

**2021-2022
THE BUREAU OF FIELD ENFORCEMENT
FISCAL YEAR REPORT**

CALIFORNIA LABOR COMMISSIONER'S OFFICE

DEPARTMENT OF INDUSTRIAL RELATIONS



Labor Code section 90.5(d) requires the Labor Commissioner to report annually to the Legislature concerning the effectiveness of the Bureau of Field Enforcement (the Bureau or BOFE). This report includes: (1) the enforcement plan adopted by the Labor Commissioner and the rationale for its priorities; (2) the number of establishments investigated by the Bureau and the number and types of violations found; (3) the amount of wages found to be unlawfully withheld from workers and the amount of unpaid wages recovered for workers; and (4) the amount of penalties and unpaid wages transferred to the General Fund as a result of the Bureau's efforts.

The Labor Commissioner's Office (also known as the Division of Labor Standards Enforcement or DLSE) is a division of the California Department of Industrial Relations. It consists of several units working together to provide a wide variety of essential services for California workers and employers, including adjudication of wage claims when employers allegedly do not pay employees the wages or benefits they are owed, inspections of workplaces for potential California labor law violations, enforcement of prevailing wage rates and apprenticeship standards in public works projects, licensing and registration of businesses, investigations of retaliation complaints, criminal prosecution for wage theft, and education of the public on labor laws. The mission of the California Labor Commissioner's Office is to ensure a just day's pay in every workplace in the State and to promote economic justice through robust enforcement of labor laws. By combating wage theft, protecting workers from retaliation, and educating the public, the Division puts earned wages into workers' pockets and helps level the playing field for law-abiding employers.

One of the Division's key enforcement arms is BOFE, which investigates complaints and takes enforcement actions to ensure that employees are neither required nor permitted to work under unlawful conditions. Some of the actions taken by BOFE investigators include: the enforcement of minimum wage and overtime requirements, child labor laws, and employers' workers' compensation insurance requirement; audits of payroll records; collection of unpaid wages such as prevailing wages on public works jobs; issuance of citations for violations of any applicable Labor Code sections; confiscation of illegally manufactured garments; and injunctive relief to prevent further violations of the law.

BOFE focuses on major underground economy industries in California with the most rampant labor law violations, including agriculture, garment, construction, car wash, and restaurants. In the past few years, the Bureau has increased its focus on industries where wage theft (where employers fail to pay their employees in accordance with local or California law) has been particularly challenging to combat, such as janitorial work, residential care homes, and warehousing. During the reporting period of July 2021 to June 2022, the pandemic continued to affect the performance of BOFE and its ability to conduct onsite inspections and in-person interviews. BOFE had to refocus its efforts on compliance with health and safety issues, keeping the public safe, and ensuring employers were abiding by their obligations under the various paid sick leave statutes.

Strategic Enforcement Plan

In the past several years, BOFE has reinforced the Labor Commissioner's core mission of collecting wages for California's wage earners and penalizing employers that participate in the underground economy. It is unacceptable for scofflaws that violate labor laws to gain a competitive advantage over law-abiding employers.

One of the key components of this Administration's enforcement plan is the strategic targeting of law-breaking employers. The Labor Commissioner has adopted an approach that uses active collaboration with key partners on the ground and improved data to target businesses that are intentionally cheating. The Labor Commissioner's Office has also devoted considerable resources to ensuring every tool at its disposal is used to prosecute these violators to the full extent of the law. This includes working in collaboration with sister state agencies, local law

enforcement, and other government agencies, as well as nongovernmental stakeholders, from community-based organizations to industry associations. Those partnerships have resulted in better leads to uncover wage theft and strengthened the Division's ability to interview workers in a safe environment to uncover and understand the nature of violations in the workplace. Deputy Labor Commissioners interview witnesses off-site and outside regular business hours to maximize their ability to gain worker trust and participation. The Bureau does not rely solely on complaint-based investigations but also engages in proactive, strategic enforcement based on leads obtained by organizations, associations, and industry representatives.

Over the past several years, legislative changes have increased BOFE's authority to issue citations to employers for violations that were once enforceable only through the Berman wage claim process or through private lawsuits. For example, the Bureau can issue citations for liquidated damages payable to employees when minimum wage violations occur and for waiting-time penalties under Labor Code section 203. These changes streamlined the Division's ability to crack down on perpetrators of underground economy violations, protecting honest employers and resulting in a more efficient use of government resources. Other changes expanded liability, including the creation of a "client employer" definition that addresses violations created by entities that subcontract for labor by making those entities responsible for wage theft and other violations under certain circumstances.

As part of the Labor Commissioner's continued effort to fight wage theft, BOFE investigators not only assess civil penalties but also focus resources to conduct detailed audits for unpaid wages—in particular, minimum and overtime wages owed to workers. BOFE's efforts help ensure that workers are paid their lawful wages and legitimate employers are not forced out of business by those operating illegally.

