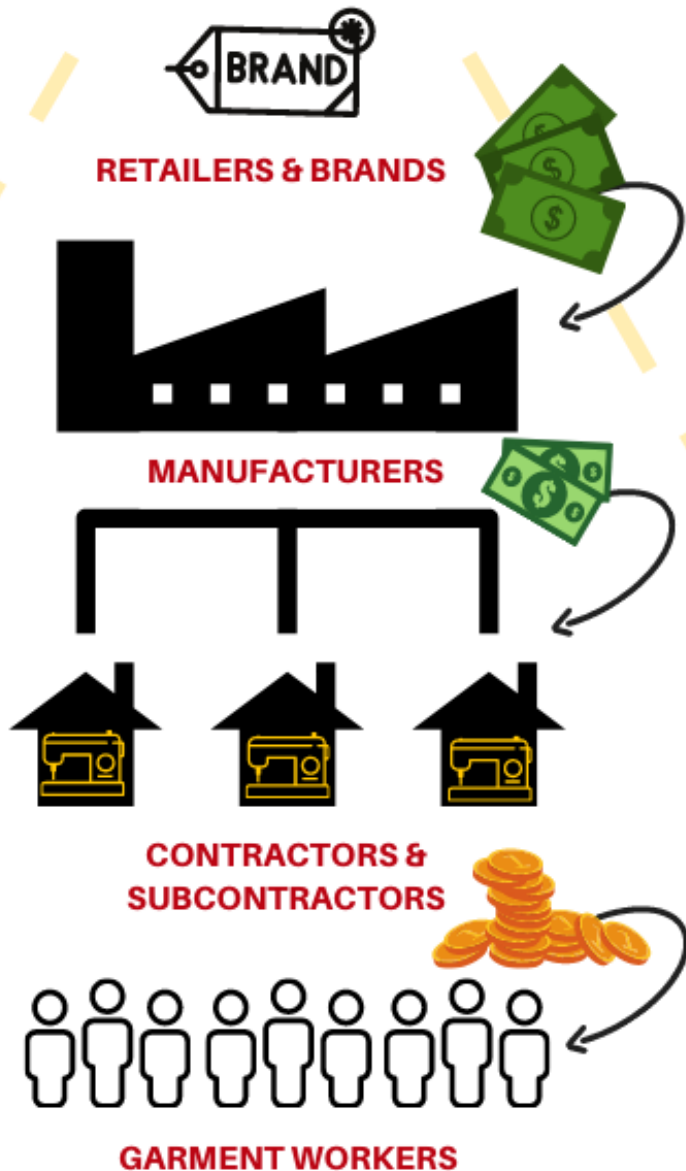


THE GARMENT INDUSTRY SUPPLY CHAIN

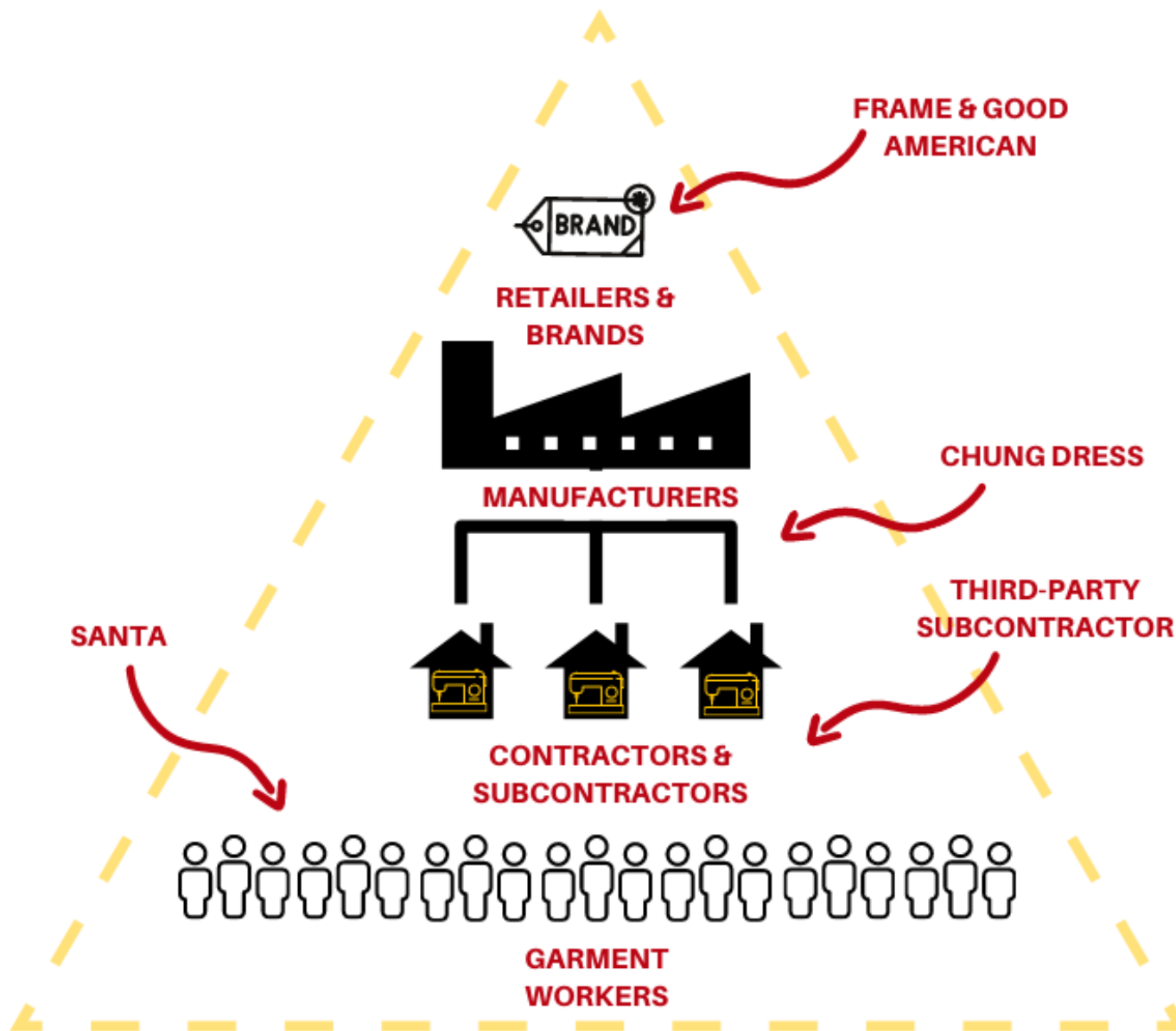


BRANDS *FRAME* AND *GOOD AMERICAN* SENT A PURCHASE ORDER INDICATING COST PER UNIT TO *CHUNG DRESS* FOR FULFILLMENT.

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."



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."



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.

