL Form ECP(AM).P3 or a substitute program approved by the DOL in writing in advance under the provisions of paragraph 8 of this SCPA.

f) The term "FIRM" means the firm execut-

ing this SCPA.

g) The term "goods" includes any apparel (inclusive of any textile material included or to be included in any apparel) at any stage of manufacture or distribution.

h) The term "PMC" means the Program to Monitor Contractors that is the DOL's Form PMC(AM).P1 or a substitute program approved by the DOL in writing in advance under the provisions of paragraph 8 of this SCPA.

i) The term "purchase" includes any order or contract on which any Contractor performs any work.

j) The term "service" means any service(s) performed on any good(s).

k) The terms "ship (in commerce)" and "shipment (in commerce)" include any transporting, offering for transportation, shipping, delivering, or selling (in commerce) and include any shipping, delivering, or selling with knowledge (or reason to believe) that shipment, delivery, or sale (in commerce) is intended.

l) Terms used in this SCPA that are also used in the Act have the meaning that they have in the Act, except where indicated otherwise expressly or by context in this SCPA.

3. PRE-CONTRACT PROCEDURES; EVALUATION OF CONTRACTORS

a) Prior to the FIRM's entering into any particular purchase (and periodically thereafter), the FIRM will review with the owner (or a top management official) of the Contractor personally:

- i) the terms of the ECP,
- ii) the purposes of the ECP and this underlying SCPA,
- iii) the economic feasibility of the price terms that are involved, in light of the compliance with the Act and the ECP required of the Contractor and in light of the calculations and expectations of the parties to the purchase, and
- iv) the Contractor's willingness and ability to both fully understand and fully comply with the Act and the ECP; and

all topics covered by the review, including any calculations by which economic feasibility of the price terms were evaluated, will be documented by the FIRM if any purchase is made by the FIRM, if the Contractor is involved in any way.

b) If such a review discloses an unreasonable risk that the Act and/or the ECP will not be fully understood and complied with by the Contractor, then the FIRM will not permit the Contractor to be involved in any purchase by the FIRM

4. EMPLOYER COMPLIANCE PROGRAM FOR CONTRACTORS; MONITORING CONTRACTOR COMPLIANCE

a) Whenever the FIRM makes any purchase from a Contractor, the purchase will be in writing. Prior to the start of any work, the FIRM will require the Contractor to sign an ECP; but this may be accomplished by an appropriate reference to the ECP in a purchase order where the particular Contractor already has a signed ECP with the FIRM on an ongoing basis.

b) The FIRM will furnish to each Contractor appropriate informational materials on compliance with the Act.

c) The FIRM will monitor and enforce full compliance with the Act and the ECP by all Contractors in all activities connected with any purchase by the FIRM, including using all the measures specified in the PMC. However, a Contractor performing no cutting, sewing, or finishing may be excluded from monitoring required by the PMC if the Contractor enterprise's annual dollar volume of sales made or business done exceeds one million dollars, provided that the FIRM keeps the DOL fully informed in writing of the name and actual business address of each firm being excluded.

d) Periodically, the FIRM will provide appropriate training for all the Contractors working on purchases by the FIRM (regarding how to comply with the Act and the ECP) and for all those conducting monitoring activities on its behalf (regarding how to meet the monitoring requirements of the P.C.), except to the extent the DOL in writing excuses the

FIRM from doing so.

5. RECORDS TO BE KEPT BY FIRM; REPORTS TO BE MADE BY FIRM

a) On each purchase by the FIRM, it will supply a copy of the contract or order to the Contractor at the start of the purchase; and it will keep a copy in its own records.

b) The FIRM will make, keep, and preserve records on each purchase, including records of all the FIRM's monitoring and enforcement activities, the findings made in doing so, the basis of the findings, and the records required by the PMC.

c) The FIRM will make, keep, and preserve records on each Contractor that identify each purchase made by the FIRM involving that Contractor.

d) Records required by this paragraph 5 need not be kept by the FIRM in any particular form or format; but they will be kept so that they are readily retrievable by the FIRM by reference to the name of the Contractor and also by reference to the particular goods involved (by the identifying criteria customarily used to identify particular goods in process or already shipped).

e) Records required by this SCPA to be made or kept will be preserved for a period of 12 months after completion of all work on the purchase (36 months after such completion if the FIRM finds (or is notified, prior to the expiration of the 12 months, by the DOL in writing that DOL has found) any violation of the Act by the Contractor with respect to that purchase or any other purchase involving the Contractor.

f) The FIRM will make available to DOL all records required by this SCPA to be made, kept, or preserved by the FIRM, for inspection and/or copying by the DOL when the DOL requests the FIRM to do so; and the FIRM will make such reports in writing to the DOL from such records as the DOL may request.

g) Not less frequently than semi-annually, the FIRM will submit to the DOL a written report summarizing all its monitoring and enforcement activities; and the first of such reports will be submitted no later than six months after execution of this SCPA. Although no particular form or format is required for such reports, DOL will furnish a sample format on request.

6. CONTRACTOR VIOLATIONS; USE OF THE PAYROLL-REPORTING PROCESS

a) Whenever the FIRM finds that a Contractor subject to an ECP has failed to comply fully with the Act regarding any purchase by the FIRM, the FIRM will notify the DOL and

(if requested to do so by DOL) require that the Contractor submit to the FIRM each work-week (for a period of up to 12 months from the date of the finding) a report to the FIRM documenting the Contractor's compliance with the Act and the ECP, in detail; and a copy of the entire report from the Contractor will be sent by the FIRM to the DOL for each work-week, to the extent that the DOL requests the FIRM to do so.

b) The FIRM may decline to impose the payroll-reporting measures as specified in this paragraph 6 if there are no serious, substantial, uncorrected, prior, or willful violations involved, provided there were no knowing recordkeeping omission or inaccuracies by the Contractor that might have impaired or impeded the FIRM and/or DOL in determining whether the provisions of Sections 6 and/or 7 of the Act were being fully complied with by the Contractor.

7. SCOPE OF APPLICABILITY MEASURES REGARDING OWNERS/MANAGERS

a) Whenever the FIRM is required to implement special measure(s) under paragraph 6 of this SCPA regarding a Contractor, the measures will also be implemented with respect to each related Contractor.

b) For the purposes of this paragraph 7, a Contractor is a related Contractor whenever a substantial direct or beneficial overlap in ownership or management exists (at the time of a purchase or at any time during performance of any work thereon); but the required relatedness will not be deemed to exist where the FIRM has, after reasonable inquiry, no notice of facts that would tend to show such relatedness.

8. SUBSTITUTE ECPs AND PMCs

a) For purposes of this SCPA, the terms "ECP" and "PMC" mean the Employer Compliance Program (DOL Form ECP(AM).P3) and the Program to Monitor Contractors (DOL Form PMC(AM).P1), respectively, except as otherwise provided in this paragraph 8.

b) The FIRM may at any time propose, in writing, an alternative employer compliance program for use as the ECP under this SCPA, as a substitute for DOL Form ECP(AM).P3; but a substitution will not be implemented without the prior approval of the DOL in writing.

c) The FIRM may at any time propose, in writing, an alternative program to monitor Contractors for use as the PMC under this SCPA as a substitute for DOL Form PMC(AM).P1; but the substitution will not be implemented without the prior approval of DOL in writing.

d) To avoid confusion among Contractors

(and the apparel industry generally), any alternative program approved by DOL under this paragraph 8 will (except in this SCPA itself) be referred to by the FIRM as being a "Substitute ECP" rather than as an "ECP" or as being a "Substitute PMC" (rather than as a "PMC").

9. HANDLING GOODS MADE "HOT" BY VIOLATIONS

a) Whenever the FIRM finds any act or omission by a Contractor that violates Sections 6 and/or 7 of the Act with respect to any work on any goods the FIRM has shipped during the term of this SCPA or will ship during the term of this SCPA, the FIRM will immediately

i) suspend all shipment of goods affected by such violations,

ii) notify the DOL in writing of its findings, furnishing to the DOL such additional information as DOL may request in writing, and

iii) abstain from all shipment in commerce of any such goods, except to the extent that the DOL in writing lifts its objections to the FIRM's doing so with respect to specified goods with respect to specified violations by a specified Contractor at a specified Contractor establishment during a specified period.

b) Neither the DOL's approval of backwage amounts or payments nor this SCPA itself constitutes DOL approval for any shipment in commerce of goods produced in violation of Section 6 and/or 7 of the Act, except to the extent expressly provided for in subparagraph a(iii) of this paragraph 9.

c) Making a backwage payment under this SCPA does not constitute supervision by the DOL for purposes of Section 16 of the Act, absent DOL's express approval in writing to that effect in each instance, obtained in advance of the payment to affected employees.

d) In the event that the DOL notifies any retailer or other downstream customer of the FIRM of any allegedly "hot" goods having been sold or shipped by the FIRM to the customer, directly or indirectly, the DOL will also inform that customer of any action taken by the FIRM in obtaining from DOL a lifting of DOL's objections pursuant to the provisions of subparagraph a(iii) of this paragraph 9, to the extent then known to the DOL.