In addition, the Labor Commissioner's Office partners with other state agencies, community groups, industry associations, and other law enforcement agencies to enhance the enforcement of labor laws. The Labor Commissioner's enforcement efforts generate substantial revenue for the State in the form of penalties paid by employers that violate the law.

The Labor Commissioner's Office provides training to its staff, particularly on conducting wage audits, to determine the extent of wage theft and to return owed wages to workers, as well as additional field enforcement training to give Department of Industrial Relations staff a better understanding of various schemes used by unscrupulous employers to avoid compliance with the law. This commitment to staff training enables BOFE to conduct deeper, more substantive investigations.

Lastly, the Labor Commissioner's Office publicizes the results of notable BOFE investigations through news releases and social media announcements. These media tools create a deterrent to wage theft and other labor law violations by highlighting the hefty penalties issued to employers for failing to comply with the law. An archive of news releases can be found here: https://www.dir.ca.gov/dlse/DLSE_whatsnew.htm

Enforcement Results

In the fiscal year 2021-2022, BOFE conducted 652 inspections and issued citations for 894 violations.^a The largest single source of violations and citations was once again employers' failure to carry workers' compensation insurance resulting in 243 citations issued for this violation with 203 stop orders. The second highest number of citations was for failure to issue an itemized wage statement/also known as pay stub (which

^a The *total* number of inspections and citations and all statistics throughout this report comprises the performance of all BOFE programs, including the Labor Enforcement Task Force.

must include gross and net wages, deductions, the date range of the pay period, and hourly rates and hours worked (for non-exempt workers) resulting in 89 violations issued. The following tables illustrate BOFE’s performance, including its special programs, such as prevailing wage enforcement through the Public Works Unit and the collaborative efforts of the Labor Enforcement Task Force (LETF) a coalition of California state government enforcement agencies that work together and in partnership with local agencies to combat the underground economy.

The amounts below do not include citations that were reduced or dismissed in the fiscal year 2021-2022 due to settlement or for other reasons. In the fiscal year 2021-2022, 289 violations were reduced or dismissed for a total reduction of \$10,135,263.64 in wages and penalties owed. These reduced or dismissed citations may have been assessed in prior fiscal years.

Table 1. Bureau Assessed Report (Including Public Works) FY 2021-2022, Results by Industry

Industry	# of Inspections	# of Penalty Violations	Penalties Assessed	Wages Assessed
Agriculture	38	34	\$923,920.28	\$772,302.96
Auto Repair	37	51	\$486,828.55	\$63,848.19
Car Wash	42	42	\$644,747.50	\$646,090.75
Construction	27	24	\$2,715,399.58	\$6,436,191.73
Garment	134	189	\$3,029,580.09	\$157,635.70
Hotel	8	12	\$231,197.13	\$3,259,489.45
Janitorial	3	16	\$108,402.55	\$396,987.07
Nail Salon	6	12	\$199,735.25	\$221,563.33
Other	152	229	\$5,399,671.01	\$11,550,730.48
Res Care	13	5	\$52,031.32	\$238,056.98
Restaurant	142	198	\$2,891,648.05	\$2,347,005.21
Retail	46	75	\$1,519,373.77	\$2,458,007.87
Security Guard	3	7	\$603,500.89	\$559,684.33
Warehouse	1	0	\$0.00	\$0.00
Grand Total	652	894	\$18,806,035.97	\$29,107,594.05
Public Works	2,507	514 ^a	\$12,847,695.33 ^b	\$8,240,155.17
TOTALS	3,159	1,408	\$31,653,731.30	\$37,347,749.22

Table 2. BOFE (Including Public Works) FY 2021-2022 Amounts Collected by Industry

^a The Public Works Unit does not conduct inspections but, rather, measures performance based on cases opened for audit purposes. Thus, the data in this table should be understood as 2,507 audits conducted, with 514 civil wage and penalty assessments (CWPA) issued (rather than the number of citations/violations). These measurements are included here to provide a full picture of the Division’s performance.

^b Includes penalty assessments under Labor Code sections 1775, 1771.1, 1773.3, 1776, 1777.7, 1813 & Public Contract Code (PCC) section 2600 (Skilled & Trained).

