



Working on Faith

A Faithful Response to
Worker Abuse in New Orleans

Acknowledgements

This work was made possible through a joint grant of the Rights in Humanitarian Crises and Economic Justice programs of the Unitarian Universalist Service Committee (UUSC). UUSC is a human rights organization with a commitment to responding to disasters and economic crises. This report was also funded in part by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the authors alone, and do not necessarily represent the opinions of the Foundation. Support for this project also came from Church World Service and the Interdenominational Theological Center.

Principal Author and Researcher: Ted Smukler

Preface: Kim Bobo

Voices of Faith: Rev. Osagyefo Uhuru Sekou

Graphic Design: Jana Winch

Research Assistance: Hollen Reischer, Jose Oliva

Content Review and Edits: Elisabeth Solomon, Hollen Reischer, Kim Bobo, Cynthia Brooke, Rabbi Robert Marx, Bill Lucy, Charese Jordan, Vernal Coleman

Table of Contents

Preface	2
Executive Summary	3
DOL Fails Workers	4
Lorenzo's Story	6
Working on Faith: Workers and the Larger Context	7
Insuring Worker Abuse	8
Bearing Witness for Workers' Rights	10
IWJ's Survey Results Support Other Findings	11
How Has the U.S. Department of Labor Responded to the Crisis?	12
DOL – Measures of Decline	14
Immigrant Workers: The View from the IWJ Network of Workers' Centers	16
Ideology Trumps Faithfulness	18
Call to Action	19
Voices of Faith	21
Appendices	
Gulf Coast Commission on Reconstruction Equity Members ..	24
IWJ New Orleans Summer Interns	25
IWJ Network of Workers' Centers	25
End Notes	26
IWJ Board of Directors	inside back cover

Contents

You shall not withhold the wages of the poor and needy laborers.

*–Deuteronomy
24:14*



Preface

When Hurricane Katrina battered New Orleans in August of 2005 and thousands were left stranded in the city, the winds exposed New Orleans' twin plagues of poverty and racism. While large contractors reaped substantial profits from disaster relief and rebuilding, thousands struggled without jobs or in jobs that paid poverty wages. Our moral conscience cries out against such abuses.

The clean-up and rebuilding process in New Orleans offered the opportunity to change New Orleans – not to rebuild it like it had been, but to reform and renew this unique city on a foundation of justice. Specifically, federal and local officials could have collaborated with the faith community, labor unions and community organizers to promote a high wage/good jobs strategy to transform and remake the political and moral economy of New Orleans and the Gulf Coast. From a city that had been near the bottom of the nation in economic, crime and educational indicators, New Orleans could have become a national model for eliminating poverty and reducing endemic racism.

But to date, rebuilding and reconstruction efforts have offered only old patterns of injustice – a few well-connected contractors receiving enormous contracts, while workers are paid a pittance and labor violations run rampant. Poverty and racism are being reinforced, not challenged.

The treatment of workers should reflect moral values. As children of God, everyone is entitled to a just wage and dignity in their labor. These values are reflected in the mission and programs of Interfaith Worker Justice (IWJ).

Though unions have been successful in the past at enforcing both contractual

obligations and federal and state labor laws, it is the job of the federal government, through the U.S. Department of Labor (DOL), to protect the most vulnerable workers.

IWJ has long supported a strong and effective U.S. Department of Labor. Over the years, IWJ advocated and engaged in partnerships with the DOL. IWJ developed congregational bulletin inserts on worker rights, training manuals for advocates, poultry workers' rights materials, and local community alliances and workers' centers that assist workers in filing complaints.

New Orleans is the face of preventable exploitation. As this report illustrates, the DOL has been ill-equipped to deal with the scale and spread of employer lawlessness that has overtaken the Gulf Coast. Therefore, IWJ is creating the Interfaith Worker Justice Center of New Orleans (IWJ-NOLA) with the mission to respect work, rebuild community and restore hope. In tandem with the religious community and allies from organized labor, IWJ calls on the DOL to collaborate with IWJ-NOLA to empower workers, promote fair and legal labor practices, and work for good jobs for all workers, including those who have not been able to return to their city.

The limitations of labor law enforcement are national in scope. While IWJ has maintained open and positive relations with the administrators and workers at the DOL over the past decade, we call on Congress and the administration to revitalize the DOL and rethink its mission on behalf of workers. Finally, IWJ challenges faith communities to join in the effort to serve the needs of vulnerable workers. All religions believe in justice and must bring that belief to action.

Kim Bobo, Executive Director,
Interfaith Worker Justice

Working on Faith: Executive Summary

Interfaith Worker Justice (IWJ) surveyed and interviewed 218 workers in New Orleans during the summer of 2006, on the approach to the anniversary of Hurricane Katrina. The survey results indicate that workers of all races have experienced abuses of fundamental rights, including not receiving wages for their work and non-payment of overtime (wage theft), exposure to toxins without proper safety training or equipment, workplace injuries without workers' compensation, and discrimination.

Key results include:

- 47 percent of workers reported not receiving all the pay they were entitled to while working in New Orleans since Katrina.
- 55 percent said they received no overtime pay for hours worked beyond 40 per week.
- 58 percent stated they were exposed to dangerous substances at work such as mold, contaminated water and asbestos.
- Workers were unaware that the U.S. Department of Labor was an agency charged with protecting their rights. Not one worker mentioned the DOL as either a source of information about worker rights or as an agency to which one could file complaints.

The vast majority of workers do not know who to turn to when their rights are violated. Yet the DOL's enforcement model is based primarily on individuals coming forward with complaints, rather than investigations that target industries and employers known to be hotbeds of labor abuse. If workers don't know where to turn, and many (36 percent in the IWJ survey) feel unsafe taking any complaint to a government office, then waiting in

an office for workers to come forward is ludicrous. The enforcement mechanisms of the DOL are wholly ineffective given the scale of the catastrophe and the largely unregulated and lawless employment markets of New Orleans.

In many instances, organized labor has been the driving force in bringing cases of worker abuse to the attention of the DOL. However, the inadequate protection of workers' rights is certainly not a new situation in New Orleans or throughout the south, a region that has historically been aggressively non-union and so lacks a major partner with the DOL in enforcing the Fair Labor Standards Act and Occupational Safety and Health Act. However, the post-Katrina period has magnified the problem through the displacement of hundreds of thousands of residents and the influx of thousands of immigrant workers.

The decline of the DOL's enforcement capacity is not merely a question of incapacity to deal with a crisis of the magnitude of the Gulf Coast hurricanes of 2005, but is national in scope. In numerous studies, enforcement capacity at the DOL has been steadily declining since the late 1970s.

Interfaith Worker Justice organized the Gulf Coast Commission on Reconstruction Equity (GCCRE) and has engaged the religious community in a discussion of how New Orleans should be rebuilt with moral and faithful integrity. IWJ is launching the Interfaith Worker Justice Center of New Orleans (IWJ-NOLA) to spearhead these efforts, which are summarized in the Call to Action (which concludes this report):

1. Congress should strengthen and expand the U.S. Department of Labor, especially the Wage and Hour Division and the Occupational Safety and Health Administration,

*Men shall have
the benefit of
what they earn,
and women
shall have the
benefit of what
they earn.*

– Qur'an 4:32



*Hear this
now, O foolish
people, without
understanding,
who have eyes
and see not, and
who have ears
and hear not.*

—Jeremiah 5:21



to protect workers and prosecute companies that routinely violate the law. (More detailed proposals are included in the Call to Action).