10. POTENTIAL LITIGATION; IMPACT OF THIS AGREEMENT

a) While this SCPA is in effect, DOL will not initiate litigation against the FIRM to enjoin violations of Section 15(a)(1) of the Act with respect to any violations involved

in any purchase(s) by the FIRM, unless the DOL first gives the FIRM notice in writing and affords the FIRM an opportunity to meet and confer with the DOL with respect to whether litigation is necessary or appropriate. However, such notice and opportunity-to-meet-and-confer processes will not apply if the DOL reasonably concludes that:

i) the FIRM has willfully violated Section 15(a)(1) of the Act and/or this SCPA, or

ii) such a violation is imminent and cannot be prevented by the DOL unless such litigation is initiated.

b) Any violations of this SCPA, as well as any violations of the Act, may be relied upon in any such litigation at any time. In response, however, the FIRM may show whether the violations (if any) were insubstantial in nature and extent and may show the steps taken by the FIRM to avoid and remedy them.

c) The activities that the FIRM undertakes by this SCPA to engage in are subject to enforcement by specific performance during the term of this SCPA at the instance of the DOL, in addition to any of the other rights or remedies available to the DOL; but the FIRM reserves the right to cease at any time doing business, direct or indirect, with any Contractor.

11. INITIAL IMPLEMENTATION OF THIS AGREEMENT

a) This SCPA will be fully implemented in accordance with its terms no later than 60 days after execution, except as is otherwise specified in this paragraph 11.

b) Neither heightened monitoring under the PMC nor imposition of special payroll-reporting processes (as provided for in paragraph 6 of this SCPA) will be required on the basis of non-willful violations of the Act found by the FIRM to have been committed by a Contractor in the phase-in period so long as the FIRM conducts additional monitoring, within 30 days, that discloses that no violations of the Act and/or the ECP have taken place since the monitoring resulting in that violation finding.

c) Notwithstanding any other provision of this paragraph 11: whenever a Contractor listed in the paragraph A (if any) at the start of this SCPA is involved in any existing or future (in the 12-month period after the DOL violation finding triggering that listing) purchase by the FIRM, the FIRM will immediately utilize, with respect to that Contractor, at least the intermediate-intensity monitoring as provided for in the PMC until no

fewer than two consecutive monitoring visits by the FIRM required by the PMC verify full correction by the Contractor continuously throughout a 180-day period after the problem was (at any time and by any means) last noted; and the monitoring will be continued thereafter as in the case of any other Contractor, at an intermediate or high-intensity level if monitoring conducted during that period so indicates under the criteria set forth in the PMC for determining the intensity of monitoring.

12. DURATION & TERMINATION OF THIS AGREEMENT

a) This SCPA is effective upon execution.

b) This SCPA will remain in effect for 60 days from execution or until it is terminated (by the DOL or the FIRM), whichever occurs later. Any such termination must be in writing by certified mail, return receipt requested, to the other party to this SCPA; and any such termination will take effect ten days after such notice is so mailed or such later date as is specified in the termination notice itself.

c) This SCPA can be modified only in writing and only in a writing that undertakes by its express terms to modify this SCPA and is signed by the parties to this SCPA.

d) If the execution of this SCPA is accomplished by the execution of a Memorandum of Agreement that agrees to this SCPA by reference (with or without any modifications and/or clarifications), that Memorandum of Agreement will be subject to the termination provisions of this SCPA; and a termination (of this SCPA according to its terms) will also have the same effect on the Memorandum of Agreement.

13. NOTICES BETWEEN THE PARTIES

a) Whenever this SCPA (inclusive of any attachment(s)) requires notice by a party to this SCPA to the other party to this SCPA in writing, the notice will be sent or delivered to the address furnished by the addressee party at the time of the execution of this SCPA by the addressee party (or such other address as the addressee party may thereafter designate for such purposes by giving written notice thereof to the other party to this SCPA in writing by certified mail, return receipt requested).

b) A notice to a party to this SCPA is deemed received if it is actually received or a certified mail return receipt indicating such receipt is executed at said address.

SUMMARY OF COMPLIANCE MONITORING AGREEMENT PROVISIONS

Under the Fair Labor Standards Act, employers are required to pay the minimum wage and overtime to employees. Any goods which are produced by employees paid in violation of the law are prohibited from being transported or sold in interstate commerce. This is known as the "hot goods" provision and has been in effect since 1938. It is also illegal for any person to transport or sell "hot goods" in commerce. As such, persons other than the actual employer can be guilty of violating federal law when, knowingly or unknowingly, they ship "hot goods."

The compliance monitoring agreement is made up of three separate forms with each having salient points. The following are the highlights of each form:

AUGMENTED COMPLIANCE PROGRAM AGREEMENT (ACPA) - An agreement between the Department of Labor and an Apparel Manufacturer which requires:

- The manufacturer to require all of its contractors to comply with the ECP
- The manufacturer to monitor its contractors for compliance with the FLSA, particularly minimum wage, overtime and child labor
- The manufacturer must perform pre-contract review of pricing terms with each contractor
- The Dept. Of Labor will not initiate litigation while the agreement is in effect
- The manufacturer guarantees the payment of back wages to employees of the contractor

EMPLOYER COMPLIANCE PROGRAM (ECP) - An agreement between the manufacturer and its contractor which requires:

- Contractor to comply fully with all provisions of the FLSA
- That all employees be paid at least the federal minimum wage
- That all employees be paid time and one half for hours worked in excess of 40 per week
- Compliance with child labor provisions
- Contractor not to use prohibited industrial home work
- Specific record keeping and established pay periods
- No subcontracting of work without prior approval from the manufacturer

PROGRAM TO MONITOR COMPLIANCE (PMC) - A program incidental to the ACPA which outlines mandatory steps to be taken by the manufacturer when monitoring its contractors:

- Lists three levels of monitoring; (1) minimum (2) intermediate (3) high intensity
- Sets the benchmark for each level
- Provides trigger mechanisms to elevate monitoring levels

**AUGMENTED COMPLIANCE
PROGRAM AGREEMENT**

[DOL Form ACPA(AM).P5]



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[ACPA (AM) .P5]

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Attachment No. 2: PROGRAM TO MONITOR CONTRACTORS [PMC (AM) .6]

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AUGMENTED COMPLIANCE PROGRAM AGREEMENT

[ACPA (AM) .9]

The U.S. Department of Labor (called the DOL) and the signatory firm (called the FIRM), in the interests of promoting compliance by the FIRM with Section 15(a)(1) of the Fair Labor Standards Act, as amended (29 U.S.C. 201, et seq.), called the Act, hereby agree as follows:

1. SCOPE OF AGREEMENT; COMPLIANCE WITH ACT AND COMPLIANCE PROGRAM

a) The FIRM will comply in full with this Augmented Compliance Program Agreement (called ACPA) with respect to all of its activities.

b) The FIRM will comply in full with all of the provisions of Section 15(a)(1) of the Act, as interpreted by DOL, and will take all reasonable steps, including all of those specified in this ACPA, to help ensure that it does fully comply with Section 15(a)(1) of the Act.

c) If it comes to the attention of the DOL that the FIRM should undertake steps to ensure compliance with Section 15(a)(1) of the Act by the FIRM during the term of this ACPA in addition to those specifically called for by this ACPA, the DOL will notify the FIRM in writing of what those additional steps are.

d) The FIRM will not act in reliance upon any interpretation of the Act that is at variance with the Act, as interpreted by the DOL, without first giving notice to the DOL in writing of the nature and extent of the different interpretation on which the FIRM proposes to act, provided however that the FIRM will have the right to challenge the correctness of any non-legislative DOL interpretation of the Act when raised by the DOL.

2. DEFINITIONS OF CERTAIN TERMS

a) For purposes of this ACPA (including for purposes of this paragraph 2), the definitions set forth in this paragraph 2 are applicable.

b) The term "ACPA" includes this ACPA, including all actual or referenced attachments.

c) The term "DOL" means the United States Department of Labor.

d) The term "commerce" means "commerce" as defined in Section 3(b) of the Act and includes any interstate or foreign commerce.

e) The term "Contractor" includes any one or more persons or firms (other than the FIRM) that supply, directly or indirectly (by way of one or more layers of subcontracts or otherwise), the performance of any service called for to fill any purchase made by the FIRM (and includes any prospective or pro-

posed Contractor, where indicated by the context).

f) The term "ECP" includes the Employer Compliance Program, a copy of which is attached as Attachment No. 1 hereto.

g) The term "execution" refers to the signing of this ACPA (or of some other document agreeing to this ACPA by reference, with or without modifications and/or clarifications) by the parties to this ACPA.

h) The term "firm" includes any one or more proprietorships, partnerships, associations, corporations, trusts, organizations, entities, or organized groups of persons.

i) The term "FIRM" means the firm executing this ACPA.

j) The term "goods" includes any apparel (inclusive of any textile material included or to be included in any apparel) at any stage of manufacture or distribution.

k) The phrase "interpreted by DOL" includes all of the following DOL sources:

i) final DOL regulations and/or interpretative rules that are (before or after execution of this ACPA) published in the Federal Register,

ii) interpretations that are (before or after execution of this ACPA) contained in any public domain opinion letter of the Administrator of DOL's Wage & Hour Division, and

iii) interpretations of which the DOL gives the FIRM notice in writing, in advance of applying the interpretation with respect to the FIRM.

l) The term "person" includes any one or more individuals, organized groups of individuals, firms, or representatives of any person(s).

m) The term "PMC" includes the Program to Monitor Contractors, a copy of which is attached as Attachment No. 2 hereto.

n) The term "purchase" includes any order or contract on which any Contractor performs any work.

o) The term "service" means any service(s) performed on any good(s).

p) The terms "ship (in commerce)" and "shipment (in commerce)" include transporting, offering for transportation, shipping, delivering, or selling (in commerce) and in-

clude shipping, delivering, or selling with knowledge (or reason to believe) that shipment, delivery, or sale (in commerce) is intended.

q) The terms "(work) on goods" and "(worked) on goods" include work on other goods if the latter are not kept segregated (and, in determining whether segregation existed, the presumption in Section 15(b) of the Act will apply).

