



# **Samsung, HEG, and Vocational School Cover-up Truth About Child Labor**

**December 3, 2014**

China Labor Watch (CLW) has collected additional evidence to support the allegations that child workers and student workers from the Chengdu Urban Construction Vocational School in Sichuan Province were employed at Samsung supplier factory HEG Technology this year under exploitative working conditions. Evidence that includes recordings of direct interviews with the young workers demonstrates that they labored for 10 hours per day, sometimes without a single rest day in a week, and were not paid all of their wages.

On July 10, 2014, CLW published an investigative report exposing the employment of child labor at Samsung supplier factory Shinyang Electronics ([PDF report link](#)). A *New York Times* reporter independently interviewed child workers at the plant, [publishing an article](#) on the same day as CLW's report.

Samsung subsequently communicated with CLW via emails and phone calls, expressing that in the future Samsung hoped CLW would notify Samsung in advance about the existence of child labor in Samsung's supply chain; Samsung said it would carry out follow-up investigation and seriously work to prevent the employment of child labor in its supply chain.

In August 2014, CLW once again found evidence of child labor and student labor at a Samsung supplier factory, this time at a company called HEG Technology. On August 21, CLW provided lists to Samsung of 117 student workers and 14 child workers who were employed at HEG. A number of child workers on the lists worked on a Samsung production line called the Production Second Assembly Storage Group (D3).

Samsung responded to CLW on August 25, claiming that Samsung's follow-up investigation did not discover any student workers or child workers on Samsung's production lines at HEG.

CLW reconfirmed that student workers and child workers were employed at HEG and on August 27 published the results of its HEG investigation detailing the factory's rights abuses against child and student labor ([PDF link](#)).

CLW provided the specific contact and school information of one student worker to Samsung. Later, Samsung responded that this girl was at least 18 years of age and was employed by HEG as a temporary worker with a temp worker contract. Samsung therefore did not designate the girl as a student worker. CLW had also alleged that student workers, including this girl, were not

paid overtime wages by HEG. To this, Samsung responded that the lack of overtime wages was based on the rules set out by the contract that these student workers signed and the wages were thus paid reasonably. However, that the students signed a contract that did not provide for overtime wages means that the contract itself was illegal. As of today, this female student worker, along with 39 of the 117 classmates with whom she entered HEG, has still not received unpaid wages from HEG. These students have told CLW that they left HEG early because they could not continue enduring the poor working conditions in the plant—e.g., 10-hour work days, sometimes without any rest day on the weekend. But after resigning from the factory early, they did not receive all of their due wages.

On September 28, HEG Technology raised a lawsuit against CLW and its Executive Director Li Qiang in Huizhou City, Guangdong Province for defamation. But this lawsuit is a farce: as of December 3, Li Qiang himself has still not received the official complaint document related to the HEG lawsuit.

On October 9, Samsung told CLW that Samsung carried out a joint investigation with HEG in response to CLW's allegations. Their results showed that a group of student workers from Chengdu, Sichuan Province were hired at HEG in May 2014. Samsung explained that HEG discovered that some of these student workers were under 16 years of age and that those students were not permitted to work in the factory. Only those students at least 16 years of age were allowed to work, Samsung said. However, this contradicted the earlier claim by Samsung that no student workers were employed on Samsung production lines at HEG.

Samsung repeatedly requested that CLW carry out a joint investigation with Samsung. Samsung proposed that the investigation be conducted on a Samsung production line at HEG. CLW turned down the requests.

However, in order to refute the farce constructed by Samsung and HEG, CLW conducted another round of evidence-gathering in regards to the child workers employed at HEG. Using the ID information on the 14-person child worker list that CLW provided to Samsung in August, CLW contracted an independent investigator to track down the home addresses of these child workers. Nine of the children came from Xuanhan County in Sichuan Province while the five others came from Guizhou Province.

On October 31, the investigator traveled to Xuanhan County to gather evidence. By November 4, CLW had confirmed that all nine child workers from Xuanhan County were students at the Chengdu Urban Construction Vocational School ([Chinese website](#)). While employed at HEG, these students produced both Samsung and [Oppo](#) phone products.