2. The Department of Labor should expand its education and enforcement activities in the Gulf Coast without robbing other regions of needed staff. The DOL should:
 - Budget for more investigators in the New Orleans office and other regional offices.
 - Be transparent in all its operations, through open sharing of information, including the status of investigations and resource needs, with strategic partners, including IWJ-NOLA.
 - Create a Community and Faith-based Task Force in New Orleans with faith groups, unions and other worker rights advocates to end labor abuses.
 - Partner with the Interfaith Worker Justice Center of New Orleans, which collaborates with both the labor and the religious community to provide a safe space for workers to learn about their rights and take action to improve conditions.

Another series of action steps are needed beyond labor law enforcement – a strategy of long-term investment that creates family-sustaining jobs. These efforts should include:

- *Quality jobs:* Regulations that tie use of public dollars to requirements that insure quality jobs, with living wages, health and retirement benefits.
- *Workforce Development:* Louisiana should use federal resources to create and train people for good and sustainable jobs. Unions should be supported in efforts to train workers for vital industries that

include building trades, health care, and services, and workers' right to organize must be bolstered and protected.

- *Targeted Investments in High Road, High Wage Sector Programs:* Policy makers should support partnerships among employers, unions, religious and community groups to implement industry-focused investments that address specific workforce and economic development needs, in sectors of the economy that can support high wage jobs.

These are steps toward a renewed New Orleans and a new Gulf Coast that can be a pillar of good jobs and fair and equitable social standards. Those displaced by Hurricane Katrina must have a meaningful path to return if they choose to do so, with decent and affordable housing, good schools and healthcare and the opportunity to contribute in a democratic society. These goals are part of IWJ's faithful commitment to a just rebuilding of the region. Through the life of IWJ-NOLA, IWJ will continue to engage in the rebirth of the region and the ongoing monitoring and critique of the rebuilding process.

DOL Fails Workers

In the immediate aftermath of Hurricane Katrina, clean-up and re-construction contracts worth hundreds of millions of dollars were awarded to well-placed firms by the Federal Emergency Management Administration (FEMA), the Army Corps of Engineers and other federal agencies. But the daily work of rebuilding New Orleans and other ravaged Gulf Coast communities fell on the backs of ordinary people. With over a quarter of a million residents displaced and many neighborhoods shattered, those who were able to remain or return

from evacuation were joined by new immigrants to the area, mainly Latino, who came after hearing of decent paying jobs for people willing to work hard. They faced widespread labor abuses from employers seemingly unencumbered by legal restraints.

The failure of the DOL to establish that labor laws must be obeyed is particularly shocking in the aftermath of Hurricane Katrina. The vast majority of clean-up and rebuilding work has been funded through large U.S. government contracts. Taxpayer dollars are going to businesses that routinely violate basic labor and employment law.¹

The mandate of the DOL is to monitor and protect the basic rights of workers in the U.S. The DOL's Wage and Hour Division (WHD) is responsible for enforcing minimum wages (or prevailing wages for federally-funded contracts), the right to be paid for all hours of work at a rate stipulated before work has started, and overtime pay regulations. OSHA, the DOL's Occupational Safety and Health Administration, has jurisdiction over regulations to protect against unsafe working conditions, which include requirements that employers provide proper safety equipment and training on hazards. The DOL's Office of Federal Contract Compliance Programs (OFCCP) is accountable for ensuring affirmative action reporting requirements are met by federal contractors, and ensuring compliance with all federal affirmative action and anti-discrimination laws.

Interfaith Worker Justice surveyed and interviewed 218 workers in New Orleans during the summer of 2006 as part of its New Orleans Worker Justice Summer internship for religious students. The survey results indicate that workers of all major racial groups represented

in the area have experienced abuses of fundamental rights, including not receiving wages for their work and non-payment of overtime (wage theft), exposure to toxins without proper safety training or equipment, workplace injuries without workers' compensation, and discrimination.

The vast majority of workers do not know who to turn to when their rights are violated. Yet the DOL's enforcement model is based primarily on individuals coming forward with complaints, rather than investigations that target industries and employers known to be hotbeds of labor abuse. Employers have learned that the savings achieved through violating labor law far exceed the costs. In fact, the only consequence that an employer may face for failure to pay legal wages is an order to "make the worker whole" – to pay all back wages owed, without facing any interest, fines or penalties.

In the aftermath of Hurricane Katrina, decisions by the Bush administration to suspend and/or ignore employment and labor laws and standards for federal contractors gave a signal to employers that worker rights could be violated with impunity. As with the failure of the levees in New Orleans to protect the city's residents, the failure to protect workers is the result of pre-Katrina trends that have left the DOL in a weakened position. The long-term trend, predating the current administration, is the decline of funding and staffing at the DOL in relation to the growing size of the American workforce. Added to this is the ideologically driven direction of the current administration, which favors voluntary compliance rather than mandatory measures to get employers to obey the law. The result is that private organizations and advocates, with limited staff and resources, have been left to assist workers in the vacuum created by the DOL's toothless measures.

What is the U.S. Department of Labor's Stated Mission?

"The Department of Labor fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements. In carrying out this mission, the Department administers a variety of Federal labor laws including those that guarantee workers' rights to safe and healthful working conditions; a minimum hourly wage and overtime pay; freedom from employment discrimination; unemployment insurance; and other income support."²



*See that you do
not look down on
one of these little
ones. For I tell you
that their angels
in heaven always
see the face of my
Father in heaven.*

—Matthew 18:10



Lorenzo's Story

IWJ New Orleans Worker Justice Summer interns drafted a Louisiana Workers' Rights Manual in the summer of 2006. Lorenzo, a man in his mid twenties, was particularly interested in the information about OSHA standards when he met IWJ interns at a Honduran eatery that serves as a popular gathering spot for Honduran workers. The tissue on the inside corner of Lorenzo's eyes was very red and swollen, extending out toward his nose.

Lorenzo said that his eye problems were the result of handling fiberglass insulation without protective goggles. He and his coworkers installed rolls of pink fiberglass in tight spaces without the benefit of any protective equipment, making it impossible to keep the material out of their eyes, noses and mouths. Because of the mid-summer heat that built up in these unventilated areas, Lorenzo wore short-sleeve shirts. At the end of the first workday, his eyes were stinging, watery and blood-shot, his nose full of irritating pink dust and his skin painfully itchy. Despite the pain, he returned to the job for the rest of the week, working virtually non-stop from 6:00 a.m. until 6:00 p.m. each day.

With rampant wage theft in New Orleans, Lorenzo thought he had made a good bargain when he took the job, since he was fairly certain he would be paid. "I had been cheated before, but I heard

this guy would pay, so I didn't want to miss the chance to make some money." He was paid \$300 cash for the job, off the books. The rate did not include time and a half for overtime – Lorenzo was paid a flat rate.