Employer Industry	Wages Collected	Penalties Collected	Interest Collected	Total Collected
Agriculture	\$518,303.70	\$469,316.16	\$33,232.66	\$1,020,852.52
Auto Repair	\$63,470.20	\$140,398.81	\$7,886.43	\$211,755.44
Car Wash	\$152,608.82	\$187,678.17	\$34,353.33	\$374,640.32
Construction	\$2,936,054.53	\$453,724.83	\$33,277.51	\$3,423,056.87
Garment	\$9,275.00	\$91,308.80	\$33.00	\$100,616.80
Hotel	\$1,578,508.11	\$75,215.71	\$9,484.08	\$1,663,207.90
Janitorial	\$7,200.00	\$25,250.00	\$330.80	\$32,780.80
Nail Salon	\$9,000.00	\$72,038.36	\$6,112.39	\$87,150.75
Other	\$2,183,106.84	\$1,596,624.75	\$97,630.98	\$3,877,362.57
Res Care	\$229,484.80	\$25,214.39	\$0.00	\$254,699.19
Restaurant	\$1,317,267.08	\$1,025,081.21	\$85,590.77	\$2,427,939.06
Retail	\$475,734.15	\$237,653.06	\$10,317.99	\$723,705.20
Security Guard	\$239,300.00	\$21,500.00	\$0.00	\$260,800.00
BOFE Total	\$9,719,313.23	\$4,421,004.25	\$318,249.94	\$14,458,567.42^a
Public Works Total	\$5,044,328.76	\$4,769,295.16^b	\$0.00	\$9,813,623.92
Total BOFE and Public Works	\$14,763,641.99	\$9,190,299.41	\$318,249.94	\$24,272,191.34

^a Penalties and wages collected in fiscal year 2021-2022 might include the collection of wages assessed in earlier reporting periods. This statistic also includes wages collected as a result of Bureau-assisted employer self-audits as well as actions taken by the Legal Unit, such as litigation, settlements, and Legal Unit-assisted employer self-audits, all of which were initiated by BOFE.

^b Includes penalty collections under Labor Code sections 1775, 1771.1, 1773.3, 1776, 1777.7, 1813 & PCC section 2600 (Skilled & Trained).

Table 3. BOFE (including Public Works) FY 2021-2022, Results by Violation Category

Violation Category	# of Penalty Violation	Penalties Assessed	Wages Assessed
Workers' Compensation	446	\$11,112,094.12	\$0.00
Child Labor	54	\$392,000.00	\$0.00
Itemized Statement (L.C. 226)	89	\$4,038,250.00	\$2,376,635.70
Minimum Wage	35	\$908,400.00	\$1,325,436.91
Contract Wages Above Minimum Wage	0	\$0.00	\$591,721.99
Split Shift	11	\$31,300.00	\$47,788.25
Liquidated Damages	0	\$0.00	\$1,608,533.92
Overtime	37	\$162,950.00	\$1,128,852.32
Garment	82	\$693,000.00	\$0.00
Garment Registration	32	\$29,600.00	\$0.00
Janitorial Registration	9	\$42,000.00	\$0.00
Failure to Provide Training	4	\$10,000.00	\$0.00
Car Wash Registration	22	\$214,300.00	\$0.00
Unlicensed Construction Contractor	1	\$600.00	\$0.00
Rest and Meal Period	23	\$211,100.00	\$770,540.36
Paid Sick Leave (LC 246)	0	\$0.00	\$7,612,506.00
Paid Sick Leave (LC 248)	0	\$0.00	\$3,792,995.68
Violation of Recordkeeping Requirement (LC 247.5(a))	0	\$0.00	\$84,850.00
Paid Sick Leave Poster Requirement	35	\$18,800.00	\$0.00
Failure to Rehire COVID-19	1	\$5,300.00	\$3,080,000.00
Unlicensed Farm Labor Contractor	6	\$58,800.00	\$0.00
Violation of Payment of Wages Provision (L.C. 204)	7	\$877,541.85	\$0.00
Waiting Time Penalties	0	\$0.00	\$6,687,732.92
Total	894	\$18,806,035.97	\$29,107,594.05
Public Work Totals	514^a	\$12,847,695.33^b	\$8,240,155.17
GRAND TOTALS	1,408	\$31,653,731.30	\$37,347,749.22

^a The Public Works Unit does not conduct inspections but, rather, measures performance based on cases opened for audit purposes. Thus, the data in this table should be understood as 2,507 audits conducted, with 514 civil wage and penalty assessments (CWPA's) issued (rather than the number of citations/violations). These measurements are included here to provide a full picture of the Division's performance.

^b Includes penalty collections under Labor Code sections 1775, 1771.1, 1773.3, 1776, 1777.7, 1813 & PCC section 2600 (Skilled & Trained).

Table 4. BOFE (including Public Works) FY 2021-2022, Amounted Collected by Violation Category

