

## **Agreement Reached with Forever 21**

December 2004

Forever 21, Inc., the Garment Worker Center, Sweatshop Watch, and the Asian Pacific American Legal Center, on behalf of several Los Angeles garment workers represented by it, have reached an agreement to resolve all litigation between them. In addition, the parties have agreed to take steps to promote greater worker protection in the local garment industry. The parties are pleased to announce the resolution of this matter as a positive and symbolic step forward in demonstrating respect and appreciation for garment workers. Under the parties' agreement, the national boycott of Forever 21 and related protests at the Company's retail stores, initiated by the Garment Worker Center in 2001, have ended. The parties share a belief that garment workers should labor in lawful conditions and should be treated fairly and with dignity. Forever 21, the Garment Worker Center and Sweatshop Watch all remain committed to ensuring that the clothing Forever 21 sells in its stores is made under lawful conditions.



# SWEATSHOP

# WATCH

Connecting you to  
worker struggles in the  
garment industry!

December 2002 Vol. 8, No. 4

## U.S. Clothing Retailers Settle Saipan Sweatshop Lawsuit

### ONLY LEVI'S HOLDS OUT

In September, an historic settlement was reached among garment workers, human rights advocates, top clothing retailers and Saipan garment factories. Seven more U.S. clothing retailers that buy garments manufactured on Saipan, and twenty-three Saipan garment manufacturers have settled claims against them in a federal class-action lawsuit alleging violations of wage and hour laws and other workers' rights. The seven U.S. retailers – Abercrombie & Fitch, Target, Gap Inc., J.C. Penney Company, Inc., Lane Bryant, Inc., The Limited, Inc., and Talbots, Inc. – join 19 other retailers that had previously settled.

In January 1999, Sweatshop Watch, Asian Law Caucus, Global Exchange, UNITE, and Saipan garment workers filed three separate lawsuits against several retailers and garment factories alleging violations of U.S. labor laws and international human rights standards.

Saipan is the largest of a chain of fourteen islands in the Pacific Ocean known as the U.S. Commonwealth of the Northern Mariana Islands. Plaintiffs in

the lawsuits alleged that thousands of garment workers live and toil in deplorable conditions on Saipan, working up to 12 hours a day, seven days a week, and earning \$3.05 an hour or less, often without overtime pay. Yet, the clothes these workers sew carry labels that say "Made in the U.S.A." The majority of garment industry jobs on Saipan are held by foreign "guest workers," mostly young women from China, the Philippines, Bangladesh, and Thailand. With promises of high pay and quality work in the U.S., workers agreed to repay recruitment fees of thousands

of dollars. Many workers also claim that they signed "shadow contracts" waiving basic human rights, including the freedom to join unions, attend religious services, quit or marry. These circumstances, plaintiffs contended, trap Saipan garment workers in a state of indentured servitude.

For Carmencita "Chie" Abad, who worked in a Saipan garment factory for six years, the settlement is a huge victory for her and for all Saipan garment workers. Since the lawsuits were filed in 1999, Chie has been an outspoken advocate for her fel-

low Saipan garment workers. "With the settlement, workers will finally have human rights," she says. "They will also have a voice



This garment factory is one of dozens on the U.S. island of Saipan.

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Fighting Sweatshops

## Saipan—continued

at their workplace. They will learn about their rights, and their complaints will be addressed by independent monitors.”

The settlement agreement adopts a strict code of conduct including a guarantee of extra pay for overtime work, safe food and drinking water, and other basic workers' rights. Workers who want to return to their home countries also will be eligible for up to \$3,000 in relocation fees.

A panel of three retired judges will be set up to oversee monitoring. The panel will have the power to conduct unannounced inspections of the factories and investigate worker complaints. The judges can order payment of back wages, establish cures for violations found by the monitors and, in worst cases, place manufacturers on probation for repeated and systematic non-compliance with the code of conduct. The parties have agreed to explore using the International Labor Organization (ILO), an adjunct of the United Nations, as a monitoring body.