The fiberglass job ended more than a month before the conversation at the restaurant, and despite the constant eye irritation that made blinking painful, Lorenzo had not seen a doctor. In addition to laboring under unsafe conditions, his employer did not provide workers' compensation. Since Katrina, medical care is scarce in New Orleans, and without workers' compensation or health insurance, Lorenzo would have to pay for any care received. But Lorenzo's main reason for lack of treatment was fear of losing a day's pay. "I'm making money now at another job, so I can't take time off."

While billions of federal dollars have been awarded to politically connected contractors to rebuild the Gulf Coast,³ much of the work on the ground is done by temporary crews working for the individual intermediary who hired them, often not the actual employer. When IWJ's staff asked Lorenzo if he had considered filing a claim against the employer, he said, "Well...I don't think I can. I don't know how to reach him, and I just want to get better and forget about it so I can keep working."⁴

Working on Faith: Workers and the Larger Context

All levels of government failed prior to Katrina, during the hurricane and its immediate aftermath, and in the nearly 18 months that followed. This report deals with the explicit acts of government which opened up new floodgates of abuse on a city and a region that had already experienced both a natural and man-made disaster. Years before this calamity, the effects of such a storm had been forecast both by independent scientists and the U.S. Army Corps of Engineers. Yet the loss of wetlands to development and industry, wetlands that served as a natural buffer, continued unabated. It was well documented that the New Orleans system of levees was inadequate to hold against a direct hit by a Category 3 or higher storm. Yet there was no will at any level of government to heed the warnings of its own advisor, the Army Corps of Engineers, and rebuild the levees to withstand nature's inevitable assault.

And so thousands of lives were lost, mostly the lives of the poor, African Americans, the sick and disabled, health care givers who stayed – mainly those who didn't own a car or have the resources to drive away to safety in time. As the federal, state and local government dithered, thousands were stranded in hell, living without toilets, food or medicine at the Superdome or under highway overpasses. And the city, as it had been, was destroyed.

Nearly one-quarter of a million New Orleans residents, predominantly African American, are still exiled from their home. Some have established new roots in new communities, while many want to go home. But what is there to go home to? Those who were renters now find a city in which rents have doubled and tripled – the effects of diminished

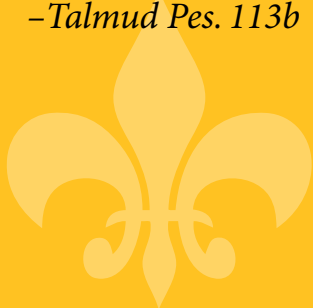
housing stock and greed. Public housing is still shuttered, and only a lawsuit is keeping the City from tearing down these units of low income housing, while no other affordable housing exists. Most homeowners' property was damaged or destroyed, depending on where they lived and how high the water level rose. Stagnant water and a slew of toxins have made the viability of the city's soil, water and air questionable. Many of the areas' professionals, including much of its black middle class, have been displaced. Most of the hospitals remain closed. Public schools were shut down for the 2005-2006 school year, and less than half of the schools opened last fall. Medical services and schools are inadequate for the population living in New Orleans. Churches, synagogues and other places of worship have been destroyed. Plans drafted for rebuilding New Orleans center on the downtown business district and tourist industries and could result in a city that is more white, more affluent, and more unequal.

This paper deals with one aspect of the crisis – how workers are treated. Interfaith Worker Justice makes a series of grounded recommendations that addresses the immediate crisis caused by existing employment and labor laws going unenforced, and calls for a strategy to use government funding to create a high-wage, good-jobs economy. This analysis covers only a small section of the elephant. IWJ welcomes partnering with other organizations and faith institutions that are fighting for good housing, education, health, and other priorities needed to rebuild the Gulf Coast with justice and equity.



*God hates those
who say one thing
in the mouth and
another thing by
their deeds.*

–Talmud Pes. 113b



Insuring Worker Abuse

Within days of Hurricane Katrina, President George W. Bush began issuing what would become a series of executive orders affecting the rebuilding of the Gulf Coast. A generous interpretation is that the government wanted flexibility to deal with the historically unprecedented scale of cleanup and reconstruction. But another message was conveyed to large and small companies that cashed in on the disaster – you can operate unimpeded.

1. **August 30, 2005: Suspension of Safety Enforcement.** As was the case in New York City after the September 11 attacks, OSHA enforcement was suspended in the hurricane-impacted region. Instead of enforcing health and safety standards, OSHA provided “technical assistance” to employers and workers. The DOL posted safety announcements on its Web site and dropped leaflets at various work sites. Meanwhile, clean-up workers handled and inhaled mold, arsenic, petroleum, asbestos and other toxins. Under a normal enforcement protocol, employers would be fined for failure to provide appropriate safety training (which must be provided in a language that workers understand) and for not providing necessary protective equipment, such as respirators and gloves. On

January 25, 2006 OSHA announced that it would resume enforcement – *except in seven of the hardest hit parishes, including New Orleans and surrounding areas.*⁵

2. **September 6, 2005: Suspension of Requirement to Check Documents.** The Department of Homeland Security (DHS) announced it would not sanction Gulf Coast employers, for a period of at least 45 days, for hiring workers who could not present documents normally required by federal immigration law.⁶ This was deemed necessary in light of the destruction of property and personal effects suffered by thousands of Gulf Coast residents. However, it also sent a signal to contractors, subcontractors and labor agents, many of whom began recruiting and transporting undocumented workers to the region.⁷ Many of these workers experienced horrendous living and working conditions, including wage theft by employers who would cite lack of identification or other reasons for failure to pay for work performed. Immigrant workers were housed in deplorable conditions in barracks, camps, makeshift shelters in cardboard boxes or abandoned cars. DHS reversed its earlier decision on employer responsibility to check documents on Oct. 21, 2005.⁸

3. **September 8, 2005: Prevailing Wage Requirement Suspended.**

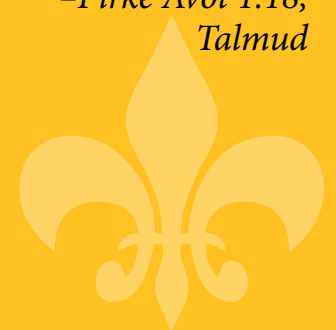
By executive order, President Bush waived the Davis-Bacon Act requirements for areas affected by Hurricane Katrina. Davis Bacon mandates that private contractors receiving federal dollars pay at least the prevailing industry wage of the region where work takes place. The prevailing wage in Louisiana for laborers was already a low \$9.26 per hour,⁹ but that standard was no longer the minimum benchmark. Contractors were now free to pay the federal minimum wage of \$5.15 per hour (and often less, when engaging in wage theft), with no limits on profit-taking. Revoking the law in the name of a national emergency sent a signal to federal contractors that they could drive down labor costs in a wide-open “Wild West” market. In response, IWJ joined with unions, worker advocates and members of the president’s own party to pressure for a repeal of the Davis-Bacon waiver. The White House rescinded its order, effective November 8, 2005. However, all of the contracts (including \$500 million contracts expandable up to \$1 billion) that were already awarded remained exempt from Davis-Bacon requirements.¹⁰

