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**Julie A. Su**

*California Labor Commissioner
Division of Labor Standards Enforcement*

May 3, 2017

Honorable Kevin Faulconer, Mayor
Honorable Councilmembers
202 C Street, 10th Floor
San Diego, CA 92101

Dear Mayor Faulconer and Councilmembers,

Since I was appointed by Governor Brown in 2011, my office has worked in collaboration with many organizations in San Diego to combat wage theft. I am grateful for all of those partnerships. I write to explain how my office can partner with the City of San Diego to enforce basic labor protections. Simply stated, my office cannot protect basic wage rights for your city without your help.

The Labor Commissioner's Office, also called the Division of Labor Standards Enforcement (DLSE), is a part of the California Department of Industrial Relations. The Labor Commissioner's Office is the state agency that decides claims for unpaid wages. We enforce minimum labor standards to ensure employees are not permitted to work under substandard, unlawful conditions, and our enforcement protects employers who comply with the law from having to compete with those who do not.

Partnerships with well-staffed local labor enforcement offices are essential to combating wage violations to scale. In 2016, nearly 3,000 wage claims were filed in our San Diego office alone. Across the state, over 30,000 workers file claims for some \$100,000,000 in unpaid wages each year. Workers who come to us face uphill battles enforcing their rights. Often, their employers file for bankruptcy before we can process a claim, or intimidate workers before my field deputies can conduct an inspection and audit. We've made great strides in recent years, including reductions in the length of time taken to process claims, issuing more citations for wage violations than ever before, and funding a massive public education campaign to stop wage theft before it starts.

But we cannot do it alone. We must spend our resources strategically. Partnering with local enforcement offices maximizes our limited capacity. For example, in San Francisco, joint investigations between that city's Office of Labor Standards Enforcement (OLSE) and my office's Bureau of Field Enforcement (BOFE) allow both agencies to share resources and staff. In 2014, for

instance, a single joint investigation recovered over \$4 million for 280 workers at a well-known dim sum restaurant in San Francisco, thanks to effective partnership between state and city agencies and a community-based organization contracted by the City for outreach and education.

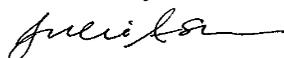
We have entered into Partnership Agreements with many municipalities throughout California to facilitate effective enforcement of local minimum wage ordinances. We enter into such agreements with local agencies that are engaged in the *active* enforcement of their minimum wage ordinances, to encourage collaboration and expedite investigations, toward the end of more effective enforcement of the higher local wage rates, by leveraging our combined enforcement resources.

We have not entered into a Partnership Agreement with the City of San Diego as it is our understanding that San Diego's Earned Sick Leave and Minimum Wage Enforcement Office ("ESLMWEO") currently has no staff assigned to the enforcement of the minimum wage portion of the applicable ordinance. While we appreciate the importance of the outreach and education that the ESLMWEO has undertaken, without dedicated staff, it will be insufficient to address the breadth of the problem and to realize the intent of the ordinance.

Wage theft is a statewide crisis, and San Diego has a mandate to take the lead in addressing it. A partnership with local minimum wage enforcement personnel in San Diego could allow us to target local industries with extraordinarily high rates of wage theft, providing an opportunity to make meaningful headway into industries that continually frustrate enforcement.

Thank you for your consideration. I look forward to working together.

Sincerely,



Julie A. Su

California Labor Commissioner

Cc: Mara Elliott, City Attorney
Elizabeth Maland, City Clerk