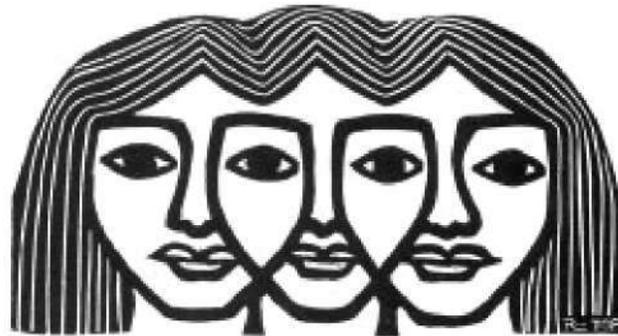
This historic agreement brings the total settlement fund to more than \$20 million. Each company will make a one-time contribution to the fund which will finance the monitoring program and compensate up to 30,000 former and current Saipan garment workers, and cover administration costs and attorneys' fees. Law firm Milberg Weiss waived all its fees, and the firms Altshuler Berzon and Bushnell Caplan waived a large portion of their fees too.

Levi Strauss, a \$4 billion company that sells jeans, khakis and casual wear under the Levi and Dockers brands, refused to settle and will continue to fight the lawsuit.

“We're happy that this long fight has finally reached an agreement,” said Victor Narro, Co-Director of Sweatshop Watch. “We believe that the retailer defendants are responsible to the workers. Levi's – which incomprehensibly is still opposing this settlement – especially needs to heed this advice.”



Thousands of Saipan garment workers will receive millions through the landmark settlement.



## SW box

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### **Mission Statement:**

Sweatshop Watch is a coalition of labor, community, civil rights, immigrant rights, women's, religious & student organizations, and individuals committed to eliminating sweatshop conditions in the global garment industry. We believe that workers should be earning a living wage in a safe and decent working environment, and that those who benefit the most from the exploitation of sweatshop workers must be held accountable.

**Sweatshop Watch's** newsletter is published quarterly.

Membership dues, which include a subscription, are \$20.

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Commentaries, articles, and letters are welcome and should be accompanied with your name, address, and telephone or email.

## Updates

We are pleased to welcome **Lin-Shao Chin** as the new Asian Worker Organizer of the Garment Worker Center. Lin-Shao is a recent graduate of UCLA. She began working with the Center as an Intern when it opened in January 2001. She brings a diverse array of skills to the Center and is already familiar with its work and the garment industry through her commitment as one of its first volunteers.

We are very thankful to our star volunteer **Deirdre O'Boyle**, who designed our new t-shirts and has helped us with several projects this Fall.

The Forever 21 boycott went on the road this October! In an effort to build support for their campaign, garment workers involved in a year-long lawsuit and public campaign against Forever 21, a popular young women's clothing line, took their message to major cities across the U.S., including San Francisco, Oakland, New York, Miami, San Antonio, Austin, and Washington, D.C.

## Forever 21 Boycott Goes National

In each city, a Forever 21 worker spoke at universities, community organizations, and to the media; and along with local supporters, visited a Forever 21 store to leaflet and picket. Workers returned motivated by the support they received and organizing strategies they learned from other workers involved in similar fights.

In Oakland, California, **Erica Contreras** tries out an ergonomic sewing station while visiting the Asian Immigrant Women Advocates ...



In San Antonio, Texas, **Lucy Chavac** speaks to a class of high school students ...



Photos courtesy of the Garment Worker Center.

**Guadalupe Hernandez**, pictured above right speaking at Wesleyan University, recounts her trip to New York:

*I am one of the members of the campaign against Forever 21. I received an invitation from the Garment Worker Center to go to New York. We left October 9. For me it was a very good experience in that I learned from many people who fight for what we are fighting for: better treatment and dignity for the worker.*

*We spoke in different schools, such as the University of Massachusetts, Wesleyan University in Connecticut, Columbia Law School, and Poly Prep Country Day School in Brooklyn. The organizations we visited included the Workplace Project in Long Island, Make the Road by Walking in Brooklyn, the Committee Against Anti-Asian Violence (CAA AV) in the Bronx, and the Latin American Workers Project in Brooklyn. We spoke about our campaign against Forever 21 and they shared their histories and anecdotes about the discrimination and disrespect that has happened to them.*