4. **September 9, 2005: Suspension of Affirmative Action Requirements.** The immediate federal response

to Katrina exposed the reality of ongoing U.S. racism, as thousands of African American and poor New Orleans residents were left behind. President Bush used the word racism in a speech days after the storm hit shore, decrying its existence and vowing to do everything it takes to help the region recover. One response that could have linked combating racism with the rebuilding process would have been to award contracts to local and minority firms wherever feasible. Another response would have been to follow existing law, which required federal contractors to develop and implement anti-discrimination and affirmative action plans. Instead, the DOL exempted contractors bidding on Gulf Coast work from the requirement to submit a written affirmative action plan to the OFCCP, ostensibly to allow companies to expedite work without burdensome paperwork. But contracts were let quickly, many with few or no bids, to large military and disaster recovery contractors such as Kellogg Brown and Root, a subsidiary of Halliburton, and the Bechtel Group.¹¹ As of October 4, 2005, only 1.5 percent of the \$1.6 billion in Katrina and Hurricane Rita-related contracts let by FEMA had gone to minority businesses, well below the already low goal of 5% required to meet federal standards.¹²

*Rabban Simeon,
son of Gamliel,
said, “On three
things the world
stands: On Justice,
on Truth, and
on Peace. When
justice is done,
truth is achieved
and peace is
established.”*

*–Pirke Avot 1:18,
Talmud*



Bearing Witness for Workers' Rights

IWJ published an analysis of government contracting and labor conditions in the Gulf Coast on the six-month anniversary of Katrina. Among the issues noted on the ground was the lack of accountability caused by the use of many layers of subcontractors, resulting in workers such as Lorenzo not knowing who they worked for and leaving them no recourse if they had been cheated out of their wages or experienced other employment or labor law abuses.¹³

As part of IWJ's New Orleans Worker Justice Summer internship, six interns and their supervisor conducted a survey of 218 workers in New Orleans in July and August of 2006.¹⁴ The purpose of the survey was to understand labor abuses and the extent to which workers in New Orleans were aware of the DOL or other resources they could utilize to protect their rights.

The survey provides a broad picture of workers in New Orleans today. Forty-nine percent of respondents were African American, 41 percent Latino, and 11 percent white (numbers have been rounded). In addition to clean-up and construction workers, participants in the survey included retail and hospitality employees, cooks, drivers, social service workers, day laborers, home health care workers, a church secretary, bank tellers, accountants, cleaners, painters, demolition workers, landscapers, security guards, janitors, a court reporter and a

woman caring for her dying mother. The survey was conducted at laundromats, day labor corners, churches and on the street in front of grocery stores and pharmacies.

Key results include:

- 47 percent of workers reported not receiving all the pay they were entitled to while working in New Orleans since Katrina.
- 55 percent said they received no overtime pay for hours worked beyond 40 hours per week.
- Most of the participants who said that they received overtime were not compensated at time and a half, the amount mandated by federal law for hourly employees working more than 40 hours per week. Only 21 percent of those saying they received overtime were able to indicate they received time and a half, representing just nine percent of all respondents.
- 58 percent said they had been exposed to dangerous substances at work such as mold, contaminated water or asbestos.
- 42 percent believed they had been unfairly fired or disciplined.
- 29 percent believed they had been the victim of discrimination at work.
- Yet only 11 respondents, .05 percent, filed any complaint about labor abuses.
- While 42 percent responded that they had seen or heard information about what to do if abused at work, not one worker mentioned the DOL as either the source of

*And what does
the Lord require
of you? To act
justly and to
love mercy and
to walk humbly
with your God.*

—Micah 6:7-9



information or as an agency at which one could file complaints. Rather, typical responses to the question of where one should go with a complaint included to the boss, to the employee manual or, (for fortunate workers), file a grievance with their union. The total lack of knowledge about the DOL was even more surprising since these questions followed immediately in the survey after those asking whether they had ever heard of the U.S. Department of Labor or OSHA.

- 36 percent said they felt unsafe filing a complaint with a government agency.

IWJ's Survey Results Support Other Findings

IWJ's findings are in line with those of several recently published studies that paint a stark picture of workers' lives in New Orleans since Katrina. "And Injustice For All" is the product of a collaborative study conducted by the Advancement Project, National Immigration Law Center and New Orleans Worker Justice Project. A team of law students and other volunteers interviewed more than 700 workers, including many displaced to other cities.

The report documents the "actions and inactions" of public officials and private businesses in shaping a system that has excluded African Americans from participating in the rebuilding, exploited Latino workers and incited divisions between communities of color in the interests of maximizing profits.¹⁵

Another collaborative study, "Rebuilding After Katrina," was published by the International Human Rights Law Clinic, the Human Rights Center of the University of California Berkley and the Payson Center for International Development and Technology Transfer. Based on a random sample of 212 New Orleans workers in the construction industry and other measures, the following data was cited:

- Nearly half of the reconstruction workforce was Latino; 54 percent of the Latinos workers were undocumented.
- 29 percent reported working with harmful substances; 27 percent in dangerous conditions.
- 34 percent of undocumented workers, compared to 16 percent of documented, reported being paid less than what they were owed.
- Only 29 percent of workers who worked more than 40 hours per week reported receiving overtime pay.¹⁶

Wendy's Story

Wendy, an African American woman in her late thirties, worked as a housekeeper at a nursing home in St. Bernard Parish. IWJ interns met her at a laundromat in Gentilly, a New Orleans neighborhood that, as of the summer of 2006, remained mostly uninhabited, with piles of rubble everywhere. Wendy worked full-time — most weeks went well beyond 40 hours. Her employer said that everyone had to make sacrifices since things were hard after the hurricane. "He told me the nursing home would not be paying overtime because after Katrina they were on a very tight budget. 'If we started paying overtime we'd have to lay people off or cut their salaries. You know your pay is a lot better than it could be.'"¹⁷

While Wendy was forced to listen to the hard luck story of her boss, the reality is the nursing home violated the law which mandates time and a half pay for all hours beyond 40 per week.

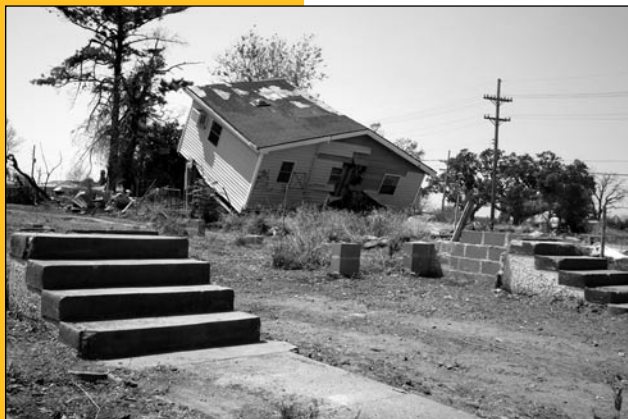
Come unto me all who labor and are heavy burdened, and I will give you rest.

—Matthew 11:28



How has the U.S. Department of Labor Responded to the Crisis?

