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PUBLIC HEARING

before

ASSEMBLY LABOR COMMITTEE

ASSEMBLY BILL NO. 3565

(Concerns regulation of apparel industry)

and

ASSEMBLY BILL NO. 2974

(Prohibits industrial homework in the  
manufacture of women's apparel)

October 2, 1990  
City Council Chambers  
Passaic City Hall  
Passaic, New Jersey

MEMBER OF COMMITTEE PRESENT:

Assemblyman Louis J. Gill, Chairman

ALSO PRESENT:

Gregory L. Williams  
Office of Legislative Services  
Aide, Assembly Labor Committee

**New Jersey State Library**

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Hearing Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
State House Annex  
CN 068  
Trenton, New Jersey 08625





JOSEPH D. PATERO  
CHAIRMAN  
LOUIS J. GILL  
VICE-CHAIRMAN  
THOMAS P. FOY  
ROBERT J. MARTIN

**New Jersey State Legislature**  
**ASSEMBLY LABOR COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-0445

**NOTICE OF PUBLIC HEARING**

The Assembly Labor Committee will hold a public hearing on the following legislation:

<b>A-2974</b> Menendez	Prohibits industrial homework in the manufacture of women's apparel.
<b>A-3565</b> Zangari/Schuber	Concerns regulation of apparel industry.

The hearing will be held on Tuesday, October 2, 1990, at 10:00 A.M. in the City Council Chambers, Passaic City Hall, Passaic, New Jersey .

**DIRECTIONS TO PASSAIC CITY HALL COMPLEX**

**FROM SOUTH JERSEY:**

Take N.J. Turnpike to Exit 16 W.  
Take Route 3 West to Route 21 North to Passaic  
Exit Route 21 at State Street Exit  
Proceed to 2nd traffic light and make left (Passaic City Hall on right side).

Parking is available in lot across from Complex or you may choose any of the municipal lots surrounding the complex.

*The public may address comments and questions to Gregory L. Williams, Committee Aide, and persons wishing to testify should contact Kathleen Lieblang, secretary, at (609) 984-0445. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.*

Issued 09/19/90



[FIRST REPRINT]  
ASSEMBLY, No. 3565

STATE OF NEW JERSEY

INTRODUCED MAY 21, 1990

By Assemblymen ZANGARI and SCHUBER

1 AN ACT concerning the regulation of the apparel industry and  
2 amending <sup>1</sup>and supplementing<sup>1</sup> P.L.1987, c.458.

3  
4 BE IT ENACTED *by the Senate and General Assembly of the*  
5 *State of New Jersey:*

6 <sup>1</sup>1. (New section) a. The commissioner may, in addition to  
7 seeking civil, administrative, or criminal penalties pursuant to  
8 P.L.1987, c.458 (C. ), order the apparel industry unit to  
9 confiscate any partially or completely assembled articles of  
10 apparel and any equipment used in the assembly of apparel from  
11 any manufacturer or contractor who is violating any provision of  
12 P.L.1987, c.458 (C. ) and has previously been found liable  
13 for a civil or administrative penalty for two or more separate  
14 violations of P.L.1987, c.458 (C. ) during the immediately  
15 preceding three year period. All items confiscated shall be  
16 placed in the custody of the apparel industry unit until the  
17 confiscation order becomes final and until the final resolution of  
18 any appeal of the final confiscation order pursuant to subsection  
19 b. of this section.

20 b. Prior to the time that the confiscation order becomes final,  
21 the commissioner or his designee shall provide the manufacturer  
22 or contractor with notification of the violation and confiscation  
23 by certified mail and an opportunity to request from the  
24 commissioner or his designee, by certified mail, a hearing before  
25 the commissioner or his designee within 15 days following receipt  
26 of the notice. If a hearing is requested, the commissioner or his  
27 designee shall hold the hearing within 10 days following receipt of  
28 the request and may issue a final confiscation order upon such  
29 hearing and a finding that a violation has occurred. If a hearing  
30 is not requested, the commissioner or his designee shall issue a  
31 final confiscation order upon the expiration of the 15-day period.  
32 The manufacturer or contractor may appeal the final confiscation  
33 order to the Appellate Division of the Superior Court within 30  
34 days following the issuing of the final confiscation order. Upon  
35 issuance of a final confiscation order or, if an appeal is made to  
36 the Appellate Division, upon the final resolution of that appeal,  
37 title to the confiscated goods shall vest in the State, and the  
38 apparel industry unit shall dispose of them pursuant to regulations  
39 adopted by the commissioner.<sup>1</sup>

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
<sup>1</sup> Assembly ALA committee amendments adopted October 18, 1990.

1 12. (New section) The commissioner or his designee shall  
2 make public a list of all manufacturers and contractors which  
3 have been found guilty of violations of P.L.1987, c.458 (C. \_\_\_\_\_)  
4 or any other act for which a manufacturer or contractor may,  
5 pursuant to P.L.1987, c.458 (C. \_\_\_\_\_), be subject to a  
6 revocation of registration or confiscation of items of apparel or  
7 equipment for a subsequent violation. The commissioner or his  
8 designee shall update that list public in a timely manner. The  
9 commissioner shall make the list and any updates of the list  
10 available upon the request to any requesting manufacturer,  
11 contractor, or organization representing manufacturers or  
12 contractors.<sup>1</sup>

13 13. (New section) Each manufacturer and contractor shall  
14 keep accurate records regarding all of its production employees  
15 during the preceding three years and make those records  
16 available to the apparel industry unit upon request. The records  
17 shall include:

18 a. The name and address of each production employee and the  
19 age of each production employee who is a minor;

20 b. The number of hours of work and the time of day that work  
21 begins and ends for each production employee;

22 c. The wages, wage rates, and piece rates paid during each  
23 payroll period; and

24 d. Contract worksheets indicating the price per unit agreed  
25 between manufacturer and contractor.<sup>1</sup>

26 14. Section 2 of P.L.1987, c.458 is amended to read as follows:

27 2. As used in this act:

28 a. "Apparel industry" means the making, cutting, sewing,  
29 finishing, assembling, pressing or otherwise producing of apparel,  
30 designed or intended to be worn by any individual and sold or  
31 offered for sale for that purpose, but does not include cleaning,  
32 pressing or tailoring services performed upon apparel sold or  
33 offered for sale at retail;

34 b. "Commissioner" means the Commissioner of Labor;

35 c. "Contractor" means any person who contracts to perform in  
36 this State the cutting, sewing, finishing, assembling, pressing or  
37 otherwise producing of any apparel, or a section or component of  
38 apparel, designed or intended to be worn by any individual and  
39 sold or offered for sale, except at retail, for that purpose.  
40 "Contractor" shall include, but not be limited to, a  
41 subcontractor, jobber or wholesaler, but shall not include a  
42 production employee employed for wages who does not employ  
43 others;

44 d. "Department" means the State Department of Labor;

45 e. "Manufacturer" means any person who contracts with a  
46 contractor to perform in this State the cutting, sewing, finishing,  
47 assembling, pressing or producing of any apparel, or a section or  
48 component of apparel, designed or intended to be worn by any  
49 individual and sold or offered for sale, except at retail, for that  
50 purpose, or who cuts, sews, finishes, assembles, presses or

1 otherwise produces in this State any apparel, or a section or  
2 component of apparel, designed or intended to be worn by any  
3 individual and sold or offered for sale, except at retail, for that  
4 purpose. "Manufacturer" shall not include a production employee  
5 employed for wages who does not employ others;

6 f. "Production employee" means any person who is employed  
7 by a contractor or manufacturer directly [performs] to perform  
8 the cutting, sewing, finishing, assembling, pressing or otherwise  
9 producing of any apparel, or a section or component of apparel,  
10 designed or intended to be worn by any individual and sold or  
11 offered for sale, except at retail, for that purpose:

12 g. ["Special task force"] "Apparel industry unit" means the  
13 Special Task Force on the Apparel Industry created by section 4  
14 of this act and reestablished as the apparel industry unit by this  
15 1990 amendatory and supplementary act.<sup>1</sup>

16 (cf: P.L.1987, c.458, s.2)

17 <sup>15.</sup> Section 3 of P.L.1987, c.458 is amended to read as follows:

18 3. a. No manufacturer or contractor shall engage in the  
19 apparel industry in this State unless the manufacturer or  
20 contractor is registered as a manufacturer or contractor with the  
21 department, in writing, on a form provided by the commissioner.  
22 That form shall contain the following information: whether the  
23 manufacturer or contractor is a sole proprietorship, partnership,  
24 or corporation; the manufacturer's or contractor's name and  
25 principal business address in the State; the name and address of  
26 each person with a financial interest in the manufacturer's or  
27 contractor's business and the amount of that interest, except  
28 that if the manufacturer or contractor is a publicly-traded  
29 corporation, only the names and addresses of the corporation  
30 officers shall be required; the manufacturer's or contractor's tax  
31 identification number; and, if the registrant is a contractor,  
32 whether that contractor subcontracts the cutting or sewing of  
33 apparel or sections or components thereof. Divisions, subsidiary  
34 corporations, or related companies may, at the option of the  
35 manufacturer or contractor, be named and included under one  
36 omnibus registration.

37 b. The commissioner shall issue pursuant to the provisions of  
38 this act, a certificate of registration upon receipt of a  
39 manufacturer's or contractor's completed registration form and  
40 documentation that the manufacturer or contractor has paid any  
41 surety bond required pursuant to subsection h. of section 7 of  
42 P.L.1987, c.458 (C. ) and provides workers' compensation  
43 coverage for the manufacturer's or contractor's production  
44 employees working in this State. The initial fee for each  
45 registration shall be [\$100.00] \$300. Each subsequent annual  
46 registration fee shall be [\$50.00] \$300. The commissioner may  
47 prorate the initial annual registration fee if the certificate of  
48 registration is for a period of less than 12 months. Registrations  
49 shall be renewed on or before January 15th of each year, and all  
50 fees shall be payable to the Division of Workplace Standards.

1 With respect to manufacturers or contractors operating prior to  
2 or on the effective date of this act, the initial registration shall  
3 be filed on or before the first day of the sixth month following  
4 the effective date of this act and shall be effective until the  
5 following January 15th. With respect to new manufacturers or  
6 contractors, the initial registration shall be filed upon the  
7 commencement of manufacturing or contracting in the apparel  
8 industry and shall be effective until the following January 15th.  
9 The commissioner may, by order, compel registration pursuant to  
10 this subsection.<sup>1</sup>

11 (cf: P.L.1987, c.458, s.3).

12 <sup>1</sup>[1.] 6.<sup>1</sup> Section 4 of P.L.1987, c.458 is amended to read as  
13 follows:

14 4. The commissioner shall establish, within 120 days of the  
15 effective date of this act, a Special Task Force on the Apparel  
16 Industry to enforce State labor laws affecting the employment of  
17 production employees in the apparel industry and to exercise the  
18 special duties and powers set forth in sections 5 and 6 of this  
19 act. The special task force shall include personnel from the  
20 department who shall be charged with ensuring compliance with  
21 the State's wage and hour, unemployment compensation,  
22 temporary disability, workers' compensation, and industrial  
23 homework laws. Upon the effective date of this 1990 amendatory  
24 and supplementary<sup>1</sup> act, the special task force shall be  
25 reestablished as the apparel industry unit.

26 (cf: P.L.1987, c.458, s.4).

27 <sup>1</sup>[2.] 7.<sup>1</sup> Section 5 of P.L.1987, c.458 is amended to read as  
28 follows:

29 5. The [special task force] apparel industry unit is charged  
30 with the following duties:

31 a. To inspect manufacturers and contractors, with respect to  
32 their production employees, for compliance with the registration  
33 requirements of section 3 of this act;

34 b. To inspect manufacturers and contractors, with respect to  
35 their production employees, for compliance with other labor and  
36 payroll tax laws of this State that affect the employment of  
37 production employees; and

38 c. To ensure, with respect to their production employees,  
39 compliance by manufacturers and contractors with the orders of,  
40 and assessments of civil penalties by, the commissioner pursuant  
41 to this act and other labor laws of this State applicable to the  
42 employment of production employees.