Violation Category	Interest Collected	Penalties Collected	Wages Collected	Total Collected
Workers' Compensation	\$220,919.90	\$2,727,816.05	\$0.00	\$2,948,735.95
Child Labor	\$570.76	\$185,500.00	\$0.00	\$186,070.76
Itemized Statement	\$72,184.25	\$995,765.82	\$889,397.46	\$1,957,347.53
Contract Rate	\$0.00	\$0.00	\$410,373.84	\$410,373.84
City and County Minimum Wage	\$0.00	\$1,600.00	\$30,971.96	\$32,571.96
Minimum Wage	\$3,229.56	\$81,501.08	\$1,104,304.65	\$1,189,035.29
Split Shift	\$0.00	\$9,730.56	\$54,614.93	\$64,345.49
Reporting Time Pay	\$0.00	\$258.38	\$13,013.34	\$13,271.72
Record Keeping (L.C.1174)	\$0.00	\$400.00	\$0.00	\$400.00
Liquidated Damage	\$0.00	\$0.00	\$1,108,580.18	\$1,108,580.18
Overtime	\$0.01	\$84,103.50	\$1,655,192.87	\$1,739,296.38
Garment	\$0.00	\$2,700.00	\$0.00	\$2,700.00
Garment Registration	\$0.00	\$30,900.00	\$0.00	\$30,900.00
Car Wash Registration	\$21,345.33	\$98,735.70	\$0.00	\$120,081.03
Unlicensed Construction Contractor	\$0.00	\$31,869.58	\$0.00	\$31,869.58
Rest and Meal Period	\$0.00	\$102,763.58	\$1,580,486.33	\$1,683,249.91
Misclassification	\$0.00	\$1,200.00	\$0.00	\$1,200.00
Violation of Janitorial Registration	\$0.00	\$6,000.00	\$0.00	\$6,000.00
Tips	\$0.00	\$0.00	\$3,600.00	\$3,600.00
Reimbursable Business Expenses	\$0.00	\$0.00	\$847.10	\$847.10
Farm Labor Contractor Registration	\$0.00	\$29,800.00	\$0.00	\$29,800.00
Violation of Payment of Wage	\$0.00	\$6,760.00	\$0.00	\$6,760.00
Sick Leave Poster Requirement	\$0.00	\$17,900.00	\$1,900.00	\$19,800.00
Failure to Rehire (LC 2810.8)	\$0.00	\$5,700.00	\$1,514,300.00	\$1,520,000.00
Paid Sick Leave Violation	\$0.00	\$0.00	\$271,210.24	\$271,210.24
Waiting Time Penalties	\$0.13	\$0.00	\$1,080,520.33	\$1,080,520.46
BOFE Total	\$318,249.94	\$4,421,004.25	\$9,719,313.23	\$14,458,567.42
Public Works Total	\$0.00	\$4,769,295.16 ^a	\$5,044,328.76	\$9,813,623.92
Total BOFE and Public Works	\$318,249.94	\$9,190,299.41	\$14,763,641.99	\$24,272,191.34^b

^a Includes penalty collections under Labor Code sections 1775, 1771.1, 1773.3, 1776, 1777.7, 1813 & PCC section 2600 (Skilled & Trained).

^b Penalties and wages collected in fiscal year 2021-2022 may include collection of penalties and wages found due in earlier reporting periods. This statistic also includes wages collected as the result of Bureau-assisted employer self-audits as well as actions taken by the Legal Unit, such as litigation, settlements, and Legal Unit-assisted employer self-audits, all of which were initiated by BOFE.

In the fiscal year 2021-22, the Labor Commissioner's Office collection efforts led to depositing \$14,763,642 into the Unpaid Wage Fund. The Labor Commissioner works diligently to identify and pay these funds to workers. When the Commissioner cannot locate the workers, collected wages and benefits due to the worker are deposited into the Unpaid Wage Fund until the worker is located. At the end of each fiscal year, the unencumbered balance of the Unpaid Wage Fund, less six months of expenditures, are deposited into the General Fund, pursuant to Labor Code section 96.7. However, all wages or benefits collected under this section that cannot be remitted from the Industrial Relations Unpaid Wage Fund because money has been transmitted to the General Fund shall be paid out of the General Fund from funds appropriated for that purpose.

Audits

The Labor Commissioner's Office continued to do more investigation to uncover issues involving the nonpayment of wages, resulting in more audits of employers' payroll records. A sampling of notable outcomes of payroll audits performed under the supervision and direction of the Bureau staff, which resulted in the assessment of wages due to workers (shown in the statistics above), includes:

July 2021

- Los Angeles—The Labor Commissioner's Office cited three El Super grocery stores in Southern California \$447,836 for failing to provide or delaying supplemental paid sick leave or other benefits to 95 workers impacted by COVID-19.

August 2021

- San Francisco—The Labor Commissioner's Office reached a \$1.6 million settlement with the owners of Z & Y Restaurant in San Francisco, securing compensation for 22 workers for unpaid minimum wages, overtime, split shift premiums and tips identified in a wage theft investigation from 2019.

October 2021

- San Diego—The Labor Commissioner's Office cited JPI Construction \$1.7 million for wage theft violations affecting 265 workers.
- Fresno—The Labor Commissioner's Office cited NGC Construction, Inc., \$7,209,872 for wage theft violations affecting 724 workers.

March 2022

- Long Beach—The Labor Commissioner's Office cited Terranea Resort in Rancho Palos Verdes \$3.3 million for failing to offer job positions to 53 employees laid off during the COVID-19 pandemic once the resort re-opened, as required by law.