The investigator interviewed ten students at the Chengdu Urban Construction Vocational School, five of whom were child workers—under 16—when employed at HEG. Two of the child workers were interviewed by phone and three were interviewed in-person.

According to interview records and recordings, the majority of student and child workers from the school who worked at HEG left the factory on August 31. A few of the child workers left early because their underage status was discovered.

Chengdu Urban Construction Vocational School sent more than 200 students to work at HEG between May 28 and August 31, 2014. Some of these students were younger than 16. These students labored at HEG 10 hours per day, six or seven days a week. The school gave each student a 100 RMB (\$16) subsidy every week. All other wages were held by the school until after the students were done working at HEG. The students would receive the remainder of their wages after the school deducted its own expenses, including tuition and miscellaneous fees for housing and transportation costs. During the period of CLW's follow-up investigation, students had still not received their due wages.

According to multiple sources, Chengdu Urban Construction Vocational School sends out students for work via two methods: "work-study" and "practical internship". When the school recruits students, it immediately waives tuition, but while they are still enrolled at the school, the students are arranged to work, and wages earned from work pay for tuition at the Vocational School. This is the so-called "work-study". In the third year, students work full-time while still being enrolled as a student; this is called a "practical internship". In the cases of both "work-study" and "practical internship", a student retains enrollment status at the school.

The child workers who were employed at HEG in May 2014 had been enrolled at the Vocational School before having even fully graduated from middle school. They were arranged to work at HEG before having taken any classes at the Vocational School. The wages they earned at HEG would pay for the Vocational School's tuition. If a child worker or student worker left the factory early, that person would be required to pay the remaining tuition balance.

According to students, three personnel from HEG went to the Vocational School to follow-up. (CLW has not confirmed that all of the personnel were HEG employees; according to Samsung, HEG and Samsung conducted a joint investigation at the Vocational School.) Before Samsung and HEG went to the school to question students about employment at HEG, students were told by the school not to reveal that they had worked at HEG.

Students said that the principal of Chengdu Urban Construction Vocational School even threatened child workers, telling them that if they admitted to employment at HEG, not only would the children not receive their wages, they would also have to pay the school an amount equal to double their wages at HEG.

Before publicly revealing the child worker list, CLW had shared it with Samsung. Samsung could have easily come to understand the truth about HEG's child workers. HEG's lawsuit against CLW increased the costs to CLW to carry out its investigation and monitoring, and Samsung stated publicly that it respected the conclusion of HEG's investigation, which found no evidence of child labor at the company. CLW demands that Samsung and HEG issue a public

apology to CLW and compensate CLW for investigative costs. CLW will use the compensation to pay for the deducted and unpaid wages of the student and child workers employed at HEG. Moreover, both companies must change their policies and behavior to ensure that working conditions conform to legal regulations. CLW has [recorded labor rights abuses throughout Samsung's supply chain](#) over the past two years; it is high time for Samsung to carry out genuine reforms of poor working conditions.

Below are two attachments related to the case, including a timeline and key interview dialogue.

### **Attachment A: Timeline**

July 10, 2014: CLW published a report on Shinyang Electronics, a Samsung supplier factory, which was found to be employing child workers.

July 10, 2014: The New York Times published an article regarding independently verified child labor at Shinyang and CLW's report. Every time that similar reports were published in the past, Samsung issued a denial, but this time they did not.

July 13, 2014: Samsung replied to CLW, stating that they discovered labor at Shinyang Electronics whom they suspected were child workers.

July 17, 2014 - August 13, 2014: During this period, Samsung contacted CLW multiple times in order to discuss the child labor issue. Samsung made clear that they hoped that CLW would inform Samsung before publishing reports in the future.

August 21, 2014: CLW provided Samsung with a list of student workers employed at HEG, 14 of whom were child workers.

August 22, 2014: CLW provided Samsung with a list of the 117 student workers employed at HEG.

August 25, 2014: Samsung claimed that none of its production lines in the HEG factory had student or child workers and invited CLW to conduct a joint investigation.