*The people I met were humble and workers. The students united with our efforts to improve working conditions. The people of other organizations are fighting so that all receive better treatment and are guaranteed a fair wage and besides this we have to fight against the problem of not speaking English.*

*We are sharing ideas and learning from each other and uniting our strengths so that the conditions are changed for all immigrants.*

*One student didn't know that sweatshops still exist in the U.S. and asked how we could survive with such little pay. I answered him by saying that that was it exactly—survive and bear it.*

*All my experience that I lived during my 5 days in New York, apart from taking me out of my daily routine, has helped me to understand and learn from many people and feel much motivation and I hope that same motivation that I feel will serve to help my compañeras move forward and have the strength to resist in this fight against sweatshops and exploitative work.*

*I wish that all my fellow workers had the same opportunity as I had to share with so many people searching for the same things we are. I know that this fight is not easy but no one said it is impossible.*



## San Francisco Sweatshop Workers Recover Almost \$1 Million in Back Wages –But Campaign Continues

In October, the California labor commissioner paid almost \$1 million in back wages to over 240 former employees of Wins of California, Win Fashion and Win Industries of America. Last year, employees at these three San Francisco garment factories worked for many months without receiving any pay at all. The owners promised to pay the wages owed, but instead abruptly fired workers at Win Fashion in July 2001, then declared bankruptcy. The state labor commissioner began investigating the garment factories in July 2001, and shut down the remaining two factories in August 2001 for operating without current registration requirements. Wins of California also declared bankruptcy in August 2001, leaving the workers in a complex legal battle for their back wages.

Over the past year, the displaced workers, mostly monolingual Chinese immigrant women, along with community advocacy groups, have pressed federal and state officials to collect the back wages and prosecute the Wins owners for their labor law violations. Mei Yan Fang, one of the former workers recently elected to a leadership group stated, “we are overjoyed to finally receive the wages owed to us after so many months of struggling for justice.”

The garment workers’ wages are being paid from a special state fund for unpaid garment workers. The fund was created in 1980 to ensure that garment workers are paid their wages when irresponsible contractors and manufacturers fail to do so. California garment contractors and manufacturers must register with the state annually, and \$75 of each registration fee finances the garment worker fund.

The state labor commissioner will continue its lawsuit against the factory owners and operators, Anna Wong, Toha Quan and Jenny Wong. The state is seeking \$2.1 million in damages and civil penalties for the workers and recovery of the workers’ wages paid out of the state’s garment fund.

“We applaud the State’s efforts on behalf of the Wins workers, but the sweatshop owners must still be held accountable so that a clear message is sent to all employers that criminal labor abuses will not be tolerated,” said Chinese Progressive Association spokesperson Leon Chow.

Several community organizations worked together to

assist the workers in claiming their wages, to organize with the workers for justice and to provide social services. Groups serving the Chinese American community including the Chinese Progressive Association, the Asian Law Caucus and Chinese for Affirmative Action played a critical role in facilitating communication between the Chinese-speaking garment workers and state labor officials, and in addressing the workers’ fears of coming forward and the owners’ efforts to intimidate the workers.

“One of the reasons sweatshops continue to flourish in California is because the state labor commissioner’s office is severely under-funded and under-staffed, especially with bilingual investigators” said Nikki Fortunato Bas, Co-Director of Sweatshop Watch. “We have worked very hard with the state over the past year to ensure that the Wins workers are involved in their case for back wages. The collaboration and communication we have established with the state labor commissioner in the Wins case sets a good example for future cases involving immigrant workers. And, with no end in sight to the state’s budget crisis, we’ll have to work even harder to ensure that immigrant workers’ needs are met.”

### The campaign continues to hold the sweatshop owners and brand-name labels accountable

The Wins garment workers sewed clothing for several big-name labels, including J.C. Penney, K-Mart, Sears, T.J. Maxx, Sam’s Club, bebe and others. Under California law, manufacturers are also responsible for payment of garment workers’ wages. Sweatshop Watch will continue to push the state labor commissioner to take legal action against the manufacturers whose labels the Wins workers sewed.