3. PRE-CONTRACT PROCEDURES; EVALUATION OF CONTRACTORS

a) Prior to the FIRM's entering into any particular purchase (and not less frequently than once per calendar quarter in the case of any Contractor involved on an ongoing basis in working on purchases made by the FIRM), a responsible management official of the FIRM will personally review with the owner (or a top management official) of the Contractor:

i) the terms of the attached Employer Compliance Program (called the ECP),

ii) the purposes of the ECP and this underlying ACPA,

iii) the economic feasibility of the price terms that are involved, in light of the compliance with the Act and the ECP required of the Contractor and in light of the calculations and expectations of the parties to the purchase,

iv) the Contractor's willingness and ability, in light of the Contractor's prior involvement (if any) in the industry and the extent of the Contractor's capitalization, to both fully understand and fully comply with the Act and the ECP, and

v) the obligation of the Contractor to promptly advise the FIRM that, with respect to any specific purchase, the Contractor is unable to meet the requirements of the Act, as soon as the Contractor becomes aware that that is the case; and all topics covered by the review, including any calculations by which the economic feasibility of the price terms was evaluated, will be documented by the FIRM if any purchase is made by the FIRM, if that Contractor is involved in any way.

b) If such a review discloses an unreasonable risk that the Act and/or the ECP will not be fully understood and complied with by the Contractor, then the FIRM will not permit the Contractor to be involved in any purchase by the FIRM.

c) The provisions of this paragraph 3 apply to a decision by the FIRM regarding whether the FIRM will consent to a subcontract with respect to any purchase by the FIRM.

d) In the event that the FIRM undertakes

to make purchase contracts by making formal public invitations to bid for the award of such purchases, the FIRM will include in each public invitation a reference to a bid package that communicates all the essential terms to which a Contractor would have to agree to be a successful bidder and its availability for inspection by any person or firm interested in good faith in bidding and apparently qualified to do so; and before awarding any purchase to the apparently successful bidder, the FIRM will comply with all the provisions of this paragraph 3 with that bidder.

4. EMPLOYER COMPLIANCE PROGRAM FOR CONTRACTORS; MONITORING CONTRACTOR COMPLIANCE

a) Whenever the FIRM makes any purchase from a Contractor, the purchase will be in writing and include all the essential terms and conditions of the transaction, including specifying that (as a condition of the purchase) the Contractor must (with respect to all the goods involved) comply with all the undertakings specified in the ECP.

b) The FIRM will require the Contractor to sign an ECP prior to the start of any work by the Contractor on the purchase; but this may be accomplished by an appropriate reference to the ECP in a purchase order where the particular Contractor already has a signed ECP with the FIRM on an ongoing basis.

c) The FIRM will furnish to each Contractor (on the occurrence of the Contractor's first involvement with work subject to this ACPA) a copy of such informational materials regarding compliance with the Act as the DOL may prescribe from time to time. In doing so, the DOL will furnish to the FIRM a copy of the materials, on request.

d) Except as provided in subparagraph (e) of this paragraph 4, the FIRM will monitor and enforce full compliance with the Act and the ECP by all Contractors in all activities connected with any purchase by the FIRM, by using all reasonable measures (including all those specified in the attached Program to Monitor Compliance (called the PMC)).

e) A Contractor performing no cutting, sewing, or finishing may be excluded from monitoring required by the PMC if the Contractor enterprise's annual dollar volume of sales made or business done (measured in accordance with Sections 3(r) and 3(s) of the Act) exceeds one million dollars, unless the FIRM is notified in writing by DOL that such monitoring of the Contractor is to be done; provided however that to use the exclusion, the FIRM must in each instance notify the DOL in writing in advance (and annually thereafter) of the name, actual business address,

and approximate annual dollar volume of each Contractor that it excludes.

f) Periodically, not less frequently than once in each four-calendar-quarter period (unless the DOL approves in writing a lesser frequency), the FIRM will provide training:

i) for all Contractors working on purchases by the FIRM, regarding how to comply with the Act and the ECP, and

ii) for those conducting monitoring activities on its behalf, regarding how to meet the monitoring requirements of this ACPA, including the attached PMC; and

all such training will be of types that are provided, sponsored, or otherwise approved by the DOL.

5. RECORDS TO BE KEPT BY FIRM; REPORTS TO BE MADE BY FIRM

a) On each purchase by the FIRM, it will supply a copy of the contract or order to the Contractor at the initiation of the purchase; and it will keep a copy in its own records.

b) The FIRM will make, keep, and preserve records on each purchase, including all the following:

i) the nature and extent of the FIRM's activities to monitor and enforce compliance with the Act and the ECP by each Contractor,

ii) all the findings made by the FIRM in the course of doing so (irrespective of whether the finding is a violation finding or a no-violation finding) regarding each Contractor,

iii) the basis of each finding, separately for each Contractor, and

iv) all records required by the PMC.

c) The FIRM will make, keep, and preserve records on each Contractor that identify each purchase made by the FIRM involving that Contractor if:

i) the Contractor is listed in the paragraph A (if any) at the beginning of this ACPA,

ii) work on the purchase is not yet completed when this ACPA is executed, or

iii) the purchase is made after this ACPA is executed.

d) Records required by this paragraph 5 need not be kept by the FIRM in any particular form or format; but they will be kept by the FIRM so that they are readily retrievable by the FIRM by reference to the name of the Contractor in each instance and also by reference to the particular goods involved (by the lot number, size, or other identifying criteria customarily used to identify particular goods in process or already shipped) in the event of any violation finding by the

FIRM with respect to those goods.

e) Records required by this ACPA to be made or kept will be preserved for a period of 12 months after completion of all work on the purchase (36 months after such completion if the FIRM finds (or is notified, prior to the expiration of the 12 months, by the DOL in writing that the DOL has found) any violation of the Act by the Contractor with respect to that (or any other) purchase in which the Contractor was or is involved).

f) The FIRM will make available to the DOL all records required by this ACPA to be made, kept, or preserved by the FIRM, for inspection and/or copying by the DOL when the DOL requests the FIRM to do so; and the FIRM will make such reports in writing to the DOL from such records as the DOL may request from time to time.

g) Not less frequently than semiannually, the FIRM will submit to the DOL a written report documenting all its monitoring activities during the semiannual period preceding submission of the report, the problems found, and the steps implemented to remedy those problems; and the first such report will be submitted no later than six months after execution of this ACPA and will cover the entire period since execution of this ACPA. Although no particular form or format is required for such reports, DOL will furnish a sample format, on request.

h) A copy of any annual report of the results of the DOL investigations of Contractor firms in the area covered by the District Office (of the DOL's Wage & Hour Division) referred to below that is prepared by the DOL and available under the Freedom of Information Act will be furnished promptly to the FIRM by DOL, without awaiting a request by the FIRM.

6. CONTRACTOR VIOLATIONS; USE OF PAYROLL-REPORTING PROCESS

a) Whenever the FIRM finds that a Contractor subject to an ECP has failed to comply fully with the Act regarding any purchase by the FIRM, the FIRM will notify the DOL and (if requested to do so by the DOL) require that the Contractor submit to the FIRM each workweek (for a period of up to twelve months from the date of the finding) a report to the FIRM covering the particular purchase involved in that finding and any other purchase(s) by the FIRM in which the Contractor is involved. Each report will be due within five business days of the regularly-scheduled payday for the workweek and will include:

i) a copy of the full payroll for the workweek,

ii) a certification by the Contractor (by either its owner or top management personally, under penalty of perjury) that said copy accurately shows for each employee of the Contractor the employee's name, social security number, home address, home phone number (if any), and all information required by the ECP to appear on the employee's checkstub,

iii) a copy of each employee's checkstub (or, at the option of the Contractor if the latter maintains a payroll journal that constitutes a carbon copy of the checkstub, a copy of the portion of the payroll journal that covers said workweek), and

iv) a copy of each employee's payroll check.

b) A copy of the entire report from the Contractor will be sent by the FIRM to the DOL for each workweek, to the extent that the DOL requests the FIRM to do so, from time to time.

c) The FIRM may decline to impose the payroll-reporting measures specified in this paragraph 6, if all of the following conditions are met by the Contractor: there are no willful violations of the Act, there have been no prior violations of the Act (that are known to the FIRM or of which the FIRM has been notified by the DOL in writing), the resulting underpayments do not (for any given workweek) exceed \$500.00 or 10 percent of the Contractor payroll (whichever is less) on purchases by the FIRM, the resulting underpayments are paid in full by the Contractor promptly on demand, and there are no omissions or inaccuracies in any of the records required to be kept by the Contractor under the Act that were known to the Contractor (or any responsible official of the Contractor) and were of a nature that might have impaired or impeded the ability of the FIRM and/or the DOL to determine whether the provisions of Sections 6 and/or 7 of the Act were being fully complied with by the Contractor.

7. SCOPE OF APPLICABILITY OF MEASURES REGARDING OWNERS/MANAGERS

a) Whenever the FIRM is required under subparagraph 5(c) and/or paragraph 6 of this ACPA to implement measure(s) regarding a Contractor, the measures will also be implemented with respect to each related Contractor.

b) For purposes of this paragraph 7, a Contractor is a related Contractor whenever a substantial direct or beneficial ownership interest or managerial position is held in the allegedly related Contractor (at the time of a purchase or at any time during perfor-

mance of any work thereon) by any of the following:

i) the Contractor that triggered a requirement to implement such measures, or
 ii) a person or firm that (at the time of events triggering a requirement to implement such measures) held a substantial direct or beneficial ownership interest or any managerial position in the Contractor triggering the requirement to implement such measures; but

the required relatedness will not be deemed to exist where the FIRM has, after reasonable inquiry, no notice of facts that would tend to show such relatedness.