43 (cf: P.L.1987, c.458, s.5).

44 <sup>1</sup>[3.] 8.<sup>1</sup> Section 6 of P.L.1987, c.458 is amended to read as  
45 follows:

46 6. The [special task force] apparel industry unit shall have the  
47 following powers:

48 a. To investigate and conduct inspections at locations where  
49 an apparel industry manufacturer or contractor is operating to  
50 ensure compliance with this act;

1 b. To inspect books, records and premises of manufacturers  
2 and contractors, with respect to their production employees, to  
3 determine compliance with the State's labor laws, including but  
4 not limited to, laws concerning wages, overtime compensation,  
5 unemployment compensation and temporary disability insurance,  
6 workers' compensation coverage, child labor, and industrial  
7 homework laws, and, if the apparel industry unit determines that  
8 a manufacturer or contractor has violated a provision of any of  
9 those laws with respect to its production employees, to assess and  
10 collect, on behalf of the commissioner, any administrative  
11 penalty authorized by law. If the violation is of a provision of a  
12 labor law for which the assessment and collection of an  
13 administrative penalty is not otherwise authorized, the apparel  
14 industry unit is hereby authorized to assess and collect an  
15 administrative penalty, up to a maximum of \$250 for a first  
16 violation and up to a maximum of \$500 for each subsequent  
17 violation, specified in a schedule of penalties promulgated by rule  
18 or regulation of the commissioner in accordance with the  
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
20 et seq.). No administrative penalty shall be levied pursuant to  
21 this subsection unless the commissioner or his designee provides  
22 the violator with notification of the violation and of the amount  
23 of the penalty by certified mail and an opportunity to request a  
24 hearing within 15 days following the receipt of the notice. If a  
25 hearing is requested, the commissioner, or his designee, may issue  
26 a final order upon such hearing and a finding that a violation has  
27 occurred. If no hearing is requested, the notice shall become a  
28 final order upon the expiration of the 15-day period. Payment of  
29 the penalty is due when a final order is issued or when the notice  
30 becomes a final order. Any penalty imposed under this subsection  
31 may be recovered with costs in a summary proceeding pursuant to  
32 "the penalty enforcement law" (N.J.S.2A:58-1 et seq.). Any  
33 penalty imposed under this subsection shall be paid to the  
34 Division of Workplace Standards and applied to enforcement and  
35 administrative costs of the division; and

36 c. To [take] serve as the designee of the commissioner for the  
37 purpose of taking any action authorized by this act necessary to  
38 implement its provisions.

39 (cf: P.L.1987, c.458, s.6).

40 <sup>1</sup>[4.] 9.<sup>1</sup> Section 7 of P.L.1987, c.458 is amended to read as  
41 follows:

42 7. a. Any manufacturer or contractor who has failed to  
43 comply with the registration requirements of section 3 of this act  
44 shall be deemed to have violated this act.

45 b. Any manufacturer or contractor who has failed to comply,  
46 for the second time within any three year period, with an order  
47 issued by the commissioner to comply with the registration  
48 requirements of section 3 of this act shall be deemed to have  
49 violated this act.

50 c. Any manufacturer or contractor who contracts for the

1 performance of any apparel industry service, as identified in  
2 subsection a. of section 2 of this act, with any other  
3 manufacturer or contractor whom the manufacturer or  
4 contractor knows <sup>1</sup>[has failed to register, has failed to renew its  
5 registration, or has had its registration revoked by the  
6 commissioner] does not hold a valid registration<sup>1</sup> shall be deemed  
7 to have violated this act. <sup>1</sup>A contractor or manufacturer who  
8 knowingly violates this subsection c. within three years after  
9 having been found liable for a civil or administrative penalty for  
10 violating this subsection c. is guilty of a crime of the fourth  
11 degree.<sup>1</sup>

12 d. No manufacturer or contractor shall perform services or  
13 hold himself out as being able to perform services as a registered  
14 manufacturer or contractor unless he holds a valid registration  
15 pursuant to this act. <sup>1</sup>A contractor or manufacturer who  
16 knowingly violates this subsection d. within three years after  
17 having been found liable for a civil or administrative penalty for  
18 violating this subsection d. is guilty of a crime of the fourth  
19 degree.<sup>1</sup>

20 e. If the commissioner or his designee determines that any  
21 manufacturer or contractor commits a violation as provided in  
22 subsection a., b., or c. of this section, or violates subsection d. of  
23 this section, the commissioner or his designee may impose a civil  
24 penalty, and such penalty shall be made with due consideration of  
25 the size and past experience of the manufacturer or contractor  
26 and the seriousness of the violation, upon the manufacturer or  
27 contractor up to \$1,000.00 for an initial violation and up to  
28 \$2,000.00 for each subsequent violation, and, as an alternative or  
29 in addition to the civil penalty, the commissioner or his designee  
30 is authorized to assess and collect an administrative penalty, up  
31 to a maximum of \$250 for a first violation and up to a maximum  
32 of \$500 for each subsequent violation, specified in a schedule of  
33 penalties to be promulgated by rule or regulation of the  
34 commissioner in accordance with the "Administrative Procedure  
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). No administrative  
36 penalty shall be levied pursuant to this subsection unless the  
37 commissioner or his designee provides the violator with  
38 notification of the violation and of the amount of the penalty by  
39 certified mail and an opportunity to request a hearing within 15  
40 days following the receipt of the notice. If a hearing is  
41 requested, the commissioner, or his designee, may issue a final  
42 order upon such hearing and a finding that a violation has  
43 occurred. If no hearing is requested, the notice shall become a  
44 final order upon the expiration of the 15-day period. Payment of  
45 the penalty is due when a final order is issued or when the notice  
46 becomes a final order. Any penalty imposed under this subsection  
47 may be recovered with costs in a summary proceeding pursuant to  
48 "the penalty enforcement law" (N.J.S.2A:58-1 et seq.). [Such  
49 penalty] The civil or administrative penalties shall be paid to the  
50 Division of Workplace Standards [to cover expenses associated

1 with the implementation of this act] and applied to enforcement  
2 and administrative costs of the division, except as provided in  
3 subsection b. of section 11 of this act. Any civil penalty imposed  
4 pursuant to this section shall be enforceable in a summary  
5 manner pursuant to Rule 4:70 of the Rules Governing the Courts  
6 of the State of New Jersey.

7 f. If any manufacturer or contractor fails to comply with an  
8 order by the commissioner to register or renew registration, the  
9 commissioner may seek and obtain in a summary action in  
10 Superior Court an injunction prohibiting such unlawful activity.

11 g. An intentional failure to comply with the registration  
12 requirements of section 3 of this act shall be a crime of the  
13 fourth degree.

14 h. The commissioner or his designee may, after a hearing  
15 thereon, and after due consideration of the size and past  
16 experience of the manufacturer or contractor and the seriousness  
17 of the violation, require as a condition of continued registration,  
18 the payment of a surety bond or may<sup>1</sup> revoke, by order, <sup>1</sup>[after  
19 due consideration of the size and past experience of the  
20 manufacturer or contractor and the seriousness of the violation.]<sup>1</sup>  
21 the registration of any manufacturer or contractor for any period  
22 ranging from 30 days to one year upon being found guilty of [a]:

23 (1) A second violation of the same provision of this act within  
24 any three-year period; or

25 (2) A second violation within any three-year period of the  
26 same provision of any other labor law applicable to the  
27 employment of production employees.

28 <sup>1</sup>The surety bond shall be payable to the State and shall be for  
29 the benefit of production employees damaged by any failure of  
30 the manufacturer or contractor to pay wages or benefits or  
31 otherwise comply with the provisions of law. The surety bond  
32 shall be in the sum and form that the commissioner deems  
33 necessary for the protection of the production employees, but  
34 shall not exceed \$2,500 per production employee.<sup>1</sup>

35 i. Any manufacturer or contractor who contracts, for the  
36 second time within any three year period, for the performance of  
37 any apparel industry service with any other manufacturer or  
38 contractor whom the manufacturer or contractor knows has  
39 failed to comply with the registration requirements of section 3  
40 of this act, shall, if the other manufacturer or contractor has  
41 failed to pay any civil penalty assessed under subsection e. of this  
42 section, be liable to pay a civil penalty equal to the civil penalty  
43 that the other manufacturer or contractor has been assessed.

44 j. Nothing herein shall affect either the authority of the  
45 department to enforce the industrial homework laws of this State  
46 or the right of any manufacturer to possess or repossess any  
47 apparel, or sections or components of apparel, that are located at  
48 any contractor with whom it has contracted.

49 (cf: P.L.1987, c.458, s.7).

50 <sup>1</sup>[5.] 10.<sup>1</sup> Section 8 of P.L.1987, c.458 is amended to read as  
51 follows:

1 8. Information obtained or collected by the department  
2 pursuant to this act shall be exempt from P.L.1963, c.73  
3 (C.47:1A-1 et seq.), and shall be used exclusively by the [special  
4 task force] apparel industry unit in effectuating the purposes of  
5 this act.

6 (cf: P.L.1987, c.458, s.8).

7 <sup>1</sup>[6.] 11.<sup>1</sup> Section 10 of P.L.1987, c.458 is amended to read as  
8 follows:

9 10. The [special task force] apparel industry unit shall receive  
10 training to be provided by the State in each of the areas of the  
11 State's labor laws and other applicable State laws necessary to  
12 carry out the duties and powers of section 5 and section 6 of this  
13 act.

14 (cf: P.L.1987, c.458, s.10).

15 <sup>1</sup>[7.] 12.<sup>1</sup> Section 12 of P.L.1987, c.458 is amended to read as  
16 follows:

17 12. This act shall take effect immediately [but shall not  
18 become operative until the first day of the sixth month following  
19 the date of enactment, except section 4 which shall become  
20 operative immediately. This act shall expire three years after  
21 section 3 of this act becomes operative].

22 (cf: P.L.1987, c.458, s.12).

23 <sup>1</sup>13. This act shall take effect immediately.<sup>1</sup>

24  
25  
26 LABOR

27  
28 Concerns regulation of apparel industry.

ASSEMBLY LABOR COMMITTEE

PROPOSED STATEMENT TO

ASSEMBLY, No. 3565

STATE OF NEW JERSEY

DATED: OCTOBER 2, 1990

This bill deletes the provision of P.L.1987, c.458 under which that act will expire July 1, 1991, thereby making permanent the Special Task Force on the Apparel Industry created by the act.

The bill also changes the name of the Special Task Force to the apparel industry unit and authorizes the unit to revoke the registration of an apparel firm for a second violation of the same provision of any applicable labor law within a three-year period and to impose administrative penalties authorized by applicable labor laws. In the case of a violation of the registration requirements under P.L.1987, c.458 or a violation of any provision of another labor law for which no administrative penalties are currently authorized, the bill sets the administrative penalties at not more than \$250 for a first violation and not more than \$500 for a subsequent violation. The administrative penalties collected would be applied to enforcement and administrative costs of the Division of Workplace Standards in the State Department of Labor.

FOR YOUR INFORMATION:

1. The provisions of the bill are based on recommendations from the report which the task force issued regarding its activities pursuant to section 9 of P.L.1987, c.458. All of the recommendations of the report have been included in the bill except the recommendation that the embroidery industry be subject to regulation by the task force.

2. Attached are portions of the task force report, including a summary of labor law violations in the industry, the recommendations of the report and information regarding the task force's history, staffing levels and cooperation with its New York counterpart.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3565

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 16, 1990

The Assembly Labor Committee reports favorably, with committee amendments, Assembly Bill No. 3565.

This bill deletes the provision of P.L.1987, c.458 under which that act will expire July 1, 1991, thereby making permanent the Special Task Force on the Apparel Industry created by the act.