August 27, 2014: CLW published a report documenting HEG's use of child and student workers.

October 4, 2014: CLW provided Samsung with the phone number of one of the student workers.

October 6, 2014: Samsung responded that the student in question was a temporary worker.

October 09, 2014: Samsung clarified that its invitation to conduct a joint investigation mean to carry out an inspection on a Samsung production line at HEG.



October 31, 2014: CLW began re-confirming information about the list of child workers and went to Xuanhan County in Sichuan Province to find them.

November 4, 2014: Through interviewing the child workers and their relatives, CLW confirmed that the nine child workers from Xuanhan were sent by the Chengdu Urban Construction Vocational School.

November 6, 2014: CLW conducted interviews and discussions with student and child workers at the Chengdu Urban Construction Vocational School.

## **Attachment B: Selected Interview Transcripts**

The following consists of transcripts of various interviews conducted with some of the HEG student and child workers in question.

### **INTERVIEW 1**

**Based on the list of student workers obtained through ID cards which we provided Samsung with, the following person (“Chen”) was one of the student workers who were under 16 while employed by the factory. Utilizing the information on the ID list, we visited his home and obtained his father’s contact information from his grandparents.**

Investigator: I’d like to ask if you went to the factory through some sort of school organization or on your own?

Chen: Yeah, it was with the school.

Investigator: You went through a school organization, correct?

Chen: Yeah.

Investigator: And how long were you at the factory?

Chen: More than three months.

Investigator: More than three months?

Chen: Yeah.

Investigator: And all of your wages were paid then?

Chen: The wages were already sent to the school, and we paid the tuition we owed the school afterwards.

Investigator: So after deducting tuition, the remaining amount of the wages was given to you, correct?

Chen: Yea, it's in the accounting office now, I still haven't gone to count the amount yet.

Investigator: You haven't gone to count, but you're sure that they've given you the amount you're owed? How many of you went to the factory in total?

Chen: A few hundred.

Investigator: All of them classmates of yours from the same school.

Chen: Yes, yes.

## **INTERVIEW 2**

### **Part of an interview conducted with a student (“Gao”) at the Chengdu Urban Construction Vocational School.**

Investigator: What the factory is saying is that your school indeed sent some students to work there and that some were younger than 16, but that the factory sent those kids away. But that's not what actually happened.

Gao: I only went for 10-20 days. What I know is, not a lot of the kids from our school who went to the factory were under 16, but there were some. Around the end of their time at HEG, they were apparently discovered and forced to leave. So basically the factory made them come back to the school right before they were going to be inspected so that the kids wouldn't be discovered.

Investigator: HEG won't admit to it, but there were in fact students under the age of 16 working there for 1-2 months, correct?

Gao: One of those kids under 16 that you mentioned is with me now. There's also one who has gone home already because today is Friday.

Investigator: Could you tell me their name?

Gao: The one next to me is named (name of child worker), the other one is named (name of other child labor). But when we went to the factory, the school had a lot of the under-aged kids use other students ID cards. They didn't use their own names.

Gao: Yeah, our salaries were received by the school. At HEG, every week when we went on break, they would send RMB 100. All the money would be sent to school's accountant.

Investigator: You had no salary card at the time?

Gao: No, we didn't have salary cards. I think the RMB 100 sent out each week was advanced to the school first.

### **INTERVIEW 3**

#### **Part of an interview with one of the child workers who were under 16 while employed at HEG.**

Child worker: HEG already sent three people to investigate us, they told us not to admit we went there, if we do not only will we lose our salaries, but we'll have to pay them twice their losses.

Investigator: Who said so?

Child worker: The principal did. HEG sent people over to investigate, they told us not to admit we went there, if we do not only will we lose our salaries, but we'll have to compensate them twice their losses.

### **INTERVIEW 4**

#### **Transcript of investigator's first meeting with the Students**

Investigator: Are you leaving school on Friday afternoon?

A (Male student): Yes.

B (Female Student): Yes, we'll leave school on Friday afternoon.

We (referring to the three students present) we were all 16 when we worked at the factory and were all using our own IDs.