The Southern Poverty Law Center (SPLC) filed two lawsuits in February 2006 on behalf of more than 1,700 workers. The suit against Belfor USA Group, a Michigan-based corporation that was awarded large private contracts to clean and restore 60 Wal-Mart stores, a casino and a university, and public contracts to restore county office records, alleged that the company used a subcontractor to avoid paying overtime to more than 1,000 workers. The suit was settled in September 2006 with Belfor agreeing to reimburse unpaid overtime and to ensure that the company and its subcontractors complied with all facets of the Fair Labor Standards Act (FLSA).¹⁸ LVI Environmental Services, based in



New York, was also sued for allowing a subcontractor to pay no wages at all to more than 700 workers who cleaned public schools in New Orleans.¹⁹

SPLC jumped into the lurch with private lawsuits to enforce the FLSA. It is the job of the DOL

Wage and Hour Division to enforce the FLSA, but given the prevalence of wage theft, non-payment of overtime, and other wage violations, the DOL's capacity was called into question. At a time when the strongest message to employers was needed that labor law abuses will not be tolerated, a message that could only be delivered by targeted investigations and substantial penalties, the DOL proved ineffective at best. When announcing these lawsuits, SPLC decried that the DOL and its Occupational Safety and Health Administration (OSHA) were "woefully under-staffed and under-funded," and that OSHA's Louisiana office lacked a single Spanish-speaking investigator.²⁰

After Katrina, IWJ created the Gulf Coast Commission on Reconstruction Equity (GCCRE), consisting of religious and labor leaders, workers' right activists, and contracting experts. Two members of the GCCRE testified at the federal Acquisition Advisory Panel about the situation in the Gulf Coast and the need to establish contracting criteria that promote local economic development and protects workers.²¹ IWJ and GCCRE also established dialogue with contract officers at the Federal Emergency Management Administration (FEMA) and the Army Corps of Engineers (ACE). In discussions with staff at these federal agencies responsible for letting billions of dollars of cleanup and rebuilding contracts, the federal officials claimed

they had no legal jurisdiction over the labor practices of sub-sub contractors below the prime contractors who received the awards. Both ACE and FEMA pointed to the DOL as the agency that should be handling these concerns.

Coordination was supposed to take place under the aegis of the Gulf Coast Recovery and Rebuilding Council, reporting directly to the President. The Council included FEMA, ACE, the DOL and all other federal agencies that had a role in the rebuilding effort. But a government that had been starved by years of budget cuts and tax cuts, and which privatized many of the basic public functions of disaster relief, was not up to the job of coordination. Billions of dollars in contracts would be let to known labor law violators, and the DOL was left responsible for policing the ensuing chaos.²²

IWJ and other advocacy organizations participated in a meeting with DOL Wage and Hour Administrator Alfred Robinson in February 2006. Even though a set of questions was provided to the DOL in advance, including questions about DOL staffing levels in the Gulf Coast, none were answered at the February meeting.²³ WHD administrators Alex Pasantino from Washington D.C. and Barbara Hicks from New Orleans attended the IWJ Board and GCCRE meeting held in New Orleans on April 3, 2006. They stated that the staffing level for New Orleans was adequate, with staff

from other offices being rotated in to complement the existing personnel.

IWJ leadership found the DOL's responses wholly inadequate to deal with the magnitude of worker abuses in the Gulf Coast. In July of 2006, IWJ filed Freedom of Information ACT (FOIA) requests with OSHA and the Wage and Hour Division (WHD) to ascertain staffing levels, enforcement policies and investigation results in New Orleans in the years prior to and following Hurricane Katrina. OSHA acknowledged receipt of the FOIA but never responded. WHD responded but withheld most information on dubious grounds. For example, IWJ requested documents providing WHD policies and procedures regarding enforcement activities at work sites that are *not* the result of individual complaints. But the DOL FOIA officer denied any information on department policies, saying that providing this information could compromise law enforcement.²⁴

But the DOL did report on staffing and numbers of investigations conducted by its New Orleans WHD office, by claiming that five WHD investigators staffed New Orleans prior to Katrina, and five staff worked after the hurricane. According to the FOIA response, sometime after Katrina two additional part-time investigators were rotated in to New Orleans from other WHD offices on a two-week basis. But the number of concluded investigations of wage and

Suzanne's Story

Suzanne, an African American woman, worked for a concessions vendor at the Superdome before Katrina. She never received her final three weeks' pay. After the storm, she returned to the Superdome to provide whatever help she could to the desperate and stranded. Suzanne was told that she would be paid for her service, but has received nothing. IWJ interns met her at the St. Jude Community Center, a homeless shelter, where IWJ was holding a workers' rights workshop. Suzanne was homeless.²⁵



Juan's Story

Another member of the walking wounded, Juan was notably limping and grimacing when IWJ interns met him at the day labor corner by the Shell station on St. Claude Ave. He hurt his knee on a demolition job. Standing and walking were both painful tasks, but even so he stood waiting for the next car to pull up that might mean work for the day. Juan had no idea what his rights were concerning work place injuries, and no plan except to continue working.²⁶

hour complaints *decreased* from 70 in the year preceding Katrina to 44 in the year after Katrina, a 37 percent drop.²⁷ This is surprising. More cases should have been pursued, not less, given the widely reported and acknowledged extent of post-Katrina abuses and the changes in the labor force in New Orleans. Forty-four cases is a drop in the bucket, hardly a deterrent in a labor market in which employers are willing to commit wage theft and fraud and the majority of workers work more than forty hours without receiving overtime pay. But it is not surprising when one looks at both the long term and recent decline in the national capacity of the Department of Labor to pursue its vital calling to defend the rights of American workers.

DOL – Measures of Decline

The Department of Labor has historically received bipartisan support. The Bureau of Labor, which was the predecessor to the modern DOL, was created in 1884 under Republican President Chester Arthur, while the current cabinet-level department was established in 1913 under Democrat Woodrow Wilson. The Occupational Health and Safety Administration (OSHA) was created as a division within the DOL in 1970, an initiative of the Nixon administration. The problems of the DOL also span Democratic and Republican administrations. By various measures,

DOL investigative and enforcement capacity has declined significantly since the mid-1970s.²⁸

The Brennan Center for Justice issued a short paper in 2005 documenting trends in WHD enforcement between 1975-2004, based on data received from the DOL through a Freedom of Information Act request. Key findings showed that between 1975-2004:

- The number of WHD investigators dropped by 14 percent.
- The number of compliance actions (an indicator of the number of businesses investigated) declined 36 percent.
- The number of workers due to receive back wages fell 24 percent.

During this same period, the workforce in the U.S. covered by the Fair Labor Standards Act grew dramatically – a 55 percent increase in workers and a 112 percent jump in covered establishments.²⁹ WHD capacity shrank while its scope of coverage or potential “caseload” exploded.