The bill also changes the name of the task force to the apparel industry unit. As amended, the bill authorizes the unit to revoke the registration of an apparel firm or require the firm to post a surety bond of not more than \$2,500 per production employee if the firm commits a second violation of the same provision of any applicable labor law within a three-year period. The bond would be paid to the State and used to benefit workers who are damaged by violations of labor standards. As amended, the bill also permits the confiscation of apparel and equipment from any apparel firm that violates the registration requirements of the act and has previously violated those requirements two or more times during the preceding three-year period.

As amended, the bill requires the unit to provide to any apparel firm, upon request, a list of all apparel firms which have violated any law for which a firm may be subject to a revocation of registration or confiscation of items of apparel or equipment for a subsequent violation.

The bill authorizes the unit to impose administrative penalties authorized by applicable labor laws. In the case of a violation of the registration requirements under P.L.1987, c.458 or a violation of any provision of another labor law for which no administrative penalties are currently authorized, the bill sets the administrative penalties at not more than \$250 for a first violation and not more than \$500 for a subsequent violation. The administrative penalties collected would be applied to enforcement and administrative costs of the Division of Workplace Standards in the State Department of Labor.

As amended, the bill designates as crimes of the fourth degree a knowing repeated violation of any of the provisions of P.L.1987, c.458 within three years following a first violation.

As amended, the bill increases the initial registration fee for an apparel firm from \$100 to \$300 and each subsequent annual registration fee from \$50 to \$300. As amended, the bill also requires each firm to include information in its registration application regarding any person who has a financial interest in the firm, and to keep and make available, upon request, to the apparel industry unit accurate records regarding the pay and hours of its production

[FIRST REPRINT]  
ASSEMBLY, No. 2974

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 8, 1990

By Assemblymen MENENDEZ, GILL, Duch and Impeveduto

1 AN ACT prohibiting industrial homework in the manufacture of  
2 women's apparel and amending P.L.1941, c.308.

3  
4 BE IT ENACTED *by the Senate and General Assembly of the*  
5 *State of New Jersey:*

6 1. Section 3 of P.L.1941, c.308 (C.34:6-136.3) is amended as  
7 follows:

8 3. Prohibited homework. The manufacture of any of the  
9 following by industrial homework shall be unlawful, and no permit  
10 or certificate issued under this act shall be deemed to authorize  
11 such manufacture: (1) Articles of food or drink, (2) Articles for  
12 use in connection with the serving of food or drink, (3) Toys and  
13 dolls, (4) Tobacco, (5) Drugs and poisons, (6) Bandages and other  
14 sanitary goods, (7) Explosives, fireworks, and articles of like  
15 character, (8) Articles of infants' and children's wearing apparel,  
16 (9) Articles of women's<sup>1</sup> or men's<sup>1</sup> wearing apparel. (10)  
17 Articles, the processing of which requires exposure to substances  
18 determined by the commissioner to be hazardous to the health or  
19 safety of persons so exposed, [(10)] (11) the manufacture or  
20 distribution of dolls' clothing in any tenement house is hereby  
21 prohibited, anything to the contrary herein notwithstanding.  
22 (cf: P.L.1941, c.308, s.3)

23 2. This act shall take effect immediately.

24  
25  
26 LABOR

27  
28 Prohibits industrial homework in the manufacture of women's  
29 and men's apparel.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
<sup>1</sup> Assembly ALA committee amendments adopted October 18, 1990.

ASSEMBLY LABOR COMMITTEE  
PROPOSED STATEMENT TO

ASSEMBLY, No. 2974

STATE OF NEW JERSEY

DATED: OCTOBER 2, 1990

This bill amends section 3 of P.L.1941, c.308 (C.34:6-136.3) to prohibit industrial homework in the manufacture of women's apparel.

FOR YOUR INFORMATION:

1. The section to be amended by the bill presently prohibits industrial homework in the production of: infants' and children's wearing apparel; toys, dolls and dolls' clothing; bandages and other sanitary goods; food or drink and articles for use in serving of food or drink; tobacco; drugs and poisons; explosives, fireworks, and similar items; and any articles, the processing of which requires exposure to hazardous substances.

2. Under the provisions of N.J.S.A.34:6-136.7, the State Department of Labor currently requires each employer who employs industrial homeworkers in the manufacture of women's apparel to procure a permit from the department. Section 9 of P.L.1941, c.308 (C.34:6-136.9) permits the department to revoke the permit because of unhealthy or unsanitary conditions. Other section of that act provide additional means of enforcement of these and other labor standards in homework, including injunctive relief and fines and imprisonment (N.J.S.A.34:6-136.18 and 136.19).

3. New York State law currently prohibits industrial homework in a number of industries, including the manufacture of women's apparel. Current regulations of U.S. Department of Labor prohibit industrial homework in the manufacture of all women's apparel except outer wear such as coats. It is not certain, however that this federal prohibition will be sustained. In 1986, U.S.D.O.L. proposed to eliminate its ban on homework in women's apparel and other industries. In 1988, U.S.D.O.L. did reverse itself and decide to retain its ban of most women's apparel homework, but nonetheless lifted its bans on homework in five other industries.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2974**

with committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 16, 1990

The Assembly Labor Committee reports favorably Assembly Bill No. 2974 with committee amendments.

This bill amends section 3 of P.L.1941, c.308 (C.34:6-136.3) to prohibit industrial homework in the manufacture of women's and men's apparel.

The committee amendments prohibit industrial homework in the manufacture of men's apparel. Without the committee amendments, the bill only prohibited industrial homework with regard to women's apparel.



## TABLE OF CONTENTS

	<u>Page</u>
Assemblyman Jimmy Zangari District 28	2
Salvatore Giardina Director New Jersey Region International Ladies Garment Workers Union	5
Joseph Anderson Vice President New Jersey Industrial Union Council	7
Grace Gurisic Representing Congressman Robert A. Roe 8th Congressional District	8
Assemblyman Robert Menendez District 33	12
Sean Jackson Representing Congressman Robert G. Torricelli 9th Congressional District	15
James Kirk Legislative Affairs Coordinator AFL-CIO	17
Francisca Lorenzo Garment industry worker	21
Carlton Levine New Jersey Citizen Action	24
<b>APPENDIX:</b>	
Articles and charts submitted by Salvatore Giardina	1x
Statement submitted by Congressman Robert G. Torricelli	9x
Statement submitted by New Jersey Catholic Conference	11x



TABLE OF CONTENTS (continued)

APPENDIX:

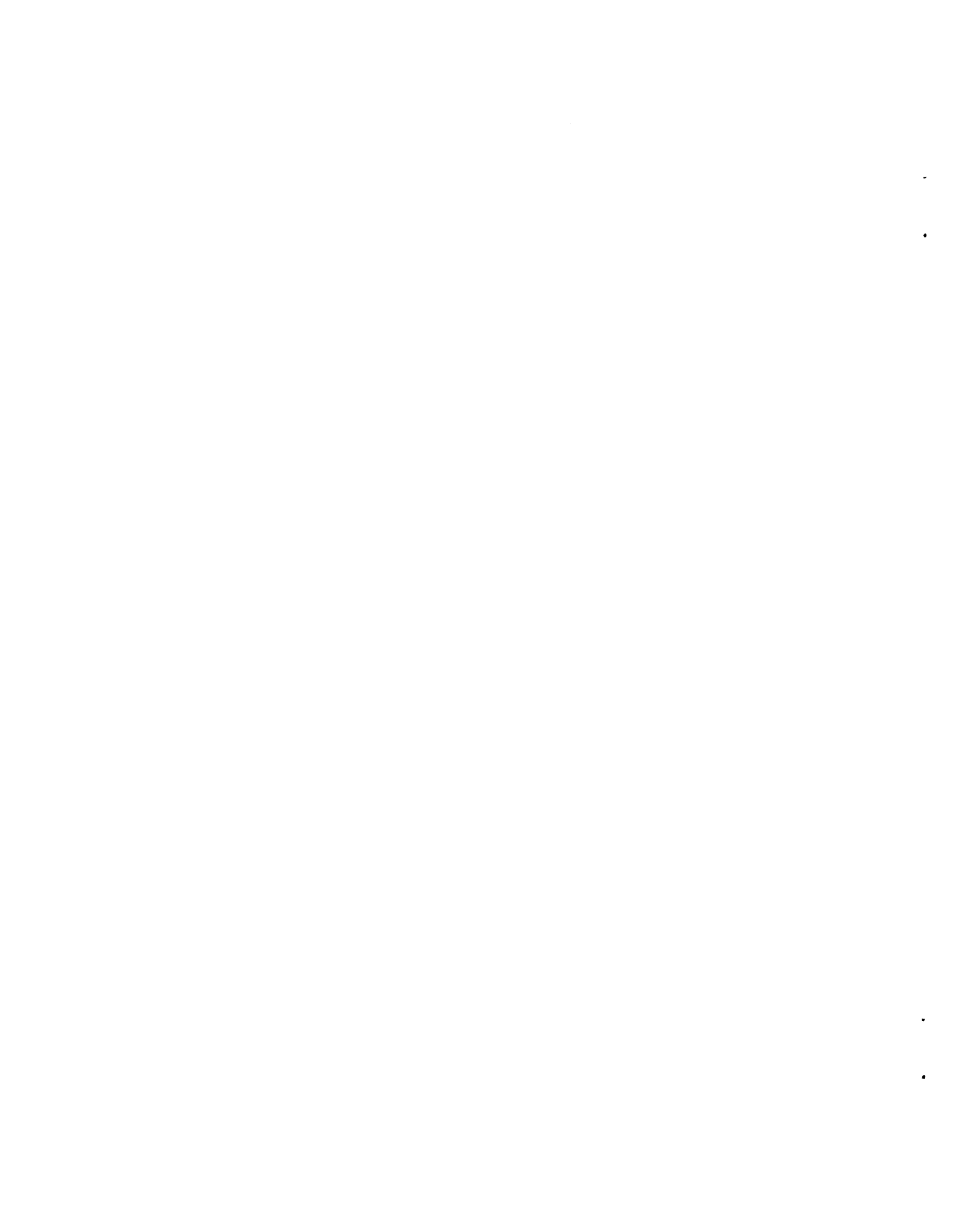
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Manufacturer's Association

PAGE

13x

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**ASSEMBLYMAN LOUIS J. GILL, (Vice Chairman):** Good morning, ladies and gentlemen. I'd like to welcome you to the City of Passaic. We're here to discuss two bills: Assembly Bill No. 3565, which is sponsored by Assemblyman Zangari and Assemblyman Schuber, and Assembly Bill No. 2974, which is sponsored by Assemblyman Menendez and myself.

I think it's only fitting that we have the first hearing regulating industrial homework in the City of Passaic, which is long known for its woolen mills and apparel manufacturing. On a happy note, it is, to my knowledge, the first time we have ever had any committee hearing from the Legislature in the City of Passaic, so it's a first.

The purpose of this hearing is to take testimony on the two pieces of legislation. A-2974 would amend existing State law to prohibit industrial homework in the manufacture of women's apparel, and A-3565 would make permanent the Special Task Force of the Apparel Industry created in 1987.

Both bills are especially critical, in that each would safeguard the rights of responsible employers and employees in a highly competitive industry with the potential for extraordinary abuse.

A-2974 is needed as New York State law currently prohibits industrial homework in a number of industries, including the manufacture of women's apparel, although our State currently regulates employers who employ industrial home workers in the manufacture of women's apparel. The bill would prevent irresponsible elements of the industry from skipping across the state line to North Jersey in Hudson, Bergen, and Passaic Counties. Furthermore, the recent track record of the U.S. Department of Labor with regard to industrial homework in the manufacture of women's apparel is extremely uncertain.

In 1986 the U.S. Department of Labor proposed to eliminate its ban on homework in women's apparel and other industries. The Department eventually reversed itself and

retained the ban of most women's apparel homework, but nonetheless, lifted bans on homework in five other industries.

A-3565 would make permanent the special task force on the apparel industry created in 1987. The bill would change the name of the task force to the Apparel Industry Unit, and authorize the Unit to revoke the registration of an apparel firm for its second violation of the same provision of any applicable labor law within a three-year period, and to impose administrative penalties authorized by applicable labor laws.

