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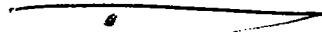
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Sweatshops



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SWEATSHOPS



Date: 03/25/96 Time: 12:37

SAwareness of Plight of U.S. Sweatshop Workers

To: National Desk, Labor Writer

Contact: Scott Sutherland of the U.S. Department of Labor,
202-219-8211

WASHINGTON, March 25 /U.S. Newswire/ -- Labor Secretary Robert B. Reich and a coalition of consumer, labor and religious organizations representing more than 50 million members today announced an initiative to raise public awareness of continued worker abuse in the U.S. garment industry.

On the 85th anniversary of one of the worst sweatshop tragedies in history, the Triangle Shirtwaist Factory fire, Reich and an organizer of the coalition unveiled new public service announcement ads, "Clues for Consumers," for shoppers interested in sweatshop-free shopping and a new site on the World Wide Web dedicated to the public awareness effort.

On March 25, 1911, The Triangle Shirtwaist Co. fire claimed the lives of 146, mostly women, and brought attention to the abhorrent workplace conditions of the era. The resulting public outrage fueled the creation of workplace health and safety standards and was instrumental in shaping future labor laws.

"Eight-five years after one of the worst workplace tragedies in our history, we are witnessing a return of sweatshops," said Reich. "The anniversary of this tragedy should mark a renewed commitment to eradicate them.

"Sweatshops pose a threat to the workers. But they also threaten the legitimate contractors in the industry who want to pay good wages and abide by the rules. We are dedicated to protecting contractors as well from the unscrupulous in the industry. More than 1 million garment workers in this country depend on a healthy, thriving industry."

Linda Golodner, president of the National Consumers League, announced that more than 25 consumer, labor and religious organizations would distribute a public service announcement and the department's "Clues for Consumers," helpful tips for shoppers who want to support efforts to end sweatshop working conditions.

The "Clues" and other important consumer information also will be available on the World Wide Web through the Labor Department home page (<http://www.dol.gov>). The department will distribute print ads to 10,000 newspapers, magazines and other publications in the coming weeks and ask for free placement. Thirty-second radio spots will be available to radio stations nationwide at 800-877-9002.

"Six months ago the country was horrified by the discovery of workers held in slavery in a Southern California sweatshop," Reich said. "Just weeks ago we discovered more workers actually locked in their garment factory at night by the owners. And every working day in American we discover still more garment workers cheated of their wages. The public is clamoring for information so it can do its part to end this abuse."

Aggressive garment enforcement continues to uncover widespread abuse of U.S. garment workers, Reich said. This year garment sweeps in cities across the country revealed 283 contractors in violation, owing \$1.2 million in back wages to more than 2,400 workers.

Also this year, a sweep of 11 garment shops in Dallas revealed 82 percent of area contractors in violation of federal labor laws. In Orange County, Calif., 80 percent of the garment shops investigated were found in violation of overtime or minimum wage

laws.

Since 1993, the Clinton administration has recovered more than \$7.3 million in back wages for more than 25,000 garment workers. Along with increased enforcement efforts, the department has sought the assistance of worker advocacy groups, consumers, retailers and manufacturers.

``There are manufacturers and retailers in the garment industry that take worker issues seriously and are working with us to eliminated the sweatshop menace,`` Reich said. ``We want to congratulate those who are making a difference for some of the most powerless workers in our society.``

The department also salutes major retailers that monitor or require their manufacturers to monitor garment contractors for labor law compliance. Thirty-six retailers and manufacturers have been named to the department's ``Fair Labor Fashions Trendsetters`` list based upon their monitoring practices.

In August 1995 worker abuse in the garment industry received national attention when Department of Labor and Immigration and Naturalization Service investigators raided a sweatshop in El Monte, Calif., and found 72 Thai workers toiling in slave-like conditions for 16 to 22 hours a day.

A study released last year by Marymount University in Arlington, Va., found 78 percent of the consumers surveyed would avoid retailers that sell sweatshop goods. The majority of those surveyed, 84 percent, also indicated they would pay more for garments they could be guaranteed were not made in sweatshops.

Reich said his department has received more than 30,000 letters, phone calls and telegrams from the public asking how they might support efforts to crackdown on sweatshops.

Editors: U.S. Labor Department news releases are accessible on the Internet at: <http://www.dol.gov>

The information in this news release will be made available to sensory impaired individuals upon request. TDD message referral phone: 800-326-2577, voice phone: 202-219-7319.

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COLUMN LEFT/
ROBERT SCHEER

Where's Clinton on Slave Labor Here at Home?

He faults China while his Justice and INS minions refuse to act on peonage in El Monte.

President Clinton goes on about prison labor in China but has yet to say a word about slave labor in El Monte. Atty. Gen. Janet Reno is immorally silent on the failure of the U.S. attorney in Los Angeles, who reports to her, to lift a finger to protect the women forced to work 16 hours a day "until they drop," seven days a week.

I am not referring to the situation in April, 1992, when the Immigration and Naturalization Service and the U.S. attorney first learned that slave labor was being used in El Monte, 15 miles east of downtown L.A., and closed the file that along with other investigations of peonage. That moral crime can be traced to Bush appointees.

But there is a nine-page record in the possession of the U.S. attorney that also details criminal indifference on the watch of this Administration. On May 24 of this year, an INS agent spoke to the attorney for a woman who escaped from the garment factory/concentration camp in El Monte, where she had been imprisoned for four years. Three years after claiming they could not get a federal warrant based on an anonymous tip, the INS suddenly had an eyewitness to slavery at the location. And she was willing to testify.

On May 28, the escapee detailed how a smuggling ring operated in Thailand to recruit the human crop and transport them to the factory prison complex here. The affidavit compiled by the INS is, naturally, detailed.

The female Thai informant stated that on most days they were forced to work about 16 hours or until they dropped. She stated that the employers frequently threatened them that if they escaped, their families in Thailand would be subjected to violent reprisals... that anyone leaving the townhouses unsupervised—even to just walk inside the compound—were harshly scolded. She stated that the employers often warned them that if they escaped... they would be vulnerable to being raped. She stated that the employees are totally cut-off from outside contact... that she is aware of about nine who have escaped but who are too afraid of reprisals against their families in Thailand to come forward.

The informant said that the bosses of the operation are "very well connected" in Thailand "and as a result could carry out violent reprisals with impunity. The informant stated that even the local U.S. Thai

'How dare the President complain about human rights violations anywhere in the world when his own agents don't give a damn?'

Newspapers would not dare expose the operation when she informed them of

Despite these expressed fears, the escapee met on May 30 with an INS agent and took him to the complex on Santa Anita Boulevard in El Monte. She observed that since her escape, a guard had been posted in the driveway of the compound facing the seven townhouse units... the perimeter wall has been both heightened by corrugated steel panels and also topped by rolls of razor wire... the rear windows of the townhouse units serving as work shops and employee quarters have been closed/paneled with wood three-fourths of the way to the tops of each window.

The slave labor went on round the clock. After dark lights were on in all townhouse units... the garage doors on the five townhouse ID'd as quarters/production units were partially opened about one foot at the bottom and fluorescent lights were on in each... The suspected factory appeared by the lights inside to be in production after normal business hours until I terminated surveillance at 2200 [10 p.m.]

Stop and listen. Two years at a sewing machine for 16 hours a day, seven days a week for \$2 an hour making garments that fashionable people wear. The Constitution forbids slavery, and she had been a slave. What prevented the U.S. attorney from asking for a search warrant?

Nothing would have been done about this situation had California Labor Commissioner Victoria Bradshaw not received a tip and asked the INS to join in a raid. INS Acting District Director Donald Looney wrote a letter Aug. 1 advising her to wait. She did not. There had been enough waiting.

We're talking slavery here, right? How dare the President complain about human rights violations anywhere in the world when his own agents don't give a damn? Your standards lower than China's?

And how dare Janet Reno's INS now keep these exploited young Thai workers imprisoned in orange uniforms, taking them in shackles from where they are being incarcerated on Terminal Island to the Federal Building in Los Angeles for interviews? Haven't they suffered enough at the hands of the federal government?

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Summer Session

During Court's Recess,

Justices Do Seminars

With Supreme Style

Law Schools Often Pick Up

Tab for European Trips,

Fine Accommodations

Rehnquist's Tennis Calendar

By PAUL M. BARRETT

Staff Reporter of THE WALL STREET JOURNAL

SALZBURG, Austria — Supreme Court Justice Anthony Kennedy moonlights for part of the summer as a law professor. But don't feel sorry for him. This charming ancient city of castles and cafes isn't a bad spot for a second job.

Hiking a nearby hill one brilliant morning, the justice pauses to take in the alpine scenery and is inspired to recite Shakespeare's line: "Sweet are the uses of adversity."

Sweet is the right word. Each July, Justice Kennedy and his wife, Mary, spend three weeks in Salzburg, with all major expenses and a \$20,000 stipend paid by a Sacramento, Calif., law school called McGeorge, which runs a summer session here.

Wimbledon Fan

Largely sheltered from public view once they are confirmed, the members of the Supreme Court cultivate an image of the austere, black-robed solemnity. But in reality, most of them aren't cloistered monks of the law. They get out and about quite a bit, often in high style. Even in an era when other public officials are cutting back on their perks, the justices attend an array of expenses-paid judicial confabs and bar association conferences in attractive locales. During the high court's long summer recess, from July through late September, some members of the court make Europe their regular destination, with U.S. law schools often picking up the tab.

Near the end of last term, Chief Justice William Rehnquist was "bound and determined," in another justice's words, that the high court wrap up its final batch of opinions before June 30. Not coincidentally, the chief had plans to attend the tennis matches at Wimbledon the next day. The high court finished on June 29, and on July 1 Chief Justice Rehnquist was in England to see Andre Agassi and Boris Becker. Then he headed off to Cambridge, where he lectured on the history of the court, toured cathedrals and war memorials and was feted by British lords and ladies. Tulane Law School in New Orleans

and Valparaiso Law School in Valparaiso, Ind., sponsors of summer sessions at Cambridge, split the chief justice's travel and accommodations costs.

Beer and Constitution

Justice Antonin Scalia, meanwhile, jetted to the French Riviera. Hosted by Hofstra University School of Law, Hempstead, N.Y., which paid his expenses, he gave talks in Nice on the Constitution and popped up at posh parties in Cannes and Monaco, where he had cocktails with Prince Albert. Justice Stephen Breyer spent two weeks in Barcelona, courtesy of the University of Puerto Rico. And Justice Ruth Bader Ginsburg sampled the fare at outdoor beer gardens in cozy Innsbruck, Austria, where she was the star attraction and keynote speaker at a summer session organized by St. Mary's University of San Antonio, Texas, which paid her expenses.

Properly disclosed in annual financial reports, these summer journeys by the justices don't run afoul of any ethical or legal constraints on perks. The justices may take up to \$20,040 in earned outside income (15% of the basic salary for a high-level executive branch official), a figure set by a formula in the statute governing outside pay for all federal employees. They also may be reimbursed by private sources for trips of unlimited duration, as long as the travel is related to law and doesn't present a conflict of interest. In contrast, executive-branch regulations make it difficult for the most senior members of the administration ever to accept private reimbursement for nonofficial travel. And Congress's rules restrict the pay that members may earn for teaching as well as the duration of privately funded travel, allowing no more than seven days for international trips.

Senate Suggestion

When it cut its own perks in July, the Senate passed a resolution urging the judiciary, including the Supreme Court, to "review and reevaluate its regulations" on gifts and travel reimbursements.

One reason the justices take overseas excursions is to trade ideas with their counterparts in other countries. Another reason some justices say they head for Europe each summer is to take a break from each other. Over a dinner of broiled trout one evening in Innsbruck, Justice Ginsburg explains that a European escape is healthy after the pressure of May and June, when the justices clash over their toughest cases. "It's good for us to be apart for a while," she says.

Justice Ginsburg relaxes by riding horses and going to the opera. For some members of the court, though, the competitive juices continue to flow. A couple of summers back, St. Mary's Law Dean Barbara Aldave accompanied Justice John Paul Stevens to the blackjack table at a casino in Innsbruck, she says. The dean won. The justice lost. "He was so frustrated — he's a champion bridge player, you know — and he had been practicing blackjack on a computer game he had with

him," the dean recalls.

Occasionally, there are embarrassing moments. In March, the Minneapolis Star Tribune reported that West Publishing Co., the powerful Eagan, Minn., legal publisher, was paying for some justices and lower-court judges to go to fancy vacation spots where their only duty was to pick the recipient of a West-funded judicial prize. That practice has been changed, with a nonprofit legal think tank brought in to administer the prize, which West will continue to fund.

Lecture-Hall Draws

For law schools competing for summer-session tuition dollars, having a justice on hand is the ultimate marketing device. Location is key, especially for less-prestigious schools. "We couldn't get Supreme Court justices to come for two weeks to San Antonio," concedes Gerald Reamey, associate law dean at St. Mary's University. "We can get them to come to Innsbruck."

The fact that a justice's participation in an academic program helps promote it, though, doesn't necessarily make the trips ethically suspect. Unlike a sponsor such as West Publishing, law schools typically don't litigate cases in federal courts. And the justices do more than just show up. Their teaching — several justices are former professors — contributes substantially to the value of the European programs according to many students.

Justice Scalia's lectures in Nice on the separation of powers were "brilliant," Hofstra student Kelly Rodriguez says. "It was inspiring just to be in his presence, and I'll always remember it."

Justice Scalia declined to be interviewed or to allow a visiting reporter to attend his classes. But students say he dressed casually in chinos and short-sleeve shirts and told them to think of him as just another professor. That was difficult, students add, since the justice was the only person being followed around the hot, stuffy University of Nice building by two attendants bearing portable air conditioners.

Another aspect of the justices' European travel is that some of them are less guarded in comments made overseas than they are back in official Washington. After class one day, Mr. Rodriguez says, he asked Justice Scalia to elaborate on his

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BACKGROUND

DOL performs administrative and enforcement functions relating to nonimmigrant workers allowed to work in the United States in the H-1B classification under the labor condition application (LCA) provisions of the Immigration and Nationality Act, as amended in 1990 and 1991. Under these provisions, employers who intend to employ foreign workers in professional occupations (or as fashion models) on a temporary basis must file a labor condition application (LCA or application) with DOL, prior to petitioning the INS for issuance of the H-1B classification for the nonimmigrants. Under the Final Rule, the prospective LCA employer must attest that:

- * H-1B nonimmigrants will be paid at least the actual wage level paid by the employer to all other individuals with similar experience and qualifications for the specific employment in question, or the prevailing wage level for the occupation in the area of employment, whichever is higher;
- * The employment of H-1B nonimmigrants will not adversely affect the working conditions of workers similarly employed in the area of intended employment;
- * On the date the application is signed and submitted, there is not a strike, lockout, or work stoppage in the course of a labor dispute in the occupation in which H-1B nonimmigrants will be employed at the place of employment; If such a strike occurs after this application is submitted, the application will not be used in support of petition filings with INS for H-1B nonimmigrants to work in the same occupation at the place of employment, and during the validity period of the application, the employer will not place nonimmigrants at places of employment where there is a strike or lockout in the occupation;
- * A copy of the application has been, or will be, provided to each H-1B nonimmigrant employed pursuant to this application; notice of the application has been provided to workers employed in the occupations in which H-1B nonimmigrants will be employed through the union(s) or through posting at current and new worksites covered by the application.

The Employment and Training Administration accepts and processes LCAs while DOL's Employment Standards Administration's Wage and Hour Division investigates and assesses penalties. The statute provides that, after notice and opportunity for a hearing, DOL must notify the Attorney General when DOL finds certain violations. Upon such notification, the employer will be

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"debarred" from all employment visa programs since the Attorney General will not approve petitions filed with respect to that employer for at least one year. DOL findings that require AG notification are:

- * willful failure to meet the wage or working condition obligation of the application;
- * violating the strike or lockout obligation;
- * substantial failure to be specific in the application;
- * substantial failure to comply with the notice obligation; and
- * misrepresenting a material fact on its application.

The rulemaking process for this program began with an advance notice of proposed rulemaking on March 20, 1991, followed by a proposed rule (dated August 8, 1991, 62 commenters), an interim final rule (dated October 23, 1991, 240 commenters), the current interim final rule (dated January 13, 1992, 45 commenters), and another proposed rule (dated October 6, 1993, 264 commenters) leading to this final rule.

Businesses and educators, who were critical of features of the proposed rules and the interim final rule, commented generally that the LCA program should not be implemented in such a way as to hinder the balance between an employer's needs and the ability to meet those needs through employment of foreign workers as necessary. Some requested that the proposals not be adopted and allowing the program to remain as it is (was) while others offered that the regulations were overall burdensome, unnecessary, anti-competitive, and discriminating (as the proposals applied just to job contractors). Attorneys commented against the proposals citing that the regulations were overburdensome for "such a small problem." Private individuals, trade associations, state employees, and Federal employees advocated tighter restrictions such as the implementation of employer fees, jail terms for violators, and labor market testing. They further advocated a strong enforcement program so that the domestic work force would be better protected.

In the past two years, the Employment and Training Administration has certified over 215,000 LCAs for anticipated needs to employ 215,000 nonimmigrants under this program. These applications reflect the anticipated need for foreign workers under the LCA provisions in primarily three occupational classifications: physical therapists, computer systems analysis/programmer, and teachers/professors.

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For the 3-year period ending September 30, 1994, the Wage and Hour Division received 88 complaints and found reasonable cause to initiate 63 investigations. These investigations resulted in 19 requests for an Administrative Law Judge Decision, and 1 request for Secretarial Review. Over \$1 million dollars in back wages have been found due to 287 nonimmigrants and the Department has assessed more than \$130,000 in civil money penalties. Four (4) investigations found violations which resulted in AC notification.

Matters considered in earlier rule making and addressed in this Final Rule include:

- ◀ changing the regulation with regard to the life of the LCA and thus the time periods between prevailing wage updates.

The Interim Final Rule provides that the life of the LCA is to be six years (the maximum validity period for an H-1 visa, renewed after three years) and the employer must update the prevailing wage information required by the LCA every two years. The Final Rule reduces the life of the LCA to three years (grandfathers currently existing LCA's which will remain in effect for six years) and requires prevailing wage update each time the LCA is renewed (i.e., each three years).

- ◀ requiring notification to H-1B nonimmigrant employees and U.S. workers at additional worksites.

The Interim Final Rule requires the employer to post at the worksite where the H-1B worker is to be employed at the time the LCA is filed. The current rule does not require the employer to provide any information to the H-1B nonimmigrant worker regarding the attestations the employer has made on the LCA. The Final Rule will require the employer to provide a copy of the LCA to each H-1B nonimmigrant worker, as well as require the posting of the notice at each new worksite within the LCA's covered area of employment subsequent to the initial posting.

- ◀ identifying the prevailing wage and its source on the LCA.

Under the current rule, the employer is required to determine the prevailing wage prior to or at the time of filing the LCA with the Department; however, the employer is not required to specify the amount of the wage or its source in connection with the filing of the LCA. The Department's enforcement experience discloses that many employers who have been the subject of investigation have failed to obtain the prevailing wage rate and thus have entered the program with no knowledge of their precise wage

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obligation. The Final Rule will require the employer to enter on the LCA the amount of the prevailing wage and its source. This requirement should significantly reduce the number of enforcement problems experienced by the Department.

◀ broadening the strike/lockout provision.

The current rule provides that the employer must attest on the LCA that there is no strike or lockout in the occupation at the worksite where the H-1B nonimmigrant employee is to be employed. The employer has no further responsibility after the initial attestation. The Final Rule will require the employer to report a strike or lockout at any time during the life of the LCA to the Employment and Training Administration, and will prohibit the employer from placing additional H-1B nonimmigrant employees at any worksite where there is a strike or lockout in that occupation during the life of the LCA.

◀ resolution of the "in kind" wage issue and permissible deductions from the wages of H-1B workers.

Under the current regulation, DOL requires the payment of wages to be "cash in hand" and does not permit credit to be taken by the employer for "in kind" wages (i.e., facilities furnished to the worker in the form of housing, food, transportation, etc.) for which the employer wishes to claim the value or cost against the required wage responsibility. This DOL position has been the focus of significant enforcement activity and of commenters' criticism of the regulations. The Final Rule alleviates confusion and provides employers more flexibility for bona fide compensation plans, by establishing a "bright line" test for what constitutes the payment of wages: in order to claim a payment as wages, the payment must be one for which tax withholdings and matching social security payments are made, reported and paid over to the Internal Revenue Service or its counterpart in the worker's home country. Further, the Final Rule provides very specific guidelines regarding the nature and extent of deductions that may be taken from an H-1B worker's wages.

◀ addressing the circumstances of outplacement of an H-1B worker in an area of employment for which no LCA is on file.

Under the current rule, the employer is not permitted to place nonimmigrants at a worksite in an area of employment for which there is no LCA on file; thus, even short-term placements at such worksites require new LCAs being filed by the employer. Commenters in the rulemaking process expressed concern that there is no flexibility for bona fide

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business practices, and urged the Department provide for temporary outplacements without the requirement for new LCAs. The final rule provides a time test, under which an employer may assign an H-1B worker to a worksite within an area of employment for which there is no LCA for a period not to exceed 90 work days within a three-year period beginning on the date of first assignment, providing the employer continues to pay the wage required at the H-1B nonimmigrant's permanent location and in addition pays to the H-1B nonimmigrant a per diem equal to the per diem payments paid to Federal employees as determined by the General Services Administration. Only those days on which one or more H-1B workers are outplaced to one or more worksites within the new area of employment are counted against the 90 days. Once the employer has exhausted the 90-day provision, the employer must either withdraw all H-1B nonimmigrants and make no further assignments in the new area of intended employment, or be in full compliance with the LCA provisions of the regulation.

◀ defining "aggrieved" and "interested" parties.

The earlier rule making has requested comments regarding the appropriate definitions of these two terms. The Final Rule contains the regulatory definitions.

◀ authorization of non-complaint investigations.

When the current rule was being developed, policy decisions were made within DOL that scheduling of investigations in this program would be limited to complaints only. Experience with the program indicates the policy decision was not well reasoned in that the Department has become aware of seemingly egregious situations and, due to the lack of a complaint, no enforcement action could be undertaken. The Final Rule provides for an enforcement program that includes non-complaint investigations.

◀ other issues:

The final rule provides that employers may use only the Employment Service appeal process when challenging the validity of a State Employment Service Agency (SESA)-issued prevailing wage.

The new TN classification is added to incorporate the provisions of North America Free Trade Agreement (NAFTA).

An employer is required to pay nonimmigrants for all weeks spent in the U.S. with limited exceptions whether or not the nonimmigrant is engaged in productive work.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF INFORMATION AND REGULATORY AFFAIRS

FAX TRANSMITTAL

FAX: (202) 395-6974

DATE: 12/6/94

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FROM: DAN CHEWOK (PHONE = x54951)

TOTAL NUMBER OF PAGES (INCLUDING TRANSMITTAL SHEET): 6

RECIPIENT'S FAX NO: x67028

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COMMENTS:

PER PHONE MESSAGE FROM LAST WEEK, ATTACHED IS A SUMMARY
OF DOL'S H-1B IMMIGRATION RULE NOW UNDER OMB REVIEW. WE
ARE GETTING BACK TO DOL MID-WEEK (WED); IF YOU WANT
TO KNOW MORE OR HAVE COMMENTS, PLEASE CALL TODAY OR
WED. AM. THANKS.

NOTE: IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL AS SOON AS POSSIBLE.

IRCA SANCTIONS HELP CREATE SWEATSHOPS, UNION ADVOCATES TELL RIGHTS COMMISSION

NEW YORK—The employer sanctions provision of the Immigration Reform and Control Act is known in New York City's Chinatown as "the slave law" for its perceived role of segregating low-wage work into illegal sweatshops, a Chinese-American union leader charged at a Sept. 20 hearing of the U.S. Civil Rights Commission.

"Since that law, our working conditions have gone down the drain," Wing Lam, executive director of the Chinese Staff & Workers Association, told the commission. "Before IRCA, no one worked a seven-day week, but now it's very common."

Lam argued that the law's threat of employer sanctions for hiring undocumented aliens has driven out all but the most unscrupulous employers from low-wage manufacturing, leaving the field open to operatives who illegally bring in "masses" of Chinese workers on "slave ships" like the *Golden Venture*, which was exposed last winter when it ran aground offshore a city beach.

"With no employer sanctions, you would not see any more *Golden Ventures*," Lam said. As long as the sanctions remain in place, he continued, workers brought in under conditions of slavery or near-slavery have nowhere to flee. "Even if you pay your debt, you can't get out of Chinatown, you can't get off the plantation," he said. "You're blocked because you can't get another job."

Also questioning the wisdom of IRCA was Muzaffar Chishti, director of an International Ladies Garment Workers Union immigration program. "Employer sanctions segregate the labor market in a very subtle way," Chishti said. "Now only the unscrupulous employer uses undocumented workers, merging them into the sweatshop sector."

Change Sought In 'Philosophical Thrust'

Chishti maintained that a change was needed in the "philosophical thrust" of IRCA. "If wages and working conditions are the problem, we should focus on them," he said. "IRCA does not. It focuses on the status of workers."

Employer sanctions can push employers into discriminating against people whom they believe may not be authorized to work because of their appearance or accent, Chishti said. He suggested that an employer, out of fear of sanctions or paperwork, would choose a "Robert Redford look-alike" over an equally qualified immigrant if a "two-minute hiring decision" had to be made.

But commission member Constance Horner questioned whether any employer would make such a "two-minute decision." Employers are barred from seeking proof of employment authorization before offering a job; however, Horner said that she had to "go and get my passport" before she was hired recently by a New Jersey employer.

The commission received testimony on immigrants and the labor force on the second of three days of New York hearings on racial and ethnic tensions in American communities. Soon after the day's hearing began, however, Lam sought to make commission member Charles Pei Wang, another New York Chinatown community figure, the target of charges of exploiting immigrant labor.

Unscheduled Witness

Not scheduled as a witness although he had been invited to testify in an Aug. 10 letter from the commission's acting general counsel, Lam was distributing a news release challenging the hearings' and Wang's role on the commission when a marshal told him to stop and leave the room.

After Lam began shouting his protest to the commission, the marshall ejected him. But commission chairman Mary Frances Berry offered to meet with him outside and then allowed

him to testify on immigration issues in general but only to submit written evidence on his charges against Wang.

Berry characterized the acting general counsel's letter of invitation as "tentative." The letter, however, did not use that word. It instructed Lam when and where to arrive to testify and advised him that "a U.S. Marshal will serve you with a subpoena within the next 2-3 weeks."

Calling for Wang's removal from the commission, Lam's written statement pointed out that the Bush administration appointee had been the executive director of a Chinatown community group whose construction employment program for immigrant workers had been the target of a 1991 National Labor Relations Board case. Lam further charged that Wang had made false statements to conceal attempts to block his employees from unionizing.

The board, later upheld by the U.S. Court of Appeals for the Second Circuit, accused the program of illegally paying workers as trainees when it should have been paying prevailing construction wages. The NLRB administrative law judge in the case, *Chinese-American Planning Council v. NLRB* (No. 2-CA-23016), found that Wang's testimony on the coercion charge was not corroborated by a translation of a surreptitiously recorded conversation between him and a group of employees.

Wang Answers Charges

Asked to comment on Lam's charges, Wang said that the litigation had resulted in the termination of a worthwhile project to help Chinese workers break into the construction industry and noted that he was no longer executive director of the group. "Our dispute was over a narrow interpretation of the law, whether the workers were trainees or employees," he told BNA. "I wish the judge had been on my side. I feel I did not do anything wrong."

On Lam's false testimony charges, Wang added, "The judge sided with him. That's the system. I disagree."

In later testimony, Edward McElroy, New York district director of the Immigration and Naturalization Service, said that 15 percent of his budget goes into enforcing employer sanctions. He reported that since IRCA was enacted, his office had issued 775 notices of intent to fine. In 605 completed cases, he said, the office had recouped \$3.8 million out of proposed fines of \$11.8 million.

McElroy suggested that the deterrent effect of INS enforcement would be improved if the agency could use the Racketeer Influenced and Corrupt Organizations statute to seize the assets of employers who violate IRCA. Wiretap capability would also help the agency to fight immigration smugglers who use sophisticated electronic communication in their activities, he said.

Horner questioned McElroy at length on the cost of incarcerating illegal aliens awaiting deportation after being arrested in workplace raids. Her line of questioning followed testimony by McElroy that 94 percent of aliens ordered out of the United States in his district fail to show up for deportation.

After McElroy testified that, with only 225 detention beds available, it would be impossible for INS to imprison more than a small percentage of the total ordered deported, Horner asked, "How many more could you use?" A thousand, he replied.

- 0 -

~~SEN. BREAUX HOLDS OUT HOPE ON AGREEMENT FOR HEALTH REFORM DESPITE CONTROVERSIES~~

~~Closed-door Senate negotiations on a health care reform package may be coming to an end, Sen. John Breaux (D-La), one of the participants, said as he and other representatives of~~

- **Food Safety:** On March 5, HHS, USDA and EPA will hold a public meeting to discuss your new initiative to improve the safety of the nation's food supply.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Secretary's Schedule:** Secretary Cuomo is in FL for the U.S. Conference of Mayors' Winter Working Meeting. He planned to participate in working meetings with mayors on a variety of issues, focusing on the need to reform HUD's Section 8 homeless assistance program.
- **Housing Starts Up:** Housing starts rose from 1.32 million in December to 1.35 million in January, boosted by a jump in single-family housing construction. The regional picture was mixed: construction advanced strongly in the Northeast and West, while falling in the Midwest and South.
- **Insurance Partnership:** Allstate Insurance Company and the National Fair Housing Alliance (NFHA) joined HUD in announcing the resolution of fair housing complaints filed by NFHA against Allstate. Allstate and NFHA will partner to expand Allstate's programs to promote homeowner insurance opportunities, including its Neighbor partnership Program to provide insurance education in targeted areas.
- **MD Empowerment Zone:** Sylvan Learning Systems opened its international headquarters this week in Baltimore's Empowerment Zone. It is the first major corporation to move to Baltimore, MD, in two decades. Sylvan is the lead tenant of a \$32 million office complex in the Inner Harbor area.
- **MA Mortgage Bias:** A study released last week by the MA Commission against Discrimination found different treatment of whites and blacks in mortgage applications. Minority applicants were less likely to be pre-approved for a mortgage, or encouraged to apply for a mortgage, than white borrowers.
- **Housing Discrimination:** A report issued by the Fair Housing Council of Greater Washington, D.C., received widespread coverage last week. The report found lower rates of housing discrimination compared to 1993, but found persistent discriminatory practices. The Council claimed that minorities encountered discrimination in 28 percent of the tests in D.C., 49 percent in metro MD and 47 percent in metro VA. Montgomery County scored the worst, with blacks treated less favorably than whites in 59 percent of their inquiries. The Council referred some cases to HUD for investigation.

- **American Axle:** On February 17, the UAW and American Axle and Manufacturing reached tentative agreement on a contract that averts a threatened strike at five plants in MI and NY. The plants are the main suppliers of truck axles to General Motors.
- **Sweatshop Initiative:** On February 18, DOL released the results of a “strike force” effort in the New York City, NY, and Los Angeles, CA, garment industries. The initiative resulted in the recovery of more than \$230,000 in back wages for more than 600 employees. DOL also notified 122 manufacturers and two retailers that some of their goods had been produced in sweatshops. DOL requested that the manufacturers voluntarily refrain from shipping the particular goods.
- **Adult Education:** On February 25, the House Education and the Workforce Subcommittee on Postsecondary Education will hold a hearing on Adult Education. The Department will not testify.
- **Fair Labor Standards:** On February 26, the Senate Labor and Human Resources Committee will mark-up the Family Friendly Workplace Act and the TEAM Act. The first bill amends the Fair Labor Standards Act to allow private-sector employers to offer compensatory time in lieu of overtime and schedule employees on an 80 hours per two week work schedule. The TEAM Act amends the National Labor Relations Act to allow employers to establish employer-dominated labor organizations. The Administration is opposed to both bills as written.

DEPARTMENT OF TRANSPORTATION

- **American Airlines Strike:** In preparation for the American Airlines pilots’ strike on February 15, FAA increased its surveillance of American and found no significant safety problems. DOT set up command centers to deal with strike-related issues. The centers ceased operations when you set up the Emergency Board and the pilots returned to work. DOT will continue to monitor the situation.
- **Maritime Accident Victims:** On February 24, Secretary Slater will attend a memorial service to be held for two MARAD employees in honor of their outstanding service and dedication. On February 18, these employees were killed by an out-of-control vehicle that struck them in a pedestrian crossing three blocks from DOT.
- **Secretarial Address:** On February 24, Secretary Slater will address all DOT employees in the DOT Courtyard to discuss your vision of Transportation for the 21st Century and how DOT’s success depends on the contributions of each and every employee.

- **Supreme Court Cases:** On February 18, the Supreme Court issued decisions in two cases directly involving DOL. All decisions were favorable to DOL.
 - ▶ In California v. Dillingham Construction, the Supreme Court held that CA's prevailing wage law, which sets minimum compensation for workers on state construction projects, was not preempted by the federal Employee Retirement Income Security Act. The CA law permitted lower wages to be paid to apprentices, if they were part of a state-approved program under the National Apprenticeship Act, which is administered by DOL.
 - ▶ In Ingalls Shipbuilding v. Director, Office of Workers' Compensation Programs, the Supreme Court held that DOL had legal standing to participate in federal appeals court cases involving benefit disputes under the federal Longshore and Harbor Workers' Compensation statute.
 - ▶ In a third decision, Robinson v. Shell Oil Company, which could serve as a precedent for anti-discrimination laws enforced by DOL, the Supreme Court agreed with the Administration's position that the Civil Rights Act (1964) protects a former employee from retaliation for filing a discrimination charge with the Equal Employment Opportunity Commission.

- **Child and Youth Labor Conference:** On February 24-25, the National Administrative Office will host a conference on child and youth labor in North America in San Diego, CA to examine ways to eliminate inappropriate workforce activities of children. The conference, an activity of the U.S., Canada, and Mexico, is conducted under the North American Agreement on Labor Cooperation.

- **Dislocated Worker Grants:** On February 28, DOL's Employment and Training Administration will announce grants for dislocated workers in OR and CO. OR will receive up to \$970,000 for workers dislocated by recent floods to provide temporary jobs in the clean-up, repair and recovery efforts. CO will receive up to \$2.3 million to provide reemployment services to workers dislocated from US WEST. Next week, DOL will release a grant for \$2.9 million for workers dislocated from Stokely-USA food processing plant in WA state.

- **Immigration and Naturalization:** On February 28, OSHA will issue citations to DOJ's INS. If the citations had been issued to a private-sector employer, the total assessed penalty would have been \$1,015,000. The citations are the result of inspections at nine INS facilities along the TX and Mexico border.

- **Hawaii Teachers:** In HI, a tentative agreement was reached just before the February 20 strike deadline. The agreement averts a strike by the State Teachers Association.



