

PERSONNEL, AUDITS, AND HIRING and CIVIL RIGHTS, EQUITY, IMMIGRATION, AGING, AND DISABILITY COMMITTEES REPORT relative to an analysis of current resources used to prosecute wage theft cases.

Recommendations for Council action, pursuant to Motion (McOsker – Blumenfield et al.):

1. REQUEST the City Attorney, with the assistance of the City Administrative Officer (CAO), to report back within thirty days with an analysis of current resources used to prosecute wage theft cases as well as recommendations to fulfill any staffing or resource needs within the office to better effectuate wage theft cases with said analysis to include trends related to the wage theft cases that have been initiated versus successfully prosecuted since the establishment of the Office of Wage Standards.
2. INSTRUCT the Office of Wage Standards under the Bureau of Contract Administration report back within 30 days on additional resources needed to maintain efficient resolution to pending investigations, begin strategic enforcement, and broaden outreach efforts so the public is aware of the complaint process for filing a wage theft claim to include efforts related to relaying information in languages other than English as well as ways of communicating information other than electronically.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On August 15, 2023, the Personnel, Audits, and Hiring (PAH) Committee considered a Motion (McOsker – Blumenfield – Hernandez – Soto-Martinez) relative to an analysis of current resources used to prosecute wage theft cases. According to the Motion, Los Angeles has long been ground zero for wage theft. Historically dubbed as the "wage theft capital" (UCLA Institute for Research on Labor and Employment, 2010), the City remains a union town, largely characterized by organized labor that wields tremendous influence for gaining stronger worker protections and safer working conditions.

Recently, there has been a significant focus on the role of policy making in delivering economic justice for workers. Employees in Los Angeles are disproportionately affected by the crime of wage theft at a higher rate when compared across the state of California. While women, immigrants, and people of color tend historically to be disproportionately affected by workplace violations to a larger extent, the type of job in which a worker is employed tends to be a far better predictor of violations than the worker's demographic characteristics such as social status or economic class. Along these lines, the UCLA Institute for Research on Labor and Employment's 2010 report, Wage Theft and

Workplace Violations in Los Angeles, found that within their study, 30% of sampled workers reported serious minimum wage violations, with approximately 80% being denied both legally required overtime pay and rest and meal breaks. Violations amounted to \$26 million per week or \$1.4 billion per year- more than twice that of New York City or Chicago.

The City's mechanism for handling these serious workplace violations is largely through the Office of Wage Standards. Article 8 of the Los Angeles City's Municipal Code (LAMC), the "Los Angeles Office of Wage Standards Ordinance", creates this office within the Bureau of Contract Administration to enforce violations of wage theft and sick time benefits of the Los Angeles Minimum Wage Ordinance. The Ordinance also establishes penalties and grants authority to the City of Los Angeles Police Commission to deny, revoke or suspend a police permit issued or requested by an employer found to have committed wage theft.

Holding employers accountable serves as a deterrent to future actions by employers who otherwise would violate California wage and labor provisions within the City's boundaries. Any employee aggrieved by a violation of LAMC Article 8, the City Attorney or any other person or entity acting on behalf of the public as provided for under applicable state law, may bring a civil action in a court of competent jurisdiction against the Employer violating this article. The City Attorney plays a role in investigating allegations of wage theft and other labor violations (including worker misclassification), and bringing civil or criminal enforcement actions where appropriate. The City Attorney also has a dedicated team to advise and assist the Office of Wage Standards with its administrative enforcement actions. By investigating complaints and holding employers accountable, the City communicates to employers that wage theft will not be tolerated in Los Angeles. In order to better augment the City and its employees' understanding of employee rights, City Council should pursue a deeper analysis into the functionality of the Office of Wage Standards. After consideration and having provided an opportunity for public comment, the PAH Committee moved to recommend approval of the Motion.

Subsequently, on September 15, 2023, the Civil Rights, Equity, Immigration, Aging, and Disability (CRIAD) Committee also considered this matter. After consideration and having provided an opportunity for public comment, the CRIAD Committee moved to concur with the PAH Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,
Personnel, Audits, and Hiring Committee

COUNCILMEMBER VOTE

McOSKER: YES
PADILLA: YES
SOTO=MARTINEZ: YES

Civil Rights, Equity, Immigration, Aging, and Disability Committee

COUNCILMEMBER VOTE

SOTO-MARTINEZ: YES
HUTT: YES
HERNANDEZ: YES
PADILLA: YES
RODRIGUEZ: ABSENT

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9/15/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-