8. BACKWAGE PAYMENTS GUARANTEED BY THE FIRM

a) The FIRM will make payments to the DOL in an amount sufficient to enable the DOL to allocate and disburse monies to the employees of Contractors (or, at the option of the FIRM if authorized by the DOL, to enable the FIRM to do so directly to the employees of the Contractors) in amounts sufficient to compensate the employees for back wages due to them under the Act from the Contractor, as follows:

i) With respect to the Contractors that are listed in the Attachment No. 3 (if any) hereto: to the extent an employing Contractor fails to do so no later than 30 days after execution of this ACPA, the FIRM will (no later than 60 days after execution of this ACPA) pay such an amount with respect to the Contractors so listed in the Attachment No. 3 (if any) hereto for the period and in the amount specified (if any) in said Attachment No. 3 (if any) for each Contractor (as computed by the DOL in each instance), in recognition of the fact that in each instance employees of the Contractor during said period did work on goods for shipment on purchases made by the FIRM.

ii) With respect to any act or omission by a Contractor that constitutes a violation of Section 6 and/or 7 of the Act with respect to work on goods that the FIRM ships during the term of this ACPA: to the extent that an employing Contractor fails to do so no later than 30 days after demand by the FIRM or the DOL, the FIRM will (no later than 60 days after such demand) pay an amount equal to the back wages due to the employees of the Contractor under Sections 6 and/or 7 of the Act for work on goods performed by any employee in any workweek in which that employee worked on goods for shipment on purchases made by the FIRM, determined as specified in this

ACPA.

b) The FIRM's obligation to make payments in amounts sufficient to fund the backwage payments referred to in this paragraph 8 is in each instance subject to the following qualifications:

i) Any amounts paid to the DOL by the FIRM pursuant to this paragraph 8 but not disbursed (within 180 days of the payment to the DOL by the FIRM or final resolution of the amounts due (including any court challenge to a DOL determination) as specified in this ACPA, whichever occurs later) to a person eligible therefor will be returned to the FIRM, except to the extent that the DOL determines that it was unable to so disburse because of a Contractor's failure to comply with the recordkeeping regulations under the Act with respect to adequate identifying and locating information regarding employees.

ii) In the event that one or more customer firms (in addition to the FIRM) of the Contractor pay funds to the DOL to be used for the payment of backwage amounts due to employees of the Contractor for any work performed by the same employees in the same workweeks, a reduction and/or refund in the amount payable to the DOL by the FIRM under this paragraph 8 will be made where necessary to avoid excess backwage disbursements to the employees.

c) The obligation of the FIRM to make payments called for by this paragraph 8 will, with respect to any back wages that have accrued prior to execution of this ACPA or may accrue after execution (but prior to termination) of this ACPA, survive termination of this ACPA.

d) Making a backwage payment under this ACPA does not constitute supervision by the DOL for purposes of Section 16 of the Act, absent DOL's express approval in writing to that effect in each instance, obtained in advance of the payment to affected employees.

e) Neither the DOL's approval of backwage amounts or payments nor this ACPA itself constitutes DOL approval for a shipment in commerce of goods produced in violation of Section 6 and/or 7 of the Act, except to the extent expressly provided for in paragraph 9 of this ACPA.

9. PROCESS FOR REMEDIATING CONTRACTOR VIOLATIONS

a) Whenever the FIRM finds any act or omission by a Contractor that violates Sections 6 and/or 7 of the Act with respect to any work on any goods that the FIRM has shipped during the term of this ACPA or will ship

during the term of this ACPA, the FIRM will immediately

i) suspend all shipment of goods affected by such violations until all such violations affecting the goods have been remediated in accordance with subparagraph (a)(ii) of this paragraph 9; and

ii) cause, in accordance with the applicable provisions of paragraph 8 of this ACPA, the payment of all unpaid back wages resulting from any violations of Section 6 and/or 7 of the Act by the Contractor (with respect to any work on said goods or other such goods of the FIRM during the term of this ACPA) and do so in an amount approved by DOL (or post funds with the DOL in an amount approved by the DOL, for disposition in accordance with this paragraph 9).

b) Upon complying with the provisions of subparagraph (a) of this paragraph 9, the FIRM may then ship the affected goods, without the DOL seeking further relief against, or criminal prosecution of, the FIRM for the shipment of said goods by virtue of the work on the goods by employees of the Contractor during the term of this ACPA, notwithstanding any possible violation of Section 15(a)(1) of the Act by the FIRM for such shipment by virtue of such work on such goods by employees of the Contractor, so long as the FIRM is in substantial compliance with the provisions of this ACPA during the term of this ACPA and is in full compliance with the provisions of this ACPA guaranteeing the payment of back wages.

c) On each occasion of the type referred to in subparagraph (a) of this paragraph 9, the DOL and the FIRM will attempt to reach an agreement on the total amount to be paid to the affected employees under this paragraph 9; but absent prompt agreement, the DOL will promptly notify the FIRM in writing of the total amount of funds to be posted with the DOL under subparagraph (a)(ii) of this paragraph 9. If a final agreement on the total amount to be paid to affected employees has not been reached within 60 days thereafter, the DOL will issue a written determination of the total amount to be paid by the FIRM. Said determination will constitute the final agency action as to said amount, that will be subject to review (as to the amount of said total amount only, not as to the obligation of the FIRM under this ACPA to pay) in a U.S. District Court of competent jurisdiction, at the instance of the FIRM, under the arbitrary and capricious standard in the Administrative Procedure Act; and, in the absence of a decision by the court (within 60 days of DOL's

determination or such longer period as may be ordered by the court prior to expiration of said 60 days) overturning DOL's determination as arbitrary and capricious, the DOL (as the agency charged with the responsibility to enforce the Act) is authorized by this ACPA to allocate and disburse to affected employees (as determined by the DOL) the total amount stated in said determination (including using any funds so posted, to the extent that they are sufficient for that purpose). Said total amount will be the backwage amount that the FIRM is obligated to cause to be paid under subparagraph (a)(ii) of this paragraph 9.

d) Payment of remediation, in accordance with subparagraph (a)(ii) of this paragraph 9, with respect to the employees of a named Contractor with respect to alleged violations of Section 6 and/or 7 of the Act by that Contractor at a specified establishment for a specified period (during the term of this ACPA) will free the FIRM of any obligation under this ACPA to pay any additional remediation with respect to any alleged violations of Section 6 and/or 7 of the Act by that Contractor at that establishment during that period.

e) In the event that the DOL notifies any retailer or other downstream customer of the FIRM of any allegedly "hot" goods having been sold or shipped by the FIRM to the customer, directly or indirectly, the DOL will also inform that customer of any remediation action taken by the FIRM pursuant to the provisions paragraphs 8 and 9 of this ACPA, to the extent then known to the DOL.

10. POTENTIAL LITIGATION; IMPACT OF THIS AGREEMENT

a) While this ACPA is in effect, the DOL will not initiate litigation against the FIRM to enjoin any violations of Section 15(a)(1) of the Act with respect to any violations involved in any purchase(s) by the FIRM, unless the DOL first gives the FIRM notice in writing and affords to the FIRM an opportunity to meet and confer with the DOL with respect to whether litigation is necessary or appropriate. However, such notice and opportunity-to-meet-and-confer processes will not apply if the DOL reasonably concludes that:

i) the FIRM has willfully violated Section 15(a)(1) of the Act and/or this ACPA, or

ii) such a violation is imminent and cannot be prevented by the DOL unless such litigation is initiated.

b) Any violations of this ACPA, as well as any violations of the Act, may be relied upon in any such litigation at any time. In re-

sponse, however, the FIRM may show whether the violations (if any) were insubstantial in nature and extent and may show the steps taken by the FIRM to avoid and remedy them; and, in doing so, the FIRM will (as to any events occurring during the term of this ACPA) be entitled to a rebuttable presumption that the FIRM took "all reasonable steps," within the meaning of subparagraph (b) of paragraph 1 of this ACPA, if the FIRM shows that it substantially complied with all the steps called for by this ACPA.

c) The activities that the FIRM undertakes by this ACPA to engage in are subject to enforcement by specific performance during the term of this ACPA at the instance of the DOL, in addition to any of the other rights or remedies available to the DOL not inconsistent with the terms of this ACPA; but the FIRM reserves the right to cease at any time doing business, direct or indirect, with any Contractor.

d) The DOL will not seek injunctive relief against, or criminal prosecution of, the FIRM for any alleged violation(s) of the provisions of Section 15(a)(1) of the Act that

i) predate execution of this ACPA, or

ii) occur during the term of this ACPA,

and

arise out of acts or omissions of any Contractor in violation of Section 6 and/or 7 of the Act, provided that the FIRM remains during the term of this ACPA in substantial compliance with this ACPA and remains in full compliance with paragraphs 8 and 9 of this ACPA.

e) Nothing done or to be done by the FIRM pursuant to the express terms of this ACPA will be interpreted by the DOL as constituting a violation of the Act by the FIRM during the term of this ACPA nor as sufficient, in and of themselves, to make the FIRM an employer or joint employer of any employee of any Contractor for purposes of the Act during the term of this ACPA.