The establishment of the task force as a permanent apparel industry unit will ensure permanent compliance with all State labor laws and local building, health, and fire codes. The task force has accumulated an exceptional record on enforcement of the industry and continues to do so as evidenced by the recent week-long sweep of the apparel industry in North Jersey by the special task force, where the activities of some 100 employers were investigated.

We'll be taking Assembly Bill No. 3565 first. I see Assemblyman Zangari is here, and it's very important that the legitimate employer who complies with labor laws governing minimum wage, insurance, Worker's Compensation benefits, child labor, and industrial homework, be protected, because the illegitimate owners disregard such labor laws, threatening the loss not only of their employment, but also placing legitimate manufacturers in unfair competitive positions.

Mr. Zangari, if you would please come forth and provide this Committee testimony to A-3565.

Before I proceed, I would also like to introduce Assemblyman Bobby Menendez, who will be testifying on Bill No. A-2974. Mr. Menendez, if you care to, please join us here. If not, you're very comfortable back there.

**A S S E M B L Y M A N J I M M Y Z A N G A R I:** I have also with me, my Executive Assistant, Laurie Clark. Would you come up here, Laurie? A good union man always travels with good people.

Thank you, Mr. Chairman. I want to begin by taking this opportunity to commend you on the outstanding job you and the members of your Committee are doing in taking this issue directly to the public through public hearings, because the abuse has been so flagrant and widespread that all of the public can offer input and information vital to the success of what I am trying to accomplish with this bill.

If I may digress for a moment more, I would like to take the opportunity to explain how I became involved with the legislation. I am sure many of you know I have been a labor person for the majority of my adult life. What many of you don't know is the fact that I did -- I had a humble beginning working in a tailor shop in Newark in 1943. I started out as a member of the ILGWU, Local No. 135, as a seam presser and worked my way up to shop steward. My career in the industry lasted 11 years, and one of my business agents was right here from Passaic, Sam Patti. During that time I met so many wonderful people, many of whom became lifelong friends, that I never forgot the lessons that I learned working among the individuals who, despite the hardships they had to endure, proved time and time again they are the backbone of this nation.

The children of those I worked with in 1943 went on, in many cases, to go to college and to better themselves and their families in ways they never dreamed possible. Some became teachers, some became doctors, my own son became a lawyer. They were able to do this because their parents sacrificed and gave them the opportunity, but just as those same parents never dreamed of the advancement their children would make, I never dreamt I would be here today in 1990, asking for support for a bill that will curtail, and hopefully one day, prevent abuses such as were prevalent in the early 1900s before the child labor laws even existed.

It's a nightmare to see the categories of abuses uncovered by the apparel industry task force. Once again, I

looked at the date today: It read 1990; not 1910. It's a travesty that such violations as: under legal age, excessive daily and weekly hours, night work under 16, meal periods, no permit for homework, prohibited materials, not paid semimonthly or 10 days, illegal deductions, minimum wage, and seats for employees, occur in this day and age. It is truly beyond comprehension.

The findings and hard work completed to date by the task force point to one thing and one thing only: The task force must be made permanent and the penalties must be increased to provide the new unit with the power to make these employers who are no less criminals in every sense of the word, stand up and take notice.

Simply, we cannot tolerate this inhumane treatment in the State of New Jersey, or in society in general, for that matter, Mr. Chairman. This bill sets administrative penalties at \$250 for a first violation, and up to \$500 for subsequent violations. At a later date, Mr. Chairman, in your final deliberations on this bill, I would ask the Committee's consideration of an amendment to increase the fines to \$10,000 for the first violation, and \$50,000 for the second violation. We have similar types of penalties for environmental violators. When we're dealing with the human element of life, I think that it's imperative that we send a message loud and strong and clear that in this State we're not going to tolerate this type of exploitation of our families.

In closing, I would like once again to praise you and the Committee for taking the time to closely scrutinize this problem. It is especially important to keep in mind that the situation would become exacerbated if economic times should worsen.

I look forward to working with you and your Committee in continuing your deliberations, and I am very, very pleased

and honored to be here, to voice my objections to the outrageous inhumane functions that have been going on in this industry.

ASSEMBLYMAN GILL: Thank you, Assemblyman Zangari. Are there any questions from the public, or from anyone else, at this point? (no response)

Assemblyman Zangari, I would like to thank you very much for your very meaningful testimony, and for all of the work you've put in in creating this important piece of legislation. I firmly believe that every citizen has the right to work in an environment which is free from exploitation and intimidation, and from unscrupulous employers who would deny unsuspecting workers their rights in order to increase their profit margins. Certainly, safeguards must be created in the workplace so that, as I stated before, the legitimate operators will be protected and the illegitimate operators will be brought to task.

Thank you, Mr. Zangari.

ASSEMBLYMAN ZANGARI: Thank you, Mr. Chairman.

ASSEMBLYMAN GILL: Is there anyone else who would like to testify on Assembly Bill No. 3565?

SALVATORE GIARDINA: Could I just say a few words with regard to this legislation?

ASSEMBLYMAN GILL: Surely.

MR. WILLIAMS (Committee Aide): Could I request the people who are going to testify to fill out one of those slips in the front, when you testify? You can take it with you after you have testified. And, in fact, anyone else who wants to do that, and then pass them up here so that we can arrange the order of people.

ASSEMBLYMAN GILL: Representing the Ladies Garment Workers, Salvatore Giardina.

MR. GIARDINA: Yes. My name is Salvatore Giardina. I'm the Director of the New Jersey Region of the International

Ladies Garment Workers Union. I'm very pleased that this Committee has been formulated, and I'm thankful for the opportunity to speak before the Committee.

Assemblyman Zangari is a prime supporter of this legislation. We have sought this legislation for some time and it has come to fruition, only to see that it's a piece of legislation that has a sunset to it. We want to see the legislation again adopted with additional teeth to it. I believe that in the State of New Jersey there has been some 1200 employers registered in the apparel industry. We believe there are much more out there, and unless the message gets sent out that the State of New Jersey is about to enforce this law vigorously in addition to what it has done already, I think we're going to see a continual rise of some of the sweatshop operators that we have seen in the past few years.

We understand that there is a budget problem in the State of New Jersey, and the Department of Labor wanting to do its job cannot do it properly unless we have sufficient funding and unless we have more agents on the job, trained in the apparel industry, understanding its nature. It is an intricate type of industry. Not everyone understands it, but with sufficient training I think that we can go out and do a better job of enforcement -- not because of any lack of will, just a lack of finances and a lack of the training.

We are prime supporters of this legislation. We want registration, we want enforcement, and we want our legitimate employers to have a level playing field, so that they can compete. It's tough enough in the market today. They have a situation of imports as well, but we don't need to have that exacerbated by the fact that there are unscrupulous employers right here in our own backyard.

I thank the Committee very much for its consideration.

ASSEMBLYMAN GILL: Mr. Giardina?

MR. GIARDINA: Yes?

ASSEMBLYMAN GILL: Thank you for your testimony. What would you think of higher penalties added on to the bill?

MR. GIARDINA: I would be very pleased if I heard that there were going to be higher penalties involved in this legislation. I think we need to send the message that it's a deterrent, but it's going to be a severe kind of penalty where you are a violator.

We have seen in this industry, employees who are undocumented in many cases. In most cases, they are females; in most cases, they may be single parent workers, so that it's tough enough to make a living. You don't have to be exploited as a result of your situation.

I think the employer has to be made to understand that if you're going to be in this industry, you better play the game according to the rules of the State of New Jersey, and it's going to be enforced. I believe that it should be a higher penalty.

ASSEMBLYMAN GILL: Thank you, Mr. Giardina.

MR. GIARDINA: Thank you.

ASSEMBLYMAN GILL: Any questions of Mr. Giardina? Anyone else wishing to testify on A-3565? (no response)

MR. GIARDINA: Thank you very much.

ASSEMBLYMAN GILL: Thank you.

Mr. Joseph Anderson, from the New Jersey Industrial Union Council.

J O S E P H A N D E R S O N: Good morning, Mr. Chairman.

ASSEMBLYMAN GILL: Good morning, Joe.

MR. ANDERSON: I'm Joe Anderson. I am the Vice President of the New Jersey Industrial Union Council, which represents 200,000 workers in the State of New Jersey.

I would just like to echo the words of the two former speakers in regard to this bill, but I would encourage you, from the Industrial Union Council, to increase the penalties in regard to this legislation.

The IUC is a strong supporter of both of these bills that are before you today, and we believe that the increased penalties will send a clear message to unscrupulous employers, as has been stated before, so that legitimate employers will be able to play on an even playing field.

Thank you very much.

ASSEMBLYMAN GILL: Thank you very much.

We also have Grace Gurisic, District Office Manager, representing Congressman Robert A. Roe from -- I should know what district, Grace -- the 8th Congressional District.

G R A C E G U R I S I C: On behalf of Congressman Roe, I submit this statement:

"Mr. Chairman, I want to thank the Committee for providing me with the opportunity to speak today on this very important matter. It is always a pleasure to work with my colleagues in the New Jersey Assembly, especially on a bill such as A-2974 which will ban industrial homework in the women's apparel industry. As you know, the measure was sponsored by Assemblymen Robert Menendez, Anthony Impreveduto, and two Assemblymen from my 8th Congressional District, the Honorable Louis Gill from right here in Passaic and the Honorable Thomas Duch from Garfield.

"As we are all well aware, New Jersey has a large clothing apparel manufacturing industry employing approximately 40,000 of our citizens. A large portion of this industry is located in the heart of my own congressional district, which in years past was one of the world centers for the textile industry. The industry still has a significant presence in the cities of Paterson and Passaic. This legislation will complement existing Federal statutes and provide a very necessary buffer to possible efforts by the U.S. Department of Labor to weaken that same Federal protection.

"Mr. Chairman, after decades of steady advances for labor rights and improvements in the workplace, we are in

danger of slipping back toward the days of sweatshops and worker abuse. A-2974 is a vitally important piece of legislation because it would reenforce the current Federal ban on industrial textile homework which has been under attack since the Reagan administration came into office.

"Presently, industrial homework is banned only in the women's apparel industry. Ten years ago industrial homework was banned not only in women's apparel but six other industries as well. In 1989, the administration's Department of Labor held hearings on the lifting of the ban in this final segment of manufacturing.

"No final decision has been made on revoking this ban at the Federal level, and you may rest assured I will extend my strongest efforts toward preventing the implementing of any decision which would weaken the current ban. The State of New Jersey, however, has the opportunity to ensure for itself that textile workers within our borders will remain protected. The potential for abuse is too great to allow industrial homework. When homework is permitted, violations of wage and hour, health and safety, and child labor laws become the rule, not the exception. At last year's U.S. Department of Labor hearings mentioned previously, many child labor violations were cited.

"To expose our residents to the certain greed of a few employers in a very competitive industry is not the direction in which we should be moving and would, in fact, be a serious erosion of the progress we have made toward fair and equal treatment for workers. The State of New Jersey can make a definitive statement by passing A-2974 and adding an extra layer of protection, as so many other states such as New York, California, and Massachusetts have already done.

"This is a good bill, Assemblyman Gill, which would prevent the opportunity for employers to abuse the law and take advantage of workers who depend on them for their livelihood. Maintaining a complete ban on this practice is a much more

logical and sensible policy than creating yet another enforcement problem for officials who, if the ban is lifted, would not only have to regulate the workplace but would then also be concerned with the circumvention of labor standards and health and safety regulations in homes which are turned into mini-factories or sweatshops. Policing residences is virtually impossible and a lifting of the ban would only encourage and provide impetus for abuses.

"In closing, I would again like to thank you, Mr. Chairman and members of the Committee, for this occasion to present my views. This bill is important for my district and for the State. The move toward deregulation by Presidents Reagan and Bush has placed a burden on individual states to protect their own interests in many cases. Here we have the opportunity to ensure that the citizens of New Jersey remain protected. I strongly urge the passage of this legislation, and let us leave the term of 'homework' to our sons and daughters as students of learning, and protect the integrity of the workplace.