In an earlier study, Howard Wial of the Keystone Research Center wrote of the DOL WHD, “The resources of the Department’s enforcement arm have diminished over time, whether measured by inflation-adjusted budgets, the number of its investigators, or the number of enforcement actions it has



taken.” Between 1979-1998, WHD’s budget in constant dollars had gone down seven percent, the number of compliance actions had fallen 32 percent and the number of investigators dropped 13 percent. Again this was occurring in a backdrop of rising numbers of workers and businesses.³⁰

OSHA fared no better. Between 1977-2006, inflation-adjusted annual spending at OSHA declined from \$2 to \$1.6 per capita, a 25 percent decrease.³¹

Another measure to examine the DOL’s capacity over time is the total agency’s full-time staff per million people in the population. Just as in the spending per capita data for OSHA, this takes into account the growth in the number of people protected by the DOL. Between 1975-2003, there was a decline of 18 percent in full time staff at the DOL.³²

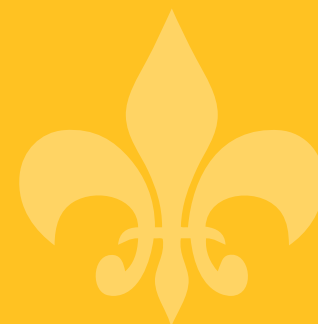
The DOL mechanisms for setting prevailing wages have come under scrutiny and criticism by the non-partisan U.S. Government Accountability Office (GAO), the investigative arm of Congress.

The GAO found that the Wage & Hour Division (WHD), which determines prevailing wages in a region, does not include a description of its methodology, leaving its methods non-

transparent. Unions, contractors, other federal agencies and employees have complained that prevailing wages may not accurately reflect local wage conditions. The GAO also found that WHD “may be overlooking some... violators and industries that need further enforcement.”³³

A major issue in today’s labor markets is the misclassification of employees as independent contractors, allowing workers to fall outside the protections of the Fair Labor Standards Act, be liable for higher levels of taxation and ineligible for employee benefits. Another recent GAO report found that DOL investigators often avoid looking at this issue, since misclassification is not a direct violation of the FSLA. “...But (misclassification) may contribute to FSLA minimum wage and overtime violations or violations of tax, workers’ compensation, or unemployment insurance laws.”³⁴

GAO recently found that the DOL’s OSHA strategy to protect workers’ safety needs to be reviewed, suggesting that OSHA is one of a small number of federal agencies needing oversight by the newly elected 110th Congress.³⁵



Immigrant Workers: The View from the IWJ Network of Workers' Centers

The DOL has traditionally defended the rights of workers in the United States regardless of immigration status. While debate rages today about how to respond to the influx of immigrants in the American workforce, the DOL has not changed its public commitment to upholding wage and hour and health and safety laws for all workers, including requirements that employers provide workers' compensation, overtime pay scales, prevailing wages on federal contracts, compensation at or above minimum wage, and proper safety equipment and training. In addition,



the National Labor Relations Board does not distinguish between undocumented workers and others when determining workers' eligibility for union membership or whether labor rights have been violated in

the course of a union organizing drive or contract campaign. When these rights are eroded for some workers, standards for all workers are eroded.

However, immigrant workers are often much more vulnerable to workplace abuses than others. Employers who hire

large numbers of immigrant workers often threaten to call immigration authorities when workers try to organize a union or complain about conditions.

There have been instances in which the federal government contributed to the fear within immigrant communities of contacting government agencies to address issues of worker rights abuse. On July 6, 2005, Immigration & Customs Enforcement (ICE) agents posing as OSHA inspectors arrested and detained over four dozen construction workers at a North Carolina Air Force base, placing more than 20 in deportation proceedings. Flyers had been passed out to these workers in English and Spanish, printed on OSHA letterhead, telling them to attend a mandatory health and safety meeting. While the DOL and OSHA decried this raid, a message was sent that immigrants might not be safe in bringing complaints to the U.S. Department of Labor.^{36 37}

Workers' Centers that are part of the IWJ network experience constant roadblocks when attempting to work with the DOL to enforce labor laws, roadblocks that are often the result of a passive complaint-driven approach rather than a policy of targeted investigations of hot spot industries and employers.³⁸ The Workers Defense Project of Austin, Texas asked the DOL to investigate unpaid wages at a restaurant. The DOL refused to investigate, saying the establishment fell below the threshold for investigation in both number of employees and in annual



revenue. The DOL accurately followed its own law and procedures. But the restaurant was part of a national chain, and workers felt that the DOL could be flexible and respond, at minimum, with appropriate referrals. Receiving no help from the DOL while hearing about recent ICE raids in Texas, immigrant workers have become fearful of filing a complaint or seeking assistance from any government agency.³⁹

There are only two DOL investigators in the Cincinnati, Ohio area, neither bilingual. ICE raids have emboldened employers to violate rights. The Cincinnati Workers' Center has received an escalating number of complaints from workers. A home construction firm threatened workers that it will call ICE if they file any complaints with the DOL.⁴⁰

"A good percentage of our cases come from Latino immigrants who work for medium and large companies," said Jean Geraci of Voces de la Frontera Workers'

Center in Milwaukee, Wisconsin.

"Workers here are often contacted and 'employed' by one individual, and may not know who the company they work for is. These workers are overworked, underpaid, denied overtime pay and tossed aside once injured. It is not uncommon for employers to respond to workers' requests for their paychecks by saying, 'I'll pay you when I'm able. And if you say anything to anyone, I'll report you to immigration.' Workers who are trying to form a union have become much more fearful after ICE raids and employer threats to call ICE."⁴¹

The Chicago Interfaith Workers' Center reports similar abuses. One employer denied workers their paychecks, forced them to work 75 hours or more without overtime pay, provided no safety equipment, threatened to call immigration authorities, and fired workers who complained.⁴²



*Woe to those that
deal in fraud.
Those who when
they have to
receive by measure,
from men exact
full measure, but
when they have to
give by measure,
or weight...give less
than due.*

–Qurʾān 83:1-3

Ideology Trumps Faithfulness

A traditional Chamber of Commerce position is that government regulations are bad for business (and for workers). Advocates of this viewpoint hold that government should work with business through voluntary compliance programs, rather than force businesses to comply through costly regulations. This position remains consistent whether the issue is labor protections or pollution. This is an ideology that informs the policies and practices of the Bush administration and has further weakened enforcement of workers rights.

New Wage and Hour Division Administrator Paul DeCamp made clear that the primary tool in his enforcement arsenal would be complaint-driven rather than targeted investigations. In response to questions submitted by the Senate minority during his confirmation process, DeCamp stated, “Wage and Hour must promptly process and investigate complaints it receives alleging violations of the law. *That activity accounts for most of Wage and Hour’s*

enforcement work, and I would continue to emphasize that aspect of the agency’s operations” (emphasis added).⁴³ DeCamp was later appointed by President Bush as a recess appointee, and was thus able to bypass Senate confirmation.

During the Clinton Administration, a U.S. House Subcommittee asked the DOL’s Office of Inspector General (OIG) to perform an audit of the DOL’s investigations of Fair Labor Standards Act abuses. The OIG Inspector General acknowledged that low-wage workers are unlikely to file complaints. The report, issued in 1997, found that approximately 70 percent of FLSA investigations are in response to individual complaints, while 30% target employers chosen at random from industries in which there was a history of past problems.