11. INITIAL IMPLEMENTATION OF THIS AGREEMENT

a) This ACPA will be fully implemented in accordance with its terms no later than 60 days after execution, except as is otherwise specified in this paragraph 11.

b) In the event that the FIRM has at work on goods of the FIRM (at the time of execution of this ACPA) more than 50 Contractors and/or more than 1,000 Contractor employees, the implementation of the monitoring provisions of this ACPA may (at the option of the FIRM) be phased in over a period longer than 60 days, as further specified by subparagraphs (c) and (d) of this paragraph 11.

c) Contractors that are at work on goods of the FIRM at the time of execution (or any time within 60 days prior to execution) of this ACPA will be brought within the monitoring provisions of this ACPA, as follows: 50 such Contractors or a sufficient number of such Contractors to account, in the aggregate, for 1,000 employees (to whom the monitoring provisions of this ACPA are applicable), whichever number of Contractors is greater, will be brought under the monitoring provisions of this ACPA during the first 60 days following execution and during each 30 days thereafter until all of such Contractors have been brought under said provisions, with all such Contractors to have been brought under said provisions no later than 120 days following execution; and, within five days after the start of each such portion of the phase-in period, the FIRM will provide to the DOL in writing a list of all such Contractors to be covered by that portion of the phase-in period.

d) Neither heightened monitoring under the PMC nor imposition of special payroll-reporting processes (as provided for in paragraph 6 of this ACPA) will be required on the basis of any non-willful violations of the Act found by the FIRM to have been committed by a Contractor in the phase-in period (or portion thereof applicable to that Contractor under subparagraph (c) of this paragraph 11) so long as the FIRM conducts additional monitoring, within 30 days, that discloses that no violations of the Act and/or the ECP have taken place since the monitoring resulting in that violation finding.

e) Notwithstanding any other provision of this paragraph 11: whenever a Contractor listed in the paragraph A (if any) at the start of this ACPA is involved in any existing or future (in the 12-month period after the DOL violation finding triggering that listing) purchase by the FIRM, the FIRM will immediately utilize, with respect to that Contractor, at least the intermediate-intensity monitoring provided for in the PMC until no fewer than two consecutive monitoring visits by the FIRM required by the PMC verify full correction continuously throughout a 180-day period since the problem was (at any time and

by any means) last noted; and the monitoring will be continued thereafter as in the case of any other Contractor, at an intermediate or high-intensity level if monitoring conducted during that period so indicates under the criteria set forth in the PMC for determining the intensity of monitoring.

12. DURATION AND TERMINATION OF THE AGREEMENT

a) This ACPA is effective upon execution.

b) This ACPA will remain in effect for 60 days from execution or until it is terminated (by the DOL or the FIRM), whichever occurs later. Any such termination must be in writing by certified mail, return receipt requested, to the other party to this ACPA; and any such termination will take effect ten days after such notice is so mailed or such later date as is specified in the termination notice itself.

c) This ACPA can be modified only in writing and only in a writing that undertakes by its express terms to modify this ACPA and is signed by the parties to this ACPA.

d) If the execution of this ACPA is accomplished by the execution of a Memorandum of Agreement that agrees to this ACPA by reference (with or without modifications and/or clarifications), the Memorandum of Agreement will be subject to the termination provisions of this ACPA; and a termination (of this ACPA according to its terms) will also have the same effect on the Memorandum of Agreement.

13. NOTICES BETWEEN THE PARTIES

a) Whenever this ACPA (inclusive of any attachment(s)) requires notice by a party to this ACPA to the other party to this ACPA in writing, the notice will be sent or delivered to the address furnished by the addressee party at the time of the execution of this ACPA by the addressee party (or such other address as the addressee party may thereafter designate for such purposes by giving written notice thereof to the other party to this ACPA in writing by certified mail, return receipt requested).

b) A notice to a party to this ACPA is deemed received if it is actually received or a certified mail return receipt indicating receipt is executed at said address.

Attachment No.1: EMPLOYER COMPLIANCE PROGRAM

[ECP (AM) .6]

The signatory firm (called the Contractor) and _____ (called the FIRM) hereby agree as follows:

1. PURPOSE, SCOPE, & APPLICABILITY OF EMPLOYER COMPLIANCE PROGRAM

a) This document is an Employer Compliance Program (called an ECP). It is designed to help ensure compliance with the Fair Labor Standards Act (called the Act), a federal law.

b) Among other things, the Act prohibits any person or firm from transporting, offering for transportation, shipping, delivering, or selling in interstate or foreign commerce (called commerce) any goods produced in violation of the minimum wage and/or overtime pay provisions of the Act. The Act also prohibits shipping, delivering, or selling such goods with knowledge (or reason to believe) that anyone else intends to ship, deliver, or sell them in commerce.

c) To help ensure that the FIRM fully complies with these provisions of the Act, the FIRM and the U.S. Department of Labor (called the DOL) entered into an agreement. Under the terms of that agreement, the FIRM requires compliance with this ECP by each person or firm from which the FIRM makes, directly or indirectly, any purchase of any goods and/or services (to be performed on any goods); and any such purchase is called a purchase in this ECP.

d) Compliance with this ECP by each Contractor is an express condition of any purchase; and any person or firm from which any purchase is made, directly or indirectly, is a Contractor.

e) The signatory firm is a Contractor, by virtue of such a purchase by the FIRM. This ECP is a part of the contract for that purchase, regardless of whether the contract has been reduced to writing in any other way.

f) The Contractor agrees to fully comply with this ECP as a condition of each purchase that the FIRM makes from the Contractor or in which the Contractor is involved, directly or indirectly, even if no ECP is signed by any Contractor regarding the particular purchase.

g) The Contractor agrees to comply fully with the provisions of the Act, as interpreted by DOL; and its compliance with this ECP will be tested in that light.

2. MINIMUM WAGE COMPLIANCE

a) The Contractor will comply fully with

all the requirements of the minimum wage provisions of the Act, including those explained below in this paragraph 2.

b) In any given workweek, the total gross pay of an employee must not be less than the total number of hours worked by the employee multiplied by the federal minimum wage in effect during the workweek in which the work is performed by the employee. The current federal minimum wage, as of the date this ECP form was prepared, is \$4.25 per hour.

c) The minimum wage provisions of the Act apply to employees paid (in whole or in part) on the basis of piecework earnings. If the total earnings do not equal (or exceed) the number of hours worked in a workweek multiplied by the federal minimum wage, then the difference must be paid to the employee in addition to the other earnings.

d) The minimum wage provisions of the Act apply to each workweek separately. Earnings from one workweek cannot be used to meet the minimum wage requirements for any other workweek; nor can earnings be averaged over a period longer than a workweek for purposes of determining whether minimum wage requirements have been met.

3. OVERTIME PAY COMPLIANCE

a) The Contractor will comply fully with all the requirements of the overtime pay provisions of the Act, including those explained below in this paragraph 3.

b) Each employee must be compensated for each hour worked in excess of 40 hours in any workweek at a rate not less than one and one-half times that employee's regular rate of pay.

c) An employee's regular rate of pay cannot lawfully be lower than the federal minimum wage rate (nor can it be lower than any other minimum rate required by law, such as a State law).

d) The overtime pay provisions apply to employees paid (in whole or in part) on the basis of piecework earnings. An employee paid piecework earnings must be paid extra pay when the employee works in excess of 40 hours in a workweek. Generally, the extra pay must be computed as follows: divide the employee's total piecework earnings by the total hours worked by the employee in the workweek to

compute the employee's regular rate for the workweek, and the employee is due one half of this regular rate of pay for each hour worked in excess of 40 hours in the workweek (in addition to the piecework earnings of that employee for that workweek).

e) The overtime pay provisions apply to most employees paid (in whole or part) on the basis of a salary for all hours worked. Such an employee must be paid extra pay when the employee works in excess of 40 hours in any workweek. The extra pay due on the salary is to be computed as follows: divide the weekly salary by the total hours worked by that employee in the workweek to compute that employee's regular rate for the workweek, and the employee is due one half of this regular rate for each hour worked in excess of 40 hours in that workweek (in addition to the salary). Some States (including California) have laws requiring the extra pay to be computed at one and one-half times a rate computed by dividing the weekly salary by 40 hours.

f) The Act does not require overtime pay for the hours worked in excess of 8 hours in a workday. Some States (including California) have laws requiring overtime pay for such hours.

4. MEANING OF "HOURS WORKED"

a) The minimum wage and overtime pay provisions of the Act (as well as the Act's recordkeeping requirements) depend on the use of the term "hours worked," as interpreted by DOL. The Contractor will comply fully with this correct use of the term "hours worked" in counting, recording, and paying for the hours worked by employees, including complying with the provisions of the rest of this paragraph 4 and the provisions of paragraph 7 of this ECP.

b) All time that an employee spends actively working or otherwise gives over to the use of an employer (as in the case of being required to be present on the premises of the employer) is to be included in "hours worked" for purposes of complying with the Act and this ECP.

c) A meal break may be excluded from hours worked only if it is not less than 30 minutes in length and the employee is, in advance, completely relieved of all responsibilities and duties and performs no work during the break; but such an exclusion must be for all purposes.

d) Short breaks are hours worked and cannot be excluded from hours worked for purposes of counting, recording, or paying for hours worked by employees.

5. CHILD LABOR COMPLIANCE

a) The Contractor will comply fully with the requirements of the child labor provisions of the Act, including those explained below in this paragraph 5.

b) Generally no child under 16 years of age may work in any manufacturing establishment, including any contract sewing establishment.

c) Children between 16 and 18 years of age may not engage in any occupation determined by DOL to be particularly hazardous for them, including (but are not limited to) the following:

i) the occupation of motor vehicle driver (and the occupation of outside helper) on any public road or highway, except to the extent specifically exempted by DOL regulations;

ii) work of operating an elevator (except operating an unattended automatic-operation passenger elevator); and

iii) work of operating any high-lift truck.

d) Proof of age must be kept on file by the employer for each person under 19 years of age.