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

Washington, D.C. 20530

TO: Maria Echaveste, Administrator, Wage and Hour Division,
U.S. Department of Labor
Tom Williamson, Solicitor of Labor, U.S. Department of
Labor
Donna Bucella, Principal Deputy Director, Executive
Office for U.S. Attorneys
Susan Liss, Counsellor to the Assistant Attorney
General for Civil Rights
Ricky Roberts, Criminal Section, Civil Rights Division
Neil Gallagher, Deputy Assistant Director, Criminal
Division, FBI
Alex Aleinekoff, Executive Associate Commissioner for
Programs, Immigration and Naturalization Service
William Slattery, Executive Associate Commissioner for
Field Operations, Immigration and Naturalization
Service
Stephen Warnath, Senior Policy Analyst, White House
Domestic Policy Council

FROM: Seth Waxman, Associate Deputy Attorney General and
Gerri Ratliff, Counsel to the Deputy Attorney General

RE: INTERAGENCY GROUP FOR SWEATSHOP STRATEGY COORDINATION

The first meeting of the interagency group to develop a coordinated strategy and mechanism to follow up on sweatshop-type situations and reach out to interested industries has been rescheduled to Tuesday, October 10, from 4:15-5:30 p.m. in room 4118 Main Justice.

We look forward to hearing your ideas on how the interagency group should proceed. Please contact Gerri Ratliff at 514-3392 if you have any questions.

cc: Jim McLean, INS
Mike Becraft, INS
John Fraser, U.S. Department of Labor



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

DRAFT

p. 1 of 7

Washington, D.C. 20530

November 1, 1995

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

FROM: Seth Waxman, Associate Deputy Attorney General and
Gerri Ratliff, Counsel to the Deputy Attorney General

RE: SUMMARY OF OCTOBER 10 MEETING OF THE INTERAGENCY WORKING
GROUP ON SWEATSHOP STRATEGY COORDINATION

Thank you for attending the first meeting of the working group on sweatshop strategy coordination. We are circulating a **draft** summary of the possible next steps discussed by the group on October 10. **Please review the memo and forward any comments, corrections, or new information to Gerri Ratliff (fax no. 514-**

9077) by COB Friday, November 3. We will incorporate your suggestions and finalize the memo next week.

1. Training for Assistant U.S. Attorneys.

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

Next step: develop and distribute manual. [EOUSA: what would be a good timeframe to plug in here?]

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

Next step: flesh out training details and determine timeframe. [DOL OSG: should we form a subgroup to flesh out, or what do you recommend? what would be realistic timeframe?]

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

- o **Develop plans at the local level.** INS suggested we strategize at the regional or local level to determine what would work best in each targeted city. For example, INS said that INS, DOL and other agencies already are signing an MOU shortly in Los Angeles to coordinate and share information related to worksite and Fair Labor Standards Act enforcement. [INS: has this happened? if so, if you send me paper about the MOU, I'll circulate it with this memo]

Next step: form a subgroup -- including INS, DOL, Criminal Section of the DOJ Civil Rights Division, [anyone else?] -- to initiate and oversee development of regional/local strategies. [INS and DOL: please suggest timeframe for first subgroup meeting.]

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

Next step: form a subgroup -- including INS and DOL [and anyone else?] -- to develop this suggestion and implement, if agreed upon. [INS and DOL: please suggest timeframe for first subgroup meeting.]

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

Next step: form a subgroup -- including INS, FBI?, DOJ Civil Rights?, DOL?, IRS and Customs? [and who else?]-- to determine strategy for and oversee development of profiles, including examining connections between sweatshops and smuggling rings. [appropriate timeframe?]

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

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

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

Next step: none at this time.

In addition, attached are: an October 16 Business Week article describing recent DOL efforts to combat the use of sweatshops and a November 2 Wall Street Journal article on Thai criminal syndicates and sweatshops. Finally, OIG has supplied us with copies of GAO reports and related material on sweatshops which are too voluminous to distribute to everyone. If you would like copies, please contact Gerri Ratliff at 514-3392, and we will send you the information.

The GAO reports are:

- o August 1988, "Sweatshops" in the U.S. -- Opinions on their Extent and Possible Enforcement Options;

- June 1989, "Sweatshops" in New York City -- a Local Example of a Nationwide Problem;
- September 1994, Data on the Tax Compliance of Sweatshops; and
- November 1994, Efforts to Address the Prevalence and Conditions of Sweatshops.

OIG also has provided us with copies of:

- November 1991 testimony by INS on Asian organized crime before the Senate Committee on Governmental Affairs, Permanent Subcommittee on Investigations;
- March 1992 summary of Los Angeles County Federation of Labor fact-finding hearing on the impact of the Immigration Reform and Control Act of 1986 on the Los Angeles labor movement; and
- a 1994 Yale Law Journal article calling for Federal and state action to stem the growth of sweatshops.

BusinessWeek

4. MONTE

DATE: 10/16

PAGE: 96

LOOK WHO'S SWEATING NOW

How Robert Reich is turning up the heat on retailers

After federal agents raided an El Monte (Calif.) sweatshop last August that had enslaved 72 Thai immigrants, Labor Secretary Robert B. Reich wasted no time. He ran straight to the media with the names of several large retailers whose names had been found on boxes in the dingy shop. Angry and embarrassed, Sears, Montgomery Ward, and Dayton Hudson agreed to meet Reich in New York in mid-September to discuss ways to combat the use of sweatshops. Even though the chains aren't liable if they unknowingly sell illegally made goods, they promised to adopt a statement of principles calling on their suppliers to adhere to federal labor laws. Retailers fervently hoped that this would end the public-relations debacle and get that pesky Reich off their backs.

No such luck. In recent weeks, Reich has drawn up plans for a media blitz against retailers. His aim: to get stores to crack down on sweatshops by policing the 20,000 tiny U.S. garment makers that supply the half of the country's clothing that isn't imported. He fired the latest broadside during an Oct. 2 appearance on *The Phil Donahue Show*, where he showed a videotape of the Thai workers who had been held behind barbed wire and paid less than \$1 an hour. The largely blue-collar audience cheered when one of them said: "Nobody can live on even \$4 and change an hour. We're all being exploited."

Reich isn't stopping there. He's planning more sweatshop raids and promises to name more stores that sell sweatshop-made goods in a full-scale campaign beginning the week after Thanksgiving. That's the start of the four-week Christmas buying season, when stores rake in 20% of their annual sales. Although it's unclear just how responsive consumers will be, "Reich could hurt the industry," warns Robert C. Blattberg, director of the Center for Retail Management at Northwestern Uni-

BULLY PULPIT
Reich is calling for retailers to mount their own random checks of subcontractors

versity. Even "a small percentage change in sales can mean a big change in profits."

There's not much doubt that garment sweatshops, once considered a turn-of-the-century problem, have resurfaced in a big way under the pressures of a global economy. It's partly because of the way the apparel industry works. At the top, large retailers sell clothes to the public and negotiate prices with large manufacturers. The manufacturers, from Guess jeans to Ralph Lauren, design garments and rely on some 20,000 subcontractors to sew the clothes. While the industry employs 800,000 people in the U.S., most shops are tiny, with 5 to 50 workers, and they go in and out of business at the drop of a pin. The workforce: mostly female immigrants from

Latin America and Asia who earn an average of \$7.34 an hour—just over the federal poverty level.

The apparel industry has been under fierce pressure from imports in the past 20 years, largely because the work is so labor-intensive. The competition has held down wages in the U.S. and fostered the spread of sweatshops. A 1989 report by the General Accounting Office found that some two-thirds of the 7,000 garment shops in New York City were sweatshops. Last year, a Labor Dept. spot check of 69 garment shops in Southern California found a stunning 93% had health and safety violations (charts).

BUYING POWER. The Labor Dept. has had a tough time keeping up. Cutbacks under Presidents Reagan and Bush slashed the number of investigators to 816 from 970 in 1989. And congressional Republicans' current budget-cutting efforts have targeted an additional 12% reduction for investigators, who must police all 6.5 million employers covered by federal labor laws.

Now Reich wants the retail industry to take up the enforcement slack. Last year, he mounted a series of raids against garment manufacturers, invoking a little-used 50-year-old law to hold them liable for their suppliers'

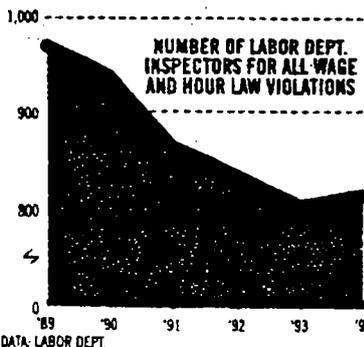


SWEATSHOPS ARE WIDESPREAD...

A SNAPSHOT OF THE INDUSTRY
BASED ON A 1994 RANDOM CHECK OF
69 CALIFORNIA GARMENT MAKERS

- HEALTH AND SAFETY VIOLATIONS **93%**
- IMPROPER PAYROLL RECORDS **73%**
- NO OVERTIME PAID **68%**
- LESS THAN MINIMUM WAGE PAID **51%**

...YET INSPECTORS ARE SCARCE



PHOTOGRAPH BY AP/WIDE WORLD; CHARTS BY ALBERTO DI NARDO

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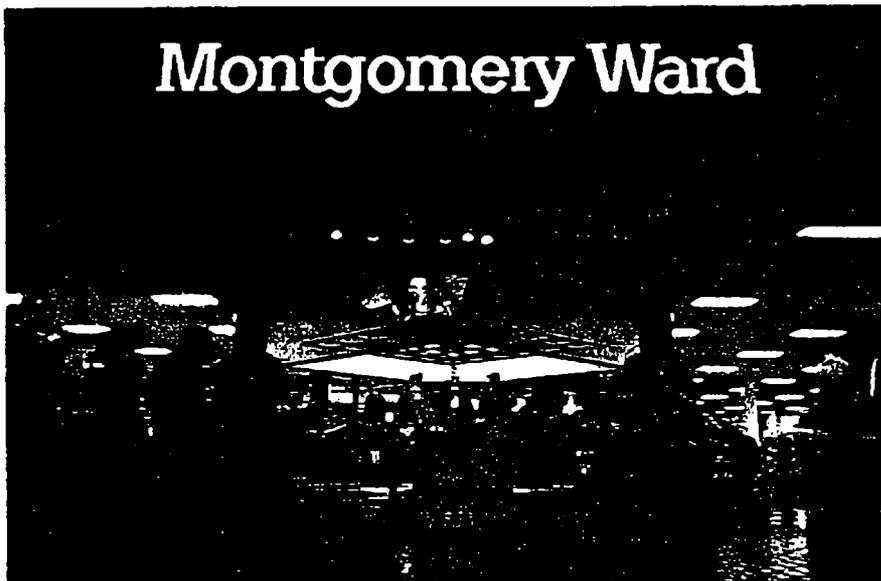
illegal actions. The law doesn't cover retailers, however.

So the Labor Secretary is turning to public pressure. His goal is to get retailers to use their immense buying power to make sure that subcontractors comply with labor laws. Mainly, he wants them to mount spot checks of their own. Retailers should hire inspectors to visit shops randomly and without warning, he says. "We need to enlist retailers as adjunct policemen," says Reich. "At a time when business says to government, 'Get off our back. We can do it ourselves,' we're giving them the opportunity."

The retailers say such demands are unfair. The logistics would be enormous,

Retailers also argue that their contracts don't say anything about spot checks. "We don't have the legal authority or the manpower to do that," says Tracy Mullin, director of the National Retail Federation, a trade group. "The Labor Dept. is trying to get us to do their work for them."

LEVERAGE. Reich retorts that retailers are just ducking the issue. They can afford to hire a few inspectors with labor law expertise, he says. The giant companies also have plenty of leverage to force both manufacturers and minuscule shops to accept new contracts allowing random spot checks. And while the task may be daunting, any added enforcement is better than doing nothing as



for one thing. A large department store such as Sears, Roebuck & Co. has up to 10,000 direct suppliers, which in turn farm work out to even more subcontractors. Nor do stores have the expertise to detect violations in the government's "very complex" wage and hour laws, says the general counsel at one large retailer. "We can go into a location, but that doesn't mean we would know what we're looking for," he says.

Just making the connections between supplier and retailer isn't always easy. Sears and Mervyn's, a division of Minneapolis-based Dayton Hudson Corp., which were identified as receiving goods from the El Monte shop, still haven't been able to confirm the charge after two months of investigating. Montgomery Ward did confirm a connection and has filed a federal lawsuit against its supplier, New Boys Inc., which subcontracted with El Monte.

P. R. PROBLEM

Montgomery Ward was among the big retail chains embarrassed by ties to slave labor

the Labor Dept.'s resources dwindle.

Still, it's possible that Reich's campaign won't move price-conscious consumers, says Northwestern marketing professor Mohanbir Sawhney. After all, union campaigns against compa-

nies that make sweatshop goods here and abroad have had relatively little impact.

But image-sensitive retailers may not want to run the risk. They're suffering through a fourth tough year of lackluster apparel sales and need a home run at yearend. "We didn't know" isn't much of a rallying cry, concedes Robert L. Mettler, Sears' president of apparel, who wants fellow retailers to find ways to address the issue. Retailers aren't directly responsible for sweatshops. But if Reich has his way, they'll have a lot more responsibility in the future.

By Susan Chandler in Chicago

THE WALL STREET JOURNAL

DATE: 11-2-95

PAGE: A-14

Hot Thai Export to U.S.: 'Slave' Workers

Washington Calls for Crackdown but Isn't Optimistic

By PAUL M. SCHERER

Staff Reporter of THE WALL STREET JOURNAL

BANGKOK, Thailand — Long notorious as a source of illegal drugs bound for the U.S., Thailand is emerging as a major hub for another type of clandestine merchandise: illicit cheap labor.

U.S. officials in Bangkok estimate that 2,000 people a month — Thais, Chinese, Indians, Pakistanis, Bangladeshis, Sri Lankans and even Nigerians — use Bangkok as a gateway to sneak into North America illegally. Prodded by the U.S. Embassy here, Thai authorities recently began cracking down. But U.S. officials aren't optimistic the flow can be stanchied soon.

Well-organized Thai criminal syndicates smuggle the workers to the sweatshops and brothels of New York and California. The networks include procurers in poor Thai villages, travel agents, document forgers, corrupt immigration officials and airline employees, couriers who accompany the immigrants and U.S. factory and brothel operators who pay as much as \$35,000 for each worker. Each worker must repay that amount through years of labor or, in the case of prostitution, sex with hundreds of men.

The trade in illegal workers was splashed across U.S. front pages three months ago after authorities raided a textile sweatshop in El Monte, Calif., where more than 60 Thais had been toiling 17 hours a day sewing brand-name U.S. clothing for less than \$1 an hour. U.S. officials in Bangkok say the El Monte case represents a tiny proportion of the flow from Thailand to the U.S.

These officials think about 20 Thai travel agencies regularly supply travelers with false documents for visa applications. Two of Thailand's largest travel agencies, Roong Sarp Travel Service Co. and Takerng Tour Co., brought many of the women in the El Monte sweatshop to the U.S. on group tours, the workers say.

"We see people every day coming [with falsified documents]," says Timothy Scherer, consul of the U.S. Embassy in Bangkok. "We're convinced those documents are prepared for them by tour agencies who specialize" in travelers with improper documents. Takerng Tour and Roong Sarp Travel Service deny any in-

WHITBREAD PLC

Whitbread PLC, a British brewing and leisure concern, reported that fiscal first-half pretax profit rose 8.8% to £155.7 million (\$246 million) from £143.1 million a year earlier, excluding exceptional items. After exceptional items, the six-month profit to Aug. 26 was £158.1 million, down from £183.6 million. Whitbread said sales were up 8.5% to £1.33 billion from £1.22 billion. Sir Michael Angus, chairman, said that about half the growth in sales was generated by the opening of successful new retail outlets.

involvement in alien smuggling.

Separately, Thai Airways International Ltd. is investigating employees believed to have smuggled hundreds of Thais into the U.S. at \$1,600 a head. And since August, 11 Thai immigration and police officers have been accused of working with smugglers to pass people through Bangkok's international airport for \$400 each.

The U.S. only recently began shifting resources to stop illegal immigrants at the source rather than after they have sneaked into the U.S. And Thai immigration police, while cooperating with the U.S., have their hands full trying to stem the tide of illegal immigrants into Thailand.

Thailand has long been an exporter of unskilled labor to Asia and the Middle East. As many as 200,000 Thais work, often legally, in such places as Taiwan, Japan and Saudi Arabia in construction, as maids and in the sex trade. Thai workers can earn \$600 a month on a Taipei construction site or well over \$2,000 a month in a brothel in Brunei. The \$200-a-month jobs they leave behind are in turn often filled by illegals from Burma or China.

Thais continue to entrust themselves to smuggling gangs despite the pathetic tales told by workers who return from an overseas "hell factory," as the Thai media has dubbed the El Monte sweatshop.

Among those returnees is Kanang Isara, a 36-year-old seamstress who grew up on a rice farm in northern Thailand. When Miss Kanang flew to California four years ago, she had been promised work in a clothing factory at 10 times her Bangkok wages. Instead, Miss Kanang found herself working in slave-like conditions at the El Monte sweatshop.

"I was kept like in prison and treated like an animal," Miss Kanang says. She remembers what she was told in the factory by one of the Thai bosses: "If you run away, your house will be burned. Even if it takes 10 years, I won't forget."

Early last year, Miss Kanang left the sweatshop and returned to Bangkok. But she has been on edge since her phone rang a few weeks ago. On the line was her former boss from the sweatshop. "We will meet again," he told her.

"I'm afraid," she says softly.

SWEATSHOPS

LOOK WHO'S SWEATING NOW

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PHOTOCOPY PRESERVATION

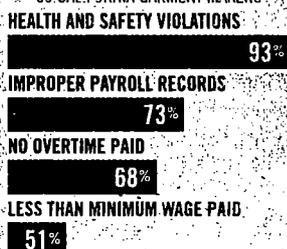
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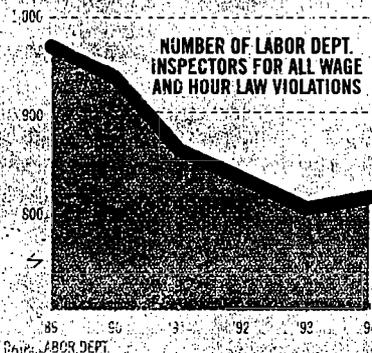
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NUMBER OF LABOR DEPT.
INSPECTORS FOR ALL WAGE
AND HOUR LAW VIOLATIONS



3RD STORY of Level 1 printed in FULL format.

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AP Online

October 17, 1995; Tuesday 16:48 Eastern Time

SECTION: Financial pages

LENGTH: 414 words

HEADLINE: Reich Asks For Help On Labor

DATELINE: NEW YORK

BODY:

Labor Secretary Robert Reich met with apparel manufacturers Tuesday and urged them to cooperate in the government's efforts to crack down on sweatshops.

Reich said 35 manufacturers have already agreed to police their contractors.

They include Guess Jeans of Los Angeles; Jerrell of Dallas, one of the largest makers of women's apparel; Chorus Line of Vernon, Calif.; Paris Blues of Los Angeles; and L.F. Sportswear of Los Angeles.

One of L.F. Sportswear's contractors was the El Monte, Calif., sweatshop where 72 Thai immigrants were discovered in a recent raid allegedly being held against their will.

'These manufacturers have regular contact with more than 20,000 cutting and sewing shops around the country,' Reich said in a statement. 'They are the linchpin in our industry enforcement strategy and they can help us identify unscrupulous operators.'

Reich, speaking to about 100 representatives of the 600-member Apparel Manufacturers Association at the Jacob K. Javits Center, urged them to join the effort to make sure that contractors are complying with the law.

Norman Fryman, chairman of the apparel manufacturers, also urged his members to sign individual agreements with the government and suggested developing industry-wide monitoring measures.

Those who do not join could not be fined, but their goods could be seized under the 'hot goods' provision of the labor law.

Under that law, the government can confiscate goods manufactured under unlawful labor conditions wherever they are found, Reich's spokesman Randy Wilson said.

The meeting with manufacturers was the latest step in Reich's efforts to eradicate sweatshops. He met with national retailers in Manhattan last month, urging them to sign agreements as well.

LANGUAGE: ENGLISH

LOAD-DATE: October 17, 1995



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

Washington, D.C. 20530

October 10, 1995

INTERAGENCY GROUP FOR SWEATSHOP STRATEGY COORDINATION

List of Expected Participants

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

John Fraser, Wage and Hour Division, U.S. Department of Labor

Tom Williamson, Solicitor of Labor, U.S. Department of Labor

Alex Aleinikoff, Executive Associate Commissioner for Programs,
Immigration and Naturalization Service

Lin Liu, Assistant Commissioner for Policy, Immigration and
Naturalization Service

Jim McClain, Director, Enforcement Branch, Office of Field
Operations, Immigration and Naturalization Service

Stephen Warnath, Senior Policy Analyst, White House Domestic
Policy Council

Tom Brown, Chief, Office of Tax Crimes, Internal Revenue Service

Tom Tinger, U.S. Customs Service

John Esau, U.S. Customs Service

Donna Bucella, Principal Deputy Director, Executive Office for
U.S. Attorneys

Susan Liss, Counsellor to the Assistant Attorney General for
Civil Rights

Karla Dobinski, Deputy Chief, Criminal Section, Civil Rights
Division

Neil Gallagher, Deputy Assistant Director, Criminal Division, FBI

Ann Ingala, Office of the Inspector General

Seth Waxman, Associate Deputy Attorney General

Gerri Ratliff, Counsel to the Deputy Attorney General

Agenda

1. Introductions of participants
2. Brief overview by Seth Waxman -- AG request, in light of El Monte raid, for interagency working group to develop coordinated strategy and mechanism to follow up on sweatshop-type situations and reach out to interested industries
3. DOL follow-up from Secretary Reich meeting at Fashion Institute of Technology on Sept. 12 -- are the National Retail Federation and the International Mass Retail Association working with DOL as promised to identify manufacturers who violate the laws?
4. Description by each agency of current related initiatives
5. Discussion of possible next steps:
 - o Draft standard search warrants and pleadings
 - o Tap into "targeted deterrence zones" being planned by INS and DOL
 - o Develop indicia for locating trouble spots
 - o Develop opportunities to educate the press and Members of Congress on our efforts and need for resources
 - o Examine connections between sweatshops and smuggling rings
 - o Enhance information sharing between agencies
 - o Identify sweatshops leads from IRS or Customs actions
 - o Other possible steps
6. Next steps
 - o Identify most fruitful areas to explore
 - o Agree on timeframe for action and next meeting

Sweatshops

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Sweatshop Instead of Paradise

Thais Lived in Fear as Slaves at L.A. Garment Factories

By William Branigin
Washington Post Staff Writer

LOS ANGELES—Three years ago, Sawieng Singsathit was a 38-year-old widow struggling to support two teenage daughters on the \$320 a month she earned at a Bangkok garment factory. Then a friend said she knew a man offering jobs in Los Angeles at up to five times that amount and suggested that they both apply.

"Are you sure it's not hell?" Sawieng recalls asking her friend, nicknamed "Boo."

"Of course not," she says Boo replied. "How could there be any hell in L.A.? It's paradise. L.A. is the city of angels."

But when they got here, Sawieng says, "we just huddled up and cried."

Instead of paradise, the Thai seamstress, now 41, found herself in indentured servitude, confined to what authorities here have described as a virtual "slave labor camp" in a town house complex a few miles east of the gleaming high-rises of downtown Los Angeles. There she routinely toiled 17 hours a day to pay off a \$5,000 "debt"—the price of her passage and falsified travel documents—by sewing women's and children's apparel at piece-work rates amounting to as little as 60 cents an hour.

If she tried to escape, Sawieng says the Thai owners of the illegal sweatshop warned her, they would retaliate against her family in Thailand and burn down her house. She still recalls the even more chilling threat of the

man who recruited her: "A bullet is very cheap."

Today Sawieng is one of 72 Thai workers designated as material witnesses following an Aug. 2 raid that freed them from the seven-town house compound in El Monte, a municipality of 110,000 people that forms part of greater Los Angeles.

The raid resulted in the arrest of eight Thais alleged to be owners and operators of the clandestine sweatshop, which apparently started up in 1988 and supplied millions of dollars worth of clothing through front companies to manufacturers and retailers all over the United States.

The case has spotlighted the sordid underside of America's \$86 billion garment industry and spurred calls for a crackdown on what officials say are its widespread violations of labor laws.

"We have now uncovered outright slavery here in the United States in this industry," said Labor Secretary Robert B. Reich. He said he prays that such conditions are rare, "but I fear that there are many other El Montes waiting to be exposed."

The case has set off recriminations among state and federal agencies over why the sweatshop was allowed to continue operating for more than three years after it was first discovered. And it has become the subject of political finger-pointing between Republicans and Democrats over illegal immigration, budget cuts and law enforcement.

Manufacturers and retailers who bought the sweatshop's clothing have expressed shock over its methods, only to be accused of hypocrisy by union leaders who hold these businesses responsible for driving down wages and working conditions in the industry generally.

California surpassed New York a few years ago as the country's leading apparel producer. Now an estimated 5,000 legal and 1,000 illegal factories have helped make the garment industry the second largest manufacturing sector in California and the fastest-growing one in this vast metropolis.

Faced with stiff competition from imports, the industry has grown here in part because of abundant and cheap immigrant labor.

The vast majority of California's estimated 140,000 garment workers are Latino and Asian immigrants, industry studies show. More than 80 percent of them are women, and thousands are illegal aliens. According to federal and state officials, social workers and union leaders, legal and undocumented workers alike are commonly exploited by employers who shortchange them on wages and avoid billions of dollars in state and federal taxes.

A 1994 survey by the U.S. and California Labor departments found that even among the state's legal garment firms, half paid less than the minimum wage, 68 percent did not pay overtime, 72 percent failed to keep adequate records and 93 percent violated health and safety regulations.

"An epidemic of exploitation is spreading through our neighborhoods

fied as M.K. had been persecuted for trying to resist the procedure as well as for defying her abusive husband. He also ruled that she had a "well-founded fear" of being persecuted if forced to return home.

"In recognizing gender-based asylum claims, the United States courts are . . . creating the standard by which this country will serve as a refuge for women who are being persecuted because of their gender," Nejeleski wrote. "Forced female genital mutilation clearly merits being recognized as a form of persecution."

In this case, the woman, who lives in Northern Virginia, was ordered deported last year after her visa expired, and she then applied for asylum. She testified that at age 23, she was abducted and forcibly circumcised by members of the secret Bundo Society. She also said she often was beaten by her husband for refusing to be subservient. Through her attorneys, she declined to be interviewed.

"She feels very strongly about this issue, but it is extremely difficult for her to talk about," said John Linarelli, her attorney. "She was elated at the judge's decision, but now she is very scared of what might happen to her" if the INS wins its appeal and she is sent home.

Neither of the Sierra Leone women faces imminent deportation. Attorneys for both said the cases probably will be sent to the Board of Immigration Appeals, which could grant the women asylum, allow them to remain in the United States for humanitarian reasons, ask them to leave the country voluntarily or order them deported.

Los Angeles Times

DATE: 8-25-95

PAGE: _____

Wilson Attacks INS Over Sweatshop Probe
Politics: Presidential hopeful charges Clinton Administration with indifference by failing to raid site years ago. However, Bush was in office when investigation was aborted.

By PATRICK J. McDONNELL
and PAUL FELDMAN
TIMES STAFF WRITERS

Gov. Pete Wilson on Thursday reignited the smoldering dispute about federal actions in the controversial El Monte sweatshop case, calling on Atty. Gen. Janet Reno to investigate the "apparent indifference" of the U.S. Immigration and Naturalization Service and the U.S. attorney's office in Los Angeles.

In a strongly worded letter, the governor--and presidential hopeful--condemned as "unspeakable" the "inaction" of INS officials and federal prosecutors who initially learned in 1992 that Thai workers were possibly being held against their will at a bootleg garment factory in El Monte.

"The nation has a right to know why the Clinton Administration allowed slavery to exist for years in the United States and ignored it," Wilson wrote.

In fact, the initial aborted INS investigation of the sweatshop took place in 1992--

when the George Bush Administration was in the White House and a Bush appointee headed the U.S. attorney's office in Los Angeles.

Wilson, until now conspicuously silent on the high-profile El Monte case despite his championing of the immigration issue, has entered the contentious fray a few days before Monday's scheduled kickoff of his presidential campaign near the Statue of Liberty in New York--a city where, ironically, Mayor Rudolph W. Giuliani, also a Republican, has publicly embraced all immigrants, legal and illegal.

Joining Wilson was Rep. Elton Gallegly (R-Simi Valley), who heads the congressional task force on immigration reform and who demanded an overall investigation of the INS.

Reno, whose Justice Department inPlease see WILSON, B6

WILSON

Continued from B1

cludes the INS and the U.S. attorney's offices, said through a spokeswoman that she is reviewing the requests.

"The circumstances of this case are of deep concern to the attorney general," said spokeswoman Ana Cobian, adding that the nine alleged sweatshop operators "will be prosecuted to the fullest extent possible." The nine defendants are charged with harboring and transporting illegal immigrants.

The timing of Wilson's broadsides prompted analysts to suggest a political motivation.

The governor's attack appears to be an attempt "to control the terms and dynamics of the debate," said Sherry Bebitch Jeffe of the Center for Politics and Economics at Claremont Graduate School. But she cautioned that such a strategy could backfire, particularly because questions may arise about how such an operation could thrive in California.

"[Wilson] has let himself and his Administration open to some scrutiny too, and it will come," she said.

Moreover, Bebitch added, "the question becomes in political terms: Will he look like he's being opportunistic yet again?"

The governor has no standing to chide others about sweatshops, said a garment workers union official, because Wilson has cut labor inspection budgets and vetoed legislation that would have afforded some additional protection to exploited workers.

"If anyone should be hiding their face in shame today, it's Wilson--because sweatshops are a magnet for immigration and he's been soft on sweatshops," said Steven T. Nutter, regional director of UNITE, the Union of Needletrades, Industrial & Textile Employees.

Federal authorities have defended their actions in the El Monte case, asserting that the initial INS investigation of the site in 1992 did not provide sufficient evidence to seek a search warrant in U.S. District Court.

The case was then closed until a tip from an escapee prompted the INS to reopen its inquiry in May.

State labor authorities launched a concurrent investigation soon thereafter. State and INS investigators worked together on the case until Aug. 1, when federal prosecutors determined that there was still insufficient evidence to seek a warrant. The next day, a state-led task force armed with a Municipal Court warrant raided the site, discovering the illegal garment factory and liberating more than 70 Thai workers.

On Wednesday, the INS and U.S. Department of Labor investigators--this time having secured a federal warrant--swooped down on three suspected Los Angeles sweatshops, arresting 56 suspected illegal immigrants. Among them are 39 Thai workers, mostly women, who authorities say were working off their travel debts to professional smugglers.

On this occasion, the INS said it secured enough evidence to win a federal warrant just two weeks after initiating its inquiry.

But California Labor Commissioner Victoria Bradshaw, who has spearheaded public criticism of INS actions in the El Monte case, wondered about the contrast between the two cases. "I'm a little bit surprised they were able to get an administrative search warrant for this and not for our previous operation," Bradshaw said.

Meantime, immigrant advocates voiced fears that actions such as Wednesday's raids will serve to reduce complaints about wage and other workplace violations from apparel industry laborers who are terrified of being deported. The activists urged improved enforcement by labor inspectors--but without the INS.

"This could definitely have a chilling effect," said Julie Su, an attorney with the Asian Pacific American Legal Center. "All this is going to do is push labor law violations, including slave conditions, further underground."

At a time of growing hostility to illegal immigration, the controversy illuminates a systemic dilemma: How to enforce, simultaneously, laws that protect the rights of all workers and require the expulsion of those here illegally.

But federal and state labor officials describe Wednesday's raids as an exception, involving allegations of peonage, and say joint operations with the INS will remain the exception. "We're concerned that people working in this country receive the minimum wage, regardless of their legal status," said William C. Buhl of the U.S. Department of Labor.

17-Hour Days, and Collars Sewn for 11 Cents

By William Branigin
Washington Post Staff Writer

Confined to a block of two-story town houses with barbed wire across the front gate, sheets of corrugated metal and razor wire atop a wall at the back and plywood over some of the windows, the Thai workers at the El Monte sweatshop typically toiled at their sewing machines from 7 a.m. to midnight, several said in interviews.

To complete rush orders, they said, they often worked even later—until 1 or 2 a.m.—and received the same piece rate: 5 cents for sewing on a shirt sleeve, 7 cents for a hem and 11 cents for a collar.

The family-run operation was headed by Sunee Mansurangkul, a plump, bespectacled Sino-Thai woman known to her employees as Khun Na, or "Auntie," workers and investigators said. Her 40-year-old son,

Sukit, also known as Sanchai, allegedly recruited the workers from Thai garment factories and arranged for their travel to the United States as tourists.

The women would obtain Thai passports and turn them over to Sukit, who would apply for their U.S. visas by including them in otherwise bona fide tourist groups, investigators said. Their passports would be sent to the U.S. Embassy in Bangkok along with false bank statements, marriage documents and other records needed for visa applications, and the applicants usually never even had to appear at the embassy, officials said.

"We try to screen them," one official said, but with 85,000 visa applications a year and a refusal rate of 15 percent, "we don't catch every case of fraud." When suspect applicants have been called in, he said, they typically have described plans to visit Disneyland and Universal Studios.

"They were coached on what to tell us," the official said. "These people came in, they lied, they produced forged documents, and they succeeded."

He said there was no evidence of corruption in the embassy's handling of visa applications. But other officials said the matter was under investigation.

Several seamstresses said they ended up traveling with the falsified passports of workers who had preceded them. Upon arrival in the United States, the workers had to return \$1,000 in "show money" to the sweatshop operators and hand over their passports, which would be altered with new photos and used again, investigators said.

Instead of the \$1,600 a month they had been promised—a lofty salary for a garment worker in Thailand—they typically received around \$200 a month after illegal deductions against their \$4,800 "debts." U.S.

Labor Department officials calculated that the workers' pay after these and other deductions averaged 69 cents an hour, less than one-sixth of the \$4.25 minimum wage.

Still, many of the employees said they managed to send some money home to their families.

The El Monte workers slept five to a bedroom in sleeping bags in five of the compound's seven town houses, which stretch back at a right angle to Santa Anita Avenue. The two town houses nearest the street were occupied by the owners and operators of the sweatshop. Workers said they were locked in at night.

Apart from the bedrooms, practically all the space in the workers' town houses, including the garages, was occupied by piles of garments, sewing machines and other equipment of the sweatshop operation.

The workers cooked their own food, which they were allowed to purchase for a time at a Chinese supermarket. Two representatives from each town house

would be taken there shortly before closing time in a windowless truck, which usually was used to haul garments, and guards would accompany them as they hurriedly shopped and piled back into the truck, workers said. The same truck was also used to take them to an annual New Year's party at one of the sweatshop's front operations in Los Angeles.

However, even these rare outings ceased after a series of escapes beginning in 1992 in which about a dozen detainees managed to flee, investigators and workers said. After that, the owners set up a company store in one of their town house garages, and employees were forced to buy food and other necessities there at inflated prices. For the last couple of years, workers said, they were never allowed out of the compound.

It was after the escapes that the razor wire was installed, and the employees were watched more closely by guards armed with knives and baseball bats. One man caught trying to escape was beaten and sent back to Thailand. Mail was censored, telephone calls monitored, and a photo of the beaten would-be escapee was passed around as a warning, workers said.

