Workers Launch Campaign to Stop Theft from Employee Paychecks

*Rampant crime keeps workers below minimum wage, hurts families, sucks billions from economy; New online and Spanish-language radio ads give victims a voice*

Sacramento, CA – Hundreds of working people from across California traveled to the State Capitol today to demand action on the rampant crime of wage theft that leaves many workers earning below the minimum wage. At a news conference this morning, the workers illustrated how easy it is for employers to steal from their workers’ paychecks because current laws lack the teeth workers need to collect pay they are owed. A coalition of labor, community, and workers advocacy groups is pressing the legislature to pass AB 1164 (Lowenthal), a bill that would give workers the stronger tools they need to collect money they worked hard to earn.

"We are here today because there is a robbery in progress for our state and the victims – hard working men and women who do our state’s hardest jobs – deserve justice," said Mike Garcia, President of the Service Employees International Union (SEIU) United Service Workers West. "Passing Assembly Bill 1164 will give us the tools we need to hold wage thieves accountable and put billions of earned dollars back into workers’ paychecks and our state’s economy."

Many workers in the low-wage sector won’t see the changes the legislature intended by increasing the minimum wage. Wage theft keeps millions of Californians working below the minimum wage, and while it affects all low-wage workers, immigrant and women workers are most likely to be exploited.

Wage theft happens when:

- Workers are paid for fewer hours than they actually worked
- Workers are paid less than minimum wage
- Workers are not paid overtime, in violation of the law

Workers are asking legislators to support AB 1164 to stop unscrupulous employers from walking away with billions of dollars from paychecks each year, a crime that hurts families and drains our economy.

A recent study from UCLA researchers revealed how widespread wage theft is and what little recourse workers have through existing channels to collect the money they worked hard to earn and count on to feed their families. In Los Angeles County alone, wage theft amounts to more than $1 billion stolen every year from employees. 30% of surveyed workers were paid less than the minimum wage.

Although existing laws are supposed to protect workers, these tools have proven inadequate to help wage theft victims collect wages they are owed. The UCLA research found workers who won judgments from the California Division of Labor Standards Enforcement (DLSE) were able to collect only 15% of what was owed them. Many of the businesses that are the worst labor law violators simply roll up their operations and close shop when workers try to hold them accountable, thus avoiding any responsibility for their exploitative employment practices. Because so much of the low-wage sector is now organized through...
subcontractors, the real employers and beneficiaries of the work provided are able to avoid legal responsibility.

“Our findings reveal that a shocking percentage of workers are unable to recover their unpaid wages in California,” said Eunice Cho, an attorney with the National Employment Law Project. “Sadly, without the tools in place to enforce their rights, workers can lose thousands each year in unpaid wages. California can put in place stronger tools – as other states have done successfully – to hold employers accountable for paying wages.”

Today’s event coincides with the launch of a new SEIU California ad campaign that invites workers who have been victims of wage theft to come forward and share their stories. The six-figure campaign includes Spanish-language radio ads that will run in Los Angeles, Riverside, Bakersfield, Stockton, Fresno, Merced and Sacramento markets. The effort also includes an online Facebook and mobile ad campaign that will reach 1.5 million Californians that may be victims of wage theft, giving these workers the tools to share with legislators their own stories of how wage theft impacts their families.

“For too long employers have exploited our work, counting on the fact that we didn’t have a good chance of recovering our money. Women and immigrants are especially vulnerable. That stops today; we are bringing forward the voices of people who’ve been exploited, so Legislators cannot ignore the impact stolen wages has on our families,” said Anita Herrera, a janitor from San Diego who is fighting to recover premium wages she was awarded for missing meal and rest breaks. Her employer has evaded paying the wages and is now operating under a different name.

AB 1164 looks at how other state and industries have handled the problem of worker exploitation and provides some of these same tools to all workers in California:

- AB 1164 Expands California’s existing Mechanic’s Lien to all sectors. Currently, construction workers can put a temporary hold (a lien) on the property of an employer who owes back wages while the case is being decided. AB 1164 expands this tool to all sectors.
- Wisconsin’s wage lien law helps 80% of workers recover payment for wages owed, compared to fewer than 20% in California. Alaska, Idaho, Maryland, New Hampshire, Texas, and Washington have also enacted wage lien laws.
- Including the beneficiaries of workers’ labor in the law allows workers to hold the responsible party accountable, even if that relationship is technically obscured through a subcontracting relationship.

“As chair of the Assembly Committee on Labor and Employment, I have worked diligently to protect hard working Californians against unscrupulous employers who take advantage of workers’ wages,” said Assemblymember Roger Hernandez. “I’m proud to stand with janitors, food service workers, car wash employees and others who do our state’s toughest jobs to ensure every hour worked is an hour paid.”

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The California Fair Paycheck Coalition is composed of dozens of labor, community, and worker’s advocacy groups, including the Service Employees International Union, California Labor Federation, California Immigrant Policy Center, National Employment Law Project, Koreatown Immigrant Workers Alliance, Grator Day Labor Center, the Garment Worker Center, the Wage Justice Center and La Raza Centro Legal.