Over the past year, the workers and community advocates have met with several government agencies and local politicians to ensure that the Wins employers are held responsible and that these types of abuses end. In April 2002, they met with San Francisco District Attorney Terrance Hallinan to urge him to criminally prosecute the Wins employers. To date, the D.A. has taken no action against the sweatshop owners, and workers report numerous labor violations at other Bay Area garment factories. Meanwhile, the F.B.I. has been investigating the case for over a year, yet no criminal charges have been filed.



Former garment worker Mei Yan Fang summed up the workers' sentiment at a press conference after receiving their checks, "This is only the beginning of our victory. Now, we must push for prosecution of the [sweatshop] owners." Photos by Lin-Shao Chin.

"Payment of the workers' back wages from the garment fund is an important first step, and we will continue to work closely with the Labor Commissioner's legal staff on the civil suit against the factory owners," said Marci Seville, Director of the Women's Employment Rights Clinic at Golden Gate University Law School. "However, there is widespread concern in the Asian American community that the owners' conduct violated criminal laws, as well as labor laws, and it is very disturbing that Terrence Hallinan is taking no steps to investigate and prosecute Wong and Quan."

### **Workers push for job training and stable employment**

The closure of the Wins garment factories, the Lee Mah electronics factories and the Levi's plant have left hundreds of immigrant Chinese workers jobless in San Francisco. Most of these workers found that social services are inadequate in helping them meet their immediate needs; and job training classes—if they qualify to receive them at all—do not necessarily lead to a more stable job with a living wage. The Wins workers relied on family members for support following their lay-offs, and most only recently found jobs as their unemployment benefits expired. However, many of these workers continue to labor in low-wage industries, including hotel, homecare and garment.

On September 30, San Francisco Supervisor Sophie Maxwell requested a hearing to explore ways the City can better address the needs of low-wage immigrant workers. Supervisor Maxwell stated, "The hearing will highlight the former workers of the Wins garment factories because the employment problems facing these immigrant Chinese women exemplify a growing economic crisis impacting large segments of San Francisco's immigrant communities." The hearing will examine what the City can do to address the immediate needs of these low-wage immigrant workers and how the City is responding to businesses with illegal labor practices.

## **RESOURCES**

### **Making Sweatshops: The Globalization of the U.S. Apparel Industry**

by Ellen Israel Rosen is a comprehensive analysis of the globalization of the U.S. apparel industry, which focuses on the reemergence of sweatshops in the U.S. and the growth of new ones abroad. It probes the shifts in trade policy and global economics that have spawned momentous changes in the international apparel and textile trade, and asks whether the process of globalization can be promoted in ways that blend industrialization and economic development in both poor and rich countries with concerns for social and economic justice. *University of California Press, 2002, [www.ucpress.edu/books/pages/9686.html](http://www.ucpress.edu/books/pages/9686.html).*

### **Asian American Women: Issues, Concerns and Responsive Human and Civil Rights Advocacy**

by Lora Jo Foo reveals the struggles of Asian American women at the bottom of the socio-economic ladder, capturing their suffering as well as their fighting spirit in waging social and economic justice campaigns. Published by the Ford Foundation. *Copies available from AAPIP at [www.aapip.org](http://www.aapip.org).*

### **Youth Build Immigrant Power Training Manual**

Since 1997, Youth Build Immigrant Power (YBIP) has worked to develop the leadership and organizing skills of low-income Asian immigrant youth. They developed this training manual to share with other youth groups, especially Asian immigrant youth groups, what they have learned about making their community better. It contains stories from the YBIP youth members about their successes and training scripts that can be adapted and used. \$25 suggested donation. *Contact: Stacy Kono, Asian Immigrant Women Advocates, 310 Eighth St., Suite 301, Oakland CA 94607, 510-208-7288, extension 2 or [stacykono@aiwa.org](mailto:stacykono@aiwa.org).*

