

# XVIII INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR (IACML)

Presentation on the **Wage and Hour Division (WHD)** of  
the U.S. Department of Labor

Presented by: Patricia Davidson  
Deputy Administrator for Program Operations  
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# Mission

To Promote and Achieve Compliance with  
Labor Standards to Protect and Enhance the  
Welfare of the Nation's Workforce.



# ABOUT WHD

WHD laws include:

- Minimum Wage
- Overtime Pay,
- Child Labor
- Migrant Workers,
- Worker Protections in Certain Temporary Worker Programs

WHD seeks to protect all workers in the United States, regardless of immigration status. WHD also seeks to level the playing field for those law abiding employers that want to play by the rules.



# ABOUT WHD

- WHD has over 200 offices across the country, 1,800 staff
- More than half of the 1,040 investigators is bilingual
- More than 700 speak another language other than English
- 50 languages are spoken
- More than 500 speak Spanish



# Achieving Compliance -- How WHD Accomplishes Its Mission:

Balances Four Complementary Strategies:

- **Enforcement** –directed and complaint based investigations
- **Outreach** to workers and **education** to employers
- **Partnerships** and Collaborative Efforts
- **Media** involvement



# STRATEGIES FOR ACHIEVING COMPLIANCE: ENFORCEMENT– RISK-CASE SELECTION INVESTIGATIONS

- We need to be **strategic** and **prioritize**
  - Make evidence-based, data-driven decisions to maximize impact.
- WHD laws cover **7.3 million establishments**, and **135 million workers**.
- We **prioritize** complaints, investigations and resources.
- Create incentives for greater compliance through enforcement by **using all enforcement tools appropriate**.



# STRATEGIES FOR ACHIEVING COMPLIANCE: ENFORCEMENT– RISK-CASE SELECTION INVESTIGATIONS

- Creating a “**ripple effect**” through an industry or geographic area;
- Strategies based on structure of industry;
- Strategies to complement enforcement:
  - Branding
  - Monitoring
  - Media Exposure



# STRATEGIES FOR ACHIEVING COMPLIANCE: OUTREACH AND PARTNERSHIPS

- **Outreach to Workers** = Workers Understand and Can Exercise their Rights
- **Education to Employers** = Employers Voluntarily Comply
- **Stakeholder Partnerships** - Stakeholders have the trust of their communities.
- **Types of Partnerships:**
  - Community-Based and Worker Rights Organizations
  - Business Associations
  - Foreign Consulates – Consular Partnership Program
  - States
  - Other government agencies





# STRATEGIES FOR ACHIEVING COMPLIANCE: EDUCATION AND OUTREACH --TECHNOLOGIES FOR WORKERS IN THE 21ST CENTURY

- WHD has a **Timesheet App on Smartphones** that workers can use to find out if they are being paid correctly.
- Another 21st Century innovative tool -- DOL has posted enforcement data online and is launching a new app by inviting our nation's entrepreneurs and innovators to create an app that will link consumers to information about whether businesses are obeying critical labor laws.



# STRATEGIES FOR ACHIEVING COMPLIANCE: MEDIA

- Press releases to announce upcoming significant cases, events, and initiative results
- Questions and answers sessions for radio & TV-call-in programs
- Public Service Announcements
- Social Media:
  - Facebook, Blogs, Twitter, Instagram, YouTube, Google+, Flickr



# MISCLASSIFICATION

- The misclassification of employees as independent contractors is an alarming trend, particularly in industries that often employ low-wage workers and in which WHD has historically found significant wage violations
- The Department's launched misclassification initiative to combat this pervasive issue and to restoring these rights to those denied them
- Memoranda of Understanding (MOUs)
  - Internal Revenue Services
  - States



# CHANGING 21<sup>ST</sup> CENTURY EMPLOYER LANDSCAPE

Fissured industries are industries where the employment relationship is splintered and the entities employ business models where employment relationships such as **subcontracting, franchising, third party management, independent contracting or other contractual forms** that alter who is the employer of record or make the worker employer tie tenuous and less transparent.



# New Approach to Compliance and Investigative Processes

- Understanding compliance **problems in “fissured” industries**
- Focusing at the **top of industry structures**
- Gathering **information on employment relationships** during an investigation
- Going **beyond the traditional employer approach**
- Understanding and documenting employment responsibility (**mapping**)



# Challenges

- We investigate less than 1 percent of all businesses covered by our laws each year
- **Repeat and Willful Violators**
- **Contingent Workforce**
- Complex Laws and Regulations
- Difficult for Employers and Employees to Understand
- **Measuring Success**