April 2022

- Oakland—The Labor Commissioner's Office cited three temporary staffing agencies (Viking Staffing CA LLC, Human Bees Inc. and Marcos Renteria Ag Services Inc.), as well as joint employers Foster Farms, LLC and Foster Poultry Farms ("Foster Farms"), for nearly \$3.8 million for their failure to inform 3,476 temporary workers of their available COVID-19 supplemental paid sick leave.
- Long Beach—The Labor Commissioner's Office cited Torrance Car Wash more than \$800,000 for wage theft violations affecting 35 workers, including minimum wage, overtime and contract wage violations.

Strategic Enforcement Outcomes

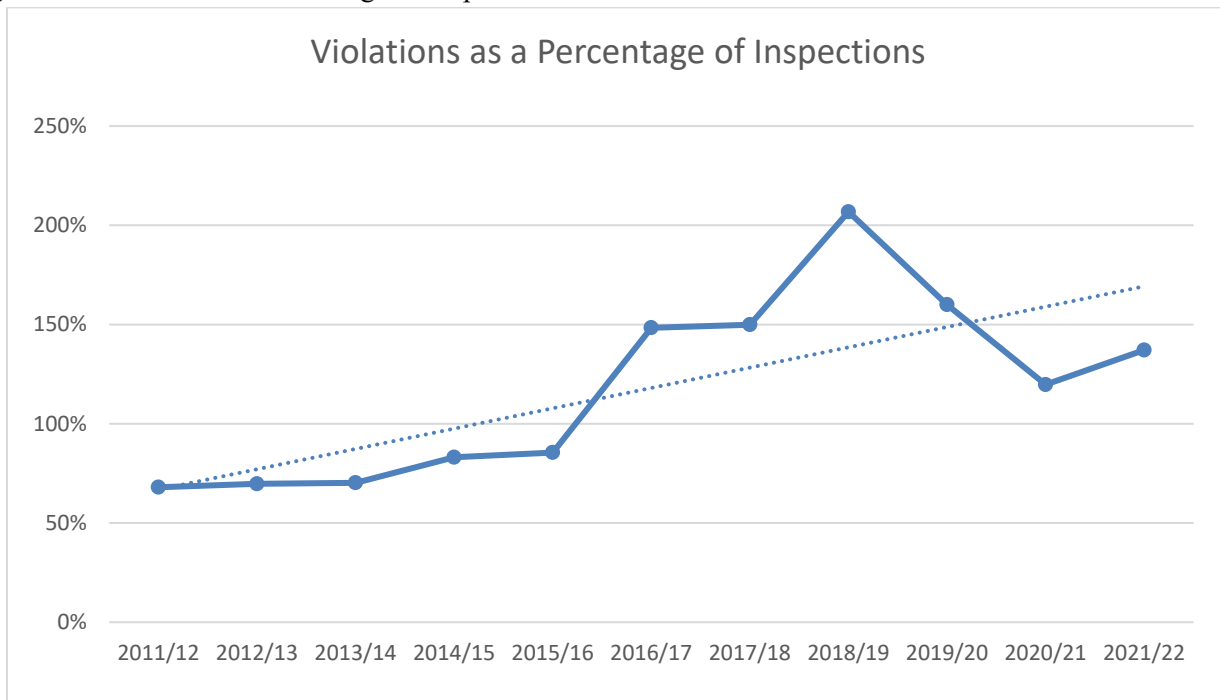
The Bureau’s Strategic Enforcement approach has proven effective in proactively targeting egregious violators in low-wage industries. This approach involves aggressive outreach and media efforts with the goal of identifying leads that would otherwise not be uncovered and deterring bad actors throughout California as we amplify the payment of unpaid wages.

The Bureau has entered into strategic partnerships with key stakeholders, including community organizations, associations, and industry representatives. The Bureau has successful partnerships in the agriculture, car wash, construction, garment, janitorial, restaurant, and warehouse industries. Through these partnerships, the Bureau has been able to take on cases of far greater magnitude and consequently increased its impact in the respective industries.

The Bureau conducts complex investigations involving client-employer liability, holding every member of the chain responsible for labor violations committed by a contractor to the fullest extent permitted by law, discouraging bad actors, and leveling the playing field for law-abiding, compliant employers.