With their onerous schedules, the employees had little time to do anything else but eat and sleep, they said. Occasionally they would watch television, although they could not understand the dialogue. Nor could they read the yellow and blue street-side sign right in front of their compound:

"Welcome to Friendly El Monte."

Sex Slavery, Thailand to New York

Thousands of Indentured Asian Prostitutes May Be in U.S.

By CAREY GOLDBERG

She was halfheartedly helping out in her parents' grocery store in Bangkok, daydreaming of an office job that would let her wear pretty clothes, when evil entered her life in the form of a man who made her an irresistible offer: He would arrange her passage to the United States and a job, he said, and it wouldn't cost her a cent, because her future employer would pay his commission.

Within days, the 23-year-old Thai woman, who asked that she be identified only by her nickname, Na, was in New York.

In New York, and caught in a nightmare of sexual slavery, an ordeal so hideous that even months later, as she described it in the downtown Manhattan office of the immigration agents who helped save her, her head drooped in shame, and she doodled unconsciously right on the Government tabletop.

Almost as soon as Na arrived last September, she was informed of the real, Faustian terms of her passage to New York. To pay off the people who had bought her ticket and arranged her visa, she was expected to have sex with more than 300 men. She would be held captive behind the locked doors of a Chinatown brothel where, she later learned, the Thai women were known by numbers instead of names, bars covered the windows and buzzer-operated gates controlled the doors. She would not be allowed to leave the building until she had worked off her debt.

"I could not respond, but I wept," Na recalled through an interpreter. "I thought: 'I can't do anything. I am there; I can't do anything. I'm in their hands.'"

The United States is not the usual destination for international traffickers in human flesh, who mostly feed the thriving sex industries in Thailand, the Philippines, Japan and India. But experts say the scale of the operation that used Na — a brothel at 208 Bowery housing more than 30 smuggled Thai women — indicates that thousands of Asians

could be engaged in forced prostitution in America.

Illegal brothels like the Bowery's, which the police closed down in November, have surfaced in recent months in Los Angeles, Seattle and San Diego. Rarely, however, have the workings of an American den of forced prostitution been

broken open as thoroughly as they have in Na's case. Its details were exposed in the records of one trial completed in June and more trials now under way.

"This is a classic case," said Kathleen Barry, a professor at Pennsylvania State University, founder of a group called the Coalition Against Trafficking in Women and author of "Prostitution of Sexuality" (1995, New York University Press), which includes a broad study of the international trade in prostitutes.

"Everything that goes on in the sex industry appears in this case," she said: "From the specific exploitation of an individual woman when the customer buys her, to the systematic slavery of selling her and other women through fraudulent schemes, to the disparity between the economic conditions in Thailand and in this country."

At the United Nations Conference on Women in Beijing last week, Dr. Barry's allies called for a worldwide network to combat prostitution, in part by coming down harder on customers and pimps.

Officials of the United States Immigration and Naturalization Service and the New York police say they share the women's concern about forced prostitution. "It's almost in the nature of what we have seen in alien smuggling, because of the high cost for people coming in," said Daniel Molerio, the immigration agency's assistant district director for investigations, who supervised the raid on the Bowery brothel. "You are going to find many cases of people held against their will."

Like recent kidnapping and murder cases attributed to Asian gangs, including the death of a Chinese woman in Brooklyn two weeks ago, forced prostitution typically involves Asian organized crime and smuggling rings, said Russ Bergeron, a senior spokesman for the immigration agency. "We have seen major criminal organizations utilizing hundreds of women in this type of enterprise," he said.

In a recent case involving an interstate chain of massage parlors staffed by Asian women forced into sex, Mr. Bergeron said: "The network was very sophisticated. These women were provided with false documents, false I.D.'s, and they

were even rotated from city to city periodically in order to defeat law enforcement efforts."

Coerced prostitution of foreign women is especially difficult to combat, officials said, because of its usual secrecy and the profit that drives it. And even once detected, it can be hard to prove because the prostitutes often fear revenge and deportation.

"You can't force them out of the business," said Lieut. Peter Martin of the New York Police Department's Vice Squad, which helped with the Bowery case. "Unless we have even a mere suspicion that they're held against their wishes, we can't take any action."

In Na's case, the harbingers of freedom were city inspectors who,

knowing that the upper stories of 208 Bowery were used as a brothel but finding it hard to keep it closed down, went looking last year for housing code violations that could close it another way.

Checking the premises on Oct. 11, 1994, they encountered 2 women — among 31 present — who made clear in broken English that they wanted to leave. That brought a visit from the police and interest from immigration officials, but the other women followed their bosses' orders to stay put and keep quiet.

On Nov. 8, a prostitute who had managed to escape phoned and told the captives they could appeal for help by calling 911.

In the police raid that followed, they arrested the madam, Siew Geok Adkins, better known as Lilly Chan or Jenny, along with the bouncer and several others. Six more women turned themselves over to authorities; the rest were let free — two of them only to turn up weeks later in a similar situation in Seattle.

Immigration agents in on the raid said they found rows of cubicles and whole cases of condoms.

Since then, the case has brought together more than a dozen defend-

ants, from brokers in women to their buyers, and slowly unfolded the ugly inner workings of a modern international slave trade.

Joseph Morales, the bouncer who stood guard at the door, has been convicted of kidnapping and civil rights violations, and faces sentencing on Oct. 30. He could receive 10 years in prison.

Many women held at 208 Bowery first claimed they had been lured to the United States with promises of restaurant jobs. Then several changed their stories, admitting they had known they would be working as prostitutes, but had thought they would be free to come and go. Authorities said they still had some doubt about Na's story, but she maintained she would never have willingly become a prostitute.

Ms. Adkins (Lilly Chan), who turned state's witness at Mr. Morales's trial this spring, described the cold-blooded details of overseeing a stable of sexual slaves.

and is sapping the economic strength and vitality from the roots of California's financial future," said state Sen. Hilda L. Solis (D), who represents El Monte.

The El Monte operation was part of what federal officials describe as a garment industry "food chain" headed by huge retailers. To cut costs and keep up with fast-changing styles, particularly in women's fashions, the stores have capitalized on "information age" technology.

Bar codes on merchandise allow retailers to collect information instantly on sales and quickly place orders. The practice allows the retailer to display a wide variety of items, reduce inventory costs and avoid close-out sales. And it has helped domestic manufacturers compete with cheaper foreign producers.

But the manufacturers come under pressure to deliver quickly, and they often subcontract the work to sewing and cutting shops. The more than 22,000 of

these shops nationwide compete fiercely for the manufacturers' business and employ the bulk of the country's nearly 1 million garment workers. Typically paid on a piece rate basis, these workers are at the bottom of the chain.

For them, the fast production requirements, retailers' cost-cutting and job competition from illegal immigrants have led to sweatshop conditions that a 1994 General Accounting Office report

says differ little from those at the turn of the century.

After profits are taken out at every level, said Rolene Otero, a Los Angeles-based official of the U.S. Labor Department, the price a consumer pays for a garment bears little relationship to its labor cost.

"Manufacturers create, maintain and control this system of exploitation and then cry crocodile tears when the suf-

fering becomes known to the public," the Union of Needletrades, Industrial and Textile Employees charged last month. "This is the dirty secret of the industry."

From the beginning, investigations of the El Monte operation seemed to have been marked by false starts and foul-ups.

The Immigration and Naturalization Service has acknowledged that it first learned of the sweatshop when someone who claimed to have escaped from it called the Los Angeles Police Department anonymously in March 1992 and said 45 workers were being held there against their will. The INS investigated, but the U.S. Attorney's office said there was insufficient "probable cause" for a criminal search warrant, and the inquiry was closed.

It was reopened in May of this year when another escapee, a seamstress,

told the INS of alien smuggling and sweatshop operations at the site. Her information was judged to be "dated," however, and the U.S. Attorney's office again refused to seek a criminal search warrant.

El Monte building inspectors also visited the complex at least five times, but the sweatshop continued to operate.

In July, the state Labor Department began its own investigation, obtained a civil search warrant and asked the immigration service to join a multiagency raid set for Aug. 2. After participating in planning for the raid, the INS tried to postpone it at the last minute, then withdrew its three dozen agents and Thai interpreters on grounds that going in under a state warrant would jeopardize a criminal case.

As state and local authorities began raiding the El Monte site and two suspected front businesses, one of the alleged principals walked away after telling agents he had to go to the bathroom.

Federal immigration officers showed up a couple of hours later and arrested everyone, including the 67 women and five men who had been confined to the El Monte compound as sweatshop workers. They were taken to an INS detention facility and at one point were transported in shackles, but they eventually were freed on \$500 bond each.

The INS, meanwhile, raided three more sweatshops Aug. 23—this time

using civil warrants—and arrested 55 persons, including 39 Thai workers. The Thais were not confined against their will as in El Monte, but were apparently paying off similar alien-smuggling debts, immigration officials said.

Among those arrested was a woman who escaped from the El Monte sweatshop in 1992 and sought work in better conditions. She is now being held as an illegal alien.

So far, the El Monte case has produced indictments against nine Thais, including the alleged recruiter, Sukit Manasurangkul, who reportedly flew back to Thailand a week before the raid. Currently being held without bail are Sukit's 65-year-old mother, Sumea Manasurangkul, two of his brothers, the brothers' wives and three men identified as guards.

The five-count indictment charges the nine with conspiracy to violate federal laws and with transporting, harboring and employing illegal aliens, offenses that carry maximum total penalties of more than 20 years in prison and \$1 million in fines. Other possible charges, including peonage and involuntary servitude, are under consideration.

In addition, the federal and state La-

bor departments are suing the defendants on behalf of their former employees for \$5 million in back wages, \$5 million in damages and \$1.6 million in penalties.

All nine have pleaded not guilty to the criminal charges. Although investigators found cash, gold, jewelry and sewing equipment worth nearly \$950,000 at the site and traced wire transfers to Bangkok totaling hundreds of thousands of dollars a month, the defendants claimed indigence and chose to be defended by court-appointed attorneys.

One key potential witness is Ruengthiwa Hongarai, who arrived at the sweatshop in February 1991 and escaped two years later. She was recruited in Bangkok and obtained a tourist visa from the U.S. Embassy there after a marriage of convenience to one of her cousins to help convince consular officials that she planned to return to Thailand, she said in a telephone interview.

Once she started working at El Monte, however, the low pay and harsh regime soon filled her with disillusionment, resentment and a growing sense of desperation. After consulting a Thai-English dictionary, she wrote "Help Me" on a piece of paper and threw it over a fence into an adjacent trailer park, Ruengthiwa said. From a window, she watched an old man pick up the note, read it, then silently walk away.

Sometimes, she said, the workers were allowed to buy ice cream from a vendor who came by the front gate, but the man spoke only Spanish, and the Thais could not communicate with him. All they could do was buy ice cream from him, she said.

She managed to pay off her "debt" in about 18 months and asked to go home, but the owners told her she had to finish her unwritten three-year "contract," Ruengthiwa said. Her health deteriorated, and she lost about 40 pounds.

Then, one afternoon in early 1993, she saw her chance. A guard complained of a headache, and she gave him some sinus medicine that she knew would make him drowsy. As he dozed off, she guzzled a Budweiser to give her courage, then scaled the 10-foot wall behind the town houses, gashing her leg on the barbed wire.

She sought asylum at a Thai Buddhist temple in North Hollywood and eventually moved to New England. There she met an American engineering recruiter, whom she married in March. Now 29, Ruengthiwa plans to testify in the upcoming trial of her former employers.

The stories of other workers do not have such happy endings.

"I thought about trying to escape, but I never had the courage to carry it out," said a 30-year-old seamstress who gave her name only as Sunan.

"I was scared because there were a lot of threats," added a companion, Boonsom, 24.

Both said they never left the sweatshop compound during the entire time they worked there.

Ramduan Seesing, 42, a stout, round-faced woman from the poor northeastern part of Thailand, said she came to El Monte in August 1992 in hopes of earning money to support her twin sons but only managed to pay off her "debt" just before the raid. The incessant sewing gave her headaches and impaired her vision, she said.

Her friend, Sawieng, who came to El Monte at the same time, worried about the teenage daughters she left behind in a house in Prachinburi Province northeast of Bangkok. Her mother had died less than a month before her departure, Sawieng said, and she was able to send back only about \$100 a month. She fretted that her mother's ghost would give her daughters trouble, and she despaired that after her debt repayments, living expenses and remittances, she was not saving any money.

But perhaps the most devastating blow for Sawieng occurred early in her stay at El Monte. Her best friend Boo, the one who had urged her to go to Los Angeles, joined another seamstress in an escape and vanished without a word.

"She didn't tell me anything," Sawieng said. "She just disappeared." Sawieng decided she had no choice but to finish her three-year "contract," then ask her bosses for permission to return to Thailand.

As she spoke of her ordeal, of her worries about providing for her daughters and of her abandonment by her close friend, the pain of it all seemed to overwhelm Sawieng. Her eyes reddened, and tears began rolling down her cheeks.

"We used to see police cars pass by and wonder, 'When are they going to come and help us?'" Sawieng recalled, dabbing at her eyes with her loose white T-shirt. "But nobody ever paid any attention to us."

Now, she said, she just wants to go home.

4TH STORY of Level 1 printed in FULL format.

Copyright 1995 The Columbian Publishing Co.
The Columbian

August 16, 1995, Wednesday

SECTION: Money; Pg. D5

LENGTH: 148 words

HEADLINE: STORE YANKS SHIRTS

BYLINE: The Columbian

BODY:

PORTLAND-Fred Meyer Inc. pulled 912 boys' shirts off its store shelves Monday after officials learned the shirts might be connected to an illegal Los Angeles sweatshop.

The two brands are Permit and Axel, which make shirts in boys' sizes 8 to 12. The vendor is New Boys Inc. of Los Angeles, one of the companies named in an investigation by the U.S. Labor Department.

Fred Meyer vice president Cheryl Perrins said the Portland-based retailer contacted its vendors when news of the sweatshop broke last.

"We checked it out the best we could through our vendors. They assured us that none of our merchandise had come through this particular source," Perrins said.

But, on Monday, Labor Department officials told Fred Meyer that its Permit and Axel brands could be connected to the sweatshop, which allegedly forced illegal Thai immigrants to work under inhumane conditions.

LOAD-DATE: August 16, 1995

56TH STORY of Level 1 printed in FULL format.

Copyright 1995 Sentinel Communications Co.
THE ORLANDO SENTINEL

August 16, 1995 Wednesday, METRO

SECTION: BUSINESS; Pg. B1

LENGTH: 79 words

HEADLINE: MANUFACTURING

BODY:

SIXTEEN CLOTHING makers received subpoenas Tuesday in a widening probe of an alleged sweatshop that federal investigators say held dozens of Thai immigrants in virtual slavery, California officials said. Although California Department of Industrial Relations subpoenaed the clothing manufacturers, federal and state officials said they were also contacting some of the nation's biggest retailers to determine if they sold merchandise made under illegal working conditions.

LANGUAGE: ENGLISH

COLUMN: BRIEFCASE

LOAD-DATE: August 16, 1995

113TH STORY of Level 1 printed in FULL format.

Copyright 1995 Reuters, Limited

August 17, 1995, Thursday, BC cycle

LENGTH: 397 words

HEADLINE: Nine indicted in Thai garment sweatshop scandal

DATELINE: LOS ANGELES

BODY:

A federal grand jury issued indictments Thursday against nine Thai nationals accused of keeping 72 immigrants virtually enslaved in a Los Angeles garment sweatshop ringed with razor wire.

The defendants were each charged with five counts of conspiracy and concealing and harboring illegal aliens from Thailand in an apartment complex in the industrial Los Angeles suburb of El Monte.

Eight of those charged are being held without bail. The ninth is believed by authorities to have fled back to Thailand.

According to the indictment, the workers were subject to "oppressive work scheduled for meager wages and restrictions of their free movement and communications even within the El Monte labor camp."

Threats and physical coercion were used to make sure the workers did not try to escape, the indictment said.

Assistant U.S. Attorney Michael Gennaco said the indictments were "only the first step" in the government's case against the accused, who face up to 21 years in jail on the current charges. More federal charges are expected to follow and the state of California is expected to add its own charges.

The workers were freed from the labor camp by state and federal agents who raided the apartment complex at the beginning of August.

The 72 people, who said they were forced to work from 6 a.m. to midnight every day except Sundays, were initially held by the Immigration and Naturalization Service pending clarification of their immigration status. They were freed last week and issued temporary work permits.

They told authorities they were paid about 60 cents an hour for their labor. The minimum wage in California is \$ 4.25. California Labor Commissioner Victoria Bradshaw said the state is seeking up to \$ 5 million in back pay for the workers, much of it from national department store chains where the garments they had sewn ended up.

Sixteen clothing makers received subpoenas Tuesday in connection with the probe, while federal and state officials said they were also contacting some of the nation's biggest retailers to determine if they sold merchandise made under illegal working conditions.

Among the retailers contacted by investigators are Neiman Marcus, Dayton-Hudson Corp., Sears Roebuck and Co., Victoria's Secret, Mervyn's and

Reuters North American Wire, August 17, 1995

Montgomery Ward. Manufacturers questioned include US Boys, B.U.M. International, Tomato Inc. and New Boys Inc.

LANGUAGE: ENGLISH

LOAD-DATE: August 18, 1995

45TH STORY of Level 1 printed in FULL format.

Copyright 1995 The Times Mirror Company
Los Angeles Times

August 16, 1995, Wednesday, Home Edition

SECTION: Part A; Page 1; Metro Desk

LENGTH: 1852 words

HEADLINE: NEW APPROACHES TO SWEATSHOP PROBLEM URGED

BYLINE: By PATRICK J. McDONNELL and PAUL FELDMAN, TIMES STAFF WRITERS

BODY:

Overwhelmed by a proliferation of sweatshops in Southern California's fast-growing garment industry, California and U.S. officials declared Tuesday that new approaches are needed to combat a problem that has thwarted traditional law enforcement.

Only about 45 state and federal inspectors monitor the about 4,000 Los Angeles-area sewing shops, or contractors, that employ about 100,000 people, said California Labor Commissioner Victoria Bradshaw.

And while a multi-agency task force uncovered the alleged slave-like conditions at a clandestine El Monte apparel manufacturer, Bradshaw said more inspectors are only a stopgap solution -- and one unlikely to be implemented broadly in an era of shrinking government.

"There's not going to be enough resources for enforcement to solve the problem," said Bradshaw, who called for industry self-policing, stiffer fines for repeat offenders and other steps to improve matters.

Likewise, U.S. Department of Labor officials maintained that self-monitoring by the industry is the most practical way to oversee the high-pressure, often cutthroat field, which is characterized by thin profit margins and quick turnaround on orders.

"We'll never have enough resources to do one-on-one inspections" at all of Southern California's sewing shops, said Assistant U.S. Labor Secretary Bernard E. Anderson, who addressed reporters in Downtown Los Angeles along with Bradshaw.

In the aftermath of the El Monte raid, federal officials plan to use the internationally publicized incident as a wedge to persuade more manufacturers to sign agreements pledging to monitor compliance at sewing shops that manufacturers do business with. Under such accords, launched in June, manufacturers assume responsibility for paying back wages and civil penalties if their contractors are found to be in violation of labor laws.

"This type of enforcement works," said U.S. Labor Secretary Robert B. Reich, who noted that almost half of all Los Angeles-area garment workers are now employed in contract shops monitored by manufacturers for labor law compliance.

While the Third World-like conditions exposed at the El Monte site raided this month were unusually severe, authorities say many other Los Angeles

Los Angeles Times, August 16, 1995

sewing contractors are unlicensed and exploit sub-minimum wage labor, typically performed by immigrant women, many of them undocumented. Low labor costs underpin the entire regional garment industry, the nation's fastest growing, having surpassed New York as the center of garment production.

The public acknowledgments Tuesday of shortcomings in the current regulatory scheme came as authorities publicly identified more than 40 firms -- including major retailers such as Macy's, Sears and Neiman Marcus -- that may have received goods from the El Monte factory and associated businesses. Other retailers named include the Broadway, Robinsons-May, Montgomery Ward and Mervyn's.

"It is clear from our investigation that this merchandise found its way to the racks and shelves of some of this nation's most prominent retailers," Labor Secretary Reich declared. "The evidence certainly shatters any perception that this operation produced merchandise only for back alley operations."

Major retailers, Reich said, have agreed to join a summit meeting next month in Washington designed to identify ways "to protect the industry, workers and consumers from abusive contractors."

At the joint federal-state news conference in Los Angeles, Bradshaw acknowledged that a suspected Los Angeles front operation for the alleged slave shop was state-licensed for two years -- but was never inspected. Moreover, Bradshaw said, 13 of the 16 Los Angeles-area manufacturers that are believed to have served as the main conduits for the El Monte goods are themselves unlicensed garment manufacturers, though some have been in business for years.

State authorities seeking to trace the destination of garments produced at the El Monte site have issued subpoenas seeking information from all 16 firms, Bradshaw said.

Invoices and other documents found at the El Monte site pointed investigators toward the retailers and manufacturers. The names of additional firms are likely to surface as authorities decipher the large volume of records written in Thai, officials said.

The broad scope of the El Monte operation, authorities said, dramatizes the glaring need for improved monitoring of the area's bustling garment industry.

Authorities raided the converted apartment complex Aug. 2, revealing the alleged near-enslavement of 72 Thai workers who toiled up to 22 hours a day, seven days a week, for an average of 69 cents an hour, officials say. Eight alleged overseers are being held on federal charges of harboring or transporting illegal immigrants. Law enforcement authorities are seeking two other suspects.

Investigators believe that the workers are owed more than \$5 million in back wages, funds that authorities have vowed to recoup. But new questions arose Tuesday about just how difficult it may be to collect that sum.

In most cases, officials concede, the web of front operations, manufacturers and contractors has successfully shielded the big-name and deep-pocket retailers identified Tuesday from any liability. While some manufacturers -- the firms that sell the subcontracted, sweatshop-produced goods to retailers -- may be legally required to pay some of the back wages, that amount seems unlikely to

The New York Times

Agency Missteps Put Illegal Aliens at Mercy of Sweatshops

DATE: 9/3/92
PAGE: A1

By JAMES STERNGOLD

LOS ANGELES, Sept. 20 — With the raids on garment sweatshops here last month producing the spectacle of scores of illegal Thai immigrants being kept as virtual slaves, state and Federal investigators have begun pointing fingers at each other while issuing assurances that they are taking action to flush out such operations.

But an examination of past investigations in Southern California, home to the country's largest garment industry, shows that a series of missteps dating at least to 1988 have left the workers at the mercy of groups tied to Asian organized crime rings, with little chance of being rescued.

The local office of the Immigration and Naturalization Service appears to have had several chances to address the problem uncovered in the sweatshop raids last month at El Monte, in eastern Los Angeles County. But no action was taken because of a lack of cooperation among Federal, state and local agencies and because of what one agent described as a personality conflict within the immigration office.

In some ways, critics say, the Government's failure to take action illustrates deep shortcomings in the immigration service's effort to protect immigrants. It also demonstrates how competing economic interests discourage local and state governments from cracking down on a problem that has become pervasive in garment districts from Manhattan to Los Angeles.

"Enforcement has always been a stepchild" of the immigration service, said Demetrios G. Papademetriou, an authority on immigration policy at the Carnegie Endowment for Peace. "Businesses complain about the disruptions" caused by strict enforcement, and enforcement costs are very high, he added.

Politics also plays a role. Gov. Pete Wilson has twice vetoed bills that would have held big manufacturers responsible for monitoring their subcontractors' compliance with labor and immigration laws.

Proponents of such laws say they would make it more difficult to exploit illegal aliens. But Mr. Wilson, a Republican, has said such regulations would place too great a burden on manufacturers and would drive them out of the state.

There is little doubt that the problem of worker abuse at garment factories is huge and growing. Last Friday, Federal labor investigators said routine inspections of 50 garment contractors here had turned up wage and overtime violations at 46 sites, shortchanging some 600 workers by more than \$500,000. And those were all legally registered factories.

Early last month, in the first of the recent series of raids, 72 illegal aliens were found in peonage at one site in El Monte. They had been

smuggled here by an organized crime gang that confiscated their passports and told them part of their earnings would be kept to repay the costs of bringing them here, Federal and state officials said. The immigration agency acknowledged that the El Monte factory had come under suspicion once before, in 1992.

In that instance, the agency investigated for three months, secretly observing the site, but it dropped the case after a request for a criminal warrant was denied. Federal prosecutors have said the request was rejected because the initial tip came from an anonymous source, which is considered inadequate support for a Federal warrant, and because the information was too old.

The immigration agency now says that instead of seeking a civil warrant to gain entry into the site, it passed along the information to state and local officials and left it at that.

But people familiar with the investigation, who spoke on condition of anonymity, said the same Thai sweatshop owners had been investigated even earlier, in 1988. These people said an immigration agent found evidence that illegal immigrants were being held there. He delivered a letter informing the owners that an inspection would take place in a few days. But by the time the inspector returned, the workers had been whisked away.

Three years later, the immigration agency had another opportunity to attack the problem of illegal Thai immigrants being held in such conditions. In mid-May 1991, Phil L. Bonner Jr., a special agent with the immigration agency here, wrote several memorandums proposing raids on five garment sweatshops because he had information that perhaps 200 illegal immigrants were being held there.

Another shop owner had informed him, Mr. Bonner wrote, that the Thais had been smuggled here by an organized crime ring. He also said he had been told that a Los Angeles police officer was involved in smuggling and guarding the workers.

Mr. Bonner proposed placing Thai workers in those factories to gather evidence, and suggested raiding the sweatshops.

No action was taken. Mr. Bonner says he was disciplined, apparently because of a personality clash with supervisors, according to a pending discrimination suit he filed against the agency in July 1992. The suit also says he was not allowed to speak Thai in the office or to pursue any cases related to Thais.

Mr. Bonner says in his suit that he was discriminated against because he married a Thai woman and speaks Thai, and that the ill will toward him caused the agency to mishandle the inquiry.

William S. Slattery, the immigration agency's executive associate commissioner for operations, said the agency would not comment on a pending lawsuit but added that no valid investigation had been run improperly.

The agency began this year's investigation after it got a tip from someone who had escaped from the El Monte factory. When the raid on the El Monte sweatshops took place on Aug. 2, state officials, not the immigration agency, led the raid, even though the Federal agents had spearheaded the investigation.

The escapee, a Thai woman, had told a lawyer, William Livingston, about sweatshop conditions at the

factory. Mr. Livingston passed along the information in May, and the agency began an inquiry. This time Mr. Bonner, who had been transferred to another immigration service office in the Los Angeles area because of his lawsuit, was involved.

He observed the shop, a group of apartments surrounded by a fence and razor wire, from an adjacent trailer park. He discovered that materials and finished goods were going in and out of the shop, but workers neither entered nor left.

The immigration agency brought state Labor Department officials into the inquiry. The agency was still trying to get enough information for

ALSTON CHASE

Is the Unabomber overlooking something?

Time magazine, being environmentally aware, never uses new ideas when recycled ones will do. Being liberal and forgiving, it seizes upon every opportunity to salvage the reputation of sinners. And in a recent issue, it accomplishes both, repackaging old insights even as it elevates a serial killer to the rank of folk philosopher.

In a recent cover story on "The Evolution of Despair," Time discovers what philosophers had been saying for a century: that modern life, as the magazine put it, "can be uncomfortable." This theme — that technology isolates individuals, thereby generating mistrust and despair — is hardly original. It was the favorite topic in college bull sessions half a century ago.

While conceding such angst observations aren't novel, the magazine credits their revival to the Unabomber's well-publicized polemic and to the insights of evolutionary psychologists.

Yet, it also exposes the flaws in contemporary liberal, conservative and revolutionary political ideologies, including environmentalism, libertarianism and the Unabomber's own rationale for violence. For these would exacerbate rather than diminish what is arguably the greatest threat to America today: social disintegration.

For more than a century, great writers have eloquently described how crowded cities and mechanized workplaces isolate individuals from each other, thereby promoting distrust and hostility. Themes of loneliness and alienation

appear in Fyodor Dostoyevsky's novella, "Notes from Underground." They preoccupied the French existential writers, Jean-Paul Sartre and Albert Camus. And they assumed scientific standing in the brilliant 1897 study "Suicide," by French sociologist Emile Durkheim.

These were among the literary works undergraduates in the 1950s were required to read. At that time, most college curricula included mandatory study of Western heritage — called general education — designed to promote shared intellectual experiences and values. But student protests killed such "gen ed" courses in the 1960s.

Now, Time has resurrected this concern for what was then called "the modern condition" — but credits its articulation not to philosophers or novelists but, in keeping with the spirit of today, to scientists and terrorists. And thereby, the magazine calls attention to a problem for which neither environmentalists nor their critics have an answer.

To environmentalists, technology is evil because it "destroys" nature. And big government, they say, is desirable because it can mandate return to the good old days, when people lived in caves and didn't have to brush their teeth.

By contrast, anti-environmentalists argue that the free market is man's best friend. Thanks to technology, they say, we live longer and can buy things our ancestors couldn't, such as electric beer-brewing machines. The real evil, they argue, is big government, which limits freedom, thereby depressing living standards.

What these adversaries fail to note is that both big government and big business are destructive to human values. Both dissolve the friendship, trust and cooperation that make viable culture possible.

Culture is nothing more than a network of shared values that bind people together, thereby promoting social harmony. Since, as the ancient Greeks knew, it ultimately rests on friendships, it survives only in relatively small and stable

communities where relations between individuals are possible.

Hence, excessive size or mobility kills culture. When communities grow too large or too transient to sustain relationships, they die. Yet since virtually every political ideology today favors either big government or big business, they all promote these destructive conditions.

By revering free markets, libertarians would allow multinational corporations to grow and move

unimpeded in their quest for lower costs and cheaper labor.

Likewise, most preservationists would inadvertently kill culture when they demand that viable logging and ranching communities be replaced by so-called "clean" industries such as tourism and computers. For tourism is nothing more than catering to itinerant pleasure-seekers who have no commitment to the land. Computer companies can't build culture if they may soon move to Mexico or Brazil. Even terrorism of the mail-bomb variety merely gives government an excuse to impose more coercion.

The appearance of the Time article, therefore, may signal that the 1960s generation, which 30 years ago rejected general education, finally realizes that the greatest problem we face is neither ozone depletion nor species extinction, but the very cultural collapse that gen ed was designed to avert.

If so, they will soon realize that the current gaggle of ideologies make matters worse. Rather than appeal to polarizing political agendas, we must revive an educational system dedicated to a common core of learning, seek to sustain small-town culture and find ways to encourage more intimate and stable working conditions.

As E.F. Schumacher said, "Small is beautiful." This is another forgotten idea that perhaps Time magazine should recycle as well.

Alston Chase is a nationally syndicated columnist specializing in environmental issues.

a Federal warrant when state officials moved on their own. Soon after the predawn raid began, the immigration agency was called in and the Thai shop owners were arrested.

Late last month the immigration service raided a different group of sweatshops in Los Angeles County. In these raids, 56 illegal immigrants, most of them Thais, were found to be working in appalling conditions, the Government said, even though they were not being held as slaves.

But that assertion is now being questioned. Julie Su, a lawyer representing many of the workers in a lawsuit against the owners, said they had, in fact, been held in servitude but had been intimidated by their captors into denying it. She said the

shop owners had initially been detained with the workers, which allowed them to continue threatening the workers with reprisals.

Asked about the El Monte case, the immigration agency acknowledged the 1988 investigation. But Mr. Slatery, the agency official, insisted that all cases involving the Thais had been handled properly.

"I don't think there's anything I would have done differently in 1995," he said in an interview. "In 1992, I'm not sure I would have done anything differently."

Many experts say the enforcement agencies will never have enough agents to police an industry that is so large and growing so fast, and whose underground elements can so easily close shops and move on. The alternative being pushed by Federal labor officials is to make the big manufacturers and retailers responsible for insuring that labor laws are followed by subcontractors.

"The goal is to get the major retailers to take a strong stand and use their leverage," Labor Secretary Robert B. Reich said in a recent interview. On Sept. 12, he met with a number of large retailers and manufacturers in New York who said they might consider voluntary compliance programs.

Senate nears OK for budget amendment

By Patrice Hill
THE WASHINGTON TIMES

The elusive 67th vote to ensure passage of the balanced-budget amendment may be in sight.

Sen. Paul Simon, Illinois Democrat and one of the authors of the amendment, told The Washington Times yesterday that he thinks he has found a Democrat willing to change his vote.

"I'm still wrapping it up," he said, conceding that it would be premature to call for a vote just yet. "But I think I've got it."

The Senate in March fell one vote short of the 67 needed to send the amendment to the states for ratification. Constitutional amendments do not require the president's approval.

That defeat for the new Republican majority was widely attributed to six Senate Democrats who had voted yes in previous years but switched their votes this year.

Senate Majority Leader Bob Dole of Kansas vowed to bring up the amendment again if a Democrat stepped forward to provide the 67th vote.

Mr. Dole seemed surprised that Mr. Simon may have found that vote. "I'll sniff that out," he said. "I can bring it up any time."

Revival of the balanced-budget amendment could add bounce to Mr. Dole's presidential campaign and lift the spirits of Republicans.

Mr. Dole noted that he has only a two-week "window" before Sen. Bob Packwood leaves the Senate on Oct. 1. Mr. Packwood supports the amendment, and his fellow Republicans would have to find two additional votes if he goes home to Oregon before the vote.

Senate Minority Leader Tom Daschle of South Dakota said Democrats are counting on Mr. Packwood's departure to prevent passage.

"I expect we could sustain our position" next month with one fewer Republican in the Senate, he said.

Though Mr. Simon may have found a vote switcher, Mr. Daschle said Democrats who voted yes might switch the other way because they now believe Republicans are "using [the amendment] for political purposes." The

amendment should not be added to the Constitution for such reasons, he said.

"I think there's some that have changed their minds the other way — one or two senators," he said.

Mr. Simon would not say whether the Democratic senator who is considering switching his vote to favor the amendment is one of the six who switched against it in the spring.

Those six are Mr. Daschle, Byron L. Dorgan of North Dakota, Dianne Feinstein of California, Wendell H. Ford of Kentucky, Ernest F. Hollings of South Carolina and Jeff Bingaman of New Mexico.

Mr. Simon said the possible switcher is responding to efforts by Republicans to balance the budget without benefit of the amendment by cutting spending by \$893 billion over seven years.

The Democratic switcher is convinced that Congress will not

cut spending so severely if the constitutional amendment is not in place, Mr. Simon said.

Approval of the measure in Congress would encourage a positive reaction in financial markets, he said. Interest rates would fall, and the government's \$250 billion of yearly interest payments on the \$4.9 trillion national debt would shrink. That, in turn, would make room for more spending, he said.

Sen. John B. Breaux, Louisiana Democrat and a supporter of the amendment, said President Clinton's decision in June to join Congress in trying to balance the budget may have coaxed several Democratic senators to consider supporting the amendment.

The White House is still opposed to the constitutional amendment, which Mr. Clinton has said is not needed because Congress and the president can balance the budget without it.

But Mr. Breaux said other

Democrats are thinking that "if you're for doing it, why not put it in the Constitution?"