"Thank you very much."

ASSEMBLYMAN GILL: Thank you very much, Ms. Gurisic, and it does me great honor to have the Congressman submitting his remarks. It gives me a great deal of encouragement to know that we have the dean of the New Jersey Delegation strongly supporting this legislation.

Thank you very much.

MS. GURISIC: Thank you very much.

ASSEMBLYMAN GILL: If there is anyone else who would like to testify on Bill No. 3565, please come forward. If not, we'll continue on with our next bill. (no response)

Okay, the next bill is A-2974. Mr. Williams would you please, briefly, read the statement on the bill? We'll be hearing A-2974.

MR. WILLIAMS: Assembly Bill No. 2974 is the ban on industrial homework. It amends section 3 of Public Law 1941, Chapter 308 to prohibit industrial homework in the manufacture of women's apparel. At present, that section of the bill -- of the present law -- prohibits industrial homework in the production of infants' and children's wearing apparel, toys, dolls and dolls clothing, bandages and other sanitary goods, food or drink and articles for use in the serving of food or drink, tobacco, drugs and poisons, explosives and fireworks and similar items, and any articles the processing of which requires exposure to hazardous substances.

Under the provisions of that law, the State Department of Labor currently requires each employer who employs industrial homeworkers in the manufacture of women's apparel to procure a permit from the Department, which can be revoked because of unhealthy and unsanitary conditions. Other sections of that Act provide additional means for enforcement of these and other labor standards in homework, including injunctive relief and fines or imprisonment. So, what this bill does is shift the apparel industry over to the situation of being -- homework being banned outright, rather than simply regulated in this way.

New York State law currently prohibits industrial homework in a number of industries including the manufacture of women's apparel, so this bill would make the conditions in New Jersey -- the law in New Jersey -- regarding women's apparel identical to that of New York, right across the river.

ASSEMBLYMAN GILL: At this time I would like to ask Assemblyman Menendez, who is also the Mayor of Union City, and the author of this bill, to please come forth and present testimony. Also, I would like to point out that on October 16, we will continue these hearings in Union City, which is Mr. Menendez's hometown and home district, and hopefully we can move these bills at that point.

Mr. Menendez, I would like to compliment you for authoring this legislation. I think it's very, very meaningful. Please proceed with your testimony.

A S S E M B L Y M A N R O B E R T M E N E N D E Z: Thank you, Mr. Chairman. It's a pleasure to be here in the City of Passaic where I have many friends, including the Chair, and we will look forward to seeing you in Union City at the continuation of these hearings.

For most of us, terms such as sweatshops, exploited work force, and homework are only supposed to be terms that we learned in history class, but as you have heard here already from some members of the State garment industry, sweatshops are real, workers are being abused, and legitimate businesses are suffering because of it. That's why, Mr. Chairman, both you and I have introduced Assembly Bill No. 2974; in order to stop the exploitation of both workers and an industry.

We urge the Committee's support and approval of the legislation in order to curb such abuses within the State's garment industry. These abuses are occurring not only within my own district in Hudson County, but most likely in urban centers throughout the State.

For workers employed by illegitimate garment shops, the problems are horrendous. First, laborers are often given homework assignments while being paid substandard wages for endless hours of work. Next, working conditions, when available, are terrible, with little or no respect for sanitary and safety considerations. Finally, in most cases, workers are being paid under the table. They have no access to benefits or health coverage, and consequently, when paid in an unofficial manner, deprive the State of New Jersey of the resources that it would get concurrently from those who pay in an appropriate manner.

For legitimate garment producing businesses the effects of these questionable operations on their ability to

compete is devastating. While illegitimate shops often farm out their work to laborers through homework assignments, legitimate garment businesses incur a higher overhead by providing decent working space and equipment.

While illegitimate shops are paying employees dirt-cheap rates, legitimate shops offer fair and often union rates with full benefit packages. In effect, garment businesses which do not abuse employees are losing business to the illegitimate shops which cut corners and skirt the law.

I believe that it is important, Mr. Chairman, to send a strong message to businesses who have been profiting by taking advantage of ill informed and often desperate employees.

Obviously, without the stiff competition from illegitimate practices, which depend upon homework assignments to cut costs, responsible businesses would be in a better position to hire more workers at union salaries. Instead, respectable businesses often have to lay off workers and cut back on investments in equipment. As the situation stands, employees, decent businesses, and inevitably our economy, suffer.

The garment industry has historically played a significant role in shaping Hudson County, Mr. Chairman. I hope you won't mind my being somewhat provincial, coming from Hudson, where you might very well say the same for Passaic and other parts of our State-- For decades, thousands of Hudson residents made their living through this once thriving industry. I think we can, through this legislation, and hopefully other efforts, seek to have that industry once again become the type of opportunity -- at least at entry levels -- for many, many, people, who as Assemblyman Zangari spoke about, made dreams for their families come true.

I believe that it is imperative that we as legislators do everything within our power to help decent garment businesses operate successfully in the face of unscrupulous competition.

Assembly Bill No. 2974 may only have a very small line in it -- as Mr. Williams was describing before -- that now will prohibit women's apparel as part of the prohibitions. It may be that just that one line in the bill doesn't look that significant, but the impact is quite significant. It seeks to prohibit that questionable practice of assigning homework to garment employees and will help to curb other abuses within the garment industry subsequently, in an effort to encourage respectable business practices.

I know, Mr. Chairman, as a cosponsor, you will be seeking the rest of your colleagues on the Labor Committee to move this legislation along. I'm sure that your advice and guidance to them will result in a beneficial and successful conclusion of the legislation. I'd be happy to answer any questions that you have as a result of my testimony.

ASSEMBLYMAN GILL: I have no questions, Mr. Menendez. I would just like to compliment you, once again, and I firmly concur with you that these apparel industry positions offer entry level jobs to many people who are coming into this country and are the most easily exploited of all, only because they fear immigration laws, they have a very poor knowledge of the English language, and they are afraid to go anywhere to seek outside counsel, so oftentimes they take whatever is available.

We've had, in this State alone, abuses against the child labor laws -- I think 64 of them. We've had 178 abuses of industrial homework in this State of New Jersey in the past year, and 134 abuses of wage payments. Many times these people were being paid subminimal wages, \$2 an hour and even less. We've had charts pointing out that young children were working in lofts in eight degree weather, where if they were sewing, they probably couldn't feel their hands if they were maimed or injured because of the coldness on their bodies.

Assemblyman Menendez, I look forward to working with you to push this legislation along and to make this a reality. I think this is very needed, and once again, I compliment you for your initiative.

ASSEMBLYMAN MENENDEZ: Thank you, Mr. Chairman.

ASSEMBLYMAN GILL: Thank you.

At this time we have representing Congressman Robert Torricelli's office, Mr. Sean Jackson.

Welcome, Mr. Jackson.

**S E A N J A C K S O N:** Thank you, Mr. Chairman. I appreciate the opportunity to be here today to speak on behalf of Congressman Torricelli. He is down in Washington today and regrets not being able to be here. I'm sure we're all aware of the pending negotiations on the budget and the like.

ASSEMBLYMAN GILL: I think he's saving us a lot of money right now, so he's in the right place.

MR. JACKSON: Okay, well, I am pleased to be here today, to join with my colleague from Congressman Roe's office, and I appreciate the opportunity to speak to the Committee. I salute you, really, on the fine piece of legislation; Assemblyman Menendez for authoring it, and you for holding this hearing today, Mr. Chairman. It's important that these issues continue to be highlighted and addressed as we move forward into these new 1990s. There are all too often cases of where we have slipped back on important measures and important gains that we have won in the past and that are now being infringed upon.

Since Bob Torricelli went to Congress in 1982, he has been keeping a watchful eye on the then Reagan administration's and now Bush administration's attempts to undercut the industrial homework legislation. Two days after George Bush was elected, Ronald Reagan thought he would be able to slip through some legislation to weaken further the Federal legislation prohibiting industrial homework -- something that

was near and dear to the Reagan administration for many years but it was fought in the Congress by the Democratic Majority. It continues in the Bush administration to be something that is of concern and interest and something they continue to try to push. Even one member of the Bush Labor administration has said, "Well, we understand that if we were able to promote some legislation, that would reduce the prohibitions against work in the home. We do recognize that there would be some child abuse, and there would be sweatshops developing and the like." But to the Bush administration, that's okay; that's acceptable.

As we've seen from the numbers you've cited just previously, and from the other testimony provided, permitting this leads to real and serious problems at home for children, for families, and to real safety concerns that we have to be very, very, concerned about indeed.

There are too many stories of children who are taken by their parents for long hours, working away, working in conditions that are not safe, and they don't understand everything they are doing. The dangers are too great. We can't let that happen, and that's why I'm pleased to be here today to offer the Congressman's support for this legislation.

There are currently four different pieces of legislation before the Congress to try and reduce the Federal prohibitions against industrial homework. You can be assured that Congressman Torricelli, working with Congressman Roe and other Democratic colleagues, will do everything possible to make sure that that legislation does not get pushed forward. But it is important that the State of New Jersey, and your Committee, Mr. Chairman, make this legislation happen, so that if there were to be any weakening of Federal law, there would be a buffer here in New Jersey.

Congressman Torricelli represents Bergen and Hudson Counties. We have a significant number of people who are involved in the garment workers industry in the 9th

Congressional District. This is something that he hears and encounters every time he's back in the district, when he sees employees, these garment workers who tell him of the challenges they face in the industry now and the needs that they have. It's important that this legislation get through so that we can protect and maintain the integrity and quality of this important industry.

It's important for their safety; important for the safety of countless children, and for families and making sure that the sweatshops of the 1930s do not ever become sweatshops of the 1990s. We must be vigilant on this matter, and it is important that this legislation go forward.

We appreciate the opportunity to be here today to offer the Congressman's support for this legislation. It is important, and it's something that we are proud to be a part of. We salute you especially, Mr. Chairman, and Assemblyman Menendez, for bringing this important matter forward and making sure that this crisis is not ignored; and that this crisis is dealt with now, before it gets out of hand.

Thank you.

ASSEMBLYMAN GILL: Thank you, Mr. Jackson. I'm very happy to enjoy the Congressman's support on this legislation. You can go back and tell Congressman Torricelli that Assemblyman Menendez and I will do all possible to make this happen.

Thank you.

MR. JACKSON: Thank you.

ASSEMBLYMAN GILL: At this time I'd like to call Jim Kirk of the New Jersey AFL-CIO.

J A M E S K I R K: Thank you, Mr. Chairman. I'm here today on behalf of Charlie Marciante, the President of the State AFL-CIO. We represent roughly 900,000 members statewide. Most of the positions on my paper are the positions that have

already been stated, but I'm going to read the statement anyway, because we are strongly in favor of this type of legislation.

We are not going to have history repeat itself with the sweatshops; we're totally opposed to that kind of an operation. Whether or not there are single parents that are forced to work in the home, there is no reason for them to have to work in a substandard condition.

The New Jersey State AFL-CIO wholeheartedly supports Assembly Bill No. 2974, which would ban industrial homework in the women's apparel industry.

The apparel manufacturing industry in New Jersey employs approximately 40,000 people, many of whom are recent immigrants. This being a highly competitive industry has the tendency of placing this work force in a very vulnerable position.

Violations of health and safety standards, child labor laws, and wage and hour regulations become commonplace when industrial homework is permitted. The potential for abuse is far too great for us to allow this form of human degradation to exist.

This legislation simply reenforces the Federal ban on industrial homework. The States of New York, California, and Massachusetts have already passed this type of legislation because they recognized how rampant abuses can, and would become.

On behalf of the AFL-CIO, we strongly support A-2974, and commend their sponsors for putting this legislation forth.

