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## CLW Statement on Lawsuit by Samsung Supplier HEG

Wednesday, October 1, 2014

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FOR IMMEDIATE RELEASE

October 1, 2014

NEW YORK - In the past 24 hours, China Labor Watch (CLW) has learned via media reports that Samsung's Huizhou-based supplier factory HEG Technology is suing CLW Executive Director Li Qiang and the Shenzhen Zhuoyue Zhisheng Enterprise Management Inquiry Department for false reporting, which refers to CLW's [August 2014 investigative report](#) on HEG's extensive labor violations, including the exploitation of child labor and student workers. As of the publishing of this statement, neither Li Qiang nor CLW have received any notices or documents related to this lawsuit. That the lawsuit was apparently filed with a court in Huizhou lacks a jurisdictional basis because CLW is registered in New York City.

CLW originally saw the lawsuit in a [Chinese news story](#) (which has been republished in other news portals) that carried a misleading title: "American Labor Organization Sued by Chinese Technology Company for False Reporting". Conclusions had already been suggested about the truth of the case without ever having asked CLW or before knowing the results of the trial.

CLW's [August report](#) demonstrated that HEG Technology used child labor this year, [just as it did in 2012](#). In August 2014, CLW provided Samsung with a list of workers sent by a labor agency in May to HEG that included more than 10 child workers.

206	女	19900228
207	女	19870718
208	女	19940611
209	女	19911119
210	女	19900821
211	男	19970006
212	女	19981118
213	女	19970719
214	男	19961028
215	男	19971221
216	女	19980227
217	女	19970509
218	女	19980722
219	女	19980213
220	女	19910810
221	女	19980504
222	女	19970728
223	女	19990828
224	女	19970804
225	女	19990701
226	女	19970128
227	女	19980212
228	女	19940309
229	女	19980328
230	女	19981105
231	女	19980704
232	女	19971012
233	女	19980228
234	女	19980318
235	女	19980728
236	女	19980108

List of workers sent to work at HEG by a labor agency. (Click photos for link to larger version.) Their ID numbers contain birthdates. Taken in May 2014, this photo reveals that some of the workers employed by HEG are under 16, the legal working age in China. For privacy, identifying information has been blurred.

The child workers used fake names to enter HEG. CLW also provided Samsung with a [list](#) of some of these child workers who were employed in a Samsung department of HEG under fake names.

HEG and Samsung are now covering up the truth to protect their interests and reputation. HEG will likely lose business from Samsung if they are found to be using child labor again. Samsung has a zero tolerance labor policy that it wants to avoid invoking. Samsung also has a strong interest in showing that it has made improvements after CLW revealed the use of child workers and other labor violations in Samsung's supply chain over and over. (All CLW reports on labor violations in Samsung's supply chain.)

This lawsuit is a public relations tactic meant to bolster HEG's and Samsung's image. But the exploitation of child workers and other labor violations are a systemic problem in Samsung's supply chain. These labor abuses are symptoms of Samsung's cost structuring and management of its supply chain. Factories like HEG operate on slim margins, and labor costs are suppressed through long hours, low pay, unpaid overtime, inadequate safety training and equipment, and the employment and exploitation of child and student workers. The real solution to solving these problems should be a systemic effort by Samsung to ensure that its supplier factories are not exploiting labor to maintain profit.

It is also critical to note that while HEG and Samsung have focused this lawsuit on child labor, the employment and exploitation of underage workers is only one among a list of legal violations at HEG, including hiring age limits, unpaid wages, overtime in excess of legal limits, underpaid social insurance, potential overuse of dispatch workers, and inability for workers to resign via normal channels, leading to unpaid compensation. Give the number of infringements at HEG, it's ironic that HEG wants to defend its labor conditions in a court of law.

CLW Executive Director Li Qiang said, "This lawsuit is a public relations action by HEG and Samsung to cover-up their labor exploitation. If they were serious, HEG and Samsung would file the lawsuit in America."

#### About China Labor Watch

Founded in 2000, China Labor Watch is an independent not-for-profit organization. For more than a decade, CLW has collaborated with labor organizations and the media to conduct in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the world's largest brand companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

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