6. PAYROLL RECORDS AND POSTING OF POSTERS

a) The Contractor will make, keep, and preserve (for a period of three years from the date of the last entry in the record) complete and accurate records of the wages, hours, and other conditions and practices of employment maintained, as specified in recordkeeping regulations under the Act (found in Title 29, Code of Federal Regulations, Part 516). The Contractor hereby acknowledges receiving a copy of those regulations.

b) For each employee, a separate individual earnings record (called an IER) will be made, kept, and preserved by the Contractor. All the entries for a workweek will be on a separate line labeled with the workweek ending date, with all of the information for that workweek placed on that line in labeled columns; and the entries will match in both form and content the entries on the payroll checkstub given to that employee with that employee's payroll check for that workweek, under the provisions of paragraph 8 of this ECP. The IER will contain all the other payroll record information required by the recordkeeping regulations under the Act, in spaces thereon that are clearly labeled with the nature of the data entered in the space; and any modifications (such as any changes in the employee's hourly rate from time to time) will be accompanied by an entry showing the date that the modification became effective.

c) The Contractor will prominently post (and will permanently keep prominently post-ed), in each establishment of the Contractor in which any work subject to the Act is or has been performed within the preceding three calendar years, the following:

i) a copy of a current informational poster regarding the Act, designed by DOL and displaying the current telephone number of the nearest District Office of the Wage & Hour Division of DOL, in English and any other language made necessary by the presence of any employee(s) who cannot read in the English language,

ii) a copy of this ECP, including the Contractor signature on the last page, and

iii) a notice, in each of the above-referenced languages, that notifies employees of the Contractor that they can report to the FIRM, on a confidential basis, any violations of this ECP by the Contractor and that shows the name and telephone number of an authorized agent of the FIRM to whom such complaints can be reported by telephone; and

all these documents will be posted, side by side, at the spot in the establishment where the employees check in at the start of a workday, next to any timeclock.

7. COUNTING AND RECORDING HOURS WORKED; USE OF TIMECARDS AND TIMECLOCKS

a) Each employee will have his or her own separate timecard, for each workweek; and on each timecard, entries will be made as explained in this paragraph 7.

b) For each workday, the following timecard entries will be made:

i) the time of day that the employee's work activities for the workday actually begins;

ii) the time of day when any meal break (of 30 minutes or more) began, if the employee performed no duties during that break and had in advance been relieved of all duties; and the time of day when that break ended;

iii) the time of day when the employee's work activities for the workday actually ended;

iv) the total elapsed time from the time noted in subparagraph (i) to the time noted in subparagraph (iii), in this subparagraph (b) of this paragraph 7; and

v) the elapsed time specified in subparagraph (iv) less the elapsed time (if any) noted in subparagraph (ii), in this subparagraph (b) of this paragraph 7.

c) For each workweek, all of the following entries will be made on each of those time-

cards:

i) the total of the daily hours-worked totals; and

ii) the signature (or initials) of a person in authority, to certify for the Contractor that all of the entries on the timecard are complete and accurate, as required by this ECP.

iii) In totaling the hours worked, as recorded on a time card for an employee for a workday, the beginning time and the ending time may be rounded to the nearest quarter of an hour (so long as the use of this practice does not have the effect of failing to reflect, over a representative time period, all of the employee's hours worked).

d) All the entries on each time card that signify the time of day will be made by time-clock punches (by utilizing a tamper-proof timeclock that is to be furnished and maintained by the Contractor) subject to the procedures specified below in this paragraph 7.

e) Each employee is to perform all punching of that employee's hours worked on the timeclock, without any exceptions of any kind whatsoever.

f) If one or more punches have been mistakenly made or omitted by an employee, a correct entry will be entered in pen by the employee for each missing or incorrect punch, accompanied by the employee's clearly-readable initials and the date the employee made the correction.

g) If the Contractor (or the Contractor's authorized agent) finds that any timeclock entry or handmade entry made by the employee is not accurate, a non-obliterating line is to be drawn through the entry in pen and a corrected entry entered in pen next to it, accompanied by the clearly-readable initials of the Contractor (or the Contractor's authorized agent) who made the correction and the date that that correction was made by that person.

h) In each situation of a type referred to in subparagraph (f) and/or (g) of this paragraph 7, the following additional procedures will be followed:

i) the employee will be counseled on the importance of making timely and accurate entries on the timecards and doing so properly by properly using the timeclock (and the employee will be suitably disciplined if the employee fails to come into compliance);

ii) the employee will be consulted as to what the correct entry should have been;

iii) when the Contractor (or the Con-

tractor's authorized agent) and the employee are in agreement as to what the entry should have been, the corrected entry will be made by the employee, accompanied by the employee's clearly-readable initials and the date that the corrected entry is made by the employee; but if there is any disagreement, the corrected entry will be made by the Contractor (or the Contractor's authorized agent), accompanied by: the clearly-readable initials of the Contractor (or the Contractor's authorized agent), the date when the corrected entry is made, and an explanation by the Contractor (or the Contractor's authorized agent) regarding the nature and extent of the disagreement; and

iv) all corrected entries will be made promptly and will be made no later than the payday for the particular workweek that is involved (in the absence of extraordinary circumstances preventing promptness).

8. PAYROLL PROCESSES

a) The workweek, for purposes of complying with the Act, will end at the same time on the same day of each calendar week for all employees.

b) Each employee will be paid weekly, for all hours worked by the employee in the workweek covered by the payment.

c) The payday for any workweek for any employee will be not more than seven calendar days following the end of the workweek and will be the same day of the calendar week for all of the employees for each workweek.

d) All wages will be paid by using a payroll check and will be paid free and clear. No wages will be paid in cash or by any means other than a payroll check. In the event that any error is detected which needs to be corrected after the single payroll check for the workweek involved in that error has already been given to the employee, an additional payroll check will be issued for each of the workweeks for which a correction is to be made; and each check will be accompanied by a check stub as described in this ECP, identifying the workweek for which the correction is being made. If the number of corrections being made for a single employee on a single occasion make it impractical to issue an additional check for each workweek involved and/or correction(s) are being made more than 10 days after the regular pay day for any workweek involved, the corrections will then be treated as a backwage payment and the FIRM (plus the employee involved) will be promptly notified of all the details of the payment.

e) No payroll check will be cashed or otherwise negotiated, in whole or in part, by the Contractor or by any of its owners, officers, agents, or supervisory employees.

f) All payroll checks will be drawn on a single payroll account at a single establishment of a single bank or other financial institution (except as may be necessary from time to time to transfer all accounts of the Contractor from one such establishment to another, with the intent that that change be permanent).

g) No non-payroll transactions will be drawn on the payroll account (except as may be necessary to transfer funds not needed for payroll purposes, from time to time, directly from that account to the Contractor's general account).

h) Lawful deductions from wages, such as those made for the withholding and social security taxes (employee portion only) due on said wages and withheld from the pay of the employees, may be treated as payroll transactions for purposes of the subparagraph (g) of this paragraph 8, if consistently so treated and processed out of said payroll account regarding all employees.

9. INFORMATION TO BE ON PAYROLL CHECKSTUBS

a) Each payroll check will be accompanied by a detailed breakdown on a payroll check-stub, showing each item of information (for the particular employee for the particular workweek covered by the payment) specified in this paragraph 9.

b) Total hours worked (which is to equal the sum of the entries referred to in subparagraphs (c) and (d) of this paragraph 9).

c) Regular hours worked.

d) Overtime hours worked, if any;

e) Total gross compensation (which is to equal the sum of the entries referred to in subparagraphs (f) through (h) of this paragraph 9).

f) Gross regular-rate earnings, stating the portion attributable to each of the following:

i) the gross piecework earnings, if any,

ii) the gross make-up pay, if any, paid to bring the pay for work compensated on the basis of piecework rate(s) up to the applicable minimum wage rate for the workweek,

iii) the gross hourly earnings, if any, specifying the amount computed at each hourly rate (if there is more than one such rate for the employee) and identifying which hours were worked at each such rate, and

- iv) other gross regular-rate earnings, if any, stating type and rate in each instance;
- g) The premium-rated portion of the pay for overtime hours, if any;
- h) Other gross earnings, if any, specifying type and rate in each instance;
- i) Legal deductions made from the total gross earnings to arrive at total net earnings, specifying the portion which is for each of the following: federal withholding taxes; employee portion of the Social Security taxes; State withholding taxes, if any; local withholding taxes, if any; and disability income taxes, if any; and
- j) Any other deductions, itemizing both the nature and amount of each one separately.

10. RESPONSIBILITY TO MONITOR COMPLIANCE

a) On an ongoing basis, the Contractor will monitor that the Act and this ECP are being fully complied with, including doing all the monitoring specified in this paragraph 10.

b) The Contractor (its principal owner or other top management official if the Contractor is an organization) will personally monitor that this ECP is fully complied with. The extent of that personal involvement will be sufficient (even if some of the monitoring required by this ECP is delegated) to ensure that no noncompliance with the Act and/or this ECP occurs.

c) The monitoring will be done by the Contractor in accordance with a schedule of daily, weekly, and monthly checks that include all the measures specified in this paragraph 10.

d) On a no-less-than-once-a-day basis, the Contractor will do all of the following monitoring:

- i) check, with respect to each person, that all of the employees present have punched the timeclock and that no person is underage or doing any work without being on the payroll.