U.S. Targets 'Slave Labor' Sweatshop

Back Wages Sought From Clothing Makers

By Frank Swoboda
and Margaret Webb Pressler
Washington Post Staff Writers

The federal government said yesterday it would seek \$5 million in back wages from clothing manufacturers that subcontracted with a Southern California sweatshop that held immigrant workers in "slave labor" conditions inside a barbed-wire compound and forced them to work seven days a week for as little as 50 cents an hour.

Labor Secretary Robert B. Reich called the conditions that state and federal investigators found during an Aug. 2. raid in El Monte, Calif., east of Los Angeles "the most heinous thing we've seen. This really was slave labor inside the United States," he said in an interview.

Seven Thai nationals were taken into custody, according to Labor Department officials. Authorities are trying to determine ownership of the operation, which was run under several company names, the officials said.

Garments made at the El Monte shop were found in the stores of some of the nation's leading retailers, including Hecht Co., the Washington area's largest department store chain. Goods also were sold at the stores of Sears, Roebuck & Co., Filene's Basement Corp., Macy's West, Neiman Marcus Co., the Limited Inc., Dayton Hudson Corp. and Montgomery Ward & Co., the Labor Department said.

Reich said there was no evidence that any of the retailers knew the garments were illegally manufactured.

May Co., which owns Hecht's, issued a statement yesterday saying it was trying to determine whether the El Monte operation was manufactur-

ing goods for any May division and pledged full cooperation with the ongoing government investigations.

The Labor Department also announced it would hold a meeting of major retailers Sept. 7 in Washington in an effort to find ways to keep illegally manufactured goods from reaching consumer markets. The meeting is an effort by the Labor Department to pressure major retailers to help in cracking down on sweatshop manufacturers.

Government investigators raided the compound of the El Monte garment subcontractor and discovered more than 60 immigrants from Thailand—most of them women illegally in the United States—being held in peonage.

The workers were threatened with rape or murder if they tried to escape from the compound, the Labor Department said. In addition, they were told they had to stay until they had paid back the cost of bringing them to the United States from Thailand, the Labor Department officials said.

Reich said yesterday that while he believed the extreme nature of the El Monte operation was isolated, the Labor Department has seen

***"This really was
slave labor inside
the United States."***

— Labor Secretary Robert B. Reich

more evidence of illegal immigrants being hired in the United States under abusive conditions in recent years.

"We are witnessing the development of a Third World economy—both workers and employers—in the very midst of the First World," he said.

Under federal law, the government can use a provision of the Fair Labor Standards Act to force manufacturers to pay back wages owed workers employed by their subcontractors.

In the El Monte case, 14 manufacturers used the illegal shop and each can be held liable for the full \$5 million in back wages if the other

companies can't pay their share.

But retailers cannot be held liable unless they knowingly received illegally produced goods. The government can, however, block retailers from receiving shipments of illegally produced goods.

Reich said yesterday the government needs to enlist the support of the retailers to put pressure on the manufacturers not to subcontract work to illegal sweatshops.

Reich said it was a "black eye" for retailers to be found selling goods produced by workers employed under inhumane conditions.

"No one wants to be associated commercially with this kind of enterprise," he said.

Steve Pfister, vice president of the National Retail Federation, a trade association representing many of the nation's largest retailers, said his group welcomed a chance to participate in the Sept. 7 meeting, but that retailers were not the problem.

"Retailers deal with literally hundreds of vendors and it's virtually impossible for the retailer to know that this is going on," he said.

Reich said May, Sears and Federated Department Stores Inc., which owns Bloomingdale's, Macy's and other large retail chains, have agreed to attend the retailer conference.

Industrial Accidents Threaten Millions, Groups Assert

Associated Press

More than 44 million Americans are at risk of being injured or killed by toxic chemical releases, plant fires or industrial explosions, two environmental groups contended yesterday.

Texas leads the nation in terms of worst-case chemical accident potential, according to a study by the National Environmental Law Center and the U.S. Public Interest Research Group. Next are California, Ohio, Illinois, Louisiana, Pennsylvania, Michigan, New York, Indiana and Georgia.

Areas with the greatest potential for worst-case disasters are Houston; Los Angeles; Chicago; Cleveland; Detroit; Mobile, Ala.; Ascension County, La.; Niagara Coun-

ty, N.Y.; Jefferson County, Tex.; and Brazoria County, Tex.

"Toxic chemical releases, fires and explosions pose a danger to people from all walks of life—from factory workers and firefighters to schoolchildren," said Carolyn Hartmann, PIRG's environmental policy director.

The rankings were based on the Environmental Protection Agency's Toxic Release Inventory data. The law center calculated the worst-case scenarios of deaths or serious injuries that could result in the event of a disaster at nearly 10,000 manufacturing companies.

A spokesman for the Chemical Manufacturers Association, which represents some

of the nation's largest chemical companies, said the study doesn't consider industry efforts to improve safety.

The Toxic Release Inventory "basically just measures how much you are putting out into the environment," said C.M. spokesman Matthew Weinstock. "It doesn't measure what you are doing inside the fence line to safeguard against an actual release or anything."

Monday, the EPA announced a series of proposed fines against 18 companies in 11 states for failure to notify authorities of accidental releases of chlorine, ammonia and other hazardous substances.

U.S. PIRG and the law center recommended that industry and government

make public their worst-case accident estimates.

They also took aim at proposals on Capitol Hill that would weaken reporting requirements by industry.

The House voted this month to restrict EPA's ability to enforce a decade-old "right-to-know" law that requires some 23,000 manufacturing facilities to issue annual reports on emissions of 651 chemicals tracked by the government. The reports are compiled into the Toxic Release Inventory.

President Clinton responded to the congressional action by ordering all companies that do business with the government report the pollution they cause.

Hot Thai Export to U.S.: 'Slave' Workers

Washington Calls for Crackdown but Isn't Optimistic

By PAUL M. SCHERER

Staff Reporter of THE WALL STREET JOURNAL

BANGKOK, Thailand — Long notorious as a source of illegal drugs bound for the U.S., Thailand is emerging as a major hub for another type of clandestine merchandise: illicit cheap labor.

U.S. officials in Bangkok estimate that 2,000 people a month — Thais, Chinese, Indians, Pakistanis, Bangladeshis, Sri Lankans and even Nigerians — use Bangkok as a gateway to sneak into North America illegally. Prodded by the U.S. Embassy here, Thai authorities recently began cracking down. But U.S. officials aren't optimistic the flow can be stanchied soon.

Well-organized Thai criminal syndicates smuggle the workers to the sweatshops and brothels of New York and California. The networks include procurers in poor Thai villages, travel agents, document forgers, corrupt immigration officials and airline employees, couriers who accompany the immigrants and U.S. factory and brothel operators who pay as much as \$35,000 for each worker. Each worker must repay that amount through years of labor or, in the case of prostitution, sex with hundreds of men.

The trade in illegal workers was splashed across U.S. front pages three months ago after authorities raided a textile sweatshop in El Monte, Calif., where more than 60 Thais had been toiling 17 hours a day sewing brand-name U.S. clothing for less than \$1 an hour. U.S. officials in Bangkok say the El Monte case represents a tiny proportion of the flow from Thailand to the U.S.

These officials think about 20 Thai travel agencies regularly supply travelers with false documents for visa applications. Two of Thailand's largest travel agencies, Roong Sarp Travel Service Co. and Takerng Tour Co., brought many of the women in the El Monte sweatshop to the U.S. on group tours, the workers say.

"We see people every day coming [with falsified documents]," says Timothy Scherer, consul of the U.S. Embassy in Bangkok. "We're convinced those documents are prepared for them by tour agencies who specialize in travelers with improper documents. Takerng Tour and Roong Sarp Travel Service deny any in-

WHITBREAD PLC

Whitbread PLC, a British brewing and leisure concern, reported that fiscal first-half pretax profit rose 8.8% to £155.7 million (\$246 million) from £143.1 million a year earlier, excluding exceptional items. After exceptional items, the six-month profit to Aug. 26 was £158.1 million, down from £183.6 million. Whitbread said sales were up 8.5% to £1.33 billion from £1.22 billion. Sir Michael Angus, chairman, said that about half the growth in sales was generated by the opening of successful new retail outlets.

involvement in alien smuggling.

Separately, Thai Airways International Ltd. is investigating employees believed to have smuggled hundreds of Thais into the U.S. at \$1,600 a head. And since August, 11 Thai immigration and police officers have been accused of working with smugglers to pass people through Bangkok's international airport for \$400 each.

The U.S. only recently began shifting resources to stop illegal immigrants at the source rather than after they have sneaked into the U.S. And Thai immigration police, while cooperating with the U.S., have their hands full trying to stem the tide of illegal immigrants into Thailand.

Thailand has long been an exporter of unskilled labor to Asia and the Middle East. As many as 200,000 Thais work, often legally, in such places as Taiwan, Japan and Saudi Arabia in construction, as maids and in the sex trade. Thai workers can earn \$600 a month on a Taipei construction site or well over \$2,000 a month in a brothel in Brunei. The \$200-a-month jobs they leave behind are in turn often filled by illegals from Burma or China.

Thais continue to entrust themselves to smuggling gangs despite the pathetic tales told by workers who return from an overseas "hell factory," as the Thai media has dubbed the El Monte sweatshop.

Among those returnees is Kanang Isara, a 36-year-old seamstress who grew up on a rice farm in northern Thailand. When Miss Kanang flew to California four years ago, she had been promised work in a clothing factory at 10 times her Bangkok wages. Instead, Miss Kanang found herself working in slave-like conditions at the El Monte sweatshop.

"I was kept like in prison and treated like an animal," Miss Kanang says. She remembers what she was told in the factory by one of the Thai bosses: "If you run away, your house will be burned. Even if it takes 10 years, I won't forget."

Early last year, Miss Kanang left the sweatshop and returned to Bangkok. But she has been on edge since her phone rang a few weeks ago. On the line was her former boss from the sweatshop. "We will meet again," he told her.

"I'm afraid," she says softly.

House Republicans May Split Immigration Bill

By STEVEN A. HOLMES

WASHINGTON, Nov. 1 — With a huge immigration bill pending in the House, Republicans are arguing over whether to split it in two, a move that would allow proposals intended for illegal aliens to go forward while making action on legal immigration far less likely anytime soon.

Ten California Republicans, including some of the most conservative members of the House, have urged the House leadership to break out the provisions on legal immigration.

In the letter, the House members said that while they believed in the need to revise the country's immigration system as a whole, they also believed that delays in passing the House immigration bill were "attributable to the legal immigrations provisions of this legislation, resulting in the further delay of needed efforts to stop illegal immigration."

Paul Mero, chief of staff for Representative Robert K. Dornan, a signer of the letter and a candidate for the Republican Presidential nomination, said, "Illegal immigration is such an important issue to Southern California. You tie it up with the issue of legal immigration

and you give cover to the Democrats to beat the whole bill to a pulp."

At the same time, 35 lawmakers, mostly Republicans, who support limits on legal immigrants were circulating another letter, this one addressed to Speaker Newt Gingrich, urging him to keep the measure intact. This group included Representatives Bill Archer of Texas, chairman of the House Ways and Means Committee; Gerald B. H. Solomon of New York, chairman of the House Rules Committee; and Floyd D. Spence of South Carolina, chairman of the Committee on National Security.

An aide to Representative Bob Stump, the Arizona Republican who circulated the letter, declined to provide details, saying that it had not yet been sent to Mr. Gingrich, a Georgia Republican.

The immigration bill that was approved last month by the House Judiciary Committee reduces, over a five-year period, the amount of legal immigration to no more than 535,000 people annually, down from the current level of about 800,000 a year. It also seeks to curb illegal immigration, mainly by setting up a system where employers will verify the legal status of all newly-hired employees through a Federal data bank.

Opponents of cutbacks in legal immigration hope to remove the question from the politically powerful appeal of stopping illegal immigration.

The letter proposing the split was circulated by Representative Jay C. Kim of California, the only Korean-American member of Congress and a lawmaker born in Seoul. Among those who signed were Representatives David Dreir, Frank Riggs and Dana Rohrabacher, all Republicans.

The fact that the letter was signed by 10 members from California — a state where immigration has become a contentious political issue — is indicative of the conflicting currents that wash through the Republican Party when it comes to immigration.

While a majority of Congressional Republicans support reducing the

level of legal immigration, others, more free market-oriented Republicans such as Representative Dick Armey, the House majority leader, the former Education Secretary William Bennett and the former Housing Secretary Jack F. Kemp, all favor high levels of legal immigration.

And as if to personalize the internal conflicts over immigration that afflict the Republican party, one of the signers of the letter to divide the bill into two parts was Representative Sonny Bono, of California, who, as a member of the House Judiciary Committee, voted against an amendment that called for the measure to be split.

53RD STORY of Level 1 printed in FULL format.

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The San Francisco Chronicle

AUGUST 17, 1995, THURSDAY, FINAL EDITION

SECTION: EDITORIAL; Pg. A28; EDITORIALS

LENGTH: 333 words

HEADLINE: Sweatshops: An Open Secret

BODY:

THE CRACKDOWN ON illegal sweatshops in Southern California this week should be a wake-up call to local law enforcement officials to the nasty open secret of similar slave-labor operations in the Bay Area.

On Tuesday, state and federal regulators filed an \$ 11.6 million lawsuit against the operators of sweatshops in the Los Angeles suburbs of El Monte and Panorama City where 72 Thai workers were forced to work seven days a week for as little as 50 cents an hour.

The garment workers -- most of them women who had entered the country illegally -- labored in a barbed-wire enclosed compound and were threatened with rape or murder if they tried to escape.

'Slavery in this country was abolished over 100 years ago,' said Bernard Anderson, assistant U.S. secretary of labor. 'We will not, we must not, tolerate slave-like conditions in the workplace today. We cannot allow that in the United States today.'

Victoria Bradshaw, commissioner of the state Department of Industrial Relations said the legal action seeks \$ 5 million in back pay for the workers, \$ 5 million in damages and \$ 1.6 million in penalties against the sweatshop operators.

Sadly, such outrageous working conditions are not uncommon in a garment industry that has a long history of farming out specialized work to subcontractors who frequently exploit poor and frightened immigrants, forcing them to work in dismal conditions in violation of labor laws.

Last year, the state Department of Industrial Relations' enforcement actions resulted in more than 9,100 garment workers getting \$ 2.6 million in restitution from employers.

That was a start, and this week's combined federal and state actions are encouraging, but it does not take a Sherlock Holmes to know there are plenty of sweatshops operating in San Francisco.

We suggest the strict enforcement of labor laws here would be an appropriate crusade for the district attorney's office, especially in this election year.

LANGUAGE: ENGLISH

FACT SHEET

The President's 1996 Immigration Initiative

For Further Information, Contact: Office of Public Affairs
Immigration and Naturalization Service
(202) 514-2648 2/95

Detention and Removal of Deportable Aliens

The Administration intends to ensure that aliens who have been ordered excluded or deported actually depart from the United States. We plan to more than double the number of criminal and non-criminal alien removals in FY 1996. The 1996 budget enhancement of \$178 million supports resources to increase detention and removal capacity in the following ways:

Removal of Criminal Aliens

- The Institutional Hearing Program (IHP) will be expanded to the seven states with the largest populations of foreign-born prisoners (CA, TX, FL, NY, IL, NJ, AZ). The IHP expedites the removal of criminal aliens by facilitating completion of their deportation hearings before their prison sentences end.
- Through expansion of the IHP and resources to implement recently enacted criminal deportation procedures, total criminal alien removals are anticipated to more than double—from 23,250 in FY 1995 to 58,200 in FY 1996.

Removal of Other Deportable Aliens

- Through establishment of special removal teams that will concentrate on apprehending aliens ordered deported but who have absconded, and implementation of the FY 1995 asylum reform initiative, total non-criminal alien removals in FY 1996 are expected to more than double from 25,600 in FY 1995 to 53,080 in FY 1996.

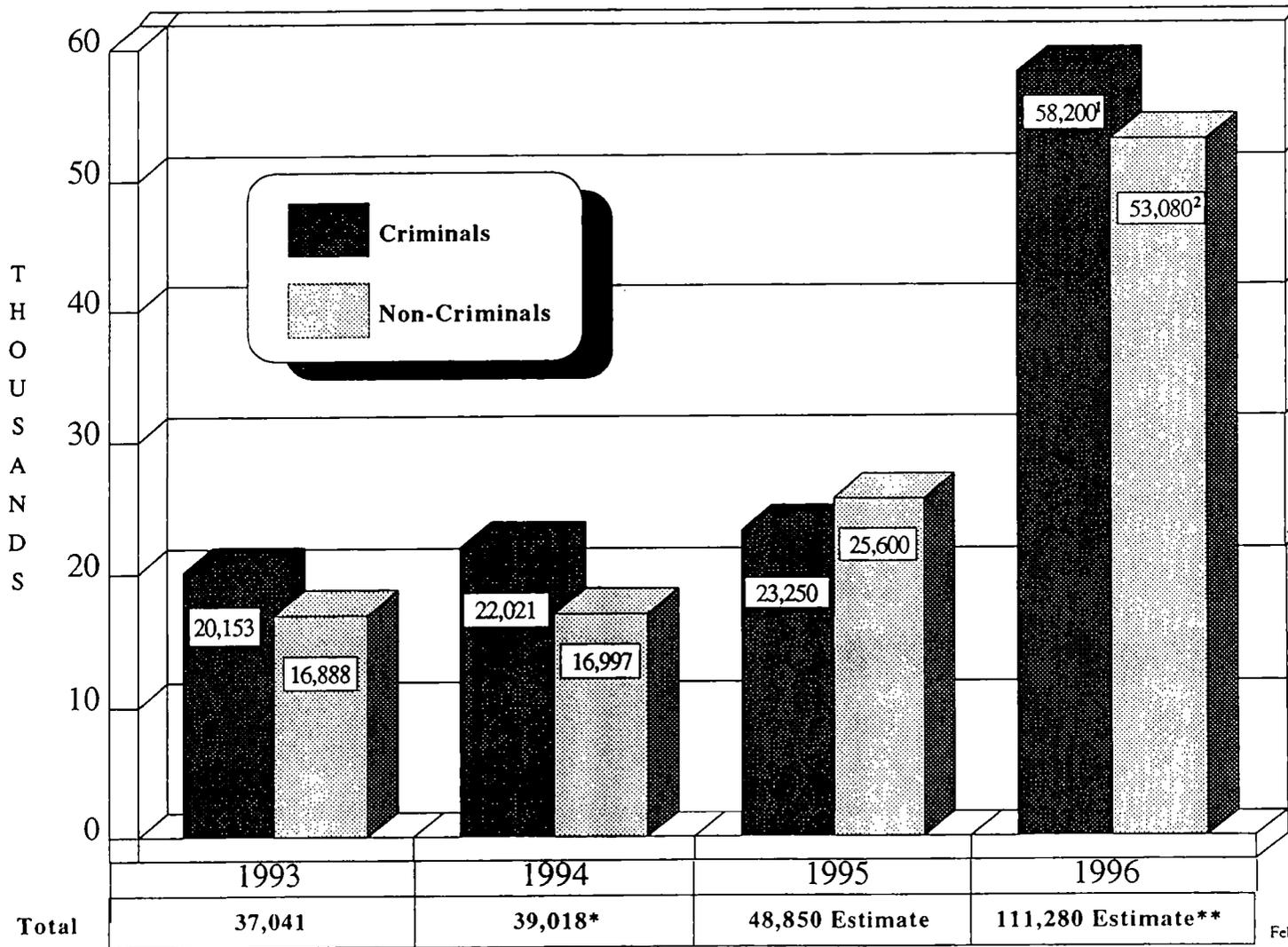
Increased Detention Capacity and Transportation

- Without adequate detention space, persons ordered deported are often released and fail to appear for deportation. The FY 1996 resources will provide an additional 1,836 non-INS detention beds in state, local and contract facilities as well as 976 beds in INS Service Processing Centers—a 48 percent increase in bedspace over FY 1995. We will purchase new vehicles to support a comprehensive transportation network and enhance an aging fleet. An upgraded computerized decision support system will also allow INS officers to make effective use of available detention space nationwide, and identify transportation modes for aliens to be detained and removed from the United States.

1996 Initiatives Funding – Detention and Removal
(\$ in millions)

	Funding Request
Removal of Criminal Aliens	\$52.7
Removal of Other Deportable Aliens	19.4
Expanded Detention Space	81.3
Legal & Management Support – INS	3.8
Other DOJ (EOIR/US Attorneys/Civil)	11.5
TOTAL	\$177.7

Tripling of Expected Deportations of Illegal Aliens 1993 - 1996



February 3, 1995

* 1994 level of deportations is expected to increase, pending completion of year-end data collection.

** This growth represents a 128% increase over 1995--¹ 150% increase for Criminals and ² 107% increase for Non-Criminals.



United States Department of Justice

Immigration and Naturalization Service
425 I Street, N.W., Washington, D.C. 20536

Facsimile Transmission Cover Sheet

TO: Steve Wernath Date: 12/2/94

OFFICE: DPL Room: _____

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FROM: ROBERT SACH

Office of the Executive Associate Commissioner,
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Phone No.: (202) 514-3242

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No. of Pages: Cover +

SUBJECT: Another Issue - LEGAL IMMIGRATION

DISCUSSION:



**INTERAGENCY WORKING GROUP ON MIGRATION
SUBGROUP ON LEGAL IMMIGRATION**

December 2, 1994

Co-Chairs: John Fraser, Department of Labor, 219-8305
Robert Bach, Immigration and Naturalization Service, 616-7767

DISCUSSION ITEMS (Purpose: Narrow and Define Scope of Discussion)

- o Information about Congressional Initiatives
- o Positions on Total Number of Immigrants and Non-immigrants
- o Issues and Types of Immigrants to be Included and Excluded from Discussion
- o Agencies' Interests in Various Categories of Legal Immigrants and Non-immigrants
- o Managing Immigration Strategies
 - who initiates decision: family, employer;
 - mix of selection rules: skills, family, diversity
 - public charge
 - labor market tests
- o Impacts of Immigration
- o Optional Strategies for Administration Role in Legal Immigration Debate
- o What to do Next? Options papers

i:\data\sscard REVISED

MEMORANDUM FOR THE PRESIDENT

THROUGH: Leon E. Panetta

FROM: Alice M. Rivlin
Carol H. Rasco

SUBJECT: Counterfeit-Resistant Social Security Card and Immigration Enforcement -- Decision

Issue

Several members of the California Congressional delegation sent you a letter asking you to establish a counterfeit-proof Social Security card, strengthen the Border Patrol and renegotiate prisoner transfer treaties. This memorandum explores some issues regarding the establishment of a counterfeit-proof Social Security card. Such a card could aid an employer's ability to determine whether potential employees are eligible for employment. However, establishing a counterfeit-proof Social Security card could be costly, burdensome and not necessarily provide the kinds of protection desired. In addition, the Administration is already undertaking a number of initiatives to improve the Social Security card and enhance employment eligibility verification.

Social Security Cards as Identification Cards

The Social Security card was developed in the 1930s to provide a record of the number that had been issued to individuals so that their employers could accurately report employee earnings. That is still the primary purpose of the card; it remains essentially a piece of paper with a name and number on it.

In the last three years, the Social Security Administration (SSA) has upgraded the card so that it contains security features similar to those imbedded in advanced paper currencies. Despite the new security features, however, the card is potentially subject to fraud because:

Quality counterfeit documents could escape detection by untrained eyes. The problem is the inability of verifiers to discriminate between government-issued and expert-produced counterfeit cards.

The current card lacks a specific identifier (i.e., picture or fingerprint) because it was not designed to be an identification card. One cannot link conclusively the person presenting the card to the person possessing the Social Security number on the card.

A "Secure" Social Security Card

SSA has examined the feasibility of a "secure" Social Security card. This card would contain some technology which would allow for the identification of the individual bearing the card (photograph, fingerprint, etc.). SSA's preliminary analysis (not reviewed in depth by OMB or DPC) indicates that a "secure" card would:

- Cost \$2.8 to \$6.3 billion for start up, and require increased commitment of resources over time, depending on the technology chosen and the time allotted to re-issue cards to over 270 million cardholders; and
- Place an increased burden on individuals to apply for and obtain the card, comparable to that of obtaining a passport.

A 1988 GAO report concluded that even with enhancements, the Social Security card would probably not provide an effective identity system. Research for the issuance of Health Security Cards indicated that even the most conservative estimates may underestimate the costs and burdens of issuing cards and maintaining a new system. In addition, this issue traditionally generates heated discussions about privacy protections and allegations of a "Big Brother" approach to government.

The Employment Verification Improvement Investment

The Representatives' suggestion for a counterfeit-proof Social Security card for immigration enforcement purposes appears to require the implementation of a secure card that is also an identification document. This type of "National Identification Card," however, is beyond the current scope of the Administration's employment verification improvement proposal. The current proposal, supported by a \$93 million initiative in the 1996 Budget, is to:

- Develop pilot projects (including joint Immigration and Naturalization Service (INS)/SSA programs) that serve as building blocks for a national computerized system of verification (+\$28 million);
- Expand worksite enforcement by the Department of Labor and employer sanctions enforcement by the INS (+\$65 million); and
- Allow INS to reduce the number of authorized alien identification documents and to make them as counterfeit-resistant as possible.

While short of a national identification card, these initiatives will improve the Administration's ability to control illegal immigration. These proposals are consistent with the recommendations of the Jordan Commission on Immigration Reform.

Based on the above, we see three basic options:

1. No change in Administration policy. Presume that the current pilot projects are sufficient, at least for the time being. The pilots will help the Administration determine if a counterfeit-proof identification card is necessary. The relevant agencies adopt this view.

2. Presume that a national identity card is desirable, but suspend judgement regarding whether the Social Security Card should serve that purpose. Stick with the current plan of pilot projects while conducting a short and intensive study of this issue, including the troublesome privacy issue.

3. Presume that a national identity card is desirable and that the Social Security Card is the best candidate to serve that purpose. Proceed with a proposal along these lines, including a potential 1996 budget amendment, if necessary, to begin financing its development.

Decision

_____ Option 1. No change in Administration policy.

_____ Option 2. Presume a national i.d. card is desirable but suspend judgment on the form that should take. Continue with pilot projects while intensively studying the topic.

_____ Option 3. Presume a national i.d. card is desirable and that the Social Security Card is the best candidate to serve that purpose. Proceed ahead immediately.

_____ Other (Please specify).

highway signs. She has no Caucasian friends in Westchester, and doesn't participate in the weekend life there, for she works seven days a week.

Her daughter Tina is also too busy saving for her future to assimilate. "My husband and I cannot save that much money," Tina told me. "Of course, some, but not boss, like my mother. I feel my salary is a little low—sixteen hundred dollars a month take home. This is family business—no benefits, no vacation, no insurance. This is usual in Chinatown. Almost no business give benefits. We had two workers take a vacation. Were here two years, we gave them one week. But they eat here three times a day—lunch, dinner, tea. Anything to drink also. My husband is a driver for a limo service. Not very hard work—better money than restaurant work. Fourteen hours a day, but he is his own boss. Only at night we see each other. We live in my mother's old apartment on Mulberry Street. Five hundred dollars for one bedroom, with tub in kitchen, toilet in hall." Tina laughed, describing the typical tenement built before the 1901 building code requiring toilets in each apartment, and passed down through generations of German, Irish, Italian, and now Chinese immigrants. "No lease," Tina added. "Illegal tenant."

Many immigrants are caught in a vicious circle: working sixty or eighty hours a week to save money to get out of Chinatown, buy homes, fulfill Confucian duties to their parents, and open small businesses—the traditional way newcomers without means establish themselves—they have no time to learn English. They become prisoners of Chinatown. They are paid so little that it takes them decades to save enough to escape. When they do escape, they can't assimilate, because they can't speak English.

GARMENT factories, the economic backbone of Chinatown, perpetuate the vicious circle. Four hundred and seventy-five union shops provide the community's only health insurance and benefits such as maternity leave and paid vacations. "New immigrants choose the work just for the health benefits," I was told by May Chen, the assistant education director for Local 23-25 of the International Ladies' Garment Workers' Union,

which covers Chinatown. "One of the shocks for newcomers is that we have no national health system. The People's Republic, Taiwan, Hong Kong all have national health insurance." Garment workers' pay fluctuates with the market, and, besides, workers are often cheated. But they can't stop working, because their jobs provide their family's health insurance and the margin that allows the family to save. By week's end, many workers told me, they have no energy to take evening English classes or search for better-paying jobs uptown.

Chinatown specializes in the "spot market"—small runs of trendy styles, sewn quickly, so that Seventh Avenue manufacturers who contract the orders to Chinatown can deliver the clothing to stores within a week. Garment workers routinely work Saturdays, and, if a panic is on for a big order, Sundays as well.

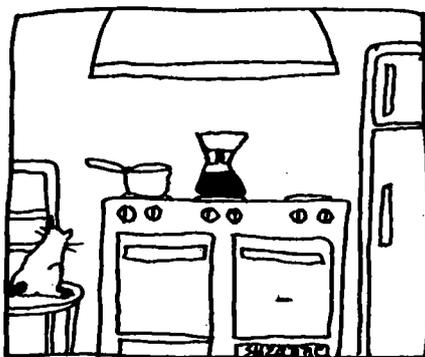
The pressure is extreme. Workers are paid by the piece and do one task all day long. Merrow operators run the machines that sew seams, and are paid from ten cents to twenty cents a seam, perhaps a dollar a garment. Seamstresses add collars, cuffs, zippers, pockets. Piecework that is easy and quick, and therefore lucrative, is called "soy-sauce chicken." No one wants "pig's bones"—tricky garments that take time and so pay little. The lowest-paid workers, who are mostly women in their sixties and seventies, are thread cutters: they snip threads from finished garments. Men or teenagers stitch buttonholes, and steam pressers, all of them men, lay garments on padded ironing boards and, with foot pedals, press the clothing into shape. One man puts stiffening on the shoulder seams of suits, to be heat-sealed against the fabric. All day long, he puts stiffening on the same seam of thousands of suits. The last step is the

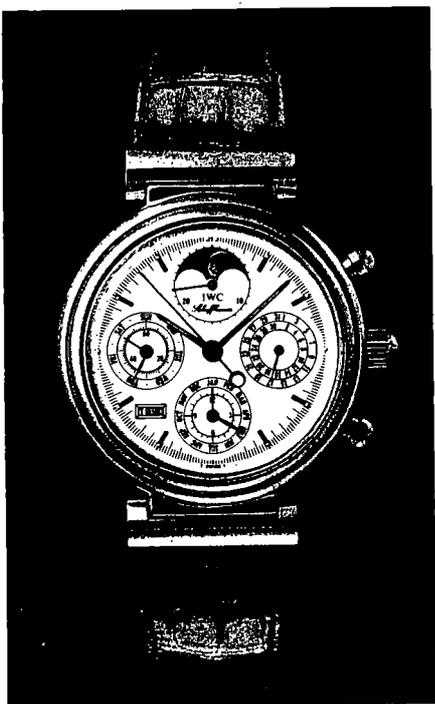
work of finishers: they sort the garments by size and shape, put them on hangers, and trim off any excess threads that remain before bagging the garments in plastic. Chinatown doesn't design, cut, or market; it only sews.

Recently, piece rates have been dropping, as a result of tough competition. Koreans have muscled into the spot market in the last five years, and Korean factory owners are incorrigibly anti-union. The I.L.G.W.U. says that Koreans run true sweatshops—worse than the ones in Chinatown. Only in Korean shops, which are mostly in the Garment District, do workers earn two hundred dollars for fifty-four hours, I was told by Jeff Hermanson, the director of organizing at the I.L.G.W.U. But in the four Chinatown shops I visited last year everyone put in at least sixty hours a week, some for less than two hundred dollars. A handful earned over three hundred dollars. The majority made about four dollars an hour, slightly less than burger flippers in McDonald's working nine to five at minimum wage—four dollars and twenty-five cents an hour. John Lam, one of Chinatown's largest garment contractors, who runs a sixty-million-dollar business, with fourteen factories, pays an average of four dollars and fifty cents an hour.

When piece rates drop below union minimums, or minimum wage, workers silently knuckle under and try to recover the lost wages by working even longer hours. Wing Lam, a labor organizer in Chinatown, pointed out that piece rates are now so low that Hong Kong factories, which compete with Chinatown factories, have moved into the community. "The union doesn't enforce the wage laws, because of, it claims, overseas and nonunion competition," he told me. "There are fewer and fewer Seventh Avenue manufacturers, so when Chinatown contractors offer twenty cents a piece the manufacturers can insist on eighteen cents a piece. If the contractors don't take it, they don't work. You can imagine how low the prices go. Chinatown struck in 1982—twenty thousand women marched in support of the union contract that the owners had rejected. Since then, I've heard of no women sitting down at the machines to strike. A few try, but the contractors close and open under a different name."

One day last year, I accompanied





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*Manufacturer's suggested retail price.

Joseph Halik, Gene Lee, and Angelo Valdevitt, inspectors from the Department of Labor's Apparel Industry Task Force, which enforces state labor law in New York's seven thousand garment factories. Hugh McDaid, the chief investigator of the task force, defines a sweatshop this way: "It violates as many laws as it possibly can—minimum-wage laws, workers' compensation, child labor, unemployment, fire safety. The people who run the sweatshops are the most egregious and deliberate of violators."

Many sweatshops in the city take great care to hide their operations. They put up no signs. They shutter their windows, or they block their curtains with wooden planks, so no one can peek around the edges of the curtains into a shop. They bolt and shutter fire doors. They roll down their outside metal gratings, so the shops look abandoned. Only by putting an ear to the door and hearing the drone of machines can inspectors find such a shop. The sweatshops that honeycomb Chinatown, however, don't hide. They perpetually need workers, and advertise jobs on squares of red paper or cloth pasted on the ground floor of tenements. On East Broadway, we found a tenement with a typical sign on the door: "MERROW OPERATORS AND TWO THREAD CUTTERS NEEDED."

On the third floor of the tenement was Waylon Sportswear, a new union shop. Thirty-eight middle-aged women who were bent at forty-degree angles over computerized Japanese sewing machines lifted their eyes just briefly from their work as we entered. The high-speed machines shrieked like buzz saws. As we made our way down an aisle piled with boxes and clothing, a girl in a red-and-white diamond-patterned sweater and black jeans grabbed her schoolbag and ran for the door. Halik and Lee caught her. Her little brother waited by their mother, a seamstress. "I'm sure the boy was working, but I didn't see him," Halik said. The girl was slender, and wore gold hoop earrings under her long hair. The boy was eight or nine. Mother and son watched fearfully as Lee asked the girl's name and address.

"This girl comes here about 3:30 P.M.," Lee translated. "She's sixteen years old, arrived from China about three months ago. Goes to school here from Brooklyn, where they live,

so she and her mother can travel on the subway in the evening and morning together. She's paid by the piece, and makes an average of thirty dollars a week. Slightly over minimum wage for about eight hours." Lee told the teen-ager that as a minor she could not do this work unless she had a certificate from the Board of Education.