## **SWEATSHOP WATCH Scores Major Policy Victories**

After some hard-fought policy battles, Sweatshop Watch can proudly point to major successes in 2002. Among the victories are the following:

### **❑ SENATE BILL 1818 (SENATOR GLORIA ROMERO)**

On March 27, 2002, the U.S. Supreme Court ruled, in a case titled *Hoffman Plastic Compounds v. NLRB*, that federal immigration law precluded back pay awards to undocumented workers, even though they might be the victims of unfair labor practices. The Court held that undocumented workers who were fired because they participated in union activities are not entitled to back pay under the National Labor Relations Act. This decision created confusion and fear throughout immigrant communities around the country. It sent a wrong message to unscrupulous employers that they can retaliate against and mistreat undocumented workers who exercise their workplace rights. Even the Bush Administration filed arguments to the Supreme Court in support of undocumented workers, recognizing that penalties are needed to keep employers from exploiting them.

Senate Bill 1818 was intended to limit the ill-effects of the Hoffman decision on California labor, employment and civil rights laws. SB 1818 codifies existing state policy to state that all worker rights, remedies, and protections are available under state law to every worker, regardless of his or her immigration status.

Sweatshop Watch was among the endorsers of SB 1818, which the Governor signed into law on September 30. With the passage of SB 1818, California became the first state in the country to address the harm created by the Hoffman decision.

### **❑ ASSEMBLY BILL 633 REGULATIONS**

In 1999, Sweatshop Watch played a key role in the passage of a sweatshop reform law in California (Assembly Bill 633), which created a "wage guarantee" whereby garment manufacturers are now legally responsible for ensuring that workers who sew their labels are paid at least the minimum wage and overtime. Prior to this law, the corporations who profited the most from sweatshop labor shielded themselves from responsibility by using subcontractors, and California garment workers lost an estimated \$80 million each year in unpaid wages. This bill became law in January 2000. Since then, Sweatshop

Watch has played a major role in ensuring that the regulations for implementing the law comply with the legislative intent and the spirit of the law.

In October 2001 and April 2002, Sweatshop Watch, together with its allies and member organizations, coordinated public comments to the proposed garment regulations. Our coordination efforts have been critical in informing other garment advocates of developments in the AB 633 regulatory process. Previous drafts of the garment regulations included a huge loophole for manufacturers and retailers from the wage guarantee. Our advocacy efforts helped to prevent the state from issuing the regulations with that loophole. After a lengthy process of almost 3 years, the Department of Industrial Relations issued the final regulations on October 9. Sweatshop Watch will continue to monitor and document the implementation of AB 633 as we work to ensure that garment contractors, manufacturers, and retailers covered by this legislation fully comply.

### **❑ OFFICE OF IMMIGRANT AFFAIRS**

Through the Coalition of Immigrant Worker Advocates (CIWA), Sweatshop Watch continued to address issues affecting low wage immigrant workers. CIWA is a collaborative effort of Sweatshop Watch, Garment Worker Center, Korean Immigrant Worker Advocates, Coalition for Humane Immigrant Rights of Los Angeles, and Maintenance Cooperation Trust Fund that focuses on labor law enforcement and labor protections for low wage immigrant workers.

A major success for CIWA was its work to generate support for the creation of an Office of Immigrant Affairs (OIA) within the new Labor and Workforce Development Agency in California. The OIA would work to facilitate a better relationship between California's various labor agencies and the immigrant worker community, and address important issues affecting immigrant workers relating to labor law enforcement and language access. We met with worker advocates, elected officials, the Governor's office, Labor Commissioner Art Lujan, and Steve Smith, Acting Secretary of Labor for the Labor and Workforce Development Agency, to discuss with them the OIA and generate their support for it. On September 28, CIWA held a town hall meeting at the new UCLA Downtown Labor Center to invite Steve Smith and the heads of the departments of the new agency to provide information to the public. The meeting provided CIWA with an opportunity to educate the community about the OIA and reaffirm its support from Steve Smith and the other department heads. CIWA will continue to work to ensure that immigrant workers' needs are met by the new labor agency.