ASSEMBLYMAN GILL: Thank you, Mr. Kirk. Any questions of Mr. Kirk, anyone? (no response) Mr. Kirk, the AFL-CIO has traditionally been the backbone of the labor movement in the State of New Jersey. You fought for workers' rights, for fairness in the workplace, and we're very, very happy to enjoy your support on this very important bill.

Thank you.

MR. KIRK: I can guarantee you that we will wholeheartedly support you to see that this is passed.

ASSEMBLYMAN GILL: Thank you, Mr. Kirk.

At this time I would like to call back Mr. Sal Giardina, from the ILGWU.

We're on A-2974 now, Mr. Giardina.

MR. GIARDINA: Thank you. Thank you, Mr. Chairman.

I have heard the testimony of those representatives of the two Congressmen, and of course, of Mr. Menendez, and now Mr. Kirk, representing Charles Marciante. I'm heartened by all of this, because this has been a problem for the International Ladies Garment Workers Union for many, many years. We were able to get legislation -- not legislation, but a ban by the Federal government in 1941-1942. That ban on industrial homework in the women's apparel industry has been in effect through eight administrations. In 1980-1981, the Reagan administration immediately proceeded to lift the ban, or attempted to lift the ban in these industries. He succeeded in the knitted outerwear industry. We have been keeping track of that industry, and we find that we will be developing a number of abuses and will present them to the Department of Labor over the period of the next few years.

The ban on other industries was lifted. In the jewelry and the handkerchief making industries; in the belt and buckle and glove industries; they were lifted, and these are now being impacted. As we have just recently learned, one of our manufacturers in the handkerchief industry is having a very difficult time of it. He runs a legitimate factory, pays the wages, pays his taxes, and is providing benefits.

The next area that we feel we are going to be impacted upon is in the women's apparel industry. The Department of Labor -- Elizabeth Dole -- made notice about a year ago that there is going to be an attempt to lift the ban again. This costs our union untold numbers of dollars to go to court over

each of these areas. It has become very difficult for us. So I'm heartened, and I'm pleased to see that the gauntlet that was thrown down by the Federal government has been picked up by this Committee, and especially by the Chairman of this Committee, and the sponsor of this legislation, because it is a challenge. It's a challenge to various states around the country which have high concentrations of apparel production, to see to it that those legitimate employers in those states do not pay the price of an ideology of the Reagan, and now the Bush administration, to see that there is no ban on anything. We witnessed that in the S&L situation; they lifted the ban on regulators. They cut back on administrators. The fact was, there were greedy bankers, and we saw the results of that. The fact is, there are greedy garment industry employers who are unscrupulous, who will take advantage of every corner, if you let them.

We have seen, over the past few years, our employers going under as a result of sweatshops increasing, as a result of imports, and as a result of homework operations.

The State of New York and the State of Pennsylvania -- bordering states -- have bans in place; they have legislation. In the event that the Federal government lifts the ban, there is only one place for these two areas to come, and that's to New Jersey, because they are vigorously enforcing it in the State of New York, and in Pennsylvania. So we have to have this legislation in place, and I am very, very pleased and heartened by the fact that this Committee is having these hearings.

I have with me a person who has had direct contact with the industrial homework situation, Francisca Lorenzo. She is a person who was engaged in industrial homework some years ago. Currently, she is not doing it anymore, but I would like to have her come forward to have her give her testimony, if she will. Her name is Francisca Lorenzo.

ASSEMBLYMAN GILL: Francisca, would you please come forth and present some testimony?

Thank you, Mr. Giardina.

Francisca, please just state your name for the record.

F R A N C I S C A L O R E N Z O: My name is Francisca Lorenzo. I have worked in the past, and I did a lot of homework merely because I needed the extra money, because I'm a single parent. I didn't find out, really, what I was doing until I just had the homework to do. I sat the whole day working, and when I finished work, I made 15 or 20 pants and I just got paid 50 cents each -- 50 cents for each pair.

I left that, I looked for work someplace else and my (indiscernible) was just the same, until I has to go (indiscernible).

ASSEMBLYMAN GILL: Ms. Lorenzo, they were paying you piecework, in other words?

MS. LORENZO: Piecework.

ASSEMBLYMAN GILL: And after a day's work, you would probably gross \$10 at the end of the day?

MS. LORENZO: Ten dollars a day -- not even \$10 a day.

UNIDENTIFIED MEMBER OF AUDIENCE: Excuse me. We're with the press, and we can't hear anything she's saying.

ASSEMBLYMAN GILL: Would you please speak louder, Ms. Lorenzo. Put the microphone a little bit closer to you.

UNIDENTIFIED MEMBER OF AUDIENCE: Thank you.

ASSEMBLYMAN GILL: I'll try to repeat what Ms. Lorenzo has pointed out.

MR. WILLIAMS: That's a recording microphone. It's not an--

ASSEMBLYMAN GILL: Oh, that is a recording microphone. You'll have to speak up when you speak, Ms. Lorenzo.

MS. LORENZO: Okay.

ASSEMBLYMAN GILL: Ms. Lorenzo has worked and done industrial homework at home, sewing pants. And oftentimes-- In fact, you were saying that you sewed 20 pants a day--

MS. LORENZO: A day.

ASSEMBLYMAN GILL: --and you would get paid 50 cents per pair of pants--

MS. LORENZO: Fifty cents per pair.

ASSEMBLYMAN GILL: --which is a gross income of \$10 a day. And how long would it take you to sew these pants, Ms. Lorenzo?

MS. LORENZO: Well, it takes me a half-hour to make one.

ASSEMBLYMAN GILL: A half-hour to make one pair of pants?

MS. LORENZO: Yes, because I have to switch from one machine to another.

ASSEMBLYMAN GILL: So, in reality, to sew 20 pairs of pants, it would take you about 10 hours' worth of work?

MS. LORENZO: Yes.

ASSEMBLYMAN GILL: And your gross income at the end of those 10 hours was about \$10?

MS. LORENZO: Ten dollars.

ASSEMBLYMAN GILL: Ms. Lorenzo, may I ask, did you get any unemployment or any benefits with that; any type of job security promise from your employer? Any type of benefit, whether it was medical or unemployment insurance, or anything like that?

MS. LORENZO: Sometimes I used to get, but you know, when it is finished, that's when I found out that I wasn't doing anything. When I was getting unemployment, the money came in handy, but afterwards I didn't have the unemployment.

ASSEMBLYMAN GILL: How long did you do this kind of work, Ms. Lorenzo?

MS. LORENZO: I did it for a few months. I really needed the money.

ASSEMBLYMAN GILL: I understand that. I understand there are many people like you who need the money and have nowhere else to go, and take whatever is available.

Do you know if this employer is still operating in the same way?

MS. LORENZO: Yes, I think so.

ASSEMBLYMAN GILL: He's still doing the same?

MS. LORENZO: Yeah.

ASSEMBLYMAN GILL: Well, I think, ladies and gentlemen, this is a perfect example of why this type of legislation is needed. People are being exploited, not only in our local area here, but I think throughout the State of New Jersey, and we've got to put a stop to this somewhere down the line.

MR. GIARDINA: May I say that there are some incidences of industrial homework where it's a very simple process. There is cut work and it's sorted and it's distributed. I recall one firm, some years ago, when I was in the field, which worked out of their-- It wasn't a firm; it was a human being who was working out of his automobile going around from various neighborhoods, and working out of the trunk of his car and distributing this homework. We finally put a stop to that operation. We were able to chase him enough, to keep after him, so that he was out of our area, at least.

This is only one case. There are hundreds of these cases, and I guess we have to somehow really put teeth into the law so that the violators, once caught, will not do it again under any consideration on their part; will consider it's going to be a heavy penalty.

I guess we can't prevent everything, but we can put enough deterrent into these situations where we'll have a minimal type of violation.

Francisca is currently working in a garment shop -- an ILGWU garment shop -- and I would like her to say what she might be earning presently, with benefit conditions.

ASSEMBLYMAN GILL: Speak loudly so that the press can hear you.

MS. LORENZO: Now I take home with me every week \$275.

ASSEMBLYMAN GILL: For 40 hours?

MR. GIARDINA: How many hours?

MS. LORENZO: I work eight hours a day.

ASSEMBLYMAN GILL: And you are protected with all your benefits--

MS. LORENZO: Yes.

ASSEMBLYMAN GILL: --and your prescription plan and so forth?

MS. LORENZO: Health insurance.

ASSEMBLYMAN GILL: That's wonderful to hear.

MR. GIARDINA: So, it can be done.

ASSEMBLYMAN GILL: It can be done, and I think it's time that the State of New Jersey does send out a message, loud and clear, that it will no longer tolerate these abuses. I think our vigilance must be upgraded and I certainly feel that legislation such as this sponsored by Mr. Menendez will go a long way toward doing that.

MR. GIARDINA: Thank you, and we certainly need the help.

ASSEMBLYMAN GILL: Thank you Ms. Lorenzo and Mr. Giardina for your testimony.

MR. GIARDINA: Thank you, Mr. Chairman.

ASSEMBLYMAN GILL: Mr. Menendez, have a safe trip. I know you are very busy.

Mr. Menendez also must run the City of Union City, in his spare time, which is not an easy task.

At this time I would like to call for Mr. Carlton Levine, New Jersey Citizen Action.

CARLTON LEVINE: Mr. Chairman, thank you for this opportunity to testify today. As you said, I'm Carlton Levine. I'm a staff member of New Jersey Citizen Action.

As you know, New Jersey Citizen Action is the State's largest citizen coalition, with over 90,000 member families and more than 65 affiliated organizations. These groups include community, labor, senior citizen, tenant, environmental, and religious organizations.

New Jersey Citizen Action has long been concerned about working conditions in New Jersey. In 1983 we fought for the State's Right-to-Know law which included strong worker protections. We also fought for the Plant Closing bill in 1984, to keep jobs in our State. These are but two examples of our commitment to a fair and safe workplace for New Jersey residents.

It is with this history of commitment to employee safety and job fairness that New Jersey Citizen Action wholeheartedly supports A-2974.

History shows that the issue of industrial homework is one of worker health and safety. If we allow a return to industrial homework in the women's apparel industry, we will be inviting violations of almost all the laws that protect workers. When such work is done in the home, there is no way to ensure that occupational safety laws are enforced. Industrial homework is an invitation to evade minimum wage laws.

Worst of all, industrial homework is an invitation to circumvent child labor prohibitions. For more than a century we, as a society, have thought child labor barbaric. As a certified teacher, I can assure you that a child's education is affected when he or she comes to school tired. Industrial homework will force many children to work long hours under poor conditions which will lead to poor performance in school. By not prohibiting industrial homework, the Legislature will be committing an unforgivable crime against thousands of New Jersey's children.

But beyond the direct effect such work has on the workers and their families, our entire economy will be

adversely affected by industrial homework. Firstly, it will have a damaging effect on the responsible employers in the women's apparel industry. Those employers who choose to be responsible and obey labor laws will be undercut by those that circumvent such laws through homework. Those employers that use homework will have such unfair advantages as lower wages and overhead.

Secondly, industrial homework will adversely affect employers outside of the women's apparel industry, as well as every resident of the State and even the State budget. Industrial homework is notoriously a cash business; therefore, proper payments to the State Disability and Unemployment Funds can be avoided. After all, who knows how many family members may have contributed work to a piece? In addition, State and Federal income taxes, as well as Social Security tax payments can, and will, be avoided.

Finally, industrial homework can be a threat to the health of consumers. Such homework means that the sanitary standards of a factory cannot be enforced.

Overall, it is clear that it would be unwise and harmful to all New Jersey residents for the State to allow industrial homework. New Jersey Citizen Action strongly urges this Committee to take quick action towards the enactment of A-2974.

Thank you.

ASSEMBLYMAN GILL: Thank you very much, Mr. Levine. Are there any questions from anyone of Mr. Levine? (no response)

Thank you, Mr. Levine.

I would like to call back Mr. Joseph Anderson from the New Jersey Industrial Union Council for his testimony on A-2974.

MR. ANDERSON: Good morning, again, Mr. Chairman.