Waylon was a mess: scraps and boxes littered the room, which was about twenty-five feet by seventy. Its floor was cardboard nailed onto wood slats. The grilled windows were grimy, the fire escapes blocked and locked, without exit signs. The toilet was dirty, and there was no toilet paper. But the room was light and was decorated with some Chinese calendars and New Year's greetings. In one corner, incense burned at a shrine to the warrior Gung Gong, a good-luck fixture in every Cantonese business. Steam pressers and thread cutters worked on mounds of orange-and-turquoise Hawaiian shirts at one end of the room. At the other end, seamstresses sewed at long tables, five or six to a table, or at individual work stations. They wore masks over their noses to protect themselves against lint, and aprons over their clothing. Their lunches hung in plastic bags above their heads, hooked on to their machines. On the window ledges were radios and jars of instant tea. One woman sewed a doll-sized pair of pants and held them up, making them dance on her fingers.

"These ladies are here for the duration," Halik said. "They've resigned themselves to that, and they make the most of it. It's piece rate, so it's more flexible. If a lady wants to leave for an hour and buy fish for dinner, she will, and the boss won't get on her."

Meanwhile, Lee and Valdevitt were questioning another young woman. She earned a hundred and fifty dollars a week on the average, she said, or two dollars and eighty cents an hour. She was twenty-one years old. She began work at 8:30 A.M., and usually worked fifty-five hours a week, sometimes including Saturdays. Lee jotted a few figures on a pad, checking her wages: she should be paid the minimum wage (then three dollars and eighty cents an hour) for forty hours, he noted, plus time and a half for fifteen hours of overtime, and a bonus, an extra hour's pay a day, for working more than ten hours continuously every day. He discovered that the woman was being



cheated by over a hundred dollars a week. The woman betrayed no surprise. Lee promised to collect the back pay for her.

Other violations—the absence of exit signs and the blocked fire-escape doors, and also aisles less than three feet wide and loose wires hanging from the ceiling—would be referred to the Fire Department. Lee asked the women if they had any complaints. The women said that this shop was like any other—they were all the same.

Child labor and cheating workers of overtime are endemic in Chinatown, and Waylon is far from the worst offender, the inspectors said. "You see five or six minors in one place, working as thread trimmers, or standing by the machines, handing their mothers bundles of cloth," Halik said. "By saving that step, a mother might take home an extra three bucks a day. The boss doesn't care—it's all on the piece rate. It's either paying the kids or paying the mothers time and a half. That's how they survive."

"The worst are basement shops," Valdevitt said. "No exit doors. Child labor working fifty to sixty hours a week for three dollars and twenty-five cents an hour, under minimum wage. No records whatsoever. No overtime.

No time cards. No ventilation. I've seen eight- and nine-year-olds working in these basements."

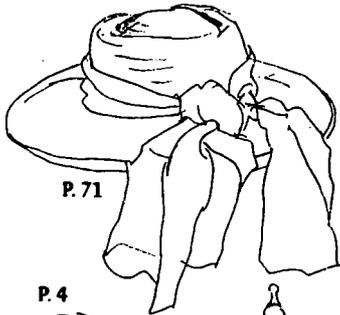
"Bosses let workers take sewing home—that's a very big violation," Halik said. "Especially in the Bronx, you'll see a lot of homework. Whole Vietnamese and Cambodian families stay home and make bows and hair bands—the ones sold at newsstands. We tagged a few big operations for industrial-homework violations—fifty to sixty people. It's cash all the way down the line: ten cents a piece, dollar a dozen, for cutting the ribbon, tying it up, gluing the clip onto it. Asians don't go on welfare. If you have four or five family members making hair bands ten to twelve hours a day, seven days a week, you scrape by."

"In Hong Kong, they do skilled work," Lee said. "Here, the contractors just throw the workers at a machine and see how many pieces they can turn out in a day."

"We've found some places giving people three rubber checks in a month and then calling Immigration to raid the place. The feds got wise to it finally," Halik said.

"The new immigrants are an intimidated labor pool," Hugh McDaid told me. "Chinese are not acculturated

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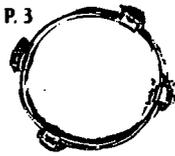
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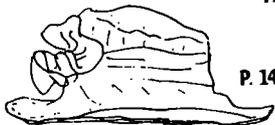
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to their labor rights. They come from cultures where the government is the union is the employer, and they're not used to the government enforcing laws in their favor. They don't report violations themselves."

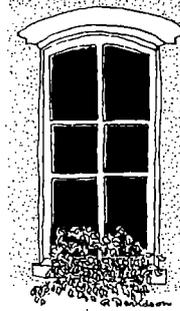
"The number of individual grievances taken to arbitration is probably lower than in any other local in the country," May Chen, of the I.L.G.W.U., said. "Workers here are very frightened. Their employers blacklist them if they complain. It's a small community, it's easy to get ostracized, and then they don't work. A few years ago, an employee took her case all the way to arbitration. Her employer published her picture in the paper and warned everyone not to hire her. A lot of people remember that case."

Factory owners, for their part, complain that newcomers are spoiled by socialism, and shirk their work. One large Hong Kong contractor told me, "The people from China still have that attitude from socialism that whether or not you do your work you get paid. They're not aggressive. A few years ago, they liked to have a nap in the afternoon." She shook her head in strong disapproval. "In America, you have to work very hard. Malaysia, Thailand, it's hot in the afternoon, so they shut off everything. I can't have that here. It might influence others. Malaysians, Thais, mainland Chinese don't like to work long hours. I tell them no nap or I lay them off."

At all the factories I saw—the four in Chinatown, and ten others around the city—children were either working or waiting for their mothers after school. The union is loath to enforce prohibitions against children in factories, because the workers fear that if their children go home to empty apartments after school they'll fall in with the gangs. At a factory on Broadway, four or five children were playing among the fifty-five workers. They ran in the aisles or sat on piles of finished clothing and did their homework. In one corner, a baby slept in a carriage. Bi Lui Chen, playing by her mother at the end of a row, told me she was eleven years old and in the fifth grade. She jiggled around in a pink outfit. Every day, she waits three hours in the factory after school for her mother to finish work, she said, and

sometimes she sews. "I can do it! I can do it!" she exclaimed proudly, pointing to the high-speed machines. "The factory is afraid the inspectors come. So sometimes, when I have work to do, I do it here, a little sewing. Sometimes not. Just for fun," she reassured me. Bi Lui evidently knew that she shouldn't say she sewed for money.

Both of Bi Lui's parents are garment workers. Her father, a steam presser, works in midtown, and earns more than most steam pressers in



Chinatown: forty cents a shirt, sixty cents a cheongsam—the traditional Chinese silk dress, slit at the sides—and a dollar, the top rate, for complicated clothes. Chen declined to tell me his earnings. I met him for dinner in a restaurant, and in Cantonese he said he was "fiddling with the taxation

problem"; in other words, he was underreporting his income—a ubiquitous practice in Chinatown. Many immigrants from the People's Republic, where most people pay no income tax, or Hong Kong, where the maximum rate is seventeen per cent, cannot bear to pay the I.R.S. Mrs. Chen works sixty hours a week, Monday through Saturday, for between two hundred and three hundred dollars. Together, the Chens probably earn about twenty-four thousand dollars a year, to support a family of four.

"Life here is simple and boring," Chen told me. In the six years he has been here, he has left the city only twice, to see entertainers at Atlantic City. He enjoys getting together with other garment workers at an association on Canal Street for an hour or two after work, and playing a friendly game of mah-jongg before dinner. Membership is three dollars. "They have no political talk at all," he said. At home, he watches TV, usually English-language programs, because he can guess the words. Bi Lui likes Hong Kong soap operas.

At first, Chen told me he had emigrated from Canton to make money, but as he relaxed he said that the real reason was that his father had been declared a non-person in China, and Chen was afraid that his children would suffer as he had. Chen's father's sister had married a military officer and defected to Taiwan. Consequently, his father was jailed, and Chen was not

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allowed to continue his schooling to upper secondary school, the equivalent of high school. He began farming rice and wheat, living, as his family had for generations, on remittances from relatives in Chinatown. "It broke my heart," he said quietly. "I was the brightest in my family." Chen's family circle here comprises about fifty people, among them his father, one grandmother, all his brothers and sisters, and their families. None of them speak English or leave Chinatown. His grandmother supported Chen for several years so he could adjust to America and learn English, but he has given up. He complained about having to work longer hours than he did on his farm in China, and said he was too tired in the evening to go to English classes. He said he did not expect he would ever become a citizen, because he wouldn't learn English. Bi Lui translated for the family. She told me she remembered that her first-grade teacher, angry at her slow progress in English, pinched her cheeks until they bled. Her parents approved: the teacher is the most respected figure in China. "Harsh is the tradition in China, harsh can make more obedient and capable children," her father said. Some days when I saw Bi Lui, she was in a rage, and wouldn't talk to me in English. Those were the days when her teachers had criticized her as too slow.

"Many adults are illiterate in Chinatown," I was told by David Chen (he is not related to Bi Lui's family), the executive director of the Chinese-American Planning Council, the neighborhood's largest social-service agency. "So the kids run the households. It contradicts the Chinese way of life, which is to respect the elders. It leads to a lot of problems: the kids hang out; there's not enough bilingual instruction; there's not enough housing; there's not enough parental guidance, pressure in school for performance. They're all supposed to be stereotypical whiz kids. And those who aren't end up in gangs. Face comes into it: 'Mr. Lee's kids did well, why didn't you?'"

I met many people like Bi Lui's father—isolated, upset about Chinatown, but resigned to making a buck and to always being strangers in America. Over and over, I heard how frightening Chinatown was, how bad crime was. But residents feel trapped. They don't know enough English to

deal with the police, they are too frightened to try to fight crime alone, and they are too suspicious of American authorities to help them improve Chinatown.

ONE of the few relaxations that Chinese enjoy is gambling. *Low faan* can't get into Chinatown's illegal gambling parlors, so at eight o'clock on a Monday night—waiters' night off—in November Connie Pang and I boarded a bus outside the Silver Palace for a trip to Bally's casino in Atlantic City. Chinese are some of the casinos' best customers. Every evening, about a hundred people leave Chinatown in buses to gamble all night, and every day four hundred or five hundred depart to gamble all afternoon. In 1988, during the Chinese New Year—the principal holiday of the year, and the one day when most Chinese don't work—eight thousand people went to Atlantic City, in a giant snake of a hundred and twenty buses. About the same number have gone every year since then. The casinos are so eager to have these Chinese players that they pay a bonus of ten dollars to each customer, and also subsidize the running costs of the eight Chinese companies that operate the buses. Some casinos have Chinese marketing managers as well. Their job is to think up new ways to keep the buses loaded and the players betting. Like the regular marketing managers, they analyze videotapes and computerized records of the big players' games, and decide who are big enough spenders for the casinos to lay out money to bring them in often. The casinos send limos to drive them, or helicopters to fly them; put them up free in fancy suites; and extend them large credit lines. At the casinos with the most Chinese business—Caesars Boardwalk Regency, Trump Castle, the Tropicana, the Sands—some players who are regulars have million-dollar credit lines.

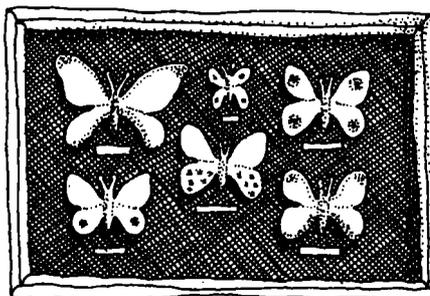
Outside our bus windows, all of

Chinatown was hurrying by; people were shoving, yanking children, bumping each other with lumpy bags of groceries in the fierce cold. A dim-sum peddler stirring his sizzling bits of dough wore huge, stiff mittens. Barbecued ducks hanging in the windows of the Cantonese restaurants looked tough and red. There were twenty-four people scattered around the bus, all Chinese except me and another white woman.

A scowling man opposite us turned out to have a sense of humor. "I'm a noodle-maker," he said. "I make rice noodles on Green Street in Brooklyn for last two years. I was born in Guangdong Province. I come to Atlantic City once every two weeks." He was dark-skinned, and had thin legs like sticks under his jeans, and a sparse mustache. Under a blazer and a red V-neck sweater he wore a T-shirt. He told me he was twenty-eight years old. "I come for the blackjack," he said. "I can only gamble at night, because I work during the day. I can't be tired tomorrow, because I have a lot of noodles to make." He giggled. He would get back to Chinatown tomorrow morning at seven and go straight to work, he said, having had at most three hours of sleep. And he was losing one of those hours talking to us.

His eyes twinkled as he explained why Chinese love gambling. "Chinese are born different from *low faan*," he said. "Born to like gambling. Chinese do not have other forms of entertainment for their leisure time. *Low faan* like to picnic or take trips. Chinese don't picnic or travel, because they don't know English to read the signs and maps, and they don't know the way home. Plus the Chinese like to eat more. When they have a little money, they like to eat it all up. And the third reason is that going on trips is spending money, and going to gamble is getting money back." He said emphatically, "Chinese *like* money, and they *like* to gamble."

He went on to say, "Americans don't have to invest as much in their children. Once their children grow up, they go away. If Americans are broke, they can ask the government for money from Social Security and welfare. For Chinese, it is completely different. Once we have some money, we save it, invest it, and think how to put the money into our child, because we expect our children to stay in our home until



ERANST

after they are grown up. They live with us until they are married—and the men, after they are married, take care of their parents.”

He yawned, then giggled. His wife and son didn't know he was on his way to Atlantic City, he said. He and his brothers share an apartment in Chinatown. His wife, his parents, and his sisters live in Jamaica, Queens, and other parts of the borough. He pays for the apartment that his wife and his parents share. Sometimes he sees his wife if he gets off work early. Otherwise, he spends Saturday night with her.

Out of his pay of fourteen hundred dollars a month, he said, he can afford to use between five hundred and six hundred dollars for gambling. Sometimes he stays away from gambling three months in a row. “Chinese have a saying: Nine out of ten gamblers are broke, and none can buy a piece of land.” Gambling has a stigma in Chinese culture, he assured me, contrary to what others had said. But he didn't think he was addicted. “The feeling is odd. Sometimes the idea comes into my head that I want to gamble, and I just go. I make no plans in advance, so I don't think I am addicted.”

We wished him luck. He nodded, and thanked us ceremoniously.

We arrived at Bally's an hour and a half late, and all the passengers dashed off into the crowds. The huge casino resounded with the frenzied clanging of slot machines. Connie and I had to keep moving. The pit boss gave us the eye if we watched one table a long time. We were also being observed through the ceiling, which had one-way mirrors in it. Video cameras, some of them overhead, were taping the tables, so casino employees seated at computers could keep tallies of the bets of big winners and losers.

Chinese, we noticed, went for big payoffs. They clustered at the baccarat, roulette, and blackjack tables. Blackjack, for instance, paid off three to two. Table after table of blackjack were all Chinese. They didn't bother with craps or the wheel of fortune. Large parties of Caucasians at these tables whooped it up and egged each other on. The Chinese played silently. A number of Chinese women in their thirties were gambling in groups. They looked prosperous—like businesswomen, not Chinatown women. One, in a pants suit and pearls, was playing alone, and

THEIR HOUSE

They've built an understanding
with their pillars and two-by-fours
and the crushed stone that goes into cement,
a way of cutting the dark to fit.
Moths flicker on the shiny lit surfaces.
There is a border of red and white tulips
and impetuous birds sing. She learns to cook
such things as floating island.
He calls it eggs in snow. They watch the wind
catch up the narrow yellow leaves
and listen for the knuckle-cracking thunder.
Then great stones begin to roll.
Rain falls. And on the side of the woods
it falls again just for them
from the trees, glad to repeat itself.

One day he notices an orange fungus
that has twisted over a tree stump.
It reminds him of his childhood, stiff and unreal.
And at night something flings bark and acorns
against the door. The pool,
green with algae, begins to sink out of sight.
Soon they forget the bright tanager,
its one note sucked through a straw.
Then no step in her garden
makes anything grow. Then theirs
is not a ship sailing with the wind
but a house with its chimney blown away.

When they leave, boards are knocking,
swollen out of place. Raccoons scratch
in the attic. It is hot and moist
under the rubble of their lives,
ideal conditions for growing. That summer,
new owners are moving themselves in,
younger, quicker. You can see
the sweat on their foreheads.
The woman in her flip-flops shoots ahead.
What does she carry in her arms? Ah,
she is hurrying in to feed their enormous baby.

—ELAINE TERRANOVA

very successfully, at blackjack, with thousand-dollar chips in every rack.

Well into the morning, we spotted the noodle-maker, concentrating darkly. We watched from a few feet away, and he played steadily, cautiously, without acknowledging us. Finally, Connie and I waited out the last hour at the bar, glassy-eyed.

At 4:30 A.M., we got back on the bus. Every seat was taken now, and the gamblers lighted cigarettes to shake off the anxiety of the night. We asked the noodle-maker how it had gone. He had not had luck tonight. He was considerably diminished, and curled up like a snail inside his blazer to sleep. The tour guide accompanying the bus,

an ethnic Chinese with a sad story of escape from Vietnam in a boat attacked by pirates, admonished me. “It is bad manners to ask how someone has done,” he said. “These are the hard core. They never show any emotion when they lose.”

The bus of sleeping gamblers pulled into Chinatown at dawn. The gamblers woke with a start, stamped their feet, and filed out.

THE more I talked to Chinatown residents, the more fascinated I became by their drive to gamble away money they have spent hours of toil to earn. The Off-Track Betting outlet at Chatham Square, one of two outlets in

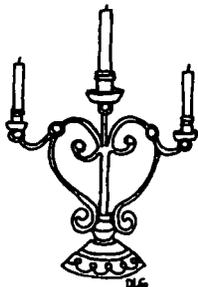
Chinatown, is the top revenue producer of ninety-six in the city. It is nine years old, and it has topped the charts every year. An average of ninety thousand dollars is wagered there every day—three and a half times the citywide average. The other OTB in Chinatown, on Lafayette Street, is consistently the second- or third-highest grossing in the system. It and the Chatham Square branch together have an average of a hundred and twenty-five thousand dollars of bets a day. Close to a thousand customers wager at Chatham Square every day. On Sundays and holidays, the crowds of men are impenetrable, the room is gray with smoke, and the lines at the windows are ten deep. Chinese bet about the same amount on a race as everyone else in the city—an average of forty dollars.

In Chinatown, gamblers begin with spare change. If they lose that, they go into family money. And if they lose that they work extra shifts. Many gamblers are waiters, and since there are twenty-five hundred Chinese restaurants in metropolitan New York they can scrounge around for an extra five or six hours of work a day. Garment workers pool their money and bet. A Chinese man who works for the OTB told me, "The OTB always looks for Italian neighborhoods first, then Chinese. The Italians are macho—they like to throw their money around. They boom out, 'A thousand dollars on a horse!' They bet fifteen thousand dollars to make five hundred dollars. The Chinese are more reserved. They whisper, 'A hundred dollars on a horse.' They put down a hundred to make a sure five dollars. They'll go for the long shot, too, but they'll hedge with the favorite."

Over and over again, I heard Chinese say that they have no other recreation. "Look, gambling in our culture is not illegal. It may be illegal in America, but we didn't make those rules," one Chinatown resident said. Many are wary of movies, because gangs have shot innocent moviegoers. They don't much patronize the arts. The community has few libraries, only one park, no night clubs, and few bars; private night clubs where Chinese sip Rémy and dance with bar girls are in midtown. Non-gamblers offered sociological explanations for the Chinese

obsession with gambling. A Chinese nurse in a neighborhood clinic laughed when I asked her why so many Chinese gamble. "All they know is work, work, work—seven days a week. Gambling is the only means they have to relieve their stress," she said. Another Chinatown native told me, "Chinese are used to working in dirty, dingy old Chinatown. Atlantic City is like Shangri-La to them. One day away from the grind." The labor organizer Wing Lam says that Chinese gamble because they are exploited. "The Chinese see they can't get rich working long hours," he explained. "A lot give up hope. They need a painkiller. They spend six hundred dollars on baccarat the way the Irish spend money on alcohol. It's not in their blood—it's poor people escaping reality." David Chen, of the Chinese-American Planning Council, offered a similar reason: "You work so hard, no time to spend the money or invest it wisely, you gamble and see it double—so they hope."

Chinatown's illegal gaming halls are a sort of mini-Atlantic City. The differences between Atlantic City and Chinatown are that the tongs run or sanction most of the illegal parlors, the police periodically bust them, and they are not plush or safe. Sometimes the gangs who guard them, or gangs from other cities, rob them. Most of the illegal halls are permanent, but a few float: a humid basement parlor with brown-paper-covered metal tables and Formica siding on the walls can be a flower shop next week. They are expensive to run but very lucrative, because they are open sixteen, or even twenty-four, hours a day. One Chinatown resident broke down the costs for me: "They pay rent, they pay their employees—they have a pit boss, hosts who know everyone and can get them to come in. Investors and partners put up a cage, but they can't get Wells Fargo to pick up the proceeds, so you have gangs. You got to pay the tong a percentage of the gross, you maybe got to pay the local gendarmes—they know exactly where you are. Why do they not hit them all the time? Then, how do you keep the gang members guarding your place happy? Apartments, girls, lawyers, guns. You need a kitchen and a chef, so when a guy hits it big he can stop and celebrate with a



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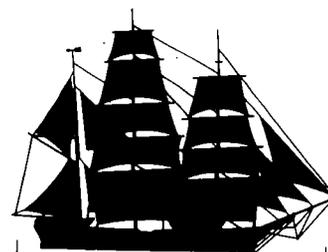
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meal. Every once in a while, you need a Shanghai sailor to come in and do a hit, so your guys don't get burned out. It's convenient that a sailor can get on a ship and get lost. It's been happening like this for the last forty years—every three, four, five years, there's a murder. You sit there with your brow furrowed, but a Chinese from the community will hear about the hit and say, 'Ah, the guy was probably dipping.'"

In the illegal joints, mah-jongg, thirteen-card (a variant of poker), fan-tan, pai gow, and tein gow are the most popular games. Pai gow, which is played with dominoes, has serious betting—a thousand-dollar minimum in some games, and sometimes there is four hundred thousand dollars on the table at once. Fan-tan can make a gambler a fortune in no time. A random number of buttons are put in a bowl, and are then removed four at a time. Players bet on the number—three, two, one, or none—that will be left at the end. Depending on the type of bet, there are three rates of winning, and in less than an hour fifty dollars can explode into thousands of dollars.

Hundreds of thousands of dollars are in play any night in Chinatown's basements. Law-enforcement officials have unconfirmed reports that in Fujianese gambling parlors profits run to a million dollars a week. Losses are also steep. Loan sharks prey on gamblers. Many stories circulate of Chinatown restaurants sold to pay fan-tan debts. Working-class losers pay off debts by becoming couriers smuggling heroin on flights from the Far East.

"No matter where they go, Chinese gamble," Justin Yu, a former head of Chinatown's journalists' union, notes. "On horses, dogs, chickens, numbers, sports, elections, bicycles, motorcycle competitions, whatever you can think of—they will bet on who will cross the street. I'm from Taiwan. There they gamble on everything—sometimes losing their wives, because they lose their houses and their wives split."

The real-estate broker Dean Lui is a wise observer of Chinatown life. "Chinese gamble because they think it is the fastest way to earn money," he told me. "Without a doubt, Chinese like money more than Americans do. Americans enjoy travelling, sports, a

vacation. They don't care about money. They make it and they spend it. But not the Chinese! They really care about it. Every Chinese likes to be very proud. Chinese really want to help friends and relatives. It's for face. Big face. 'You have a great big face,' we say. If you have money, you send some to mainland China to your relatives. Every year before the New Year's festival, you'll see long lines at the bank of people sending money out. Sometimes they send a hundred dol-

lars, sometimes a thousand dollars. Banks charge from five to ten dollars per transaction. Myself, I received a letter from my aunt and uncle in the country in China. 'I want to buy a new house. Can you please send us several thousand dollars?'" Lui laughed. "I sent them five hundred dollars only. We are from Far East. If you don't send money, you will feel that your relatives think you are not successful."

OLD Chinatown exists only in traces. The shops are gone, the people are gone, and few records were ever kept. Chinese are ashamed of the bad old days of racism, and few wish to rake up Bachelor Society Chinatown, the culture that arose under anti-Chinese laws in effect between 1882 and 1943—a salty, raw, chauvinist society, made up almost exclusively of laundrymen and laborers. Some of the fifty old-timers who recently taped oral histories for the Chinatown History Museum, the one local institution dedicated to documenting the past, felt compelled to ask the museum not to release the tapes before their deaths.

Two forms of racism created Chinatowns: Chinese and American. The clash set the pattern for future discrimination against other Asians. In the mid-nineteenth century, when the first Cantonese came to San Francisco in the gold rush, there were no immigration quotas. By and large, the Chinese never intended to stay long—just long enough to get rich, and go home big shots. Most were peasants; a few were members of secret triad societies, outlaw groups dedicated to overthrowing China's Manchu rulers.

At first, Chinese were welcomed, but soon their willingness to work for very low wages enraged white miners.

The miners killed a few, ran some off the mines, and taxed the rest. Still, more Chinese immigrated, lured by stories of extravagant wealth in Gam Saan, the "Gold Mountain"—their term for California. After building the Central Pacific Railroad, they competed with whites for jobs as cannerymen, fishermen, and industrial and agricultural workers in California, and endured many forms of discrimination; they were even forbidden to walk on the sidewalks with the bamboo poles they used to transport goods. In his book "Chinatown, N.Y.," Peter Kwong, a Taiwanese immigrant and a political scientist at the State University of New York at Old Westbury, explains that organized labor laid the blame for the depression of the eighteen-seventies on the sixty-five thousand or so male Chinese in the West. Chinese were easy to scapegoat: they worked for any wages, at any job, subsisting on nothing, it seemed. They lived apart in Chinatowns to avoid white barbarians, and they smoked opium, wore their hair in queues, burned incense before idols, and didn't bother to learn English, because they were here only to find fortune.

Across the West in the eighteen-seventies and eighties, Chinese were murdered and their homes were burned. White mobs from the Cherry Creek Diggings, near Denver, beat Chinese and looted their stores, while a lone gunman defended the immigrants, saying, "If you kill Wong, who in hell will do my laundry?" The historian Shih-shan Henry Tsai chronicles the riots that exploded in the region in "The Chinese Experience in America": in Montana, Chinese were expelled from the mines; in Tacoma, vigilantes hauled them from their homes and ran them out of the city; in Rock Springs, Wyoming, miners, enraged that Chinese would not join a union, murdered twenty-eight of them; in Los Angeles, nineteen were lynched. In some places, Chinese were killed for sport. Cowboys bound Chinese to steers and drove them out of town. Some newspapers thought the violence hilarious. In a cartoon of the period, Uncle Sam inveighs, "I hate the nigger 'cause he's a citizen, and I hate the 'yellow dog' because he won't become one."

The Chinese Exclusion Act of 1882 barred Chinese laborers or their wives from entering the United States. It



excluded Chinese from most occupations, including manufacturing and mining. It also forbade them from becoming naturalized citizens. President Grover Cleveland supported the act, declaring the Chinese "an element ignorant of our Constitution and laws, impossible of assimilation with our people, and dangerous to our peace and welfare." Some states denied Chinese the right to testify against whites in courts. Many states prohibited them from owning property or from marrying whites. Twenty-five states required that Chinese children be taught in separate schools. After 1924, an American woman who married an "alien ineligible for citizenship" lost her own citizenship, and another law that took effect the same year barred the immigration of all Chinese women.

Such laws persuaded many Chinese to go home, but some dived for safety into Chinatowns until the Second World War, when the Exclusion Act was repealed. In Chinatowns, men lived without wives or children. Most became laundrymen, though nowhere else in the world had Chinese washed clothes for a living; they did so here simply because laundries were permitted under the act and were cheap to open. The segregated ghettos of men were, inevitably, tenderloins, with gambling halls, opium dens, and prostitutes. Police stayed out of the ghettos, and let Chinese settle their own affairs. In that way, too, American racism turned Chinatowns in on themselves.

Family associations, composed of people with the same surname, provided newcomers with jobs and loans. In district associations, composed of people from the same area, elders settled disputes, since

Chinese did not use American courts. The Chinese Consolidated Benevolent Association governed every Chinatown. Its word was law, and it urged Chinese never to become Americanized. It didn't have to teach Chinese to distrust outsiders and authorities; they knew they risked beatings if they left Chinatowns.

The tongs served as police in Chinatowns, since white cops stayed out. But tong fought tong; these protection societies for weak family associations, first formed in San Francisco about 1850, committed most of Chinatowns' crimes. Merchants began the On Leong tong; criminals formed the Hip Sing tong. These and five or six other prominent tongs carved up the streets of every Chinatown into business districts where only their members or approved non-members could open shop. A Hip Sing walking on an On Leong street could provoke war: hired assassins,

usually members of the triads, avenged the insult with murder. The arrangement was oddly delicate: the assassins, called hatchet men, after the weapons they used, fought proxy wars. These allowed enemies to greet each other on the street, knowing that they had been avenged but that they had not risked their own lives. Tongs also controlled the gambling halls and prostitution. Tong bosses owned slave girls, young prostitutes smuggled in from China, and lived off their earnings. In New York City, tong wars were a rite of spring from about 1910 until the early nineteen-thirties, when the United States Attorney in Manhattan clamped down. During the worst bloodshed, children had to be escorted to school by armed tong guards, and business was at a standstill.

Tourists in those days went to Chinatowns to ogle opium dens, slave girls, and sites of lurid tong murders.

Today, liberal Chinese, influenced by the Asian-American movement, skip over this period or ridicule it as an invention of white journalists for the titillation of their readers. Stories of Chinese slavers kidnapping white women, the subject of Frank Norris's famous tale "The Third Circle," were probably salaciously exaggerated, but there is no question that Chinatowns were tough and pervaded by fear. Many residents were illegal "paper sons," with false identification papers and fake names.

In New York in the eighteen-nineties, in the three-block colony of Mott, Pell, and Doyers Streets, which was settled by Chinese fleeing anti-Chinese violence in the West, shops overflowed onto the sidewalks. Colorful paper lanterns fluttered from storefronts. Toy sellers, shoemakers, flower sellers, pipe-bowl menders, fish and produce sellers sus-



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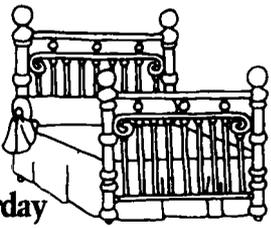
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pended their wares in baskets from bamboo poles. The ratio of men to women was twenty-seven to one. The streets were thronged with men in dark tunics and dark leggings, with dark felt hats over their black queues. The few children (born to merchants, who were exempted from the Exclusion Act and allowed to bring in Chinese wives) glowed in citron and fuchsia silks against the monochromatic men. Slave girls were the only women allowed on the streets. According to one journalist's count, Chinatown in 1898, with a population of some three thousand, had seven hundred gamblers, four hundred and fifty hatchet men, at least twenty opium dens, one annual opera, and yearly poetry-writing competitions, and all but eighty-four of the male residents were bachelors.

THERE is only one shop left from the early days of Chinatown. Paul Lee, a hip forty-one-year-old actor and an operator of gambling-bus tours, owns Quong Yuen Shing & Company, at 32 Mott Street, a store that his grandfather Lok B. Lee, a pillar of Bachelor Society Chinatown, managed in the eighteen-nineties. Lee showed me around, grousing about the preservationists in Chinatown who want to mothball the place as a museum. "The store started in 1891—it was a general store and a mail drop for the old sojourners," he said. "They changed money here, sent money back to China, got their supplies here. Many people lived here. When I was a kid, in the basement we had cages of wild animals—deer, raccoons. We'd slaughter them for the old medicines. Then the American Medical Association attacked Chinese herbalists, and we took the stock off the shelves."

Quong Yuen Shing, which has its original fixtures, is dark and dusty, as though it were already a museum. A fifteen-foot-long gilded screen of peacocks and chrysanthemums, carved in China a century ago, frames the former herb pharmacy. Behind it, a salesman uses an abacus. Bare wooden floors creak. A few paper lanterns hang from a flaking tin ceiling. Old wooden counters on one side display tea sets, and in cabinets behind them are Budhas, mah-jongg sets, pictures of butterflies and peonies made of wheat-straw, and, tucked away in drawers, silk handkerchiefs such as the laundrymen, the store's first customers,

sent their best clients at Christmas at the turn of the century.

"Let's go in the back. I'll show you that this place hasn't been changed in a hundred years," Lee said. We squeezed down a narrow corridor, passing small rooms stacked to the ceiling with cardboard boxes of goods from the People's Republic. "We won't sell the store—we'll just be driven out," he said, looking at the incredible disarray. "I'm big in Chinese vegetable seeds." Nodding toward what looked like piles of Monopoly money, he said, "That fake paper money is ghost money for ancestor worship. If someone dies, you burn it. The burning appeases the ghost."

At the far end of the corridor is a large room filled with a jumble of boxes and crates, and to one side a bathroom is enclosed in a closet that reaches three-quarters of the way to the ceiling. "This was open, if you can imagine," Lee said. "At a table, we'd have twenty guys, coolies on staff, eating. They slept here." He pointed to a loft bed on the roof of the bathroom. "That's a luxury spot—that guy had the whole nine yards. We had workers downstairs, too, on racks like bunks in a submarine."

Lee introduced me to his aunt. "She knows all the family history," he said.

His aunt, eighty-two years old, begs me, out of modesty, not to identify her. "Please don't make me stand out like a sore finger," she said. "Chinese would consider it boasting if I gave my name." She went on to tell me, "Chinese were nobodies in the old days. You couldn't fight for naturalization. There was a great deal of discrimination. That's why many Chinese boys and girls in the old days never applied to a university—because the parents said, 'What's the use? You'll end up in a restaurant or a laundry.' In the twenties, thirties, forties, there was no point in going uptown for a job. If it was an important job, someone else got it.

"My father and mother wouldn't have let me marry a white person. All my social and professional life, I knew Chinese—the only white people I ever met were at college. They didn't ask me out. At the time, it was forbidden in our community to marry whites.

"My parents had never been to school. They had no idea what a library was. My mother asked me, 'What kind of place is it where they let you borrow books freely?' She sent

my father out with me to see what it was. He just worked from the day he came over to the day he died, and yet, comparatively, he was Westernized." Her father, Lok B. Lee, confounded Chinatown by sending his six daughters and his son, Peter, to college. "Women in Chinese culture were rarely educated—his attitude was very advanced," his daughter said. "My father was king. I never dared express my likes or dislikes. No, I didn't long to. We never rebelled. Chinese are taught to hide their feelings, respect their elders. My parents didn't tell us their parents' names. They didn't reveal their pasts, or even their birthdays. They were superstitious. Chinese in general don't discuss birthdays. Their belief is that if you talk about something good all the time, the evil spirits, the *yein*, will overhear you and cause harm. We never knew, for example, the year my father emigrated.

"I couldn't join the Girl Scouts or any clubs. My mother didn't want me to go. See, the trouble was she didn't know anything. She had bound feet and couldn't walk. They said in China no one would marry you otherwise. The original purpose was to keep wives at home, keep them virtuous. But who would want to marry a woman with bound feet who couldn't go anywhere? I was Westernized, you see.

"Once, Father thought of buying a house in Brooklyn, so we could have a back yard. 'Go yourself,' Mother said. 'I don't speak English.' She'd have been a prisoner. At least on Mott Street she could look out the window. What she enjoyed most was all the activity of the Catholic church across the street. They had baptisms, weddings, Sunday school—always activity to watch. In a country place, she wouldn't even have been able to speak to her neighbors. My father realized that she was right. She couldn't even get out of the house to shop. She telephoned the orders to Father in the store, and a boy ran and did her shopping. People don't know anything about these matters now, because after 1912, when Sun Yat-sen overthrew the Manchus and established a republic, no one in her right mind would bind her feet. All the men cut their queues, too."