This approach has been successful in producing high-quality, in-depth investigations that have uncovered violations resulting in assessments of wages owed to workers and violations per inspection well above historical averages. In fiscal year 2014-2015, the rate of violations as a percentage of inspections was 83%; in 2015-2016, 85%; 2016-2017, 148%; 2017-2018, 150%; 2018-2019, 207%; 2019-2020, 160%; 2020-2021, 120% and in 2021-2022, 137% (see Figure 1).^a

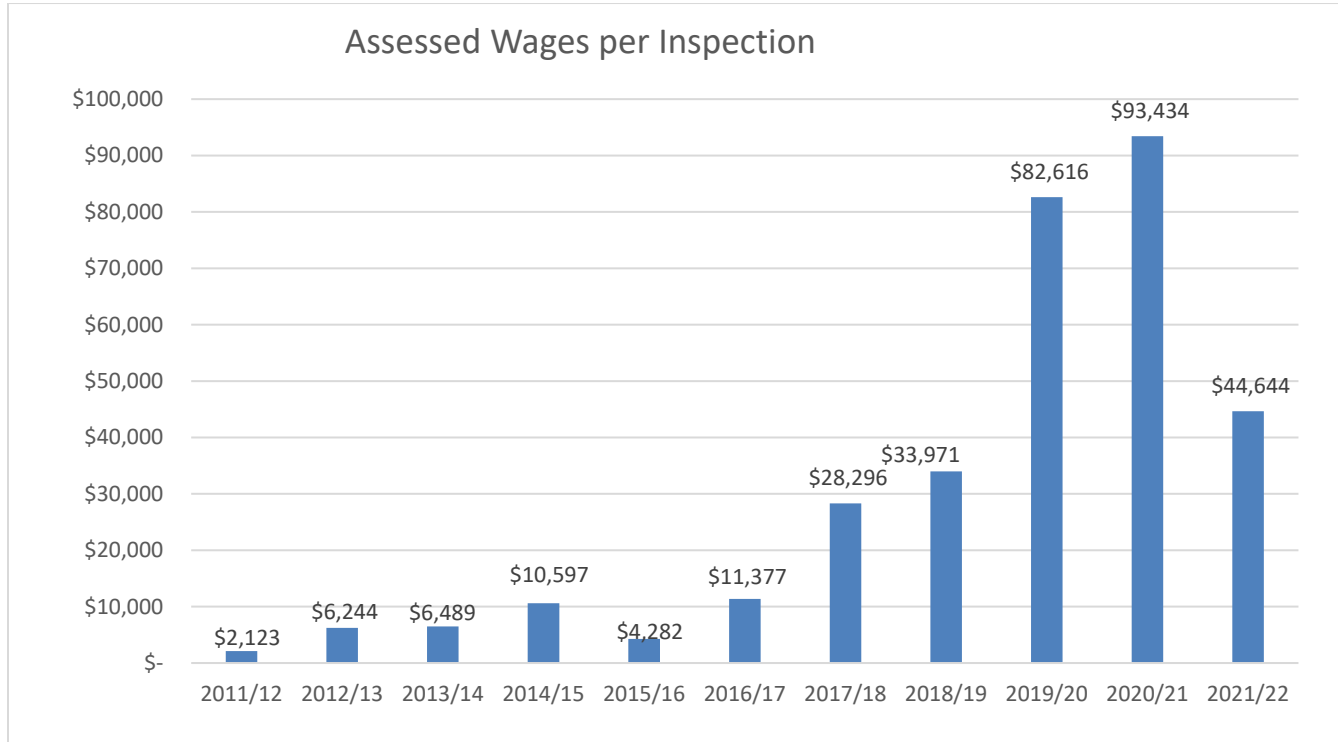
Figure 1. Violations as a Percentage of Inspections



^a Past reports on the effectiveness of the Bureau have included data related to Public Works in this graph. The Public Works Unit investigates complaints arising from violations of prevailing wage and apprenticeship laws. For a clearer look at the impacts of strategic field enforcement, Public Works data has been excluded from the graph.

Due to challenges caused by the COVID-19 pandemic, in 2021-2022, the assessed wages per inspection decreased but still remained higher than pre-pandemic time of 2018-2019. In 2016-2017, \$11,377, 12: 2017-2018, \$28,296; 2018-2019, \$33,971; 2019-2020 \$82,616; 2020-2021 \$93,434 and in 2021-2022, \$44,644 (see Figure 2).^a

Figure 2. Assessed Wages per Inspection



Unlawfully Uninsured Employers Enforcement Program

As previously mentioned, the lack of workers' compensation insurance remains the violation most often identified in the Bureau's investigations.^b As a result of the passage of Senate Bill 869 (Chapter 662) in 2008, the Bureau began a data-sharing partnership with the Employment Development Department (EDD), the Division of Workers' Compensation, and the Workers' Compensation Insurance Rating Bureau to proactively identify employers that might be unlawfully uninsured. In fiscal year 2021-2022, BOFE issued citations for 80 violations and assessed \$4,379,433.73 in penalties and \$782,191.29 in wages arising from these efforts. The process and the results of the Senate Bill 869 enforcement activities are detailed in a separate legislative report.

^a Past reports on the effectiveness of the Bureau have included data related to Public Works in this graph. The Public Works Unit investigates complaints arising from violations of prevailing wage and apprenticeship laws. For a clearer look at the impacts of strategic field enforcement, Public Works data has been excluded from the graph.

^b Workers who have been injured on the job where their employers are illegally uninsured may apply to the Uninsured Employers Benefits Trust Fund, administered by Division of Workers' Compensation for any benefits that they may be entitled to.