- ii) check, with respect to all employees in general, whether (near the start of the workday) the number of timecards that are punched in matches the number of employees present and whether (near the end of the workday) the number of timecards that are still punched in matches the number of employees who are still present.

- iii) check further (on the occasion of any monitoring) whenever any discrepancies are found by use of any technique, to determine the full extent of the discrepancies.

- e) On a no-less-than-once-a-week basis,

the Contractor will do all of the following monitoring:

- i) check, with respect to each employee, that the timeclock has been properly used to record all hours worked (and, if not, check that the employee was correctly counseled and that correct procedures were used to correct the missed or incorrect timecard punches).

- ii) check, with respect to all employees (by checking a random sample), whether the hours worked recorded on the time cards have been correctly totaled and whether each component of the total gross pay (including the computation of piecework earnings, if the employee is paid in whole or in part on a piecework basis) has been correctly computed.

- iii) check further (on the occasion of any monitoring) whenever any discrepancies are found by use of any technique, to determine the full extent of the discrepancies.

f) On a no-less-than-once-a-month basis, the Contractor will do all of the following monitoring:

- i) check, with respect to each employee, whether hours worked and wages paid were correct in the opinion of the employee (by asking the employee personally) and whether the methodology used to compute the wages paid the employee is correct.

- ii) checking, with respect to all employees generally (by checking a random sample), whether the methodology used to compute the wages paid the employee is correct.

- iii) check further (on the occasion of any monitoring) whenever any discrepancies are found by use of any technique, to determine the full extent of the discrepancies.

g) Whenever a problem is detected, prompt corrective action will be taken; and a heightened state of monitoring of the problem areas will be used by the Contractor for as long as necessary to verify that the corrective actions taken have eliminated all the problems.

h) The Contractor will make, keep, and preserve complete and detailed records of all monitoring activities, conducted to comply with this ECP or otherwise. Such records will, at a minimum, detail the nature and extent of each of the following:

- i) the date and extent of each monitoring activity that was conducted,
- ii) the name and position of the person who did the actual monitoring,
- iii) the nature and extent of any dis-

Attachment No. 2: PROGRAM TO MONITOR CONTRACTORS

[PMC (AM) .6]

1. NAME AND PURPOSE OF DOCUMENT

a) This document is a Program To Monitor Contractors (called PMC), for use by a shipper to help to ensure full compliance by the shipper with Section 15(a)(1) of the Fair Labor Standards Act (called the Act); and, for purposes of this PMC, the term "shipper" includes any person or firm engaging in any of the activities that are regulated by Section 15(a)(1) of the Act.

b) Section 15(a)(1) of the Act generally prohibits any person or firm from transporting, offering for transportation, shipping, delivering, or selling in interstate or foreign commerce (called commerce) any goods produced in violation of the minimum wage and/or overtime pay provisions of the Act, without regard to whether the underpaid employees are employees of that particular person or firm. It also prohibits any person or firm from shipping, delivering, or selling such goods with knowledge (or reason to believe) that any other person or firm intends to ship, deliver, or sell the goods in commerce.

c) This PMC is designed to help the executing firm (called the FIRM) to comply with all these provisions of the Act. It does so by specifying a schedule for monitoring and enforcing compliance with the minimum wage and overtime pay provisions of the Act by each person or firm from which the FIRM makes, directly or indirectly, any purchase of any goods (and/or services, to be performed on any goods); and any such purchase is called a purchase in this PMC.

2. GENERAL SCOPE AND FREQUENCY OF MONITORING

a) Monitoring will be conducted by the FIRM with respect to each Contractor involved in any purchase. This PMC describes the various levels of monitoring that will, at a minimum, be conducted by the FIRM. Monitoring will cover all aspects of the Contractor's compliance with the minimum wage and overtime pay provisions of the Act and with the Employer Compliance Program (called ECP), including the child labor provisions and the recordkeeping, posting, and reporting provisions.

b) Three levels of intensity of monitoring activity will be established and applied to Contractors by the FIRM, as set forth in this paragraph 2.

c) Minimum-intensity monitoring (as de-

ined in paragraph 3 of this PMC) will be the minimum level of such monitoring from which no Contractor will be excused at any time.

d) Intermediate-intensity monitoring (as defined in paragraph 4 of this PMC) will become applicable to a Contractor if the FIRM finds (or has found) at any time any act or omission by the Contractor at any time on any purchase made by the FIRM in violation of:

i) the minimum wage and/or overtime pay provisions of the Act, or

ii) the recordkeeping requirements of the Act (or the implementing regulations at Title 29, Code of Federal Regulations, Part 516) or the ECP, if the act or omission has occurred before or may have impaired the ability of the FIRM and/or the DOL to detect violation(s) of the minimum wage and/or overtime pay provisions of the Act by the Contractor.

e) High-intensity monitoring (as defined in paragraph 5 of this PMC) will become applicable to a Contractor if:

i) the Contractor is required to comply with any certified payroll reporting procedures pursuant to any agreement between the DOL and the FIRM,

ii) the Contractor is found by the FIRM to have committed any act or omission of the types referred to in subparagraph (d) of this paragraph 2 while subject to ongoing intermediate-intensity or high-intensity monitoring, or

iii) the DOL hereafter finds that the Contractor willfully and/or repeatedly violated the minimum wage and/or overtime pay provisions of the Act (regardless of whether any direct or indirect purchase from the Contractor by the FIRM was involved in the violations found by the DOL), provided that the FIRM is notified in writing by the DOL of the DOL finding and the resulting applicability of high-intensity monitoring under this PMC.

f) Where there is an ongoing relationship between the FIRM and a Contractor, all the monitoring called for by this paragraph 2 will be ongoing and in accordance with the provisions of this PMC. Where there is no such relationship, the same will be done; but such monitoring will commence shortly after commencement of contract performance (but not before completion of a full payroll cycle or the passage of 20 days, whichever first occurs).

crepancies or other problems noted,

iv) the details of each corrective action taken to correct each problem that was noted,

v) the heightened monitoring to be implemented and continued until additional monitoring confirms that the corrective actions have eliminated all of the problems, and

vi) the details of the heightened monitoring actually conducted; and

all of the records required by this subparagraph (h) will be retained for at least one year.

11. DUTY TO COOPERATE WITH FIRM'S MONITORING

a) The Contractor will cooperate fully with all efforts by the FIRM (or its duly-authorized agents) to monitor whether the Contractor is fully complying with the Act and this ECP, including keeping the FIRM fully informed at all times as to where any and all work subject to this ECP is being performed.

b) To help ensure such monitoring is effective, the Contractor will allow (on demand and without any prior notice or other limitations) any agent of the FIRM or DOL to have full and immediate access to any premises, any records (including the right to copy the records), and any employees (including the right to privately interview each employee) that are (or may be or may have been) relevant to determining compliance with the Act and/or this ECP by the Contractor at any time.

c) The Contractor will supply certified copies of records of the Contractor as demanded by the FIRM pursuant to any agreement between the FIRM and the DOL.

12. REQUIRED NOTICES OF UNPROFITABILITY

a) If at any time it appears to the Contractor that, due to the price terms, the Contractor is or will be unable to make a profit on the Contractor's participation in any purchase by the FIRM while still complying fully with the Act, as interpreted by DOL, the Contractor will immediately write to the FIRM to tell the FIRM of that fact.

b) As soon thereafter as possible, the Contractor will again write to the FIRM to report to the FIRM the Contractor's findings as to the following matters:

i) the results of a time and cost study (demonstrating the payroll costs needed to continue such participation while still complying with the Act), plus reasonable overhead, and

ii) the Contractor's own estimate of

the changes in the price terms needed for the Contractor to make a profit on the continuation of such participation while still complying with the Act.

c) If more than 10 days passes after the Contractor has written to the FIRM a letter of the type referred to in subparagraph (b) of this paragraph 12 without the FIRM agreeing in writing to adjust the price terms, as proposed in that letter from the Contractor, the Contractor will notify the DOL in writing of that fact (and furnish to the DOL a copy of each of the letters on the subject on the particular purchase involved).

13. MANNER OF CONTRACT PERFORMANCE

a) The Contractor will comply with all regulations, restrictions, and prohibitions on the use of homework, as prescribed by DOL's homework regulations (Title 29, Code of Federal Regulations, at Part 530). Homework on women's garments is prohibited by those regulations.

b) All work on each purchase will be performed by employees of the Contractor, unless the FIRM's prior written approval has been granted for a particular subcontract. No approval will be effective until the subcontractor has agreed in writing that all of the terms and conditions of this ECP apply equally to the subcontractor and that the term Contractor as used in this ECP will be deemed to also include the subcontractor for all purposes.

c) All work performed in any establishment will be subject to this ECP if any of the work in connection with a purchase by the FIRM is done in that establishment, unless (with the prior written approval of the FIRM) the Contractor does all work on the purchase in a separate department of that establishment with a work force doing work only on that purchase (and/or on other purchases by the FIRM).

14. CONSEQUENCES OF VIOLATIONS; READING ECP

a) The Contractor acknowledges and agrees that any failure to fully comply with this ECP may result in the FIRM terminating all purchases from or involving the Contractor and may result in the FIRM refusing to make any further purchases from or involving the Contractor (or its owners and/or management).

b) By signing this ECP, the Contractor certifies that the Contractor has read this entire ECP and certifies that the Contractor agrees to the terms and conditions of this ECP and that the Contractor will fully comply with this ECP.

f) Whenever a Contractor has become subject to ongoing intermediate-intensity monitoring, monitoring at that level will be continued until correction of each problem triggering the applicability of such monitoring has been verified in accordance with subparagraph (f) of paragraph 6 of this PMC.

g) At the conclusion of each monitoring visit, a closeout conference will be conducted, as called for in subparagraph (g) of paragraph 6 of this PMC.