Peter Lee, Paul's father, is a mild-mannered man with a small frame, younger by a decade than his sister. One morning, as he watched over the

store, he told me, "Until the nineteen-forties, we were confined here. We couldn't buy a house outside. New York had no law against it, as some states did—it was just discrimination. Our father just beat the Exclusion Act. He was twelve years old when he came over, as a coolie. Originally, the store was a purveyor to laundrymen—half the population here in the eighteenth-nineties. There were supposed to be ten thousand laundries in the area. The laundrymen came in on Sundays, their one day off, for their supplies, including dried foods, soap, and Colgate toothpaste. We also shipped supplies to Chinese laundries around the country—buttons, laundry tickets, irons."

Lok B. Lee took over in 1894; he was chosen by the store's founders because he spoke English, his son said. He paid a thousand dollars to have his identification papers upgraded from coolie to merchant, and, with his higher status, he was exempt from the Exclusion Act—allowed to have a family and to travel to and from China. "My father's favorite story was that John D. Rockefeller taught him English," Peter Lee said. "About the time they were calling Rockefeller a robber baron, he came to Chinatown and taught Sunday school to five kids. My father was one of them. He was very ingenious. He was basically illiterate in Chinese, because he came here so young. He always carried a Bible and a *New York Times*. Two of the hardest things to practice your English on!"

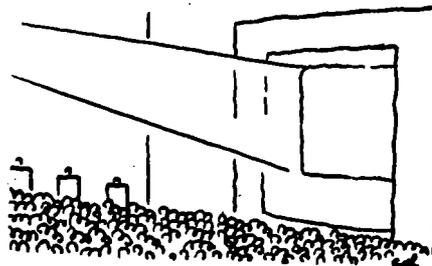
American banks refused Chinese, so stores like Lee's acted as banks. "That's how they opened all these laundries—the stores lent money," Peter Lee explained. "This store helped Lees. Other stores helped other families. To open a laundry cost two thousand dollars. My father took no collateral. You told him what district in Canton you were from, and he'd lend you five hundred dollars at six per cent, exactly like the bank, and you'd get the rest from relatives. Laundrymen deposited with him, too, like a credit association. They only spent for their everyday

needs. The rest my father would bank and, if they wanted, send it to their wives in China. It was a very lonely life for them. When they'd piled up a thousand or two thousand dollars, become rich men, they'd retire to China, because they had no wives here. We paid out two hundred and fifty thousand dollars over that counter." Lee pointed to an old wooden counter, over which mostly tickets to Atlantic City and entertainment events pass now. "We had just fifty thousand dollars in bad debt."

Showing me an old piece of cloth covered with metal campaign buttons and medals, Peter Lee said, "Here are my father's medals. The Chinese-American Alliance raised a million dollars for the First World War. My father headed the fund drive here. We're really talking about laundrymen donating their savings—it's amazing they could raise that much. And they weren't even citizens. This yellow-and-red button, 'Bowl of Rice Party—Call to Arms,' must be from the thirties, when Japan invaded China and the U.S. wasn't getting involved. Chiang Kai-shek was *the* man here. We raised several million dollars for the Guomindang, because that was the only party we knew. Sun Yat-sen started the Guomindang, you know, and he stayed at 10 Mott Street when he came to New York to raise funds for the 1911 Revolution. He went to all the Chinatowns—San Francisco, Honolulu. New York was then the smallest one, but we backed him up, and later we backed up Chiang Kai-shek, his successor.

"My father had two dreams: to send all of us to college, and to become an American citizen. He died a year before Chinese were granted citizenship. We were finally accepted, because the Japanese bombed Pearl Harbor, and the U.S. allied with Chiang Kai-shek. Washington let Chinese in because we were allies. One hundred and five a year! My father never gave up on America. He bought a cemetery plot here. 'Don't you send my bones back to China,' he said. 'This is my country.'"

But, Peter Lee added, his father pushed him out of Chinatown. "The only reason I'm back here is that my son and I forced our way into this store. I figured we had to protect our interests. See, my father said, 'Make your living outside.' People figured



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that their sons could make a better living with an American company—better pay and a pension, for example. That's why this is a first-generation community—the first families kept it that way. They were always getting people from the other side to run the businesses, and pushing their children out. The children wanted to go. They remembered the cold tenements, the hall toilets—all the bad things."

The Chinatown that Peter Lee returned to in the seventies had changed radically since the nineteen-forties. The racist immigration quotas had been lifted. The United States had diplomatic relations only with Taiwan, so immigration was largely from Taiwan and Hong Kong. Students who wanted to "drink Western ink" flowed in. Some of them, together with the sons and daughters of the laundrymen of the thirties

and forties, formed the Asian-American movement. Young radicals saw the Vietnam War as racist, and were shocked that G.I.s couldn't distinguish politically between Vietcong and Vietnamese. Asian-studies courses, and writers like Maxine Hong Kingston, for the first time examined American history from the point of view of Asian-Americans. Many assimilated Chinese moved back to Chinatown, and organized Third World solidarity movements, storefront social-service and political-education programs, and food co-ops.

In New York, in 1969, some leftists took the name I Wor Kuen—after an anti-Western paramilitary group that was prominent during the Boxer Rebellion—and shook the community up. In Chinatown, the Communist flag had not been raised since the fifties; when the United States began an embargo of goods from the People's Republic. In his book "The New Chinatown," Peter Kwong explains how I Wor Kuen was the first to import movies from the People's Republic and sell Communist Party magazines in Chinatown after the embargo was lifted. The group's members agitated for the establishment of diplomatic relations with the People's Republic. They demonstrated against tourist buses, denouncing tourists for ogling Chinese as though they were animals in a zoo. They charged the conservative elders with exploiting

Chinese, ignoring social problems, and being Uncle Toms.

All this rubbed off on Paul Lee. In the seventies, before he became an actor, he was a social worker who counselled gang kids and advocated establishing diplomatic relations with the People's Republic. Lee and his father have a typically Chinese, strained father-son relationship. New immigrants would consider Paul Lee a *juk-sheng* ("hollow as a bamboo pole")—one who betrayed Chinese culture. He cannot read or write Chinese,



and embracing individualism inevitably brought him into conflict with his father. "We have an expression in China—a mountain cannot have two tigers," he said. "That tells the whole story. In Chinese culture, the old guys are revered when they get old. The modern Chinese aren't playing

that, and the women aren't, either."

Paul Lee went on to explain, "Here it isn't asked if you've done enough for your community. I used to be on the board of a social-welfare agency, and people said, 'What? You're crazy.' It's asked if you've done enough for your family. My family's about ninety people—when you have taken care of your mother, your father, your wife's mother's father, your brothers, your sisters . . . The list goes on and on. If they come free of debts, they want me to buy them a house. As an American-born Chinese, I'd give them a one-time cash payment. I'd talk to my wife and determine the size of the payment. In my family's terms, I'm obligated. You're supposed to give freely and be happy. If I had a cousin on the other side getting married, I'd be supposed to raise her dowry. It's never O.K. to marry out of the Chinese family—don't let anyone tell you different.

"We used to be a little neighborhood. Chinatown is now an integral part of an international financial center—Hong Kong, Taiwan, Toronto. We may be small next to Japan, but we have a lot of big money moving around, and legitimate money. Chinese are into every field you can think of now. When I was a kid, I used to be pissed off that we were locked into math or science. I couldn't be in history or the arts or political science. Chinese want their children to be schol-

ars or professionals. No one wanted me to be an actor. Gerald Tsai, the C.E.O. of Primerica—that's awesome. Our self-image today is much better. I used to be a little store on Mott Street. Now I can dream in other areas. I was a consultant on 'The Year of the Dragon,' and then M-G-M hired me to represent it. They put me up in the Beverly Wilshire, on Rodeo Drive. My customers couldn't care less about my film career. That's something I'm so proud of." Paul laughed, greatly amused.

"Hollywood stars could come here and be completely anonymous," he went on. "A vast, vast majority of Chinatown wouldn't know them. I bring the Chinese superstars here to perform in Atlantic City. For instance, Danny Chan, the singer. Roman Tam, the top performer in Hong Kong. Fifty dollars a head." Paul clapped his hands. "Our showtime is 1 A.M." He laughed again. "I get more for my tickets to these shows than Frank Sinatra gets. I'll tell you what this place is like. How many people do you know who would not want to work in a Woody Allen movie? Nobody in Chinatown has ever heard of Woody Allen. I had to get some extras for his last film, 'Alice,' and I asked a room full of a hundred people, 'Please do me a favor.' Zero. The film people were, like, 'Don't they know this is a Woody Allen film? They should be happy to be in it!' I said, 'If you want them to be happy, don't tell them it's a Woody Allen film, tell them it's a film for that nice little man over there with glasses.'" —GWEN KINKEAD

(This is the first part of a two-part article.)

TODAY IN HISTORY

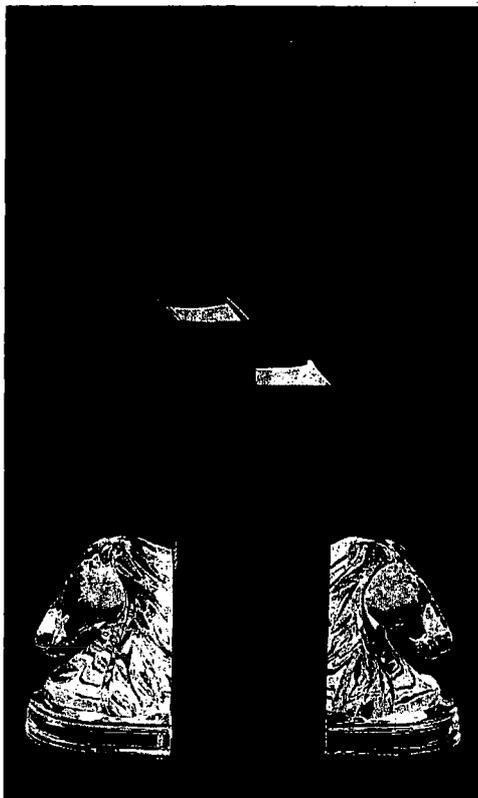
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The sun rose over a gray landscape today, its light struggling to penetrate the swirls of fog that hugged the Gulf Coast like a lover wrapped in a warm embrace. The mist hung low over Mobile, filling the city streets, a somber reminder of the nearness of the sea.



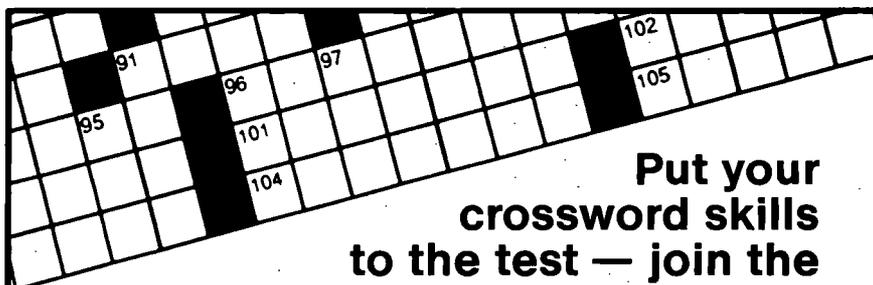
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IN FASHION

The Eye of the Beholder

IN the video for George Michael's "Freedom," released last November, Michael himself is nowhere to be seen, but his voice carries us along as the camera cuts from one girl to the next in a glamorous relay, with five unofficial members of an international modelling cartel mouthing in succession the words to his latest hit song. Linda Evangelista sits huddled inside a big cowl-neck sweater, waiting for a kettle to boil; her hair, which started a trend when she cropped it nearly three years ago, is now platinum blond. Cindy Crawford, the Revlon girl, with her trademark mole above her lip, soaks in a bathtub. Tatjana Patitz, a voluptuous German blonde, with narrow, almond eyes, lies in bed, staring at the ceiling and smoking a cigarette. Naomi Campbell, a black soubrette with a penchant for wigs, and Christy Turlington, a radiant, pixie-faced ingénue, her full lower lip in a natural pout, complete the cast (along with a few forgettable men). They move through rooms that are very sparsely furnished, like a gang of beautiful girls squatting in an abandoned sorority house. These are the girls who all posed together for the cover of the January, 1990, issue of *British Vogue*—the faces for a new decade. Someday, we'll see a rerun of this video and think, That was the year of those girls—the way we look at old photographs and magazines and think, Those were the days when Earth shoes were all the rage, or That was the

year of the Dorothy Hamill haircut.

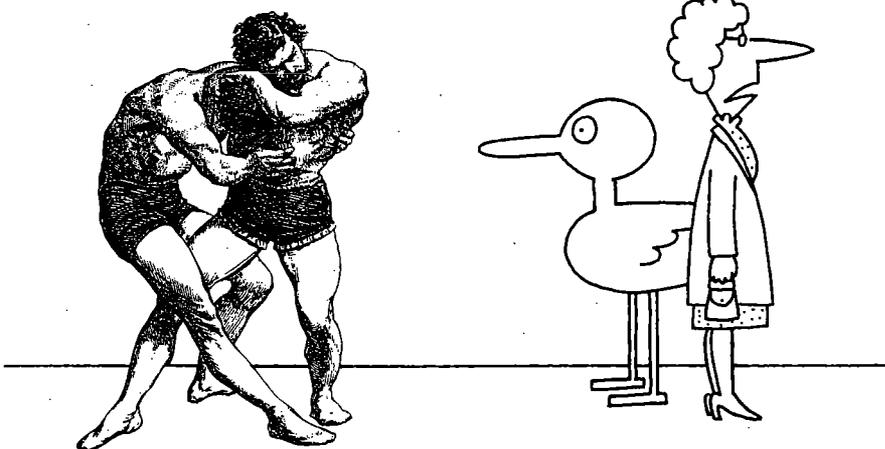
Now that movie stars, baring their battered souls to Barbara Walters or writing memoirs of their stay at the Betty Ford Center, have succeeded in convincing us that they're no better than the rest of us, the glamour surrounding fashion models is greater than any Hollywood starlet's. Now that men and women who forty years ago could have blithely gone about their careers as sex symbols have taken to wearing horn-rimmed glasses and attending poetry readings and lobbying on behalf of the rain forest, fashion models seem to be among the few remaining guilt-free good-time girls. And now that actresses have grown increasingly determined to present themselves as real people wearing plain clothes, it's the models who look consistently stunning. For some time now, fashion designers have been celebrities in their own right, but it's just lately, with Gianni Versace coöpting the music business and Giorgio Armani the movie industry, that they and the models who surround them have begun not only to move in the same circles as rock stars and actors but to be seen as their equals.

There have been models who attained a kind of stardom in the past: Marion Morehouse in the twenties and thirties; Lisa Fonssagrives in the forties; Suzy Parker and Dovima in the fifties; Twiggy, Veruschka, and Jean Shrimpton in the sixties; Lauren Hutton, Cheryl Tiegs, and Christie Brinkley in the seventies. But it's only with the

current generation that the most successful models have transcended fashion and become pop stars. On the runway, in the pages of magazines, on MTV, they exercise their fascination. With fashion in such a state of disarray, these girls define the moment we're living in as much as, if not more than, any designer. An outfit that's simple or classic, not particularly new, looks timely when it's worn by one of them. And they have what amounts to a virtual monopoly, with any one of them appearing in ads for competing houses. "You'd think that there weren't any other models working," a fashion publicist remarked recently, leafing through the pages of a magazine.

BACKSTAGE on the morning of the *Comme des Garçons* show, in the Cour Carrée of the Louvre, where the French ready-to-wear collections are bivouacked for eight days twice a year, the atmosphere is surprisingly serene. The models start arriving at the tent a little before seven—unusually early for a show scheduled to start at half past ten. They greet one another cordially, exchanging compliments on their latest magazine photographs, trading news about their bookings and their boyfriends. Seen in this context, Kristen McMenamy looks rather average: yet another girl who's five feet ten, with a long, narrow neck, like the stem of a flower; a small head; long arms and legs; large hands and feet; small breasts; no thighs. She makes her way to the tables set up along one wall, where seven hairdressers work side by side, combing gobs of gel through dampened hair with their fingers and shaping waves with aluminum clips. Five makeup artists, lined up opposite, dab on foundation and paint lips and fingernails an inky shade of purple. In the center of the room, stainless-steel rolling racks, one for each girl, are arranged in rows, each with a poster-board chart listing every outfit and its accessories. ARIANE, CORDULA, CHRISTY, YASMEEN, KRISTEN, HELENA, MARPESSA, the charts say, both in large letters and in Japanese characters—first names only. In modelling, as in classical ballet—another career in which success comes at an age when other people are still deciding what they want to be when they grow up—the women are called girls.

Rei Kawakubo, the Japanese designer behind the *Comme des Garçons*



C. J. Givens

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COMMENTS:

- FYI

Attached is the Bush testimony on international child labor. OMB did an expedited clearance of the testimony w/ State and USTR.

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Final

TESTIMONY OF ROBERT B. REICH
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS
COMMITTEE ON INTERNATIONAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES

JULY 15, 1996

Mr. Chairman, Congressman Lantos, members of the Subcommittee, I am delighted to be with you this afternoon to discuss the further steps we can take together to stop abusive and exploitative child labor.

At the outset, let me say that I believe we have made an important start in directing international attention to the truly desperate circumstances faced by hundreds of millions of children worldwide.

Just a few years ago, the issue of child labor was barely a "blip" on the global agenda. No longer. Working together, the Administration and Congress have played a major role in bringing international child labor out of the shadows and into the spotlight, where it can be fought and defeated. Today -- with governments, corporations, consumers and workers focused on this human tragedy -- we have a chance to make significant and sustained progress in reducing child labor throughout the world.

We must not let this opportunity pass by without making the most of it.

Polls show that the American people -- by an overwhelming margin -- do not want to subsidize abusive and inhumane working conditions with their consumer purchases. They don't want their hard-earned money going to support sweatshops. And they certainly don't want young children kept out of school and exploited in order to make the products that are sold in the stores where they shop.

But consumers cannot solve this problem on their own. The key to fighting this problem lies in the productive partnership we are now endeavoring to create -- a partnership between consumers, workers, businesses and governments -- a partnership aimed at making child labor unprofitable and impractical.

As you know, the garment industry is one that, both globally and domestically, is rife with sweatshop conditions. Tomorrow, in an effort to further develop an effective partnership to address these problems, the Department of Labor is hosting a Fashion Industry Forum. We are bringing industry executives, employees, consumers and government officials into the same room

for what I hope will be a frank discussion of the problems and their possible solutions.

We'll talk about the manufacturers and retailers that are doing the right thing and being good corporate citizens by ensuring that their contractors and sub-contractors are complying with U.S. labor laws and, for imported goods, are adhering to basic, internationally-recognized standards. We'll talk about helping consumers get the information they need to avoid purchasing items made in violation of those standards. And we'll talk about the possibility of a labeling program for garments, perhaps like the current "Rugmark" system that certifies hand-knotted carpets as produced under humane conditions and without child labor. We believe labeling programs can be a complement to our open trade policies.

I fully expect that these talks will lead to action. This partnership has great potential, and I look forward to reporting our progress to you at a later date.

Before going any further, let me say what our battle against child labor is not.

It is not an effort to impose our own laws, standards or values on other nations. It is not an attempt to ensure that no child should ever do any work. Obviously, some types of work are fully consistent with the positive development of children.

Rather, we are talking about enforcing the international standards that have been subscribed to by virtually every nation in the world -- standards that say exploitative child labor is not an acceptable solution to poverty, and that all nations should pursue policies designed to effectively abolish it.

The International Labor Organization (ILO) estimates that there are at least 100 million children -- and perhaps hundreds of millions -- who are employed full-time or nearly full-time, worldwide. Many of them are working under the most brutal conditions. They are part and parcel of an economic system that depends on their exploitation. And in many cases, very little is being done to address the problem.

Certainly, we can begin by focusing on the world's youngest workers, those that are being forced to work and those that are working under the most inhumane conditions. I'm talking about children working in glass factories who are exposed to high heat and broken glass with no protective clothing -- and sometimes without even shoes on their feet. I'm talking about young girls trafficked over long distances and forced into prostitution. I'm talking about children working on sugar cane plantations who wield machetes and often suffer debilitating wounds.

Many countries have endorsed international standards which say that children this young should not be working, and that every country should take steps to ensure that they are not. Sure enough, virtually every nation has laws prohibiting this from happening. But passing laws and enforcing laws are all-too-often separate matters.

We know that from our own experience here in this country. We have only about 800 federal inspectors to enforce all the wage and hour laws in more than six million workplaces. Even when you add in state inspectors, the total is only about 1,500. Is it any wonder that sweatshops are making a comeback in the United States? Is it any wonder that we could find slavery existing behind barbed wire at a garment factory -- as we did last year in El Monte, California?

We know that without an effective deterrent against those employers who would take the low road, the problem of child labor will remain and could even grow. Yet, many nations that have child labor laws lack an appropriate professional labor law inspectorate who can hold the law breakers accountable.

So what can we do?

In addition to our Fashion Industry Forum that I mentioned earlier, we are moving forward with a number of specific initiatives.

First, we are continuing our efforts to research the problem of child labor and publish reports. Our first two reports, By The Sweat and Toil of Children, volumes I and II, published in 1994 and 1995, collected information that had never been collected before. We documented the manufacturing, mining, agricultural and fisheries industries where children are found working in conditions that violate international standards. And although there are other organizations that publish some of this type of information, publications coming from the U.S. government still have a unique international impact. We are now at work on a third study looking at the practices of U.S. garment importers with regard to child labor, and the standards they place on their contractors and subcontractors in foreign countries to avoid the use of child labor.

These reports were produced by the Department of Labor's Bureau of International Labor Affairs -- ILAB. At this point, I must advise the Subcommittee that the Appropriations bill for the Department of Labor for FY 1997 passed by the House, contains a 40 percent cut for ILAB. This comes on top of a 25 percent cut imposed in the current fiscal year. ILAB could not sustain a 40 percent cut, and would be forced to eliminate child labor activities, and other work related to the objectives of the Administration in this area. Given the proposed cuts, the public

could well lose the expertise and information that ILAB has acquired on child labor issues.

A second thing we can do is to continue to support the ILO's International Program for the Elimination of Child Labor -- IPEC. I am delighted that Congress has approved those contributions -- \$2.1 million for FY 1995 and \$1.5 million for FY 1996. This money has gone toward funding projects like one in Bangladesh that is moving 11,000 children out of garment factories and into schools.

Through IPEC, we have also funded projects in Thailand to help girls at risk of being forced into prostitution; a program in Brazil to help children in the footwear industry; a program in the Philippines to complete a national statistical survey of child labor, and a program in Africa to help children working in plantation agriculture.

A third thing we have been doing is pressing the child labor issue at the International Labor Organization. Last month, I attended the annual ministerial meeting of the ILO in Geneva where the focus of our discussions was child labor. As a result of my request to the Director General of the ILO, a special one-day session of labor ministers was held to discuss additional approaches that could be taken to reduce exploitative child labor.

One result is a proposal to draft a new ILO convention targeted specifically at the abolition of exploitative child labor. It is the ILO, after all, that has established the international child labor standards. Since 1919, the ILO has adopted various child labor conventions, which, in the early 1970s, were consolidated into ILO Convention 138 on the minimum age for employment.

However, there is a view that ILO Convention 138 does not provide sufficient focus on the need to immediately abolish the most abusive and exploitative forms of child labor, including forced and bonded child labor, and the sexual exploitation of children. Thus, we agreed to work towards a new convention by 1999 that would give added emphasis and, added enforcement provisions, to eliminating the most abusive forms of child labor.

Fourth, while we are working on a new child labor convention, we should also be looking at whether we could expedite consideration for the United States' own ratification of the existing ILO conventions on child labor and forced labor. Our position internationally will be enhanced by our ratification of additional ILO conventions. Since 1988, we have made significant progress in ratifying ILO conventions, on a fully cooperative basis with our employer and worker representatives in the ILO, and with bipartisan support in the Senate. We would

like to make more progress.

Fifth, I have raised the child labor issue in a number of bilateral discussions I have had with other labor ministers, and I will continue to make sure it is prominent in our international agenda. I believe our efforts have contributed to decisions by a number of leaders in countries where child labor remains a problem to make public commitments to seek improvements. For example, former Prime Minister Rao of India, Prime Minister Bhutto of Pakistan and President Cardoso of Brazil, nations with significant child labor problems, have all made public statements acknowledging the need for change in those countries. Many nations are moving from denial to a search for solutions.

Sixth, we continue to encourage initiatives by private industry to eliminate child labor exploitation. These can include efforts by importers to work with exporters to ensure that products are not made with child labor, and voluntary labeling initiatives by producers that help consumers make informed purchasing decisions. An example is the "Rugmark" program originally launched in India in the hand-woven carpet industry, which has some of the most exploitative child labor practices in the world. Some child labor activists in India, with the help of the German government, got together and established this program, which is being launched in Nepal also. Today, most of those child labor-free rugs are going to Europe, but it is important that U.S. rug importers also support such an effort.

Together with Chairman Smith, and some other members of Congress, we also launched an effort on June 28 to get child labor out of the soccer ball industry, where today perhaps a quarter of the labor force is under 15. These children hand-stitch leather soccer balls, in unhealthy conditions. A large portion of the industry is located in Pakistan, and we asked that U.S. importers take steps to move these children out of the industry and into schools. Two U.S. companies, Reebok and Nike, have said they are taking the steps to do just that. We also asked that FIFA, the international body that certifies soccer balls meet league standards, also require that child labor not be used in the production of those balls. Hopefully, very soon we will be able to announce that child labor-free soccer balls are available to consumers. Soccer balls are also produced in China and Indonesia and we need more information on whether child labor is a problem in the soccer ball industry in those countries.

At the recent ILO meetings, I also asked that the ILO consider the question of labeling, and make a report within one year on how we might use the Rugmark example and apply it to other sectors where child labor is a problem.

Seventh, we are also pressing for the establishment of a

working party on trade and labor standards in the World Trade Organization. It is our view, and we are making progress with governments around the world, that the WTO has a responsibility to consider what steps can be taken by that institution to discourage child labor.

Eighth, we need to make sure that we use provisions of U.S. trade law -- such as Generalized System of Preferences -- that are designed to ensure that beneficiaries respect internationally recognized worker rights, including a minimum age for the employment of children. Such programs should not reward child labor exploitation. Although the GSP program is still awaiting renewal, the Administration has announced that due to child labor violations certain products from Pakistan -- surgical instruments, sporting goods and carpets -- will not be eligible to receive GSP tariff preferences.

Ninth, although we prefer to encourage other countries and employers to move children out of work and into school, and avoid trade measures, we will continue to work with members of Congress interested in pursuing legislation on this issue.

Tenth, and this is essential, we need to make sure that we are doing our best to enforce our labor laws at home. We continue to have sweatshops in the garment industry that seriously violate our wage and hour laws. If we are to be credible internationally, we must be effective at home. Domestic enforcement and international enforcement are two sides of the same coin in a global economy.

In conclusion, Mr. Chairman, let me congratulate you and this Subcommittee for your continued concern about the unacceptable exploitation of children. Let me again thank you for the support you have given our efforts, and let me express our commitment to work with you and this Subcommittee and the Congress to take every possible step to wipe out the scourge of abusive child labor.

Garment Gumshoes

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

By JOHN M. GLIONNA
TIMES STAFF WRITER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meanwhile, labor investigators say they are intensifying efforts.

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

GET COPY

Health—have joined resources to enforce labor laws.

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

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

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

JOSE MILLAN
*Assistant chief of the California Labor
Commission*

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

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

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

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

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

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

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

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

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

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

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

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

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



DRAFT

April 11, 1995

I. Recent Publicity Involving Wage and Hour's Low-Wage Industries' Initiatives**► Results of a garment industry sweep in Los Angeles**

What: Announcement of the findings of a joint Wage and Hour/State of California sweep pursuant to the Targeted Industries Partnership Program (TIPP) during the first week in March which targeted 56 sewing shops in Los Angeles, Orange and San Bernardino Counties. The investigations found more than \$745,700 in Fair Labor Standards Act minimum wage and overtime back wages due 1,230 workers. As part of this initiative, 80 manufacturers were contacted to inform them that sewing contractors producing clothing in their names had violated the FLSA.

When: March 31, 1995

Where: A press release was issued on March 31 by DOL's San Francisco Regional Office. Also on March 31, Wage and Hour Administrator Maria Echaveste was interviewed by KVEA-TV, KNX News Radio, KCAL-TV, LA Times, LA Daily News, CA Apparel News, La Opinion, Korean Times, Chinese Daily News. In addition to the radio interviews (which were broadcast the same day) as of April 6, the _____ published articles.

► Initiation of an agricultural enforcement initiative in the Rio Grande Valley (TX)

What: Announcement of the initiation of the first of three enforcement efforts targeting the onion harvest for compliance with field sanitation standards (Wage and Hour is piloting enforcement of OSHA's field sanitation standards in the Dallas region), minimum wage/overtime and child labor during the week of April 3. (See follow-up item, below.)

When: April 3, 1995

Where: A press release was issued by DOL's Dallas Regional Office, and Maria Echaveste was interviewed live in Spanish on April 3 by KIRT-AM in Mission, TX.

► Results of two investigations involving the employment of H-1B nonimmigrant "professionals"

What: Announcement of the assessment of over \$100,000 in

finances and back wages against Syntel, Inc. of Troy, Michigan. Syntel was found in willful violation of the Immigration and Nationality Act provisions governing the admission and employment of nonimmigrants for temporary employment as "professionals" in "specialty occupations" under H-1B visas. Syntel paid about 40 of its H-1B computer programmers assigned to work at four New Jersey customer locations less than the locally prevailing wage for the occupation. Back wages total almost \$78,000 and civil money penalties of \$40,000 have been assessed. Also announced was the Department's final order affirming an administrative law judge's decision that Analytical Technologies, Inc. of Southfield, Michigan, was required to post notices of its intention to hire H-1B workers at the places (customer work sites) where its H-1B workers would be employed.

When: April 11, 1995

Where: A press release was issued by DOL's Washington, D.C. office. Contact was also made with CBS's 48 Hours which has interviewed Secretary Reich for a report on the employment of H-1B nonimmigrants.

II. Potential Publicity Opportunities Involving Wage and Hour's Low-Wage Industries' Initiatives

► Results of an agricultural enforcement initiative in South Florida

What: Announce the findings of two agricultural enforcement initiatives in the South Florida area carried out with the Border Patrol targeting two known "worst" violators. One initiative was conducted during the week of March 7, and the second initiative during the week of March 20. As of March 24, civil money penalties of \$10,400 under the Migrant and Seasonal Agricultural Worker Protection Act (MSPA) have been assessed for the failure of one "worst" violator (Miguel Flores) to pay wages when due (monies were allegedly deducted from workers' wages for "coyote" smuggling fees), and a notice of intent to revoke this farm labor contractor's certificate to operate as a farm labor contractor has been sent. The second "worst" violator (Miguel Alanis-Reyes) will be assessed MSPA CMPs of about \$2,000 for performing activities as an unregistered farm labor contractor (FLC). As a result of this joint effort with the Border Patrol, INS apprehended and deported 157 workers. (The case involving Reyes is being considered for criminal

3

prosecution by the U.S. Attorney, and an "all points bulletin" has been issued.)

When: Week of April 10, 1995

Where: South Florida area or Washington, D.C.

► Results of an agricultural enforcement initiative in California's Imperial Valley

What: Announce the assessment of MSPA CMPs of \$22,000 against 23 farm labor contractors (FLCs) resulting from a TIPP initiative during January 9 - 14 involving 35 investigations focusing on compliance with MSPA transportation and registration requirements. We are also considering the revocation of the certificate of registration of three contractors. This initiative was a cooperative effort with INS which used Border Patrol aircraft to help locate large FLC crews, and with the California Highway Patrol which set up three roadblocks.

When: After April 15, 1995

Where: Southern California or Washington, D.C.

► Results of an agricultural enforcement initiative in Riverside County/Coachella Valley, and Ventura County, CA areas

What: Announce the assessment of child labor and MSPA CMPs resulting from a TIPP initiative in the Riverside County/Coachella Valley during the week of January 31 involving 14 investigations focused on housing providers. Two of the violators were repeat offenders. One investigation disclosed an eight-year-old working at a fish farm. In addition, announce the findings of a one-week enforcement initiative in Ventura County beginning April 3 and involving 20 investigations focusing on the MSPA transportation requirements.

When: After April 30, 1995

Where: Southern California or Washington, D.C.

► Results of three guard services industry strike forces in the Dallas/Ft. Worth area; San Diego and San Bernardino Counties, CA; and Los Angeles, CA

What: Announce the findings of 22 investigations conducted in

March in the Dallas/Ft. Worth area; the results of a two-week enforcement sweep beginning March 30 in the Counties of San Diego and San Bernardino, CA; and, the results of investigations conducted in Los Angeles during the period February 1 through May. As of March 24, four investigations had been completed with findings of \$35,000 in FLSA overtime back wages for 34 employees.

When: After May 15, 1995

Where: Dallas/Ft. Worth and Southern California, or Washington, D.C.

► Results of an agricultural enforcement initiative in the Immokalee, FL area

What: Announce the findings of investigations in late April and early May targeting the watermelon and cantaloupe harvest.

When: After May 15, 1995

Where: Immokalee, Miami, or Washington, D.C.

► Results of a garment enforcement initiative in Los Angeles

What: Announce the findings and assessment of FLSA CMPs resulting from a TIPP strike force during the week of April 17 involving 40 investigations of repeat violators.

When: After May 15, 1995

Where: Los Angeles or Washington, D.C.

► Results of an agricultural enforcement initiative in the Rio Grande Valley, TX

What: Announce (follow-up) the results of the second phase of a strike force targeting the onion harvest during the week of May 8.

When: After May 30, 1995

Where: South Texas or Washington, D.C.

► Results of agricultural enforcement initiative in Monterrey, Santa Cruz and San Benito Counties, CA

What: Announce the results of a two-week initiative from May 8 to May 19, targeting 20 farm labor contractor (FLC) "worst" violators to determine compliance with wage, housing and transportation requirements. This will be a multi-agency effort involving State of California agencies and officials from the Counties.

When: After May 30, 1995

Where: Southern California or Washington, D.C.

U.S. Department of Labor

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



FAX COVER SHEET

OFFICE OF THE ADMINISTRATOR
WAGE AND HOUR DIVISION

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DOL chop?

DRAFT

Strengthening Interior Deterrence through Coordinated Worksite Enforcement

Background

The magnet of U.S. employment continues to draw large numbers of illegal migrants. The best way to deter illegal migration is to control this job magnet through vigorous enforcement of employer sanctions and ~~minimum~~ labor standards, combined with strengthened border control. As an essential part of his efforts to reduce illegal immigration, President Clinton directed the Immigration and Naturalization Service (INS) and the Department of Labor (DOL) to establish complementary strategies to expand and improve worksite enforcement. Add sentence on current mod - what is in it basically?