Fast forwarding, the 2008 DOL budget request for Wage and Hour enforcement seeks \$118,153,000 to “Maximize the Impact of Complaint Cases” and \$35,258,000 to “Increase Compliance in Low-Wage Industries.” The budget for targeted investigations has dropped to 23 percent while individual complaints



now take 77 percent of the budget. Thirty five million dollars is expected to enforce wage standards across the entire nation, even while the budget document acknowledges that it can't accurately measure the "impact of known factors, much less anticipate new issues that may arise, such as the compliance situation that emerged in the aftermath of Hurricanes Katrina and Rita." The Department also recognizes "a high correlation between workers' immigrant status and the probability they will be underpaid..." In industries with high percentages of immigrant workers, the DOL found that violations of wage and hour laws in companies investigated occur in:

- 90% of landscaping companies
- 78% of construction companies
- 67% of garment contractors
- 63% of agricultural businesses.⁴⁴

Although IWJ believes that businesses should voluntarily set high standards in their treatment of workers, indeed higher than those mandated by statute, legal standards must be enforced through targeted investigations. Worker Centers' members and staff in the IWJ network attest to the widespread wage theft and exploitation of workers occurring throughout this society. Leaving labor law compliance up to the voluntary goodwill of employers is a recipe for greater abuse. The current complaint-based approach and inadequate pursuit of targeted investigations is not working and should be dramatically altered.

Employer lawlessness takes place where it is allowed to occur. Without effective labor law enforcement in New Orleans and elsewhere, the cost of violating the law is miniscule and the gains from depressing labor costs are substantial.

Call to Action

Government action can and should assure that every worker receives fair pay, works in a safe environment and has his or her rights respected. Interfaith Worker Justice calls upon:

1. Congress to strengthen and expand the U.S. Department of Labor, especially the Wage and Hour Division and the Occupational Safety and Health Administration, to protect workers and prosecute companies that routinely violate the law. Congress must enable the DOL to:
 - Increase the number of investigators, including bilingual staff, by 33 percent in OSHA and WHD divisions.
 - Develop a public protocol, including unannounced visits, to enforce wage and hour and health and safety standards, targeting regions, industries and employers with widespread abuses.
 - Implement a campaign to inform the public, in all appropriate languages, that the DOL enforces laws for all workers, regardless of worker documentation.
 - Partner with worker rights advocates and unions to document and penalize employers who use threats of immigration enforcement to intimidate workers who complain about labor law abuses.
 - Collaborate with the faith community to carry out these reforms, especially since low-wage workers are much more likely to turn to faith organizations than to government.
2. The Department of Labor to expand its education and enforcement activities in the Gulf Coast without

*And who knows
but that you have
come to (great)
position for such
a time as this?*

—Esther 4:15



robbing other regions of needed staff. The DOL should:

- Budget for more investigators in the New Orleans office and other regional offices.
- Be transparent in all its operations, through open sharing of information, including the status of investigations and resource needs, with strategic partners, including the Interfaith Worker Justice Worker Center of New Orleans.
- Create a Community and Faith-based Task Force in New Orleans with faith groups, unions and other worker rights advocates to end labor abuses.
- Partner with the Interfaith Worker Justice Worker Center of New Orleans, which collaborates with both the labor and the religious community to provide a safe space for workers to learn about their rights and take action to improve conditions.

In summary, IWJ calls for Congress to overhaul the U.S. Department of Labor so that it proactively and powerfully protects workers' rights; for the DOL to dramatically increase the scale and scope of its enforcement activities in New Orleans and the Gulf Coast and nationwide; and for the DOL to partner with the Interfaith Worker Justice Center of New Orleans.

Another series of action steps is needed beyond labor law enforcement – a strategy of long-term investment that creates family-sustaining jobs – to transform New Orleans from a ravaged community without hope to a revitalized metropolis of justice. These efforts should include:

- *Quality jobs:* Regulations should tie the use of public dollars to requirements that ensure quality

jobs, with living wages, health and retirement benefits.

- *Workforce Development:* Louisiana and other Gulf Coast states should use their federal resources, including the Community Development Block Grant program and Wagner-Peyser Act and Workforce Investment Act dollars to create and train people for good and sustainable jobs. Unions should be supported in efforts to train workers for vital industries that include building trades, health care, and services. Workers' right to organize must be bolstered and protected.
- *Targeted Investments in High Road, High Wage Sector Programs:* Policy makers should support partnerships among employers, unions, religious and community groups to implement industry-focused investments that address specific workforce and economic development needs, in sectors of the economy that can support high-wage jobs.

These are steps towards a renewed New Orleans and a new Gulf Coast that can be a pillar of good jobs and fair and equitable social standards. Those displaced by Hurricane Katrina must have a meaningful path to return if they choose to do so, with decent and affordable housing, good schools and healthcare and the opportunity to contribute in a democratic society. These goals are part of IWJ's faithful commitment to a just rebuilding of the region. Through the Interfaith Worker Justice Center of New Orleans (IWJ-NOLA), IWJ will continue to engage in the rebirth of the region and raise a prophetic and critical voice about the rebuilding process, keeping paramount the needs of workers.

Voices of Faith

“All religions believe in justice” has served as the motto of Interfaith Worker Justice for more than a decade. IWJ serves in solidarity with faith communities in their commitment to living out the justice creeds and prophetic claims of their texts and traditions. The aftermath of Hurricane Katrina has called upon IWJ to join with organized labor, community groups, workers and faith communities in the historic struggle to ensure a just rebuilding of New Orleans. IWJ recognizes and lifts up faith leaders who are engaged in the daily work of charity and recovery, but whose convictions also lead toward advocacy and standing up for workers’ rights.

On August 15, 2005, Rev. Marta Valentin became the newly installed pastor of the historic First Unitarian Universalist Church of New Orleans (UUNO). Two weeks later, the first floor of the church, which had been an architectural monument in a city graced with beauty, was filled with three and a half feet of water. Since that time, Rev. Valentin has marched and protested on behalf of the vulnerable members of the community. UUNO runs one of the largest faith-based volunteer centers in the region. The church encounters Latino workers who are lured to New Orleans with the promise of new opportunities. Often they pay fees to unscrupulous contractors and are indebted to them indefinitely. With great frequency, undocumented workers are not paid and fear seeking redress because of their



immigration status. Rev. Valentin cannot ignore what she sees. “I have my hands filled with meeting day to day needs, but the church must become more involved in workers’ rights.”

Every night, 20 women and their children sleep at the shelter run by Our Lady of Guadalupe. They all work every day. “A lot of people are more discouraged than they were a year ago. We thought more would have been accomplished by now,” says Father Anthony Ricoli, O.M. His community center provides counseling and health care services to a growing population of homeless people in the city. Father Ricoli, who is also a professor at Holy Cross College, points out one of his parishioners who paid \$800 per month in rent pre-Katrina but now pays \$2200 in the post-Katrina unchecked market. He contends that this combination of skyrocketing rents and wage suppression and theft leads to homelessness. Parishioners have shared with him that contractors have been known to leave town before paying workers. “Longtime people from the community and new immigrants are both experiencing the same thing – unjust wages,” he decries.