5. COMPONENTS OF HIGH-INTENSITY MONITORING

a) In all instances, high-intensity monitoring will, at a minimum, include all of the features specified in this paragraph 5.

b) Visits to each Contractor establishment involved in any purchase will be conducted, to check whether the Act and the ECP are being fully complied with. Such a visit will be made to each establishment at least once each workweek.

c) Each such visit will include both checking that is general in nature and checking to determine whether each established or potential problem previously noted by the FIRM during any prior monitoring activity has been fully corrected, including:

i) reviewing with the Contractor personally (and with any person to whom the Contractor has delegated any monitoring responsibilities) the provisions of the ECP and questioning the Contractor as to whether the ECP is being fully complied with, including correction of each such problem previously found and each problem that causes the Contractor to be subject to such heightened monitoring;

ii) an inspection of the time and payroll records for facial compliance with the Act and the ECP, including an inspection of all such records for the entire period since the preceding monitoring visit called for by this PMC.

iii) personal interviews of 10 percent of the Contractor's workforce, but no fewer than ten such employees in any event.

d) Monitoring to be done on that particular visit will be expanded in intensity and scope (including employee interviews that are greater in number and scope and are sufficiently detailed to uncover both the full nature and scope of any problems) if any reason to believe that the Contractor may not have complied in full with the Act and/or the ECP is noted.

e) Whenever a Contractor has become subject to ongoing high-intensity monitoring, monitoring at that level will be continued until correction of each problem triggering

the applicability of such monitoring has been verified in accordance with subparagraph (f) of paragraph 6 of this PMC.

f) At the conclusion of each monitoring visit, a closeout conference will be conducted, as called for in subparagraph (g) of paragraph 6 of this PMC.

6. INTEGRITY AND EFFECTIVENESS OF MONITORING PROCESSES

a) To help ensure that the monitoring processes called for by this PMC serve the intended purposes of this PMC, the measures specified in this paragraph 6 will be, without any exceptions, observed by the FIRM with respect to all monitoring activities.

b) All monitoring visits called for by this PMC will be conducted by unannounced visits, without any prior notice to any Contractor. Upon arrival at an establishment for such a monitoring visit, the FIRM will demand full and immediate access to any premises where any work in connection with any purchase is (or may be or may have been) being performed, immediate access (and the right to inspect and/or copy) any records that are or may be relevant to compliance with the Act and/or the ECP, and the immediate opportunity to interview privately any employee(s) who are (or may be or may have been) performing any work in connection with any purchase, for purposes of checking for full compliance with the Act and the ECP.

c) Each monitoring visit called for by this PMC will address the entire period since the preceding monitoring visit called for by this PMC or the start of the involvement of the Contractor (unless interrupted by one or more periods in excess of 180 days during which there was no such involvement) in any purchase(s), whichever is later, in addition to addressing any established or potential problem found on any prior monitoring visit (until correction of the problem has been verified in accordance with subparagraph (f) of this paragraph 6).

d) In conducting employee interviews, each interview will be conducted in private (with only the FIRM and the employee being interviewed present), each employee to be interviewed will both be selected by the FIRM and selected at random from among those affected by purchase(s), and each interview will (at a minimum) be designed and conducted to determine whether the employee has any information about the Contractor (or any sub-Contractor) that tends to show that:

i) time and payroll records are not complete and accurate as to all employees,

ii) there have been any acts or omis-

3. COMPONENTS OF MINIMUM-INTENSITY MONITORING

a) In all instances, minimum-intensity monitoring will include, at a minimum, all of the features specified in this paragraph 3.

b) Visits to each Contractor establishment involved in any purchase will be conducted, to check whether the Act and the ECP are being fully complied with. Such a visit will be made to each establishment at least once each 90 days (or at least once each 180 days in the case of an establishment where the FIRM's monitoring of that Contractor at that establishment in accordance with this PMC over the preceding one-year period has resulted in no violations of the Act or the ECP being noted, provided that

i) the Contractor uses a tamper-proof timeclock to record all the hours worked by each employee of the Contractor and uses a reputable independent payroll service to compute from the timecards the wages due and to prepare the paychecks (including the paystubs) to pay such wages, and

ii) the FIRM notifies the DOL in writing in advance (and annually thereafter) of the name and actual business address of each such Contractor without DOL promptly notifying the FIRM that the DOL objects to such lessening of the frequency of monitoring by the FIRM).

c) Each such visit will include both checking that is general in nature and checking to determine whether each established or potential problem previously found by the FIRM during any prior monitoring activity involving the Contractor has been fully corrected, including:

i) reviewing with the Contractor personally (and with any person to whom the Contractor has delegated any monitoring responsibilities) the provisions of the ECP and questioning the Contractor as to whether the ECP is being fully complied with, including correction of each such problem previously found,

ii) an inspection of the time and payroll records for facial compliance with the Act and the ECP, and

iii) personal interviews of 5 percent of the Contractor's workforce, but no fewer than three such employees in any event.

d) Monitoring to be done on that particular visit will be expanded to the level required for an intermediate-intensity monitoring visit (as specified in paragraph 4 of this PMC) if any reason to believe that the Contractor may not have complied in full with the Act and/or the ECP is noted.

e) The intensity of monitoring to be done thereafter on an ongoing basis will be re-

classified to the intermediate-intensity level if the FIRM finds, as a result of monitoring (scheduled or unscheduled, initial or expanded), any act or omission of the types referred to in subparagraph (d) of paragraph 2 of this PMC.

f) At the conclusion of each monitoring visit, a closeout conference will be conducted, as called for in subparagraph (g) of paragraph 6 of this PMC.

4. COMPONENTS OF INTERMEDIATE-INTENSITY MONITORING

a) In all instances, intermediate-intensity monitoring will, at a minimum, include all of the features specified in this paragraph 4.

b) Visits to each Contractor establishment involved in any purchase will be conducted, to check whether the Act and the ECP are being fully complied with. Such a visit will be made to each establishment at least once each 30 days.

c) Each such visit will include both checking that is general in nature and checking to determine whether each established or potential problem previously noted by the FIRM during any prior monitoring activity has been fully corrected, including:

i) reviewing with the Contractor personally (and with any person to whom the Contractor has delegated any monitoring responsibilities) the provisions of the ECP and questioning the Contractor as to whether the ECP is being fully complied with, including correction of each such problem previously found and each problem that causes the Contractor to be subject to such heightened monitoring,

ii) an inspection of the time and payroll records for facial compliance with the Act and the ECP, including an inspection of all such records for at least one full workweek, and

iii) personal interviews of 10 percent of the Contractor's workforce, but no fewer than five such employees in any event.

d) Monitoring to be done on that particular visit will be expanded to the level required for a high-intensity monitoring visit (as specified in paragraph 5 of this PMC) if any reason to believe that the Contractor may not have complied in full with the Act and/or the ECP is noted.

e) The intensity of monitoring to be done thereafter on an ongoing basis will be reclassified to the high-intensity level if the FIRM finds, as a result of monitoring (scheduled or unscheduled, initial or expanded), any violation of the Act or the ECP.

sions that violate the minimum wage, overtime pay, child labor, and/or homemaker provisions of the Act,

iii) there have been any acts or omissions that violate the ECP, or

iv) there has been any failure to correct any problems previously noted.

e) In selecting records to be reviewed by the FIRM in its monitoring activities, the selection will be made by the FIRM and will be made at random from among those affected by purchase(s) and from among those needed to verify correction of any type of problem(s) previously noted.

f) Whenever this PMC specifies that monitoring of a given intensity or type is to be conducted until correction of a problem has been verified, that monitoring will (at a minimum) be conducted until all monitoring visits by the FIRM required by this PMC (but no fewer than the two most recent such visits in any event) verify that full correction had been effected prior to the particular visit and had been continuously maintained throughout:

i) a 180-day period, if the problem involves any violation of the minimum wage and/or overtime pay provisions of the Act, or

ii) a 90-day period, if the problem is of some other type; and

the 180-day or 90-day period referred to in this subparagraph (f) is the period of that length that immediately precedes the lessening in the intensity or type of monitoring to be done thereafter.

g) The closeout conference to be held at the end of each monitoring visit called for by this PMC will, at a minimum, include all of the following with respect to each problem

or potential problem that was noted as a result of that visit or was previously noted but has not been verified to have been corrected:

i) confer with the Contractor personally to get a commitment from the Contractor that the Contractor will immediately take effective corrective action to eliminate the problem, and

ii) make notes of the problem and the promised corrective action, so that appropriate follow-up action can be taken (including follow-up action at the time of the next monitoring visit).

h) Whenever a Contractor is required to comply with certified payroll-reporting procedures pursuant to any agreement between the FIRM and the DOL, the FIRM will, each pay period, verify receipt of the report and review it for any indications that the Contractor may not be complying fully with the Act and the ECP, so that the results of the review can be considered in conducting monitoring of the Contractor (including scheduling monitoring).

7. RECORDKEEPING REGARDING MONITORING

a) The FIRM will (separately for each Contractor) make, keep, and preserve detailed records of all monitoring activity conducted by the FIRM, problems found, corrective action and heightened monitoring to be undertaken by the Contractor(s) as to each, and heightened monitoring to be conducted by the FIRM to verify that corrective action is taken by each Contractor and that it is effective in eliminating each problem.

b) All such records will, on demand, be made available to the DOL by the FIRM, for inspection and copying by the DOL.