FASHION BRANDS UTILIZE LAYERS OF SUBCONTRACTING TO AVOID FALLING UNDER THE LEGAL DEFINITION OF "GARMENT MANUFACTURER" AND BEING HELD LIABLE FOR THE EGREGIOUS 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."**

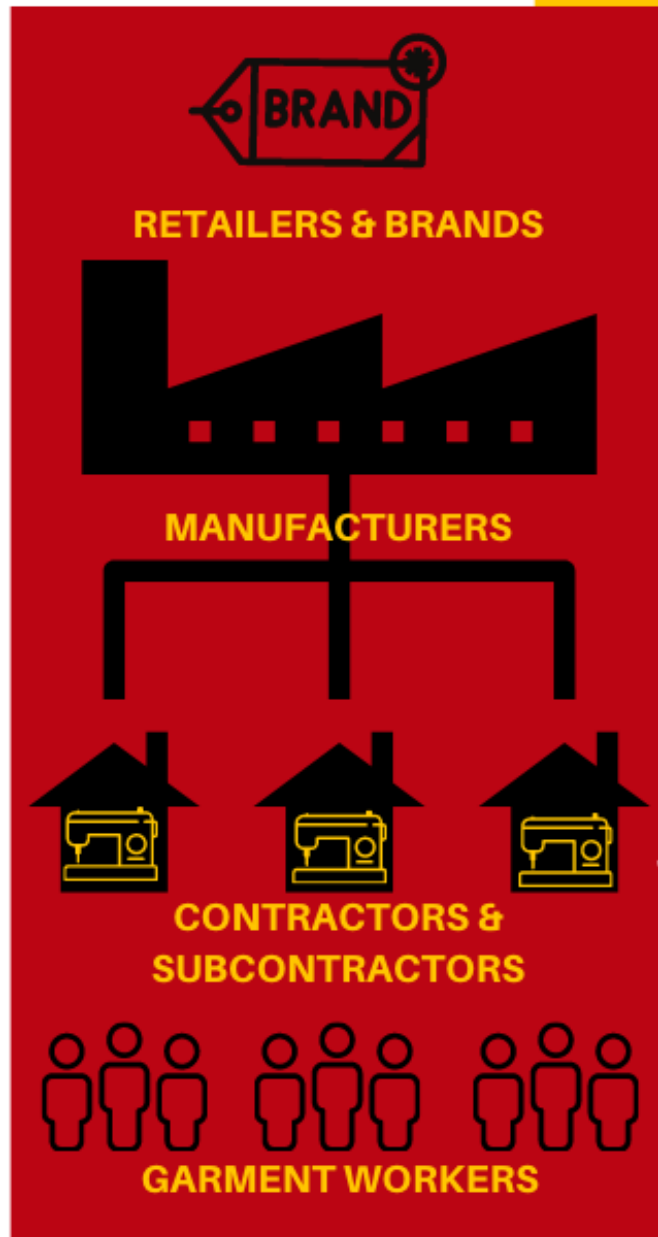
- Richard Cho
President

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.

@GARMENTWORKERCENTER

MULTILATERAL ACCOUNTABILITY WITH SB 1399



**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.**