Car Washing and Polishing Businesses

On January 1, 2007, BOFE began a concerted enforcement effort to ensure compliance with the registration requirements for car washing and polishing businesses (Labor Code sections 2050-2067 and California Code of Regulations, Title 8, Division 1, Chapter 6, Subchapter 11, Sections 13680–13693). DIR staff continue to receive training to better identify wage-audit issues and uncover wage theft, while building on their previous training in the car washing industry, to enable them to go beyond looking only at registration when suspicion arises that other labor laws are being violated. In the fiscal year 2021-2022, BOFE conducted 42 inspections, and issued 42 citations for this violation, which led to assessments of \$644,747.50 in penalties for violations of various labor laws, including nonregistration and penalties. Additionally, BOFE assessed \$646,090.75 in wages. The results of car washing and polishing establishments’ inspections, including re-inspections, in these statistics, are shown in Table 5.

Table 5. Car Washing and Polishing Businesses FY 2021-2022 Results by Citation Category^a

Citation Category	# of Penalty Violations	Penalties Assessed	Wages Assessed
Workers’ Compensation	12	\$360,997.50	\$0.00
Car Wash Registration	22	\$214,300.00	\$0.00
Itemized Statement	1	\$44,500.00	\$71,750.00
Rest and Meal Period	2	\$10,500.00	\$108,924.30
Minimum Wages	1	\$8,400.00	\$132,610.37
Split Shift	1	\$400.00	\$59.32
Liquidated Damages	0	\$0.00	\$163,280.77
Waiting Time Penalties	0	\$0.00	\$67,595.10
Overtime Wages	1	\$5,450.00	\$101,870.89
Paid Sick Leave Poster Requirement	2	\$200.00	\$0.00
TOTAL	42	\$644,747.50	\$646,090.75

Units within the Labor Commissioner’s Bureau of Field Enforcement

Public Works

The Bureau’s Public Works Unit investigates complaints arising from violations of the State’s prevailing wage and apprenticeship laws and conducts audits for back wages owed to workers. As a result of SB 1038, on July 1, 2012, the Bureau began enforcing Labor Code section 1777.5, which was previously enforced by the Division of Apprenticeship Standards. Labor Code section 1777.7 assessments are issued by Bureau investigators for up to \$300 per calendar day when contractors violate apprenticeship law, pursuant to Labor Code section 1777.5.

Table 6. Public Works, FY 2021-2022 Activities

Cases Opened	2,507
Cases Closed	1,918
Civil Wage and Penalty Assessments (CWPA) Issued	514
Settlements	442

^a The statistics reported here are included in the overall results of the Bureau summarized earlier in this report.

Table 7. Public Works, FY 2021-2022 Assessed and Collected Report

	Assessed	Collected
Prevailing Wages	\$8,240,155.17	\$4,893,684.20
Training Funds	\$288,517.99	\$150,644.56
Total Wages	\$8,528,673.16	\$5,044,328.76^a
Penalties per Labor Code sections 1775/1813/1776/1773.3/1771.1 & PCC Section 2600 (Skilled & Trained)	\$9,207,868.38	\$2,636,696.33
Penalties per Labor Code section 1777.7	\$3,639,826.95	\$2,133,598.32
Total Penalties	\$12,847,695.33	\$4,770,294.65^b

In the fiscal year 2021-2022, the Labor Commissioner signed orders of debarment for one construction company and individual. A debarment bars contractors from bidding on, accepting, or performing any public works contracts, either as a contractor or subcontractor. The maximum statutory debarment period is three years, rendering individuals and legal entities ineligible to bid on or be awarded public works contracts or to perform work on a public works project as a subcontractor or an employee. The debarment orders can be accessed at: <http://www.dir.ca.gov/dlse/debar.html>

Judgment Enforcement Unit

The Division’s Judgment Enforcement Unit continued to recover significant amounts owed to workers and the State pursuant to Bureau citations and wage judgments. The Judgment Enforcement Unit’s work contributed to the collection of \$11,589,907.22 in citations and unpaid wages in the 2021-2022 fiscal year^c.

While the Bureau is now filing its own judgments and liens, the Judgment Enforcement Unit continued to assist in various judgment enforcement activities. These activities include: investigating, serving and enforcing stop-work orders against businesses that fail to pay wage judgments; issuing levies and other judgment enforcement documents; seeking suspension of various licenses held by businesses that fail to pay Labor Commissioner judgments; negotiating and arranging payment plans with employers; investigating and gathering evidence to support litigation against businesses that engage in fraudulent transfer of assets and other schemes to evade liability for Labor Commissioner citations and judgments; and, helping train and support BOFE deputies in asset investigation and other matters related to effective enforcement of claims against business debtors.

In the fiscal year 2021-2022, the Judgment Enforcement Unit filed 273 liens, including 38 mechanic’s liens.