This year, INS and DOL are

Strategy

Effective worksite enforcement must include more rigorous enforcement efforts against employers who knowingly hire unauthorized workers, as well as those who violate basic labor standards. The President's budget for FY 1996 includes a \$93 million initiative to reverse years of inattention to enforcement of labor standards and employer sanctions.

This year, INS and DOL are coordinating enforcement efforts by

Enhancing interior deterrence through coordinated worksite enforcement is a goal shared by both the INS and DOL. The FY 1996 budget initiative will allow the Administration to (1) strengthen deterrence efforts within the employment community by adding 340 INS officers to enhance sanctions enforcement and 186 DOL compliance officers for labor standards enforcement, and (2) focus these intensified efforts within industries historically dependent on illegal labor and located in "targeted deterrence zones."

Implementing the Strategy

The FY 1996 budget initiative will allow the INS to build on activities ^{currently underway} begun in FY 1995 to reduce incentives for illegal migration. Efforts to promote the goal are ~~currently underway~~ and include:

and DOL?

Currently underway

Those activities

FY 1995

- Expanding operation Jobs (define) within the ^{INS's} central region, which includes Texas
- The Service is enhancing its overall sanctions enforcement in FY 1995 within the constraints of existing enforcement resources, ~~by focusing on~~

INS Worksite Enforcement Strategy

INS

• The agency is targeting industries historically dependent on an illegal work force through its National Targeting Plan (NTP). Under this plan the INS will focus enforcement resources on several of the following high risk industries which have a known history of non-compliance with the employer sanctions provisions:

Farm Labor & Mgt.	Roofing, Siding & Sheet Metal	Gen'l Farm & Field Crops
Misc. Food Prep.	Nursing Care Facilities	Heavy Construction
Apparel/Garment	Landscape & Hortic. Services	Hotels & Motels
Meat Products	Janitorial Services	General Contractors
Forestry	Masonry, Stonework, Tile & Plaster	Eating/Drinking Estab.

• INS has re-emphasized its focus on lead-driven employer sanctions investigations by further reducing the number of compliance inspections. *decline*

• The INS is aggressively pursuing employers who continuously and repetitively violate the provisions of the Immigration and Nationality Act (the Act) by conducting follow-up inspections of those entities previously fined or warned.

• To help employers ensure a legal workforce, the INS is also targeting major suppliers of fraudulent documents and employers/employees who knowingly use or receive, counterfeit or falsely make any document for the purpose of complying with employment verification.

• The INS is conducting an enhanced interior enforcement pilot in the Los Angeles and New York districts to determine the most productive and cost efficient ways to improve the effectiveness of employer sanctions enforcement. The comprehensive pilot will tackle the most persistent problems by targeting high-risk industries, repeat employer violators and major suppliers of fraudulent documents.

Each office is hiring 15 Immigration Officers (GS-1801), 3 Special Agents, and 2 Supervisory Special Agents (both GS-1811), and 3 clerks. ~~These~~ who all will ~~additional resources will be focused~~ on employer sanctions enforcement and immigration fraud.

• DOL and INS are building on the existing Memorandum of Understanding (MOU) between the two agencies to further improve communications and data sharing at both the local and national levels. Further, the INS is increasing enforcement efforts with DOL by dedicating additional investigative resources to pursue referrals conveyed by form from DOL.

INS Worksite Enforcement Strategy

~~ESA-91 (Employer Standards Administration)~~

- The Telephone Verification System (TVS) pilot will expand from 9 to 200 employers concentrated in the Los Angeles area.
- Final regulations are underway to reduce the number of documents acceptable for Form I-9 purposes from 29 to 16.
- The INS is improving internal reporting mechanisms and data sharing, including expanding access to the LYNX database of employer sanctions cases to district and sector offices.
- ^{taskforce?} ^{add short description} The INS is developing an integrated interior enforcement strategy, which will clearly define the interactive roles of the various INS enforcement components.
- The Service is developing a new employer outreach and education program.
- ^{EAIDs issued only out of Service Centers beginning}
^{in June} ^{with more tamper-proof}
FY 1996 ^{features using CLAIMS (put in better English!)}
- ^{taskforce?} ^{add short description} ~~If passed,~~ the FY 1996 budget initiative will more than double the investigative resources available for employer sanctions enforcement. The INS will expand its enhanced interior enforcement pilot in each of the seven states that are most heavily impacted by illegal immigration: California, Texas, Arizona, New Jersey, New York, Florida, and Illinois. The majority of the 340 new enforcement positions will be concentrated in these seven states. ~~Additionally, the budget initiative will allow the INS to continue and expand efforts begun in FY~~
1995.
- The INS will further expand the TVS pilot to approximately 1000 employers.
- To support the expanded TVS pilot and improve service to state entitlement agencies, the INS will improve the accuracy and timeliness of status information, making it easier for employers to keep a legal work force and for the government to restrict entitlement benefits to authorized individuals.
- The INS will implement several pilots with the Social Security Administration (SSA) to evaluate the feasibility and cost effectiveness of building a National Registry or an Alien Registry (based on the Social Security Number) capability.

INS Worksite Enforcement Strategy

Conclusion

By focusing substantial resources on enforcement efforts within the identified high risk industries and concentrating these efforts in the locations most affected by illegal immigration, this plan will notably reduce employment opportunities for unauthorized aliens and reduce incentives for unlawful migration. Additionally, it will provide the INS with the necessary experience to develop and implement a national resource allocation model for the Employer Sanctions Program.

and DOL?

April 20, 1995

Page 5

INS Worksite Enforcement Strategy

- The Service will develop and implement a new Employment Authorization Card with enhanced security features to deter fraud and allow for easier detection of fraudulent documents. Centralized processing of standardized benefit cards and documents will lower production costs, increase service to the public and improve employers' ability to authenticate legitimate documents.

- ~~The INS has identified the following geographical areas as enforcement deterrence zones: Miami, San Francisco, Los Angeles, Chicago, New York, Newark, and Houston.~~ ^{replace} INS objectives in these areas include: preventing the illegal employment of unauthorized aliens; identifying and removing unauthorized aliens from places of employment; and pursuing an integrated interior enforcement strategy by targeting fraud facilitators and/or alien smuggling organizations having a direct nexus to employer sanctions violations (e.g., organizations that bring aliens into the United States and/or provide an illegal workforce to employers).

Replace →

- Within the deterrence zones, INS and DOL will establish coordinated Task Force working relationships. These will include sharing information, leads, and investigative results, as well as participating in joint INS/DOL investigations targeting industries identified in the NTP. These investigations should result in civil and/or criminal violations under the jurisdiction of both the INS and DOL. The effectiveness of this operational strategy will be evaluated in one year.

- Field offices within the deterrence zones will regularly utilize the provisions of Section 274C of the Act, Civil Document Fraud, as an additional tool while pursuing employer sanctions investigations. Civil document fraud investigations will be initiated against employees who use fraudulent documents to obtain unauthorized employment, and against employers who knowingly accept fraudulent documents in order to "comply" with the provisions of the Act.
- One goal of the Employer Sanctions program is to ensure jobs are not taken from American workers and aliens with work authorization. Therefore, when unauthorized aliens are removed from the workplace and job sites, the INS will appropriately notify and coordinate with state and local employment agencies and employers to make the vacated jobs available to unemployed U. S. citizens and those aliens authorized to work in this country.

During FY 1996, Wage and Hour will continue to increase its emphasis on targeting low-wage industries and egregious violators. Its specific operational enforcement plans will be appropriately tuned to reflect the targeting agreements and strategies which emerge from the joint DOL-INS working group.

In emphasizing the importance of compliance with minimum labor standards as a critical element of a comprehensive illegal immigration deterrence strategy, the Department of Labor's Wage and Hour Division has developed a strategy to increase its enforcement focus on low-wage industries where immigrant workers tend to concentrate. Thus, increased emphasis is being given to enforcement initiatives directed to agriculture (with a special focus on child labor compliance), garment manufacturing, guard and janitorial services, and other low-wage industries such as hotel/motel, certain health care services, day-labor, and the like. These enforcement initiatives, including compliance assistance components, are being selectively and aggressively publicized in a manner intended to drive home the point of how minimum labor standards contribute to deterring illegal immigration.

(Examples can be culled from earlier paper.)

The INS and DOL are establishing a joint working group to coordinate efforts to effectively carry out the worksite enforcement initiative, both in current circumstances and in the event that additional resources become available for this activity in FY 1996. The working group is tasked with:

- defining the criteria that will be utilized in establishing "targeted deterrence zones" and developing appropriate mechanisms to identify target industries and employers within these zones; and,
- reexamining the agencies' existing working arrangements -- embodied in a 1992 Memorandum of Understanding -- to assure (1) more effective interagency communications and coordination at the front-line, (2) that enhanced employer sanctions called for in the Administration's legislative proposal can be effectively implemented, and (3) clear understanding of the appropriate circumstances in which opportunities for joint enforcement activities can be exploited.

The working group will also be coordinating interagency planning for specific initiatives in FY 1996 if additional enforcement resources are provided and as they come on-board.

If additional requested resources are provided in FY 1996, DOL's Wage and Hour Division will deploy all of the increased staff in the seven highest immigration States. Preparations are now being made to expedite bringing additional Wage and Hour investigators on-board if the budget request is enacted.

Jan Doe meeting for strategy

U.S. Department of Labor

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



FAX COVER SHEET

OFFICE OF THE ADMINISTRATOR
WAGE AND HOUR DIVISION

FAX NUMBER (202) 219-4753
COMMERCIAL (202) 219-8305

TO: Mr. Steve Wannath - DPC
Ms. Geri Ratliff - DOT
Mr. Jack Shaw / Ms. Roberta Runkiewicz - INS
Mr. Bob Bach - INS DATE: 4/21/95

FAX NUMBER: _____ PAGES: 4
(include cover sheet)

LOCATION: _____
FROM John Frase - USDOL

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

NAME: John Frase
NUMBER: 202-219-8305

COMMENTS/INSTRUCTIONS:

Proposed DOL input to Ms. Rocco's memorandum
on workite enforcement. I don't anticipate any
problems but need to pass this by a few folks
here - will let you know if we want to make any
further changes.

Frank
F.

Strengthening Interior Deterrence through Coordinated Worksite Enforcement

Background

The magnet of U.S. employment continues to draw large numbers of illegal migrants. The best way to deter illegal migration is to control this job magnet through vigorous enforcement of employer sanctions and ~~minimum~~ labor standards, combined with strengthened border control. As an essential part of his efforts to reduce illegal immigration, President Clinton directed the Immigration and Naturalization Service (INS) and the Department of Labor (DOL) to establish complementary strategies to expand and improve worksite enforcement.

Strategy

Effective worksite enforcement must include more rigorous enforcement efforts against employers who knowingly hire unauthorized workers, as well as those who violate basic labor standards. The President's budget for FY 1996 includes a \$93 million initiative to reverse years of inattention to enforcement of labor standards and employer sanctions.

Enhancing interior deterrence through coordinated worksite enforcement is a goal shared by both the INS and DOL. The FY 1996 budget initiative will allow the Administration to (1) strengthen deterrence efforts within the employment community by adding 340 INS officers to enhance sanctions enforcement and 186 DOL compliance officers for labor standards enforcement, and (2) focus these intensified efforts within industries historically dependent on illegal labor and located in "targeted deterrence zones."

Implementing the Strategy

The FY 1996 budget initiative will allow the INS to build on activities begun in FY 1995 to reduce incentives for illegal migration. Efforts to promote the goal are currently underway and include:

FY 1995

- The Service is enhancing its overall sanctions enforcement in FY 1995 within the constraints of existing enforcement resources.

INS Worksite Enforcement Strategy

- The agency is targeting industries historically dependent on an illegal work force through its National Targeting Plan (NTP). Under this plan the INS will focus enforcement resources on several of the following high risk industries which have a known history of non-compliance with the employer sanctions provisions:

Farm Labor & Mgt.	Roofing, Siding & Sheet Metal	Gen'l Farm & Field Crops
Misc. Food Prep.	Nursing Care Facilities	Heavy Construction
Apparel/Garment	Landscape & Hortic. Services	Hotels & Motels
Meat Products	Janitorial Services	General Contractors
Forestry	Masonry, Stonework, Tile & Plaster	Eating/Drinking Estab.

- INS has re-emphasized its focus on lead-driven employer sanctions investigations by further reducing the number of compliance inspections.
- The INS is aggressively pursuing employers who continuously and repetitively violate the provisions of the Immigration and Nationality Act (the Act) by conducting follow-up inspections of those entities previously fined or warned.
- To help employers ensure a legal workforce, the INS is also targeting major suppliers of fraudulent documents and employers/employees who knowingly use or receive, counterfeit or falsely make any document for the purpose of complying with employment verification.
- The INS is conducting an enhanced interior enforcement pilot in the Los Angeles and New York districts to determine the most productive and cost efficient ways to improve the effectiveness of employer sanctions enforcement. The comprehensive pilot will tackle the most persistent problems by targeting high-risk industries, repeat employer violators and major suppliers of fraudulent documents.
 - Each office is hiring 15 Immigration Officers (GS 1801), 3 Special Agents and 2 Supervisory Special Agents (both GS 1811), and 3 clerks. These additional resources will be focused on employer sanctions enforcement and immigration fraud.
- DOL and INS are building on the existing Memorandum of Understanding (MOU) between the two agencies to further improve communications and data sharing at both the local and national levels. Further, the INS is increasing enforcement efforts with DOL by dedicating additional investigative resources to pursue referrals conveyed by form

INS Worksite Enforcement Strategy

ESA-91 (Employer Standards Administration).

- The Telephone Verification System (TVS) pilot will expand from 9 to 200 employers concentrated in the Los Angeles area.
- Final regulations are underway to reduce the number of documents acceptable for Form I-9 purposes from 29 to 16.
- The INS is improving internal reporting mechanisms and data sharing, including expanding access to the LYNX database of employer sanctions cases to district and sector offices.
- The INS is developing an integrated interior enforcement strategy, which will clearly define the interactive roles of the various INS enforcement components.
- The Service is developing a new employer outreach and education program.

FY 1996

If passed, the FY 1996 budget initiative will more than double the investigative resources available for employer sanctions enforcement. The INS will expand its enhanced interior enforcement pilot in each of the seven states that are most heavily impacted by illegal immigration: California, Texas, Arizona, New Jersey, New York, Florida, and Illinois. The majority of the 340 new enforcement positions will be concentrated in these seven states. Additionally, the budget initiative will allow the INS to continue and expand efforts begun in FY 1995.

- The INS will further expand the TVS pilot to approximately 1000 employers.
- To support the expanded TVS pilot and improve service to state entitlement agencies, the INS will improve the accuracy and timeliness of status information, making it easier for employers to keep a legal work force and for the government to restrict entitlement benefits to authorized individuals.
- The INS will implement several pilots with the Social Security Administration (SSA) to evaluate the feasibility and cost effectiveness of building a National Registry or an Alien Registry (based on the Social Security Number) capability.

INS Worksite Enforcement Strategy

- The Service will develop and implement a new Employment Authorization Card with enhanced security features to deter fraud and allow for easier detection of fraudulent documents. Centralized processing of standardized benefit cards and documents will lower production costs, increase service to the public and improve employers' ability to authenticate legitimate documents.

- The INS has identified the following geographical areas as enforcement **deterrence zones**: Miami, San Francisco, Los Angeles, Chicago, New York, Newark, and Houston. INS objectives in these areas include: preventing the illegal employment of unauthorized aliens; identifying and removing unauthorized aliens from places of employment; and pursuing an integrated interior enforcement strategy by targeting fraud facilitators and/or alien smuggling organizations having a direct nexus to employer sanctions violations (e.g., organizations that bring aliens into the United States and/or provide an illegal workforce to employers).
 - Within the deterrence zones, INS and DOL will establish coordinated Task Force working relationships. These will include sharing information, leads, and investigative results, as well as participating in joint INS/DOL investigations targeting industries identified in the NTP. These investigations should result in civil and/or criminal violations under the jurisdiction of both the INS and DOL. The effectiveness of this operational strategy will be evaluated in one year.

 - Field offices within the deterrence zones will regularly utilize the provisions of Section 274C of the Act, Civil Document Fraud, as an additional tool while pursuing employer sanctions investigations. Civil document fraud investigations will be initiated against employees who use fraudulent documents to obtain unauthorized employment, and against employers who knowingly accept fraudulent documents in order to "comply" with the provisions of the Act.

 - One goal of the Employer Sanctions program is to ensure jobs are not taken from American workers and aliens with work authorization. Therefore, when unauthorized aliens are removed from the workplace and job sites, the INS will appropriately notify and coordinate with state and local employment agencies and employers to make the vacated jobs available to unemployed U. S. citizens and those aliens authorized to work in this country.

This needs to be called "Operation Jobs" note how it works in Dallas that will be steady developing in other cities.

April 20, 1995

INS Worksite Enforcement Strategy

Conclusion

By focusing substantial resources on enforcement efforts within the identified high risk industries and concentrating these efforts in the locations most affected by illegal immigration, this plan will notably reduce employment opportunities for unauthorized aliens and reduce incentives for unlawful migration. Additionally, it will provide the INS with the necessary experience to develop and implement a national resource allocation model for the Employer Sanctions Program.

INS Breaks Up Ring That Made Phony I.D.s

■ Counterfeiting: Three are arrested for allegedly making or selling fake citizenship documents.

By PAUL FELDMAN
TIMES STAFF WRITER

Federal immigration officials in Los Angeles said Tuesday that they have broken up a counterfeiting ring that manufactured tens of thousands of fake green cards, Social Security cards and other identification documents for distribution in Southern California and possibly across the nation.

"This was a major supplier of counterfeit documents in the Southern California area at least," said Richard K. Rogers, Immigration and Naturalization Service district director. "This puts a big dent in the availability of these documents in Southern California."

Rogers said three Los Angeles-area men have been arrested by INS agents since Dec. 19 and charged in state and federal courts with counterfeiting under federal law and under a state statute enacted by California voters in November as part of Proposition 187.

Charged by the Los Angeles County district attorney's office with selling and distributing false citizenship documents are Jesus Mendez Castro, 48, and Victor Trigo, 57. Immigration officials said Castro was an alleged salesman of fake documents and Trigo was a distributor.

Charged with possession of counterfeiting equipment by the U.S. attorney's office is Robert Duran, 48, owner and operator of California Collators in Montebello. INS authorities say Duran headed the manufacturing side of the ring.

"The investigation is continuing," Rogers said Tuesday afternoon, "and we'd venture to say there are other distributors and vendors out there that were getting supplied through [this ring]."

An INS team headed by Special Agent Norris Potter recovered 115,000 blank green cards, Social Security cards and other fake documents from Trigo's apartment in Los Angeles, officials said. The street value of the items, if each was sold at current street value of about \$50 per card in Los Angeles, would amount to more than \$5 million, INS officials said.

At Duran's business, agents seized seven high-speed printers, two enlargers, nine negatives of counterfeit green cards and Social Security cards and 46 metal plates of counterfeit immigration-related documents, Rogers said.

The seizures were the largest in memory in Los Angeles, said John Brechtel, assistant district director of investigations. "We have a major supplier here—no doubt about that."

The biggest previous bust in recent years was the seizure of \$250,000 worth of counterfeit birth certificates, driver's licenses and Social Security documents in 1988, Brechtel said.

Authorities said the latest arrests began with a "buy-bust" operation Dec. 19 in which Castro allegedly sold documents to an undercover INS agent. Using information from the arrest, a search warrant was issued and Trigo was arrested later the same day, authorities said.

If convicted, Trigo and Castro each face possible sentences of five years in prison or \$75,000 fines under the fraudulent document section of Proposition 187—the only portion of the controversial initiative that was not enjoined by state and federal judges because of possible constitutional conflicts.

The federal counterfeiting statute under which Duran is charged has a penalty of up to five years in federal prison and a \$250,000 fine for each count, according to the U.S. attorney's office. Duran is currently accused of one count of possessing implements to make counterfeit documents but could be charged with additional counts by a federal grand jury, federal officials said.

The Washington Post

Bagging a Bumbling Band Of Alleged Money Launderers

DATE: 1-4-95
PAGE: A-23

Ring Is Said to Have Brought Cash-Stuffed Duffels Right to the Bank

By Malcolm Gladwell
Washington Post Staff Writer

NEW YORK—On June 20, a team of FBI agents watched as a man and woman drove up to a Citibank branch in the Bronx in a white Ford Bronco. The two walked into the bank carrying a bulky plastic bag and a shopping bag containing a large heavy box. They came out minutes later, empty-handed.

In the bags, federal prosecutors say, were several hundred thousand dollars in drug profits, and the drop-off to an allegedly crooked Citibank assistant manager was a key link in a multimillion-dollar international money-laundering operation. But this was no ordinary scam.

In the wake of tough new banking regulations, many money launderings these days involve smuggling profits directly out of the country by stashing them in industrial shipments or appliances bound for Colombia. Other launderers try to break down large amounts of cash into increments of less than \$10,000—the amount the law requires to be reported to federal regulators. And some set up elaborate commercial fronts, washing the money through complex layers of seemingly innocent transactions.

But the Citibank ring, prosecutors contend in an indictment handed up a month ago, did something almost ludicrously unsophisticated: Its participants stuffed thousands of dollars into garbage bags, filled out deposit slips and delivered the stash to a friendly employee at the bank.

If the charges are true—several of the principals have pleaded not guilty—they offer a certain reassurance: Even in this age of increasingly sophisticated organized crime, some criminals are, well, not that bright.

"It sounds pretty dumb to me," says Charles Intrigo, editor of Money Laundering Alert, a Miami-based newsletter aimed at the banking industry.

The extraordinarily detailed indictment, culled from hundreds of hours of law enforcement wiretaps, also offers solace to anyone who—even briefly—has ever been envious of the glamorous life that drug traffickers supposedly lead.

The charges paint a picture of a ring of money launderers who spent huge amounts of time bickering over details on the phone, worrying about when and if their Federal Express packages full of cash would arrive, trying to fax financial records of wire transfers to hotel rooms halfway around the world, and fretting endlessly over how to schlep backbreaking bags of cash around crowded New York streets.

The essential problem with money laundering is that cash, particularly in the amounts generated by a successful drug business, is incredibly bulky. A million dollars in \$10 bills, for example, weighs almost 250 pounds and fills several large duffel bags. The New York ring allegedly was dealing in hundreds of thousands of dollars a week; quickly disposing of the cash turned into a major logistical headache.

In one conversation between Richard Spence, the operation's alleged ringleader, and Daniel Carroll, one of his alleged henchmen, the two ponder the problem posed by a particularly lucrative week.

Carroll, according to the indictment, said "he had 214 [thousand dollars] and a half in black bags, 132 in a box from Houston, 500 in a U-Haul box, a big paisley hat with none of the money inside it counted" and several other bags, for a total of nine packages containing just over \$1 million.

"Carroll told Spence that delivery 'seems to be the annoying part,' and that they should use a motor home," the indictment states.

For many years the first choice of launderers was simply to take their money to the nearest bank, where

One courier called in a panic from Montreal as he attempted, unsuccessfully, to stuff a million dollars in small bills into three Federal Express boxes.

they could drop it off and then transfer it electronically to offshore banks. A wire transfer is virtually untraceable. In New York City alone, there are 55,000 electronic money transfers every hour.

But in the mid-1980s, federal law enforcement efforts were stepped up: Money laundering was made a federal crime, and banks were required to file a notice every time a deposit of more than \$10,000 in cash was made.

Launderers began smuggling their money out the old-fashioned way, using many of the same tricks that they use to bring drugs into the country in the first place.

The Spence ring, however, thought it had a way around the

problem. According to prosecutors, the ring's associate in the bank accepted the cash without filing federal deposit notices. What ring members failed to realize, however, was that the internal bank record of their large deposits would raise the suspicions of other bank employees, as would their frequent trips into the branch in daylight carrying huge duffel bags.

There were other indications that the ring was less than ingenious. At one point, the head of the laundering operation had the bright idea of

DATE: 2/22/95PAGE: 3A

NATIONLINE

ILLEGAL WORKERS: A 10-month Immigration and Naturalization Service investigation found about 10% of the 50,000 employment papers agents reviewed in Arizona were held by people who illegally entered the USA and obtained bogus work permits. "Every one of these unauthorized people represents a job that should be had by a U.S. citizen or an authorized alien," said Tony Esposito of the INS. Officials said the rate of fraud was significant.

U.S. Exercises Its Influence On Aristide *Security Force Purge Escalates Tensions*

By Douglas Farah
Washington Post Foreign Service

PORT-AU-PRINCE, Haiti, Feb. 21—A U.S. move to purge Haiti's interim security force of hundreds of men hired without American approval has raised tensions between the United States and the government of President Jean-Bertrand Aristide to their highest point since the occupation of Haiti began last September, Haitian and U.S. officials said.

The hiring of several hundred men into the security force—which acts as both army and police—without undergoing U.S.-supervised vetting was seen by American officials as an attempt by Aristide to take political control of the military. Senior Haitian officials denied the charge and labeled the U.S. opposition unwarranted meddling. But Aristide has reluctantly agreed to fire the men, the sources said.

Today, teams of U.S., United Nations and Haitian officials began a planned two-week trip to visit every outpost where the interim force is stationed, with a list of mutually agreed-on members supposed to be in each place. Those not on the list—estimated at 300 to 800 men—are to be paid for January, then dismissed. Those who do not go peacefully will be “physically removed, if necessary,” by U.S. troops, a U.S. official said.

“The Haitian government proposal to include hundreds of unvetted people in the Interim Public Security Force was unacceptable,” an American official said. “The Haitian government withdrew the proposal after strong objections by the United States.”

U.S. officials said national security adviser Anthony Lake raised the issue directly with Aristide during his visit here last week, and an agreement was finally reached—but not until after relations had frayed.

A senior Haitian official said the United States “always distrusted Ar-

istide and is always willing to give the worst possible interpretation to any move they do not approve of.” The official added that the United States was “always more interested in protecting the army than seeing human rights violators punished.”

But the official said Aristide had no choice but to accept the U.S. demand because the nation remains almost entirely dependent on U.S. financial aid.

The dispute arose as U.S. forces were being trimmed back from 20,000 last September to about 6,000 currently. By April, they are to be down to 2,500 and to be integrated in a 6,000-member U.N. force with a mandate only to maintain, rather than create, secure conditions here. U.S. officials said this was a factor in recent aggressive moves to remove potential threats to security before that handover.

Meanwhile, new and related strains emerged today when Aristide's government announced the forced retirement of 43 senior officers, including the army's only four generals, all colonels and lieutenant colonels, and several majors. The ranking officer is now Maj. Dany Toussaint, an ally of Aristide.

Knowledgeable sources said Lake pressed Aristide to dismiss Gen. Pierre Cherubin and Lt. Col. Pierre Neptune, both staunch Aristide allies whom the United States accuses of human rights abuses in the past. The sources said Aristide agreed to dismiss them but also decided to dismiss everyone else in the old army leadership, including many who were friendly to the United States.

While U.S.-Haitian relations remain publicly cordial, the incidents underscore the distrust that remains between Aristide and the United States and differences over what future role, if any, the army should have in Haiti.

The army, known for its brutality and corruption, overthrew Aristide in September 1991 and held power through a reign of terror until the U.S. troops arrived. Some 3,000 people were killed for political reasons, mostly for supporting Aristide, during that time.

Many in Aristide's government and many Haitians in general favor disbanding the army, because throughout the nation's 200-year history the army has most often served to quash internal dissent, not fight outside enemies. But many U.S. officials want to see a core of

the old military retained for the new army, arguing that retraining and “professionalizing” the troops would be more effective than abolishing the institution.

The root of the tension goes back to the beginning of the U.S. occupation, when, faced with the overwhelming U.S. force, the Haitian army virtually collapsed. To help maintain public order, the United States helped form the interim force, about 3,500 men culled from the 7,000-man army, to carry out security duties until a new, civilian police force was trained and on the streets late this year. Of the 3,500 men, 1,500 would be retained to form the new army.

Under the agreement on the interim force, a joint U.S.-Haitian group would review the records of those who would go into the group, to weed out human rights abusers. Those selected were to receive six days of intensive training by U.S., French and Canadian police before being deployed under the supervision of international police monitors.

But in January the government began hiring hundreds of people directly into the force, without vetting them or having them trained. U.S. officials said many of those hired were ineligible because of past human rights abuses and because circumventing the vetting process showed political favoritism.

“We presume they wanted to get people into the force for political reasons,” a U.S. official said. “We made a very strong statement we did not want political favoritism here.”

Sources close to Aristide acknowledged they never liked the force because it was made up of former army members, and they said six days of training was grossly insufficient to retrain the men.

INS Cracks Down on Immigration Fraud for Profit

Consultants Who Falsify Documents, Arrange Phony Marriages Are Target of Federal Probes

By Bill Miller
Washington Post Staff Writer

Thousands of illegal immigrants have created a growing, lucrative market in the Washington area for consultants who provide counterfeit documents, arrange marriages and file fraudulent claims seeking political asylum, according to federal officials and immigration activists.

Federal authorities, in response, recently began investigating the practices of several consultants and immigration lawyers who allegedly promise illegal immigrants a "quick fix" in return for \$1,000 or more.

In recent weeks, three people who ran consulting businesses in Falls Church and Hyattsville have been prosecuted in federal courts. Immigration officials said they expect charges to be filed soon against others who have helped illegal immigrants defraud the U.S. government.

Data from the Immigration and Naturalization Service and the Census Bureau suggest that about 70,000 illegal immigrants live in the Washington area. They have created a ready clientele for more than 100 area consultants who notarize documents, provide advice and routinely prepare applications for political asylum, residence permits and work permits, according to immigration officials.

"Immigration consultants have been a perennial problem," said Thomas E. Perryman, a supervisor in the Baltimore District INS office, which handles all of Maryland. "They are notorious for being shady, and they are dealing with easy targets—people who are ignorant of U.S. laws and customs."

Some consulting operations are legitimate and may be run by lawyers or nonprofit organizations, federal officials said. Others, however, are small largely word-of-mouth operations and do business out of storefront offices, homes and apartments. Many specialize in helping people of certain nationalities and win the trust of clients because they can speak to them in their native languages.

Unscrupulous consultants sometimes claim to be lawyers or connected to the INS, although they are not. And in a growing number of cases here and nationwide, they induce clients to commit fraud, officials said.

"Some of the people believe they are going to legitimate consultants. But most people know this is just a scam," said William J. Carroll, director of the INS office in Arlington, which serves immigrants in Washington and Northern Virginia. "They think it's going to work. In nine cases out of 10, it doesn't work, and they get in a jam. They open themselves up to deportation and, in some cases, criminal proceedings."

Dina Clelis Blanco, 47, an immigrant from El Salvador, said she paid \$2,000 cash and surrendered a gold bracelet in 1991 to Metropolitan Immigration Services Inc., a Falls Church company. Blanco said that she was led to believe that she would get a green card that would allow her to reside permanently in the United States but that the company never delivered on its promise.

Blanco, who speaks little English, has hired a lawyer to handle her case with INS. "They lied to me," she said through an interpreter. "I would have had my residency status by now with a lawyer."

The owners of Metropolitan Immigration Services, Luzmila Centeno Rincon and her son, German Alberto Alvarez, have pleaded guilty to conspiracy and other charges in U.S. District Court in Alexandria and face up to 20 years in prison. In court records, they admitted filing more than 1,500 fraudulent political asylum applications for customers, most of whom have either been deported or soon will be.

Rincon, 63, declined to comment last week; her son, Alvarez, 36, could not be reached. Prosecutors said the two traveled to North Carolina, Tennessee and other states and even set up a toll-free telephone number to lure clients. They typically filed fraudulent claims that said their clients feared political reprisals if forced to stay in their homeland, according to court records.

In another recent case, Tushinde Cooper, 41, who ran the International Organization for Humanitarian Services in Hyattsville, was sentenced to a year in prison after pleading guilty in U.S. District Court in Baltimore to a fraud charge. He also filed fraudulent asylum papers.

Investigators said consultants also have brokered phony marriages with U.S. citizens or sold counterfeit green cards. Still others have attempted to bribe INS workers to get documents approved.

Consultants figured prominently in a scandal that shook the Arlington

INS office two years ago when eight INS employees pleaded guilty to giving out work permits in return for bribes. The recent investigations have turned up no instances of wrongdoing by INS employees, sources said.

Many immigration consultants use fraudulent practices to take advantage of delays by INS in processing asylum applications, according to law enforcement officials. While asylum cases were being decided—a process that often took two years, no matter how frivolous the claim—applicants could obtain work permits enabling them to gain a foothold in the United States.

INS officials have vowed to speed processing of asylum applications so that final decisions can be made within six months. They also put into place this month new regulations that delay the issuance of work cards to asylum applicants. Instead of getting work authorization immediately, applicants must wait for six months or until their cases are decided.

Carroll said the new regulations, along with stepped-up enforcement procedures, should curb activities by unethical consultants. Carroll said he also has assigned investigators to interview marriage claimants more rigorously.

The enforcement activity was

welcomed by immigration activists and lawyers, who have been complaining about unethical consultants for years.

"They promise the world to these people," said Samuel Gutierrez McTyre, an Arlington immigration lawyer. "The immigrants are very vulnerable."

"The INS has to go after about eight or 10 more of these individuals or companies," said Vernon D. Gutjahr, a Falls Church lawyer, who believes that stricter regulations would curb illegal activity. "They're not licensed. They're not trained. They're not competent."

THE NEW YORK TIMES

Garment Firm Is Hit With 17 Safety Charges

■ **Workplace:** Clothes Connection is appealing the citations. INS also is investigating the company.

By DON LEE
TIMES STAFF WRITER

SANTA ANA—While unloading boxes last year at Clothes Connection, a 33-year-old laborer named Jose had his big toe crushed by a forklift. The company, a garment manufacturer, sent the injured worker for treatment at a nearby clinic, where a physician dressed the wound.

The toe developed gangrene, however, and a month later it was amputated. Yet when Cal OSHA paid a surprise visit to Clothes Connection in late December, safety inspectors learned that the company had never reported the incident.

Although California law requires immediate notification of fatalities or serious injuries, Jose's case never was investigated. His was one of 135 accidents last year at

Clothes Connection that required medical attention, which health and safety officials say is a large number for a company of its size.

The company, which employs about 1,300, had no record of more than half of those incidents, the agency found after analyzing independent medical reports. Failing to report and log injuries was among 17 violations that the state's occupational safety and health administration has alleged against Clothes Connection, fining the company about \$13,000.

Company President Sharon Stephen, who owns Clothes Connection, has refused to comment on the citations, which the company is appealing. Rick Stephen, her father and owner of California Connection, a sister company in Los Angeles, said Monday he was unaware of the Cal OSHA inspection.

But Cal OSHA's thick file on the company and interviews with workers and union representatives trying to organize at Clothes Connection paint a grim picture of a factory where hundreds of immigrant workers are toiling for minimum wage under harsh supervision and unhealthy, unsafe conditions.

Labor law violations in the garment industry are hardly new. In the last two years, federal and state labor officials have assessed more than \$8 million in fines against hundreds of garment companies in the state, most of them in Southern California, for abusing minimum-wage, overtime, child-labor and other regulations.

Few of those companies have been as large as Clothes Connection, and few have received as many serious citations from Cal OSHA. In 1994, Cal OSHA inspected 182 garment makers in the state. The average fine per company was \$1,145.