C: I wasn't using my ID at the factory, but I was 16 ...(interrupted)

Investigator: But some of the students under 16 who were working at the factory were using others' IDs, right?

B: Correct, because the factory was afraid to hire kids who were under 16.

Investigator: Then why were there under-aged students working at the factory using their own IDs?

B: They were using fakes.

C: Uh...I wasn't 16 when I was at the factory. I mean, I *was* 16.

B: The students using their own IDs were already 16 or older; however, those who were under 16 were using others' IDs. That's a little bit weird.

C: I think he was talking about me. He's saying I was under 16 because I did not have an ID.

B: I'm not talking about you!

Investigator: Oh, so you were already 16 when you were at the factory (referring to C), but you did not have your own ID and used someone else's instead?

B: No, she did not have an ID this summer. She just got her ID, and she has it now.

CLW: So, let me clarify this. She was already 16 years old, but she was using someone else's ID when she was working at the factory, right?

A: Yes!

B: Only her. There are others who are at home now. They'll be back on Sunday.

Investigator: Where are they from?

A&B: They are local (Chengdu).

Investigator: That's good. It is closer. It would be a bother if they were from Xuanhan.

B: If they were from Xuanhan would you need to go there?

C: It is difficult for students from Xuanhan to go back home.

B & C: They should be back on Sunday afternoon.

A: Yes, back on Sunday.

B: He is the only one here was under 16 at the factory during that period.

Investigator: Is he 16 now?

B: Yes, he is. But when he was working at the factory, he was under 16.

A: Yes, I'm already 16 years old.

Investigator: Which month were you born?

A: July.

Investigator: Oh, July. But you went to the factory in May.

B: Actually, HEG...(Interrupted by C)

C: Forget it. Don't mention it any more.

Investigator: What's the matter? Are you upset about something?

B: No, it's just...how should I put it...(silence)

Investigator: If there's something wrong feel free to tell me. Our understanding may be different since it's based on what we've seen ourselves and what other people have told us, and everyone - (interrupted by B)

B: When we were working we would play with our cellphones often...(interrupted by phone ringing)

Investigator: When did you go to HEG?

C&A: May 28.

Investigator: When did you leave?

C: We left in September.

(Another student enters)

D (Male Student): I just graduated.

C: There's nothing we'd like to ask you right now.

B: I can call you Sunday afternoon after I've contacted him.

D: Is there anything else you want to know?

D: There were some students from other schools at the factory as well.

Investigator: Really? Do you know about them?

D: I don't know which school they went to.

Investigator: Can you get in touch with them?

B: Not necessarily...

A or D: There were some from Guangxi.

B or C: When we went to work there, there were some students from Guangxi, Henan.

Investigator: Were there any schools from Guizhou province?

B & C: A lot of students from our school were from Guizhou province.

Investigator: Oh, I know, but those students are studying at your school!

A,B&C: Our school enrolled a lot of students from Guizhou province.

Investigator: What is your name?

A or D: (Child worker's name.)

A&D: Our school is the only one you investigated?

Investigator: Your school is the only one we have information on.

B&C: When we were at the factory, hmm, well it's hard to say...

Investigator: If there's anything you want to complain about, feel free to tell me. Anything you say might be helpful to urge the factory to improve their management. It might be better when you work at the factory next time.

B&C: We might not work there next time...

We will definitely never work there again. Some students from my school said that they will never go back to that factory, never ever!

Investigator: It might be better in the future. Other factories, I mean, new factories may not be any better than HEG.

B&C: When I was at the factory, the supervisor was so...

Investigator: What, did he yell at you a lot?

B&C: Yes! He thought that since he was a supervisor he could ... (dialect, difficult to understand). We were even joking about beating him before we left.

Investigator: Actually, the higher level of HEG management isn't so bad. They probably aren't aware of the poor behavior of middle and lower management. If, for example, we tell them about the feedback you've given, it will push them to make improvements.

B or C: Well, let's end here for today. We'll contact you next time.

Investigator: Ok. Thanks a lot. Take care.