Legal Unit

The Labor Commissioner’s Legal Unit continued its support for the Bureau’s enforcement efforts in fiscal year 2021-2022. Notably, the Unit for the first time focused significant resources on enforcement of the Paid Sick Leave Law and the provisions for COVID 19 Paid Sick Leave commencing in this fiscal year. The Unit also performed its traditional work of representing the Division in Superior Court in defense of penalty citation

^a Wages recovered may include monies found due in earlier reporting periods.

^b Penalties collected may include monies found due in earlier reporting periods.

^c The \$11,589,907.22 includes \$3,832,837.68 for wage claim referrals, \$5,033,430.06 in Bureau cases, and \$2,723,639.48 in other related cases.

awards in writ of administrative mandamus challenges, prosecution of public works Civil Wage and Penalty Assessments (CWPAs) in administrative hearings, enforcement of investigative subpoenas, and conducting investigative depositions, obtaining tolling agreements, negotiating settlement agreements, and advising the Bureau in application of the law to its field investigation planning. The Unit also undertook prosecution of select citation appeals before hearing officers in cases with complex legal or factual components and cases with large wage restitution amounts associated with the expanded authority provided by the Legislature for the Bureau to assess minimum wages and liquidated damages through citations. Some examples of the Unit's work in 2021-2022 include:

Administrative Enforcement Proceedings

Exclusive Poultry, et al: The Legal Unit successfully prosecuted citations for low-wage chicken processing employees who worked in a Los Angeles underground economy setting. Wages and damages for violations of the minimum wage, overtime pay, and rest period requirements resulted in an award of over \$1.5 million to employees and additional penalties awarded to the State of over \$200,000. This case was brought to the agency through a Private Attorney General Action (PAGA) Notice filed with the LWDA.

Attic Pros: The Unit recovered over \$780,000 from a rodent abatement company in the San Francisco East Bay Area for a judgment entered after a previous enforcement action for violations including minimum wage and overtime in a case that originated from a PAGA Notice.

Golden Gate Restaurant Group: The Legal Unit successfully prosecuted wage and hour violations experienced by fast food workers at a Northern California Burger King franchise. An award of wages, damages, and penalties totaling \$2.1 million was affirmed by an administrative hearing officer. The employer is pursuing a writ of administrative mandate that is pending in superior court. The Labor Commissioner worked with community-based organizations during the investigation of this case.

Foster Farms, et al: The Legal Unit assisted the Bureau in investigating widespread violations of the Covid 19- Paid Sick Leave provisions for 3,500 temporary service agency employees jointly employed by Foster Farms who were not provided notice of the availability of covid-19 paid sick leave. Citations issued for \$3.8 million are pending an administrative appeal hearing.

RDV: This Southern California construction company defaulted on an appeal of citations totaling over \$16 million. Judgment enforcement is being pursued.

Adat Shalom, et al: The Legal Unit successfully prosecuted minimum wage, overtime, and meal period violations against a residential care facility and obtained an award of over \$8.5 million for 148 low-wage immigrant workers. The Labor Commissioner filed a lawsuit to set aside transfers of property made by the employers. A settlement of the fraudulent transfer action resulted in payment of \$5.5 million.

Other Partnerships

Labor Enforcement Task Force (LETF)

The LETF, under the direction of the Department of Industrial Relations, is a coalition of California state government enforcement agencies that work together and in partnership with local agencies to combat the underground economy. LETF partners include the Employment Development Department (EDD), the Division

of Occupational Safety and Health (DOSH), the Contractors State License Board (CSLB), the California Department of Tax and Fee Administration (CDTFA), and the Bureau of Automotive Repair (BAR). LETF teams target suspected noncompliant employers for inspection using referrals and data-matching techniques. Each agency on its own does not have access to the full range of data and other information that LETF teams can access through cooperation. The task force also reflects the Labor Commissioner's focus on improved targeting through better data and intelligence gathering and on assessing wages owed. LETF accomplishes its mission through targeted inspections for minimum wage and overtime violations, workers' compensation insurance coverage, child labor, illegal operations without the required licenses, and a focus on the garment, agriculture, construction, car wash, automotive repair, restaurant, and other industries in which labor law violations are prevalent. This report contains LETF statistics only for the Labor Commissioner's Office; LETF Legislative Reports showing enforcement results from other LETF partners can be found at:

https://www.dir.ca.gov/letf/LETF_Legislative_Reports.html

As shown in the LETF 2023 Legislative report, Labor Commissioner's Office staff participated on 7,045 LETF inspections from 2012 to 2022.

Transfers to the General Fund

In the fiscal year 2021-2022, the Division deposited \$8,603,031.60 into the General Fund. The Division deposited \$5,128,057.86 in fines and penalties collected and transferred \$3,474,973.74 from the Unpaid Wage Fund, in accordance with the provisional language in the annual Budget Act.

Respectfully submitted,



Lilia Garcia-Brower
Labor Commissioner