Clothes Connection, whose workers are mostly Mexican and Vietnamese immigrants, is also being investigated by the Immigration and Naturalization Service, the agency confirmed. Earlier this month the company fired more than 200 workers—including Jose—according to people familiar with the company. Those sources said the firings were triggered by the INS investigation and the employees' inability to produce work papers.

Clothes Connection manufactures mainly women's blouses that are sold to discount retailers, including Kmart and Wal-Mart. Cal OSHA officials first visited the company on Dec. 28 after receiving a complaint from a worker. Inspectors made three subsequent visits in January.

Inspectors said the company had no health and safety specialist on site, not even a nurse's station, which is not required by Cal OSHA regulations but is customary at large industrial sites.

Cal OSHA officials reported that Clothes Connection managers said they did not have the state forms on which companies are required to record injuries, for 1990, 1991 or 1992. The logs for 1993 and 1994 were incomplete. The personnel manager at Clothes Connection said that, because of improved safety programs, there was just one injury in the second half of last year, according to Cal OSHA inspectors. The inspectors said they also contacted Clothes Connection's workers' compensation insurer, Pacific Rim in Woodland Hills, which verified that the garment firm had not filed any injury claims in the second half of 1994.

But reports that Cal OSHA obtained from nearby East Edinger Medical Clinic, where Jose was sent and where Clothes Connection has an account, show that 75 employees received treatment—some more than once—from July to December last year. The most serious appeared to be the amputation, although eye lesions, sprained ankles, rashes and allergic reactions were also treated by East Edinger doctors. Most of the workers at the factory earn minimum wage or slightly more, with no medical insurance coverage or other benefits, employees and union representatives said.

Just how many of those workers are illegal immigrants is not known. INS officials declined to comment on the case. People familiar with the company, however, said that immigration officials first visited Clothes Connection in mid-1994 and that, in a more recent visit, the company was supplied a list of workers whose resident or work status could not be verified.

Clothes Connection faces penalties of as much as \$1,000 per worker if INS inspectors can prove that it knowingly hired or employed unauthorized workers.

Allegations of labor abuses by the company have spurred the United Food and Commercial Workers union to launch an organizing effort. Last week the union filed charges with the National Labor Relations Board, accusing Clothes Connection managers of threatening workers. The company has not yet responded to the union's charges, a labor board spokesman said.

Times correspondent Hope Hamashige contributed to this report.

Pfaelzer asserted, however, that she will "never entertain another motion to intervene in this case." Speaking in opposition to the latest interventions was Assistant Atty. Gen. John H. Sugiyama, who said the case is already top-heavy with extra parties, including the city of Los Angeles.

"[At first] it was almost like 'Godzilla' where everyone wanted to distance themselves from the initiative," Sugiyama said. "Now we're getting like 'Barney,' where everyone wants to gather around."

"IMMIGRATION ENFORCEMENT IMPROVEMENTS ACT OF 1995"
SECTION-BY-SECTION ANALYSIS

TITLE I -- BORDER ENFORCEMENT

Sec. 101. AUTHORIZATION FOR BORDER CONTROL STRATEGIES.

This section authorizes the appropriation to the Department of Justice of the funds necessary for expanded control at the land borders.

Sec. 102. BORDER PATROL EXPANSION.

This section mandates the Attorney General in fiscal years 1996, 1997, and 1998, to increase the number of border patrol agents to the maximum extent possible and consistent with standards of professionalism and training, by no fewer than 700 each year.

Sec. 103. LAND BORDER INSPECTION ENHANCEMENTS.

This section mandates the Attorney General, subject to appropriations or the availability of funds in the Border Services User Fee Account, to increase the number of land border inspectors in fiscal years 1996 and 1997 to a level that will provide full staffing to end undue delay and facilitate inspections at the land border ports of entry.

Sec. 104. INCREASED PENALTIES FOR FAILURE TO DEPART, ILLEGAL REENTRY, AND PASSPORT AND VISA FRAUD.

Section 104(a) directs the U.S. Sentencing Commission to increase the base offense level under section 242(e) for failure to depart under an order of deportation, and section 276(b) for illegal reentry after deportation to reflect the enhanced penalties provided in section 130001 of the Violent Crime Control Act of 1994 (VCCA).

The VCCA made failure to depart after a final order of deportation punishable by imprisonment of not more than four years, or not more than 10 years if the alien is deportable for alien smuggling, has committed certain other criminal offenses, has failed to register, has falsified documents, or is engaged in security-related espionage or terrorism.

The VCCA also provided for punishment of 10 years imprisonment of any alien who reenters subsequent to deportation for conviction or commission of three or more misdemeanors involving drugs, crimes against the person, or

both. Imprisonment for aliens who reenter after deportation for an aggravated felony was raised from 15 to 20 years.

Section 104(b) directs the Sentencing Commission to make appropriate increases in the base offense level for sections 1541-46 of Title 18, U.S.C. (passport and visa fraud) to reflect the enhanced penalties provided in section 130009 of the VCCA.

The VCCA increases the penalties for passport and visa fraud to up to 10 years imprisonment in most cases; and changes prior law by eliminating the option for fines instead of imprisonment and increasing the maximum number of years in prison.

Sec. 105. PILOT PROGRAM ON INTERIOR REPATRIATION OF DEPORTABLE OR EXCLUDABLE ALIENS.

This section permits the Attorney General to establish a pilot program for deportation of persons to the interior, rather than the border area, of a contiguous country. It mandates a report to Congress not later than 3 years after initiation of any pilot program.

Sec. 106. SPECIAL EXCLUSION IN EXTRAORDINARY MIGRATION SITUATIONS.

This section will aid with border control by allowing aliens to be excluded from entering the United States during extraordinary migration situations or when the aliens are arriving on board smuggling vessels. Persons with a credible fear of persecution in their countries of nationality will be allowed to enter the United States to apply for asylum.

Section 106(a) amends section 235 of the Immigration and Nationality Act (INA) to clarify that an alien in exclusion proceedings who has arrived from a foreign contiguous country may be returned to that country while the proceedings are pending.

Section 106(b) amends section 235 of the INA, relating to inspection requirements, by adding two new subsections, 235(d) and 235(e). New subsection (d) allows the Attorney General to order an alien excluded and deported without a hearing before an immigration judge. This authority may be exercised when the Attorney General declares an extraordinary migration situation to exist (because of the number of aliens en route to or arriving in the United States, including by aircraft) or when aliens are brought to the United States or arrive in the United States on board a smuggling vessel. (This language is virtually identical to that passed by the full Senate Judiciary Committee in August 1994 as a substitute for the general expedited exclusion authority proposed in S. 1333.)

A person will not be subject to expedited exclusion if he or she claims asylum and establishes a credible fear of persecution in his or her country of nationality. However, a person may be returned to a third country in which he or she has no credible fear of persecution or of return to persecution.

There is no administrative review of an order of special exclusion except for persons previously admitted to the United States as lawful permanent residents. Asylum denials would be reviewable by an asylum officer, but there is no judicial review of the asylum denial. (See section 308, below, for amendments to the judicial review provisions of the INA, which limit judicial review of a special exclusion order to certain issues through habeas proceedings.)

New subsection 235(e) provides that a person may not attack prior orders of deportation as a defense against penalties for illegal reentries.

Sec. 107. IMMIGRATION EMERGENCY PROVISIONS.

Section 107(a) amends section 404(b) of the INA to permit reimbursement of other Federal agencies, as well as the States, out of the immigration emergency fund. Reimbursements could be made to other countries for repatriation expenses without the requirement that the President declare an immigration emergency.

Section 107(b) amends 50 U.S.C. 191 (Magnuson Act) to permit the control and seizure of vessels when the Attorney General determines that urgent circumstances exist due to a mass migration of aliens.

Section 107(c) amends section 101(a) of the INA by authorizing the Attorney General to designate local enforcement officers to enforce the immigration laws when the Attorney General determines that an actual or imminent mass migration of aliens presents urgent circumstances.

Sec. 108. COMMUTER LANE PILOT PROGRAMS.

To facilitate border management, this section amends section 286(q) of the INA and the 1994 Department of Justice Appropriations Act to permit expansion of commuter lane pilot programs at land borders.

It also amends the 1994 Justice Appropriations Act to allow the Immigration and Naturalization Service (INS) to establish these projects on the Northern, as well as the Southern, border.

TITLE II -- CONTROL OF UNLAWFUL EMPLOYMENT AND VERIFICATION

Sec. 201. REDUCING THE NUMBER OF EMPLOYMENT VERIFICATION DOCUMENTS.

The provisions of this section will strengthen enforcement of employer sanctions. These provisions will assist interior enforcement and decrease nonimmigrant overstays by making it more difficult for illegal aliens to gain unlawful employment.

Section 201(a) amends section 274A(b)(2) of the INA to permit the Attorney General to require any individual to provide his or her Social Security account number on any forms required as part of employment verification process.

Section 201(b) amends section 274A(b)(1)(B) of the INA to eliminate three types of documents that may be presented to establish both an individual's employment authorization and identity.

Under current law, by statute and regulation, an individual may present 1 or more of up to 29 documents to establish employment authorization, identity, or both.

Documents that now establish both employment authorization and identity are a U.S. passport, certificate of U.S. citizenship, certificate of naturalization, unexpired foreign passport with work authorization, or a resident alien card or other alien registration card containing a photograph and work authorization. Under this amendment, only a U.S. passport, resident alien card, or alien registration card or other employment authorization document issued by the Attorney General would establish both employment authorization and identity.

Subsection (b) also amends 274A(b)(1)(C) of the INA to eliminate the use of a U.S. birth certificate as a document that can establish work authorization.

Subsections (a) and (b) would apply with respect to hirings occurring not later than 180 days after enactment, as designated by the Attorney General.

Sec. 202. EMPLOYMENT VERIFICATION PILOT PROJECTS.

This section provides for the Attorney General, working with the Commissioner of Social Security, to conduct pilot projects to test methods for reliable and nondiscriminatory verification of employment eligibility. Pilot programs may include the expansion of the telephone verification system up to 1000 employers; a simulated linkage of INS and Social Security Administration (SSA) databases; a process to allow employers to verify employment eligibility through SSA records using INS records as a cross-check; and improvements and additions to the INS and SSA databases to make

them more accessible for employment verification purposes. Pilots are to run for 3 years with an option for a 1-year extension and are to be limited to certain geographical locations. The Attorney General may require employers participating in the pilots to post notices informing employees of their participation and of procedures for filing complaints with the Attorney General regarding the operation of the pilots.

At the end of the 3-year period, the Attorney General must report to Congress regarding the cost effectiveness, technical feasibility, resistance to fraud, and impact upon privacy and anti-discrimination policies of the various pilot projects.

Sec. 203. **CONFIDENTIALITY OF DATA UNDER EMPLOYMENT ELIGIBILITY VERIFICATION PILOT PROJECTS.**

Section 203(a) provides for the confidentiality of individual information collected in the operation of pilot projects under section 202. No individual information may be made available to any Government agencies, employers, or other persons other than as necessary to verify that the employee is not an authorized alien. In addition, the information may be used for enforcement of the INA and for criminal enforcement of the immigration-related fraud provisions of Title 18 (sections 911, 1001, 1028, 1546, and 1621).

Pursuant to section 203(b), participating employers must have in place procedures to safeguard the personal information and notify employees of their right to request correction or amendment of their records. These procedures will be detailed in a standard memorandum of understanding signed by INS and each employer.

Section 203(c) makes the provisions, rights and remedies of 5 U.S.C. 552a(a)(2), applicable to all work-authorized persons who are subject to work authorization verification under section 202 with respect to records used in the course of a pilot project to make a final determination concerning an individual's work authorization.

Pursuant to section 203(d), employers and other persons are subject to civil penalties from \$1,000 to \$10,000 for the willful and knowing unlawful disclosure or use of information or failure to comply with subsection 203(b).

Section 203(e) states that nothing in this section shall limit the rights and remedies otherwise available to U.S. citizens and lawful permanent residents under 5 U.S.C. 552a.

Section 203(f) states that nothing in this section or section 202 shall be construed to authorize, directly or indirectly, the issuance or use of national

identification cards or the establishment of a national identification card.

Sec. 204. COLLECTION OF SOCIAL SECURITY NUMBERS.

To facilitate the use of Social Security numbers in immigration-related activities, this section adds a new subsection 264(f) to the INA to clarify that the Attorney General may require any alien to provide his or her Social Security number for inclusion in any record maintained by the Attorney General. (This is a companion to section 201(a), described above.)

Sec. 205. EMPLOYER SANCTIONS PENALTIES.

Section 205(a) amends section 274A(e)(4)(A) of the INA to increase the civil penalties for employer sanctions for first violations from the current range of \$250 to \$2,000 to a range of \$1,000 to \$3,000. The subsection also increases penalties for second violations from the current range of \$2,000 to \$5,000 to a range of \$3,000 to \$8,000. The penalties for subsequent violations are increased from a range of \$3,000 to \$10,000 to a range of \$8,000 to \$25,000.

Section 205(b) amends section 274A(e)(5) of the INA to increase the penalties for employer sanctions paperwork violations from the current range of \$100 to \$1,000 to a range of \$200 to \$5,000.

Section 205(c) amends section 274A(f)(1) of the INA to increase the criminal penalty for pattern and practice violations of employer sanctions to a felony offense, increasing the applicable fines from \$3,000 to \$7,000 and the criminal sentence which may be imposed from not more than six months to not more than two years.

Sec. 206. CRIMINAL PENALTIES FOR DOCUMENT FRAUD.

Section 206(a) amends 18 U.S.C. 1028(b)(1), on identification document fraud, to increase the maximum term of imprisonment from 5 to 10 years. The maximum term of imprisonment is up to 15 years if committed to facilitate a drug trafficking offense, and up to 20 years if committed to facilitate an act of international terrorism.

Section 206(b) directs the Sentencing Commission promptly to make appropriate increases in all of the base offense levels for immigration document fraud offenses under 18 U.S.C. 1028.

what circumstances distinguish identification document fraud from immigration document fraud

Sec. 207. CIVIL PENALTIES FOR DOCUMENT FRAUD.

Section 207(a) amends section 274C(a) of the INA to apply civil penalties in cases where an alien has presented a travel document upon boarding a vessel for United States, but fails to present the document upon arrival ("document-destroyers"). A discretionary waiver of these penalties is provided if the alien is subsequently granted asylum.

Subsection (a) also applies civil penalties against a person who prepares, files, or assists another person in preparing or filing, certain false documents in reckless disregard of the fact that the information is false or does not relate to the applicant.

Section 207(b) conforms section 274(c)(d)(3) to refer to "each document that is the subject of a violation under subsection (a)". This will clarify that an alien who does not present a document (because it was destroyed) is subject to penalties.

Sec. 208. SUBPOENA AUTHORITY.

Section 208(a) amends section 274A(e)(2) of the INA to clarify that immigration officers may issue subpoenas for investigations of employer sanctions offenses under section 274A.

Section 208(b) adds a new section 294 to the INA to authorize the Secretary of Labor to issue subpoenas for investigations relating to the enforcement of any immigration program. It makes the authority contained in sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49, 50) available to the Secretary of Labor. The Federal Trade Commission Act provisions allow access to documents and files of corporations, including the authority to call witnesses and require production of documents.

Sec. 209. INCREASED PENALTIES FOR EMPLOYER SANCTIONS INVOLVING LABOR STANDARDS VIOLATIONS.

Section 209(a) adds a new paragraph 274A(e)(10) to the INA to authorize an administrative law judge to increase the civil penalties provided under employer sanctions to an amount up to two times the normal penalties, for willful or repeated violations of: (i) the Fair Labor Standards Act (29 U.S.C. 201 et seq.); (ii) the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.); and (iii) the Family and Medical Leave Act (29 U.S.C. 2601 et seq.).

Section 209(b) adds a new paragraph, section 274B(g)(4), to the INA

to make the same provisions in (a) above applicable in section 274B, unfair immigration-related employment practices.

Sec. 210. INCREASED CIVIL PENALTIES FOR UNFAIR IMMIGRATION-RELATED EMPLOYMENT PRACTICES.

This section amends section 274B(g)(2)(B) of the INA to increase the civil penalties applicable for unfair immigration-related employment practices to make the penalties comparable to the increased proposed for employer sanctions violations.

The penalty for a first violation would be increased from the current range of \$250 to \$2,000 to a range of \$1,000 to \$3,000. The penalty for a second violation would be increased from the current range of \$2,000 to \$5,000 to a range of \$3,000 to \$8,000. The penalty for more than two violations would be increased from the current range of \$3,000 to \$10,000 to a range of \$8,000 to \$25,000.

The penalty for a documents violation, that is, requesting more or different documents than are required or refusing to honor documents tendered that on their face reasonably appear to be genuine, would be increased from a range of \$100 to \$1,000 to a range of \$200 to \$5,000.

Sec. 211. RETENTION OF EMPLOYER SANCTIONS FINES FOR LAW ENFORCEMENT PURPOSES.

This section amends section 286(c) of the INA to credit to INS appropriations any employer sanction penalties received in excess of \$5,000,000. These funds will be used to fund employer sanctions enforcement and related expenses. The funds credited to the account remain available until used.

Sec. 212. TELEPHONE VERIFICATION SYSTEM FEE.

This section amends section 274A(d) of the INA to authorize INS to collect and retain the fees paid to use the telephone verification system pilot project. These fees are to be credited to the INS Salaries and Expenses appropriation as offsetting collections solely for employer verification services costs.

Sec. 213. AUTHORIZATIONS.

This section provides for blanket authorization for appropriation of funds needed to carry out this title.

TITLE III -- ILLEGAL ALIEN REMOVAL

Sec. 301. CIVIL PENALTIES FOR FAILURE TO DEPART.

This section adds a new section 274D to the INA, to subject aliens who willfully fail to depart after an order of exclusion or deportation to a \$500-per day penalty (payable to the INS Commissioner as offsetting collections). This section would not diminish the criminal penalties at section 242(e) for failure to depart or any other section of the INA.

Sec. 302. JUDICIAL DEPORTATION.

Section 302(a) amends section 242A(d)(1) of the INA to authorize a U.S. district court to enter a judicial order of deportation when the court imposes a sentence that causes the alien to be deportable or when the alien previously has been convicted of an aggravated felony. Current law limits judicial deportation to the time of sentencing for an aggravated felony conviction.

Section 302(b) amends section 242A(d)(3) to provide that a judicial order of deportation or denial of the Government's motion for such an order may be appealed by either party, as part of the underlying criminal case.

Section 302(c) amends section 242A(d)(4) of the INA to strike the reference to "a decision on the merits." This change clarifies that the INS may place an alien in administrative deportation proceedings if a Federal district court judge has declined the Government's petition to issue a judicial deportation order.

Section 302(d) amends 18 U.S.C. 3583(d)(3) to provide that a court may set as a condition of supervised release that an alien defendant be ordered deported by the Attorney General and that the alien remain outside the United States. This amendment addresses an issue in litigation where district court judges have read this section to authorize them to order deportation.

Sec. 303. CONDUCT OF PROCEEDINGS BY ELECTRONIC MEANS.

This section amends section 242(b) of the INA to permit deportation proceedings to be conducted by video conference or telephone, saving travel and hearing time and resources. The alien must consent to such a hearing by telephone if it is to be a full contested evidentiary hearing on the merits.

Sec. 304. SUBPOENA AUTHORITY.

This section clarifies the authority of immigration judges to issue subpoenas in proceedings under sections 236 (exclusion) and 242 (deportation) of the INA.

Sec. 305. STIPULATED EXCLUSION AND DEPORTATION.

This section amends sections 236 and 242 of the INA to permit the entry of orders of exclusion and deportation stipulated to by the alien and the INS, and to provide that stipulated orders are conclusive. Department of Justice regulations will provide that an alien who stipulates to an exclusion or deportation order waives all appeal rights.

Sec. 306. STREAMLINING APPEALS FROM ORDERS OF EXCLUSION AND DEPORTATION.

This section revises and amends section 106 of the INA. It provides for judicial review of final administrative orders of both deportation and exclusion through a petition for review, filed within 30 days after the final order in the judicial circuit in which the immigration judge completed the proceedings. Under current law, an order of exclusion is appealable to a district court and then appealable to the court of appeals.

The Attorney General's findings of fact shall be conclusive unless a reasonable adjudicator would be compelled to conclude to the contrary.

As in current law, a court may review a final order only if the alien has exhausted all administrative remedies. This section adds a requirement that no other court may decide an issue, unless the petition presents grounds that could not have been presented previously or the remedy provided was inadequate or ineffective to test the validity of the order.

A new section 106(e) provides that a petition for review filed by an alien against whom a final order of deportation has been issued under section 242A (aggravated felonies) will be limited to whether the alien: is the alien described in the order; has been convicted after entry of an aggravated felony; and was afforded the appropriate deportation proceedings.

Under section 106(f) there is no judicial review of an individual order of special exclusion or of any other challenge relating to the special exclusion provisions. The only authorized review is through a habeas corpus proceeding, limited to determinations of alienage, whether the petitioner was ordered specially excluded, and whether the petitioner can prove by a preponderance of the evidence that he or she is an alien admitted for permanent residence and is entitled to further inquiry. In such cases the court may order no relief other than a hearing under section 236 or a determination in accordance with sections 235(a) or 273(d). There shall be no review of whether the alien was actually

excludable or entitled to relief.

Sec. 307. SANCTIONS AGAINST COUNTRIES REFUSING TO ACCEPT DEPORTATION OF THEIR NATIONALS.

This section amends section 243(g) of the INA to permit the Secretary of State to refuse issuance of all visas to nationals of countries that refuse to accept deportation of their nationals from the United States. Under current law, the Secretary of State has the authority only to refuse to issue immigrant visas.

Sec. 308. CUSTODY OF ALIENS CONVICTED OF AGGRAVATED FELONIES.

Section 308(a) amends section 236(e) of the INA to permit the Attorney General to release an aggravated felon alien who is in exclusion proceedings from detention if the release is necessary to provide protection to a witness, a potential witness, or a person cooperating with a major criminal investigation, or to protect an immediate family member of such a person.

Section 308(b) amends section 242(a)(2) of the INA to permit the Attorney General to release an aggravated felon alien who is in deportation proceedings from detention if the release is necessary to provide protection to a witness, a potential witness, or a person cooperating with a major criminal investigation, or to protect an immediate family member of such a person.

Sec. 309. LIMITATIONS ON RELIEF FROM EXCLUSION AND DEPORTATION.

Section 309(a) amends section 212(c) of the INA to limit relief under section 212(c) of the INA to a person who has been lawfully admitted to the U.S. for at least 7 years, has been a lawful permanent resident for at least 5 years, and is returning to such residence after having temporarily proceeded abroad not under an order of deportation. The 5-year and 7-year periods would end upon initiation of exclusion proceedings. Also, relief under INA section 212(c) will be available only to persons in exclusion proceedings. Persons in deportation proceedings must now apply for cancellation of deportation (described below). Finally, an aggravated felon will be eligible for section 212(c) relief only if he or she has been sentenced to less than 5 years, in the aggregate, for the aggravated felony conviction or convictions. Time actually served will not be a factor in determining eligibility.

Section 309(b) amends section 244 of the INA to consolidate two existing forms of relief from deportation (suspension of deportation under section 244 and a waiver of deportability under section 212(c)) into one form of relief, "Cancellation of Deportation." A lawful permanent resident (LPR) would be eligible for cancellation if he or she has been an LPR for 5 years, has resided in the U.S. after lawful admission for 7 years, and has not been convicted of

an aggravated felony or felonies for which he or she has been sentenced, in the aggregate, to a term or terms of 5 years or more. A non-LPR would be eligible for relief if he or she had been continuously physically present for 7 years, was of good moral character, and could establish extreme hardship to the alien or the alien's U.S. citizen spouse or child if deported. The 7-year and 5-year periods end with the issuance of an Order to Show Cause initiating deportation proceedings. This provision would clarify an area of the law regarding the cutoff periods for these benefits that have given rise to significant litigation and different rules being applied in different judicial circuits.

This section also amends the existing provisions for voluntary departure. Prehearing voluntary departure may be granted to any alien other than an aggravated felon. The Attorney General may require a voluntary departure bond. At the conclusion of a deportation proceeding, voluntary departure may be granted only if the person has been of good moral character for 5 years prior to the order, is not deportable under certain criminal or national security grounds, and demonstrates by clear and convincing evidence that he or she has the means to depart the United States and intends to do so. The alien would be required to post a voluntary departure bond. An alien would be subject to civil penalties of \$500 per day for failure to depart within the time set for voluntary departure. Judicial review of voluntary departure orders would be limited.

An alien would be subject to civil penalties of \$500 per day for failure to depart within the time set for voluntary departure. Judicial review of a voluntary departure order would be prohibited if relief was granted for 30 days or more. Judicial review of a denial of voluntary departure could not stay deportation of an alien after 60 days had passed from issuance of an order of deportation.

Section 309(c) makes conforming amendments to sections 242(b) and 242B(e) of the INA.

Section 309(d) provides that the effective date of this section is the date of enactment, except that subsections (a) and (b), relating to the determination of when the period of residency or of continuous physical presence ends, are applicable only to orders to show cause filed on or after the date of enactment. The conforming amendments made by subsection (c) are effective on enactment.

Sec. 310. RESCISSION OF LAWFUL PERMANENT RESIDENT STATUS.

This section amends section 246(a) of the INA to clarify that the Attorney

General is not required to rescind the lawful permanent resident status of a deportable alien separate and apart from the deportation proceeding under section 242 or 242A. This provision will allow INS to place a lawful permanent resident who has become deportable into deportation proceedings immediately.

Sec. 311. INCREASING EFFICIENCY IN REMOVAL OF DETAINED ALIENS.

This section authorizes appropriations for the Attorney General to conduct a pilot program or programs to study methods for increasing the efficiency of deportation and exclusion proceedings against detained aliens by increasing availability of pro bono counseling and representation. The Attorney General may use funds to award grants to not-for-profit organizations assisting aliens.

TITLE IV -- ALIEN SMUGGLING CONTROL

Sec. 401. WIRETAP AUTHORITY FOR INVESTIGATIONS OF ALIEN SMUGGLING AND DOCUMENT FRAUD.

This section amends 18 U.S.C. 2516(l) to give INS the authority to use wiretaps in investigations of alien smuggling and document fraud.

Sec. 402. APPLYING RACKETEERING OFFENSES TO ALIEN SMUGGLING.

This section amends 18 U.S.C. 1961(l) to include the offenses relating to alien smuggling as predicate offenses for racketeering charges. The application of RICO to smuggling will be limited to those offenses committed for commercial advantage or private financial gain.

Sec. 403. EXPANDED ASSET FORFEITURE FOR SMUGGLING OR HARBORING ALIENS.

This section amends section 274 of the INA to authorize seizure and forfeiture of real and personal property in cases of alien smuggling and harboring. Current forfeiture authority is limited to conveyances. INS must give notice to owners of an intent to forfeit.

Sec. 404. INCREASED CRIMINAL PENALTIES FOR ALIEN SMUGGLING.

This section amends section 274(a)(1)(A) of the INA to add conspiracy and aiding and abetting to the smuggling offenses, with offenders being subject to a fine, and/or 10 years imprisonment for conspiracy and/or 5 years imprisonment for aiding and abetting. It makes it a criminal offense to hire an alien with the knowledge that the alien is not authorized to work and that the alien was smuggled into the U.S. The penalty for violating this section is a fine and/or up to 5 years imprisonment.

This section also amends section 274(a)(2) of the INA to increase the penalties for multiple smuggling offenses (and for a new offense for smuggling aliens who will be committing crimes) to not less than 3 years or more than 10 years of imprisonment.

Sec. 405. UNDERCOVER INVESTIGATION AUTHORITY.

This section authorizes INS to use appropriated funds to lease space, establish, acquire, or operate business entities for undercover operations, so-called "proprietary" to facilitate undercover immigration-related criminal investigations. INS may deposit funds generated by these operations or use them to offset operational expenses.

Sec. 406. AMENDED DEFINITION OF AGGRAVATED FELONY.

Section 406(a) amends section 101(a)(43)(N) of the INA, to strike the reference to title 18, U.S.C., in defining alien smuggling as an aggravated felony. This amendment will result in the inclusion of the smuggling offenses in section 274 of the INA into the definition of aggravated felony. It also amends the definition of "aggravated felony" by adding a requirement that the offense of trafficking in document fraud be "for the purpose of commercial advantage."

Section 406(b) amends section 101(a)(43) to provide that the term "aggravated felony" applies for all purposes to convictions entered before, on, or after the date of enactment of this Act. This amendment will end controversy on which convictions fall within the definition.

Section 406(c) amends section 243(h) of the INA to provide that for purposes of determining whether an alien is ineligible for withholding of deportation based on conviction for an aggravated felony, the alien must have been sentenced to five years or more. Currently any aggravated felon is ineligible for withholding of deportation.

TITLE V -- INSPECTIONS AND ADMISSIONS

Sec. 501. CIVIL PENALTIES FOR BRINGING INADMISSIBLE ALIENS FROM CONTIGUOUS TERRITORIES.

This section amends section 273(a) to establish the illegality of bringing inadmissible aliens from foreign contiguous territories. It amends section 273(b) of the INA to increase from \$3,000 to \$5,000 the fine for bringing in an alien unlawfully.

Sec. 502. DEFINITION OF STOWAWAY; EXCLUDABILITY OF STOWAWAY; CARRIER LIABILITY FOR COSTS OF DETENTION.

Section 502(a) adds a definition of stowaway to the INA (section 101(a)) to mean any alien who obtains transportation without consent or through concealment or evasion.

Section 502(b) amends section 237 of the INA to clarify that a stowaway is subject to immediate exclusion and deportation. However, it allows a stowaway to apply for asylum or withholding of deportation.

Section 502(c) amends section 273(d) of the INA to require the carrier to detain a stowaway until he or she has been inspected by an immigration officer and to pay for any detention costs incurred by the Attorney General should the alien be taken into custody. It amends section 273(d) by raising the fine for failure to remove a stowaway from \$3,000 to \$5,000 per stowaway, payable to the Commissioner as offsetting collections.

Sec. 503. LIST OF ALIEN AND CITIZEN PASSENGERS ARRIVING OR DEPARTING.

This section amends section 231(a) of the INA to clarify the content of and format for passenger lists and manifests to be prepared and submitted by carriers to INS, including name, date of birth, gender, citizenship, travel document number, and arriving flight number.

Sec. 504. ELIMINATION OF LIMITATIONS ON IMMIGRATION USER FEES FOR CERTAIN CRUISE SHIP PASSENGERS.

This section amends section 286(e)(1) of the INA to remove the current exemption from payment of the \$6 immigration user fee for cruise ship passengers.

Sec. 505. TRANSPORTATION LINE RESPONSIBILITY FOR TRANSIT WITHOUT VISA ALIENS.

This section amends section 238(c) of the INA to provide that a carrier which has entered into an agreement with the United States to transport aliens without visas through the U.S. must agree to indemnify the United States for any costs of detaining or removing such an alien.

Sec. 506. AUTHORITY TO DETERMINE VISA PROCESSING PROCEDURES.

This section amends section 202(a)(1) of the INA, which provides that visas must be issued without discrimination because of race, sex, nationality, place of birth, or place of residence, to state that nothing in this subsection limits the authority of the Secretary of State to determine procedures for processing visas. This section would reverse a recent judicial decision which interpreted the existing language to require the Secretary of State to process visas in a specific location.

Sec. 507. BORDER SERVICES USER FEE.

This section adds a new subsection 286(s) to the INA, authorizing the Attorney General to charge and collect a border services user fee for every land border entry, including persons arriving at U.S. borders by ferry, at participating ports-of-entry. The fee is to be collected in U.S. currency and is set at \$1.50 for each non-commercial conveyance, and \$.75 for each pedestrian. Commercial passenger conveyances will be charged the pedestrian fee for the operator and each passenger, except that ferry crewmen are not subject to the fee.

The section provides for each State to determine at which, if any, ports the fee is to be collected. A State that exercises this local option may establish a Border Service Council for each port to develop priorities for use of the fees collected, for submission to the Attorney General. The Attorney General must consider these priorities in funding port services. Funds remaining after payment of the costs of port services are to be given to the Councils to spend on port-related enhancements. The Attorney General will allocate enhancement funds for ports that do not set up a Border Service Council.

The Council membership must include three state representatives appointed by the Governor including at least one business representative, three local representatives, and three federal representatives.

A State may withdraw a port from participation after amortizing improvements and after one year's notice.

The Attorney General is authorized to provide special discounts for frequent border crossers, to adjust the fee to compensate for inflation and cover increased costs, and to contract with private and public sectors to collect the fee. The Attorney General may establish such penalties for non-payment of the fees as are necessary to ensure compliance. The Attorney General is authorized to advance to the Border Services User Fee Account the amount of the start up costs from the Department of Justice's Working Capital Fund. Receipts from the fee will be transferred back from the Border Services User Fee Account and deposited as offsetting receipts to the Working Capital Fund to cover this advance.

The Attorney General will begin collecting the fee not later than 12 months from the date the State notifies the Attorney General that it has selected ports to participate in the fee program.

TITLE VI - MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 601. ALIEN PROSTITUTION.

This section amends section 2424 of Title 18, U.S.C. (relating to filing statements with INS when bringing in aliens for immoral purposes) to add as a requirement for the offense that a person bringing in an alien for prostitution do so "knowing[ly] or in reckless disregard." It also deletes the statutory reference to signatories to the 1902 international convention and increases the maximum sentence for the offense from two to ten years.

Sec. 602. GRANTS TO STATES FOR MEDICAL ASSISTANCE TO UNDOCUMENTED IMMIGRANTS.

This section authorizes appropriations to assist States in providing treatment to certain aliens for emergency medical conditions.

Sec. 603. TECHNICAL CORRECTIONS TO VIOLENT CRIME CONTROL ACT AND TECHNICAL CORRECTIONS ACT.

Section 603(a) amends section 130003(c)(1) of the Violent Crime Control Act of 1994, Pub. L. 103-322. Section 130003(c)(1) created a new subsection 245(i) of the Act to provide for the adjustment of status for certain aliens in S nonimmigrant status. A technical correction is necessary because section 506(b) of the Commerce, Justice, and State appropriations statute, P.L. 103-317 (Aug. 26, 1994) had previously created a new subsection 245(i) to provide for the adjustment of status of certain aliens previously ineligible for such privilege. This proposed statutory amendment would redesignate the S-related adjustment provision as section 245(j) of the Act.

Section 603(b) amends section 130004(b)(3) of P.L. 103-322 by removing an incorrect reference to section 242A(b)(5) and replacing it with proper reference to paragraph (b)(4).

Sec. 604. EXPEDITIOUS DEPORTATION.

This section amends Section 225 of the Immigration and Nationality Technical Corrections Act of 1994, P.L. 104-416, by adding a reference to section 242A of the INA (which requires the Attorney General to commence deportation proceedings promptly) to the existing reference to section 242(i) (also requiring expeditious deportation), so that section 225 now provides that neither of those provisions create any enforceable substantive or procedural right or benefit against the United States.

Sec. 605. AUTHORIZATION FOR USE OF VOLUNTEERS.

This section authorizes the Attorney General to accept and use unpaid personnel to assist INS administratively in naturalization, adjudications at ports of entry, and to remove criminal aliens.