BRANDSFRAME AND GOOD AMERICAN SENT A PURCHASE ORDER INDICATING COST PER UNIT TO CHUNG DRESS FOR FULFILLMENT.

CHUNG DRESS THEN DISTRIBUTED THE ORDER OR A PORTION OF IT TO A THIRD-PARTY SUBCONTRACTOR. WHEN THE WORK RAN OUT, THIS ENTITY DISSOLVED.

SANTA EARNED AT TIMES LESS THAN $5/HOUR MAKING THE GARMENTS ORDERED BY THESE BRANDS. HER CLAIM LISTS THREE EMPLOYERS AT THE SAME ADDRESS, INCLUDING CHUNG DRESS, AND LABELS FOR THE CLOTHING SHE MADE FOR FRAME AND GOOD AMERICAN.
LA'S GARMENT INDUSTRY

SOURCES:
"WAGE THEFT PLAGUES L.A. GARMENT WORKERS. WHY AREN'T FASHION RETAILERS HELD RESPONSIBLE?"
- LA TIMES, 8/17/20

"DIRTY THREADS, DANGEROUS FactORIES, HEALTH & SAFETY IN LA'S FASHION INDUSTRY"
PRELIMINARY REPORT, 2015
@GARMENTWORKERCENTER
WITHOUT SB 1399, WHO IS LIABLE FOR SANTA'S STOLEN WAGES?

Frame said "it had no knowledge of the third-party wage claim."

U.S. DEPARTMENT OF LABOR TIME STUDIES CONDUCTED IN 2016 SHOWED CONTRACTORS RECEIVED JUST 73% OF THE PRICE NEEDED TO ENABLE THEM TO ENSURE WORKERS RECEIVED EVEN A BARE MINIMUM LEGAL WAGE.

Chung Dress' owner said "she worked not for him but for a third company."

The third-party subcontractor sublet space and "dissolved after the work ran out."

FASHION BRANDS UTILIZE LAYERS OF SUBCONTRACTING TO AVOID FALLING UNDER THE LEGAL DEFINITION OF "GARMENT MANUFACTURER" AND BEING HELD LIABLE FOR THE EGRESSOUS WAGE VIOLATIONS THAT RESULT FROM THE LOW PRICES THEY PAY AND PROFIT FROM.

"Why is it that the [liability] doesn't go all the way up to the one that has written the bad purchase order? Why does it always have to end with the contractor or the manufacturers?" he said. "That is not fair."

- Richard Cho President Korean Apparel Manufacturers Assn.,

PREVIOUS LAW ESTABLISHED THE GARMENT RESTITUTION FUND, BUT DUE TO LOOPHOLES IN THE LAW EXPLOITED BY BRANDS & RETAILERS, THIS FUND HAS RECENTLY DRIED UP, PUTTING THE BURDEN OF UNPAID WAGES ON THE STATE.

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SB 1399 WOULD ELIMINATE THE PIECE RATE SYSTEM THAT HAS ENABLED EMPLOYERS TO AVOID PAYING WORKERS THE PREVAILING MINIMUM WAGE. THIS MEANS SANTA WOULD BE COMPENSATED FOR EACH HOUR SPENT WORKING RATHER THAN PENNIES AT A TIME PER PIECE.

SB 1399 WOULD ENSURE THAT THE ENTITY OR ENTITIES RESPONSIBLE FOR TERESA'S WAGE VIOLATIONS ARE HELD RESPONSIBLE, NO MATTER WHERE THEY FALL ALONG THE SUPPLY CHAIN.