ASSEMBLYMAN GILL: Good morning again.

MR. ANDERSON: As I stated, my name is Joe Anderson. I'm the Vice President of the New Jersey Industrial Union Council which represents 200,000 workers in the State of New Jersey. I'm here to testify in support of A-2974, and believe its extension of the ban of industrial homework in the women's apparel industry is long overdue.

The Industrial Union Council supports this legislation because it would reenforce the Federal ban on homework in the women's apparel industry, which is currently under attack in Washington, as the other speakers have mentioned.

Industrial homework has historically been opposed by the Industrial Union Council and other labor organizations because it is an open invitation for abuse of immigrant workers, child labor, wage and hour laws, Unemployment Insurance, Workers' Compensation, and health and safety standards by unscrupulous employers. In a very competitive industry, industrial homework takes jobs and workers away from legitimate manufacturers who operate their business under Federal and State laws that protect workers from these abuses.

We believe, in the New Jersey IUC, that to oppose a ban on industrial homework is to support the repeal of the minimum wage, a ban on child labor, and basic safety and health laws which the labor movement has fought years and years for.

Thank you very much for this opportunity to testify.

ASSEMBLYMAN GILL: Thank you very much, Mr. Anderson, and we're very happy to enjoy your support on this piece of legislation.

Is there anyone else who wishes to testify this morning? Anyone who has not submitted a card who wishes to testify? (no response)

Before I close, I would like to thank all of those who came and testified, whether they are in support or opposition to this bill. I think all of the input is important.

I would like to once again repeat that this is the first of a series of hearings which will be held throughout the State of New Jersey, the next one taking place on October 16, in Union City.

Thank you very much, once again, and good day.

(HEARING CONCLUDED)

**APPENDIX**



## EXECUTIVE SUMMARY

The Task Force registered 1,208 manufacturers and contractors in calendar year 1988 and a total of 1,475 through November 1989. Registration fees collected total \$208,250, penalties assessed are \$245,000 and penalties collected are \$63,500.

One hundred, forty-five manufacturers and contractors were found without Workers' Compensation Insurance and 125 did not have an Unemployment Insurance number. This information was referred to the appropriate units. A total of 109 eventually secured Workers' Compensation Insurance and became registered. The balance have either been penalized, referred for formal action or gone out of business.

A total of 1,181 manufacturers and contractors have been inspected, 1,066 of which were found to be in violation of some State labor law. \$157,053.48 has been collected and distributed to employees, because of violation of the Wage and Hour or Wage Payment Laws. Nineteen firms have undergone criminal prosecution and another 36 prosecutions are pending. At least 92 manufacturers and contractors have gone out of business since July 1, 1988.

Notable problems faced by the Task Force includes the following:

1. Shortage of a full field staff due to job freeze and budget constraints.
2. Lack of bilingual field staff resulting in language barriers causing delays in completing inspections.
3. Due to budget restraints, lack of action on the part of the Attorney General's office in taking civil action on cases referred for failure to pay penalties assessed. Fifty-three cases have been referred and another 48 are pending. The initial cases were referred in November 1988.



Sewing machine for lining ladies' coats at the home of an illegal homeworker in Elizabeth, N. J.

4. Overcoming the fear and suspicion of workers to gain accurate information to complete investigations. Fear and suspicion are due largely to the language barrier.
5. Locating manufacturers and contractors which tend to move from place to place, change names, and go in and out of business without notice.

A full field staff with as many being bilingual as possible would increase production by an estimated 40%. This increase should cause manufacturers and contractors who tend to violate the law to become more law-abiding, since the field staff would be able to reinspect them at shorter intervals.

If administrative penalties could be imposed for violations of labor laws enforced, it would not only deter violators, but, as well, make the Task Force self-sustaining.

1x

HIGHLIGHTS OF ENFORCEMENT ACTIVITY  
January 19, 1988 to November 30, 1989

FIRMS PROSECUTED .....	19
PROSECUTIONS PENDING .....	36
INSPECTIONS MADE .....	1,181
FIRMS IN VIOLATIONS .....	1,066
VIOLATIONS CITED .....	2,721
WAGES COLLECTED AND DISBURSED TO EMPLOYEES .....	\$157,053.48
ILLEGAL HOMEWORKERS UNCOVERED .....	238
EMPLOYEES COVERED BY INSPECTIONS .....	34,668
FIRMS PENALIZED FOR FAILURE TO REGISTER .....	437
PENALTIES ASSESSED .....	\$245,000
PENALTIES COLLECTED .....	\$63,500
CASES REFERRED FOR CIVIL ACTION .....	53
CASES BEING PREPARED FOR CIVIL ACTION .....	48
REGISTRATION FEES COLLECTED .....	\$208,250
FIRMS OUT OF BUSINESS SINCE JULY 1, 1988 .....	92

2x

SUMMARY OF VIOLATIONS BY  
COUNTY OF INCIDENCE

COUNTY	Recordkeeping		Child Labor	Industrial Homework	Wage Payment	Wage & Hour	Miscellaneous	Apparel Industry																	
	Record Posting	Under Legal Age																							
	Under Legal Age	No Employment Certificate	Excessive Daily Hours	Excessive Hours Over 8	Combined Hours Weekly Hours	Excessive Weekly Hours	Night Work Under 16	Seven Consecutive Days	Meal Periods	Prohibited Occupation	No Permit	No Certificate	Prohibited Material	Not paid semi-monthly or 10 days	Illegal Deductions	No Statement of Deductions	Minimum Wage Rate	Overtime Rate	Fringe Benefits	Payroll Taxes	Workers' Compensation Insurance	Seats for Employees	Failure to Register	Order to Comply	
ATLANTIC	21	19	2						1	1	3	4	1				5		3	1	11	9			
BERGEN	77	82	2	2	1			1		8	10	17	4	2	18	1	9	5		25	1				
BURLINGTON	8	21	1	1						3	4	1	1		5	1				11	15				
CAMDEN	18	30		1	1	1	1		4	6	1	2		3	6	7	3			20	16				
CAPE MAY	5	8	1	1				1		2							2				5	5			
CUMBERLAND	7	10		1	1					1							4				2	2			
ESSEX	59	90	2	2	3	1	2	1	1	6	7	1	7	2	10	15	9	1	23						
GLOUCESTER	15	28	1	1	1		1		1	4	7		6		8	3	4			15	14				
HUDSON	299	427	2	3	1	1		2	25	31	2	34	4	11	4	36	3	78	67	5	64	14			
HUNTERDON	2	2										8									2				
MERCER	7	15	1	1	1			1												1	1	8	2		
MIDDLESEX	15	38								4	1				4	1	2	14	1						
MONMOUTH	10	39	2							4	1	2		3	2	1	1	14	5						
MORRIS	3	3															1				1				
OCEAN	6	12	1									4	1				2	2			9				
PASSAIC	35	56	2	1	1					5	6		4		1	15	2	1	4	10	2				
SALEM	3	7								1	1				1	2				6	5				
SOMERSET	1	3								1	6								1	1	2				
SUSSEX																									
UNION	29	33	1	1	1	1	1	1		9	2	2		2	1	1	2	1	13	7					
WARREN																									
TOTAL	640	923	8	18	14	2	7	3	1	10	1	61	113	4	77	13	15	11	123	8	125	98	11	355	92

## RECOMMENDATIONS

- I. The Apparel Registration Act should be renewed for the following reasons:
- Because the apparel industry is depressed, certain manufacturers and contractors tend to exploit their workers to cut costs.
  - Changes in the Federal Law on Immigration have sent more employees "underground", making them easier to exploit.
  - The State of New York, prohibits Industrial Homework making New Jersey a prime target for exploitation of homeworkers.
  - The State of New York has an Apparel Registration Act which might cause illegal activities to move to New Jersey if the Act is not renewed.
  - The influx of immigrants creates a ready supply of workers who are willing to work under conditions that violate State labor laws.
  - Statistics presented in this report show that the violations suspected by the Legislature did and still do exist. Though progress has been made in curbing these violations, there is still a need for continued close policing of the apparel industry.
  - The registration requirements of the Act give the investigators a tool to gain entrance to the premises of a manufacturer or contractor and a method of locating firms that might otherwise be undetectable.
- II. The Act should be amended to include the embroidery industry.
- At present, many embroideries do not fit the definition of manufacturer or contractor and are not registered. Investigations indicate that violations of State labor laws in this segment are as prevalent as in the balance of the apparel industry.
- III. The Act should be amended to give the Task Force administrative penalizing authority and revoking authority for all violations of the State's labor laws.
- At this time the only remedy for punishing violators of the other labor laws is criminal prosecution which results in delays due to heavy case loads.



Hand making embroidery samples at home of illegal homeworker in Union City, N. J.

4x

## CREATION OF APPAREL TASK FORCE

The period 2/5/88 through 6/30/88 was committed to organizing the implementation of the Apparel Registration Act Chapter 458, Laws of New Jersey 1987 which became operative on July 1, 1988.

Initial appointments of five staff members were made in March 1988, as the first step in creating the Special Task Force. Initial tasks included reviewing and understanding the Act, developing a list of manufacturers and contractors, designing and printing forms and law books, developing an automated registration system, training field and office staff and meeting with other agencies to establish a referral and communications network.

Familiarization with the Act involved in-depth study which included staff questioning each other regarding appropriate interpretation and meeting with the Division Office Director, Division Director, Assistant Commissioner and Departmental Counsel in order to clarify legal questions and issues.

The development of a list of manufacturers and contractors was a multifaceted task. The bulk of potential registerants was identified from SIC code (Standard Industrial Classification) lists supplied by the Department's Office of Policy and Planning. Reviewing this list and deleting businesses that did not fall under the definition of manufacturing or contracting left approximately 1200 firms. Additional firms were added by reviewing trade name registrations at County Clerk Offices, yellow pages, trade magazines, want ads and physical surveillance. These produced another 1000 potential firms. A total of 2200 firms were targeted for the initial mailing in May 1988. Establishing this list took about three months.

Developing forms and printing copies of the law was another priority for implementing the Act. Altogether 18 forms including the law, abstracts and Certificate of Registration were prepared. All were reviewed and approved by the Office Director and the Departmental Counsel prior to printing. (Copies of all materials used are included in this report.)

Developing an automated registration system was another major task. Meetings with the staff responsible for creating the system were held regularly to discuss the



Linings for ladies' coats photographed at the home of an illegal homemaker in Newark, N. J.

needs of the Task Force. The New York Labor Department was instrumental in aiding us with this effort. A visit to Albany in April 1988 to study and observe their automated system was invaluable. Their Apparel Registration Act became operational in December 1987 and it is basically the same as the New Jersey Law. The New Jersey

5x

system was in place, tested and operational by May 13, 1988.

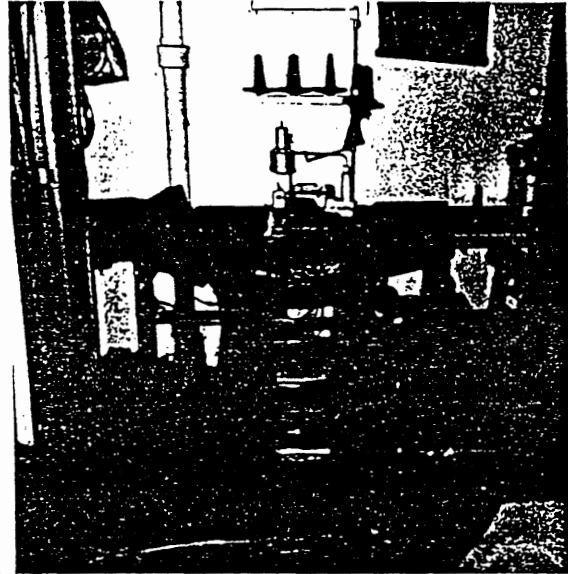
On March 23, 1988 five field staff were added to the Task Force from existing Wage & Hour personnel. On April 23, 1988 four clerical staff, again, from existing Wage and Hour personnel were assigned and underwent training. A two-day training session was held on May 26 and May 27 covering all aspects of the Apparel Registration Act. (A copy of the agenda is contained in this report.) A training film was made to indoctrinate new field staff.