## SWEATSHOP-FREE ALTERNATIVES

**Sweatshop Watch t-shirts have arrived.** Be among the first to sport Sweatshop Watch's hip, new t-shirts and support our work to end sweatshops. The tee's are union made by Sweat X in Los Angeles, and union silk-screened by Alliance Graphics in Berkeley. \$20 each, plus shipping. See [www.sweatshopwatch.org](http://www.sweatshopwatch.org) for ordering details, or call 510-834-8990.

Women's  
Tee:



**No Sweat Apparel** is a brand-new, 100% union-made sweatshop alternative attempting to change the garment industry and truly influence sweatshop abusers by providing competitive products to Western consumers while also paying union shops and coops around the world a living wage. You can check them out at [www.nosweatapparel.com](http://www.nosweatapparel.com). Their second, but just as important, goal is to be a quality resource for consumers of information about the sweatshop movement and the happenings of the garment industry.

**Fuerza Unida**—the former Levi's workers in San Antonio, Texas—have formed a sewing co-op that makes and silk-screens t-shirts, canvas bags, and flags. Prices vary depending on the amount ordered and style requested. Orders can be made by calling 210-927-2294.

## 5 Ways to Fight Sweatshops this Holiday Season

1. Support Los Angeles garment workers and **BOYCOTT Forever 21!**— call, write, or organize a picket at a local store.

Do Won Chang, President  
Forever 21  
2001 S. Alameda St., Los Angeles, CA 90058  
213-747-2121

For a store near you, go to  
[www.forever21.com](http://www.forever21.com)

Join us for a holiday protest on December 18<sup>th</sup> in Los Angeles— location TBA— go to [www.garmentworkercenter.org](http://www.garmentworkercenter.org) for updates.

2. Hold **Levi's** accountable for sweatshop conditions on Saipan. Tell Levi's that slavery is un-American and to settle the Saipan lawsuit. Go to [www.sweatshopwatch.org](http://www.sweatshopwatch.org) for updates. Call or write:

Robert Haas, Chairman of the Board  
Levi's Worldwide & US Headquarters  
1155 Battery Street, San Francisco, CA 94111  
415-501-6000

3. Tell **Disney** to take responsibility for workers' rights in Bangladesh! They should return orders to factories where they cut and run. Go to [www.nlcnet.org](http://www.nlcnet.org) for updates. Call or write:

Michael Eisner, CEO  
Walt Disney Company  
South Buena Vista Street, Burbank, CA 91521  
818-560-1000

4. Find out if your college or university has a Code of Conduct for the production of apparel with your school's logo on it. If not, organize your peers to demand that your school adopt one. For more information on College and University Codes of Conduct go to:

Worker's Rights Consortium:  
[www.workersrights.org](http://www.workersrights.org)  
United Students Against Sweatshops:  
[www.usasnet.org](http://www.usasnet.org) or 202-NO-SWEAT

5. Say no to oppressive INS raids and Social Security No Match letters that are targeted at immigrant workers laboring in sweatshop industries. For more information on fighting for immigrant rights, go to:

National Network for immigrant and Refugee Rights: [www.nnirr.org](http://www.nnirr.org)

# Working Assets will donate over \$4 million to 50 nonprofits, including Sweatshop Watch.

If you are a Working Assets long distance or credit card customer, you can support our work by voting for us on your Working Assets Donation Ballot by **December 31, 2002**. *The grant allocation is determined solely by the number of votes each organization receives.*



To learn more about Working Assets, visit [www.workingforchange.com](http://www.workingforchange.com) or call 800-788-8858.

**To receive additional copies of this newsletter, or back issues, please contact Sweatshop Watch at 510-834-8990 or visit our web site at:**

**[www.sweatshopwatch.org](http://www.sweatshopwatch.org)**



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## Join Sweatshop Watch!

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Yes! I want to join Sweatshop Watch. Enclosed is my \$20 membership.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Make checks payable and send to:  
SWEATSHOP WATCH

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