Meetings were held with Unemployment Insurance and Workers' Compensation Insurance offices to establish a referral and communication system for the transmittal of information regarding the Act.

On May 17, 1988 a press release was issued outlining the requirements of the Act, and on May 18, the initial mailing of notices and applications began. On May 20, the mailing was completed. During the next few weeks, completed applications and other returns began to arrive. The returns involved firms not covered by the Act as manufacturers or contractors and "undeliverables" from the Post Office. During this period the mailing list for the final notice was updated and telephone inquiries regarding registrations were processed.

On June 10, 1988 the final notice mailing began. All firms which failed to respond to the initial mailing received the final notice. Returns were entered into the computer so that the Certificate of Registration could be issued. By July 1, 1988, 680 manufacturers and contractors had registered.

From July 5, 1988 to July 31, 1988 the field staff issued Orders to Register to



Sewing machine used at the home of an illegal homemaker for sewing linings in ladies coats located in Harrison, N. J.

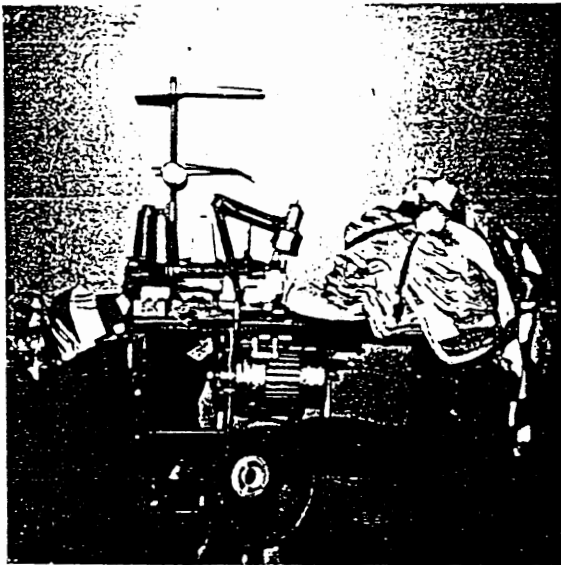
firms failing to respond. Since much of the apparel industry is located in a concentrated area, locating non-registered firms took a large effort but was not the major problem as might have been expected. On July 27, 1988 the first Order to Register hearings were held and fines were assessed. Beginning August 1, 1988 field staff began making general inspections at all firms and continued to issue Orders to Register, when necessary. These activities continue.

Mailing for 1989 registration renewal began on November 21, 1988 and was completed on the 23rd. All registered firms were included in this mailing, with a required date for renewal of January 15, 1989. Renewal applications for registration year 1990 were mailed by November 3, 1989 for renewal by January 15, 1990.

6x

## STAFFING

Initial Apparel Unit field staff consisted of two District Supervisors and 12 Field Representatives. Staffing of the unit has been a problem. During the job freeze from January 1, 1989 through June 30, 1989, the field staff dropped by three (for reasons beyond the control of the Task Force) and could not be replaced. The present field staff consists of 9 Field Representatives and 2 District Supervisors. The estimated loss in production by not having a full staff is 40%. Another problem is the lack of Spanish-speaking Field Representatives. Only two of the staff are bilingual in Spanish. And, since many garment workers speak only Spanish, it is very difficult and in some cases impossible, to communicate effectively. There are also indications that it may become necessary to have field staff who speak a number of Oriental languages, such as Korean, Chinese and Vietnamese, due to the influx of Oriental employers and employees.



Machine for sewing ladies' slacks located at an illegal homeworker's home in North Bergen, N. J.

Reduced field staff has required that, rather than working in teams, each Field Representative must work alone. It has been proven in the past that team inspections are more productive and efficient. There is a safety concern when working alone, since visiting private homes to interview workers is done on a regular basis.



Sewing machine for lining ladies' coats at the home of an illegal homeworker in Newark, N. J.

7x

## MEMORANDUM OF UNDERSTANDING

On July 19, 1988 New Jersey Commissioner of Labor Charles Serraino and New York Commissioner of Labor Thomas Hartnett, entered into a "Memorandum of Understanding", establishing an Interstate Enforcement Team. The first training session for the joint staff was held in New York January 4 to January 6, 1989, and a second session held in New Jersey on October 11-13, 1989 (copies of both agendas are included). These sessions concentrated on building team concepts and effective work relationships, along with training on investigatory techniques and report preparation. Planning for these sessions was conducted through meetings in New Jersey and New York attended by supervisory staff members from both States. Communications between the two units is ongoing and information of mutual concern is exchanged on a regular basis.



Scallop machine for cutting collars for dresses in home located in Union City, N. J.

8x



Congress of the United States  
House of Representatives  
Washington, DC 20515

October 2, 1990

Assemblyman Menendez  
Chairman  
Labor Committee  
New Jersey General Assembly  
Trenton, New Jersey 08625

Dear Mr. Chairman:

Thank you for allowing me an opportunity to submit a few comments about industrial homework. I would like to add my voice to those supporting A. 2974, to eliminate the possibility that we would ever slip back to a time when sweatshops and homework were accepted ways of doing business.

The importance of legislation such as A. 2974 on the state level cannot be understated. Beginning in the 1940's, when the last of the original homework regulations went into effect, there were continual efforts by businesses to weaken or abolish the protection afforded by the Fair Labor Standards Act. In the 1980's these forces were partially successful when the Department of Labor rolled back all but the prohibition against the homework manufacturing of women's apparel and allowed other homework to take place with DOL certification.

A constant concern of those opposing industrial homework has been the enforcement of labor standards. Violations of hourly wage laws, substandard working conditions and child labor violations are an all too common occurrence in homework situations.

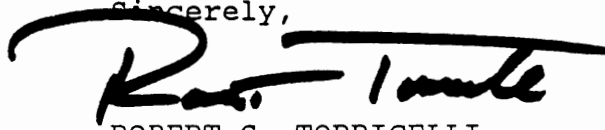
Child labor, reminiscent of the sweatshops of the 1930's, has become an ugly result of relaxing industrial homework regulations. Parents or legally employable siblings will often press young children into service to increase their output or complete their work assignment. Due to the nature of homework, monitoring and preventing such practices is very difficult and expensive.

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In March of 1989, Acting Assistant Secretary of Labor Alan McMillan admitted that there is a "significant concern" about the potential for illegal use of child labor once homework is permitted, and Labor Department officials are "not so naive" as to think that child labor abuses will not occur.

There are four bills pending before the U.S. House of Representatives that would remove the restraints against the manufacturing of women's apparel at home. While none of these bills enjoys any degree of support from my colleagues, it is important the New Jersey pass A. 2974 to provide an extra layer of protection in the event that the federal protections are removed from industrial homeworkers.

sincerely,

A handwritten signature in black ink, appearing to read "Rob. Torricelli". The signature is stylized with a large, sweeping initial "R" and a long horizontal line extending to the right.

ROBERT G. TORRICELLI  
Member of Congress

RGT:tc

10x

# New Jersey Catholic Conference

211 North Warren Street • Trenton, New Jersey 08618-4894  
(609) 599-2110

Most Rev. Theodore E. McCarrick  
Archbishop of Newark  
President

William F. Bolan, Jr., Esq.  
Executive Director

Statement of  
New Jersey Catholic Conference  
in Connection with Public Hearing on A-2974, Prohibiting  
Industrial Homework in the Manufacture of Women's Apparel

New Jersey Assembly Labor Committee

The New Jersey Catholic Conference, which represents the Catholic Bishops of the state, supports the prohibition of industrial homework in the manufacture of women's apparel. Passage of A-2974, sponsored by Assemblymen Robert Menendez (D-Hudson), Louis J. Gill (D-Bergen, Passaic), Thomas Duch (D-Bergen, Passaic) and Anthony Imprevuduto (D-Hudson) will reinforce the present federal ban on such homework. Since the U.S. Labor Department is considering lifting this ban, A-2974 is an important and necessary layer of protection for workers in New Jersey.

The potential for exploitation of workers if the ban on industrial homework is lifted is too great a risk. We are concerned that it is virtually impossible to "regulate" homework once it is licensed. The Government Accounting Office has stated that the Department of Labor is understaffed. It has less than 1,000 enforcement officers nationwide to enforce child labor laws and wage and hour laws. Without a significant increase in the number of government inspectors to monitor every home where industrial homework is going on, there is no way to ensure that federal labor standards such as minimum wage and child labor laws, or health and safety standards will be enforced. The inability of government to enforce standards in homes was a compelling reason for the initial ban on industrial homework in 1942.

New Jersey has a large apparel manufacturing industry employing approximately 40,000 people. Many of these people are immigrants. Many are poor and live on the fringes of society. They are vulnerable to financial and social exploitation. They are the least likely to stand up for their rights.

*Representing the Archdiocese of Newark, Diocese of Camden, Diocese of Metuchen,  
Diocese of Paterson, Diocese of Trenton and Byzantine Catholic Diocese of Passaic*

11x

The Catholic Church believes that special consideration must be given to meeting the needs of those living in the midst of poverty and powerlessness. Indeed, the justice of a society is tested by its treatment of the poor. It has a particular responsibility to ensure that the minimum conditions preserving human rights are met for all. The Catholic Conference believes that the ban on industrial homework protects those rights and that lifting the ban will undermine them.

The Catholic Church has long held that, in return for their labor, workers have a right to wages and other benefits sufficient to sustain life in dignity. Justice, not charity, demands certain minimum guarantees. Paramount among them is the provision of wages and other benefits sufficient to support a family in dignity.

Not only individual dignity but also family integrity must be upheld in the marketplace. Economic and social policies should be continually evaluated in light of their impact on the strength and stability of family life. Children are among the most vulnerable to abuse in industrial homework settings. There is already a serious increase of employer violations of child labor laws. A study released by Congress reports such violations rose 150 percent in a recent six-year period. We can expect this figure to soar if the present ban is lifted on industrial homework in the manufacture of women's apparel. Testimonies of women and children engaged in industrial homework in sweatshop conditions for long hours, seven days a week, with inadequate compensation is common. Healthful working conditions for such families are rare, not to mention recreation or leisure time. These factors contribute to the breakdown of individual dignity and of the family unit.

As the United States Bishops stated in their pastoral on the economy, "Every economic decision must be judged in light of whether it protects or undermines the dignity of the human person. In particular, decisions must be judged in light of what they do for the poor, and what they enable the poor to do for themselves. Economic decisions, policies, and institutions must be at the service of all people, especially the poor."

Maintenance on the ban of industrial homework can help maintain the dignity of those most susceptible to exploitation -- the poor, immigrants, and children. Therefore, the Catholic Conference supports passage of A-2974.

My name is Peter Conticelli, I represent the American Association. We have 67 member firms in New Jersey. We support A2974 to enact a state ban on homework in the women's apparel industry, and A3565 to strengthen and renew the apparel industry task force.

My members own contracting shops and we are experiencing hard times due to the flood of imports and many non-union sweat shops that have appeared on the scene in New York and New Jersey in recent years.

When I came to work at the American Association, 30 years ago, we had 722 members. Over 300 were in New Jersey. Today, we have 109 members, of which 67 are in New Jersey.

The Union makes periodic audits of the shops' books and records. Our contract requires our members to pay overtime after 35 hours, and our minimum wage is higher than the state's minimum wage.

We are in favor of any legislation that will help to level the playing field. We cannot compete with employers that commonly undercut us by farming out illegal homework and pay their workers below minimum wages.

These firms ( or individuals ) have little or no overhead expenses as they operate out of garages, basements or storefronts. They are typically here today, gone tomorrow. They pay no taxes and make no contributions to unemployment or other state funds.

My members are legitimate businessmen. That will only stand to benefit from the new state laws being considered here today.

Thank you. If you have any questions, I would be happy to answer them now.

14 x