Magnolia Market, located in the Central City area of New Orleans, was a thriving farmer’s market, pre-Katrina. Long lines snake around the corner now, as the market has become a food and clothing distribution site for Islamic Relief, a Muslim disaster relief organization. The organization has been receiving gifts from all over the Muslim world. It provides kitchen and bedroom kits to families that lost everything in the storm. “Over 200 people are served each day at the Magnolia Market,” says Ruben Vaughan, Director of Missions at Islamic Relief. “We mainly serve the



They said to me, "Those who survived the exile and are back in the province are in great trouble and disgrace. The wall of Jerusalem is broken down, and its gates have been burned with fire." When I heard these things, I sat down and wept. For some days I mourned and fasted and prayed before the God of heaven.

—Nehemiah 1:3-4

working poor. People who work everyday and cannot make ends met. Every little bit helps." Mr. Vaughan indicated that Islamic Relief is transitioning from disaster recovery to long-term recovery. He is particularly interested in helping those displaced to other cities and the unemployed return home to employment at living wages. In a determined tone, Mr. Vaughan noted: "People from New Orleans are not being allowed to work in other cities. They should be able to work and live at home."

Rev. Dr. Martha Orphe, a Louisiana native, serves as director of the Louisiana Mission Zone for the United Methodist Church (UMC). Rev. Orphe has witnessed the community ripped apart by natural disaster and governmental disregard. "How is God calling us to rebuild this community through our churches, like Nehemiah at the wall?" Rev. Orphe asks. With 47 UMC churches damaged by Katrina and Rita in New

Orleans, Rev. Orphe poses a tough question and offers a clear answer: "Churches must be focused on rebuilding community." Rev. Orphe has encouraged pastors to study the new post-Katrina realities in New Orleans and she has pastors re-developing congregations that respond to community needs. For example, a number of her pastors are learning to speak Spanish to address the needs of the increased Spanish-speaking immigrant population. Equally, she continues to encounter egregious workers' rights violations. To this end, one of her churches is focusing on providing help to workers who have been abused by employers. Given that all 47 churches are rebuilding and workers are involved in that process, churches survey contractors to make sure that they are paying fair wages and worker rights are being honored. Rev. Orphe concludes, "It is time for our churches to stand up for workers."

Then I said to them, "You see the trouble we are in: Jerusalem lies in ruins, and its gates have been burned with fire. Come, let us rebuild the wall of Jerusalem, and we will no longer be in disgrace."

—Nehemiah 2:17

These tragic but uplifting stories serve as the narrative that has become the Interfaith Worker Justice Center of New Orleans. Rev. Orphe and Rev. Valentin serve on the Advisory Board of IWJ-NOLA. They are committed to treating people's needs as holy. As this report documents, the U.S. Department of Labor has failed to protect workers and enforce basic labor employment standards. These faith leaders have responded to such failure by meeting the needs of the people, serving the vulnerable and working to call the government into account.

With this faith, the work of IWJ-NOLA shall include conducting workers' rights trainings throughout the city; filing wage recovery complaints with the federal government on the behalf of workers; offering G.E.D. and ESL classes; and above all remaining faithful to working towards a just rebuilding of New Orleans.

For more information please contact:
Abigail Thornton, Organizer, IWJ-NOLA
athornton@iwj.org

Interfaith Worker Justice Center
of New Orleans (IWJ-NOLA)
3500 Canal Street
New Orleans, LA 70119
(504) 309-1776

Ted Smukler, Director of Public Policy
Interfaith Worker Justice
tsmukler@iwj.org
(773) 728-8400, ext. 39



Gulf Coast Commission on Reconstruction Equity Members

Bill Beardall, Executive Director, Equal Justice Center and Director, Transnational Worker Rights Clinic, University of Texas School of Law

Sister Clarita Bourque, Coordinator, Marianite Bywater Project

Imam Mahdi Bray, Board Member, Interfaith Worker Justice and Executive Director, Muslim American Society Freedom Foundation

Bill Chandler, President and Executive Director, Mississippi Immigrant Rights Alliance

James Carter, SJ, Former President, Loyola University New Orleans

Linda Chavez-Thompson, Executive Vice President, AFL-CIO

Charlie Cray, Director, Center for Corporate Policy

Ramona Edelin, Vice-Chair, Black Leadership Forum

Bill Fletcher Jr., former President and CEO, TransAfrica Forum

Bunnatine Greenhouse, Former Principal Assistant Responsible for Contracting, Army Corps of Engineers

Jean Hardisty, President and Founder, Political Research Associates

Damen Hewitt, Assistant Counsel, NAACP Legal Defense Fund

Rev. Thomas Hoyt Jr., Former President, National Council of Churches USA and Presiding Bishop, Louisiana and Mississippi (District 10) Christian Methodist Episcopal Church

Rev. Nelson Johnson, Board President, Interfaith Worker Justice, Vice President, Pulpit Forum of Greenboro and Pastor, Faith Community Church

Bill Lucy, President, Coalition of Black Trade Unionists and President and International Secretary Treasurer, AFSCME

Father George Lundy, SJ, Pastor, Martin Luther King Catholic Student Center, Southern University

Bill Quigley, Director of the Law Clinic, Loyola Poverty Law Center, New Orleans

Mtangulizi Sanyika, Project Manager, African American Leadership Project and Co-Convener, New Orleans Ward Organization Committee of the Millions More Movement

Sidney Shapiro, University Distinguished Chair in Law, Wake Forest University and Member Scholar, Center for Progressive Reform

Interfaith Worker Justice New Orleans Summer Interns

Abdullah M. Al-Riyami
Juniata College
Huntingdon, Pennsylvania

Anne Boyd
Marquette University
Milwaukee, Wisconsin

Guillermo Carreon
Weston Jesuit School of Theology
Cambridge, Massachusetts

Ephious Davis III
Interdenominational Theological Center
Atlanta, Georgia

Madeline B. Lockett
Garrett Evangelical Theological Seminary
Evanston, Illinois

Cara Morton
Marquette University
Milwaukee, Wisconsin

Jesse Kehr, Supervisor

Interfaith Worker Justice Network of Workers' Centers

Northwest Arkansas Workers' Justice Center
Springdale, AR
(479) 750-8015; Julie Tolleson

Chicago Interfaith Worker Rights Center, Chicago, IL
(773) 728-8400; Adam Kader

St. Joseph Valley Project – Workers' Rights Center
South Bend, IN
(574) 287-3834; Juan Hernandez

Interfaith Worker Justice Center of New Orleans
New Orleans, LA
(504) 309-1776 x1710; Abigail Thornton

Washtenaw County Workers' Center, Ann Arbor, MI
(734) 474-7107; Julia Malette

Twin Cities Interfaith Center for Worker Justice
Minneapolis, MN
(612) 332-2055; Matt Gladue

MPOWER, Morton, MS
(601) 732-1898; Nikita Williams

New Labor, New Brunswick, NJ
(732) 246-2900; Rich Cunningham

Capital District Workers' Center, Albany, NY
(518) 482-5595; Gene Rodriguez

Western NC Workers' Center, Morganton, NC
(828) 432-5080; Francisco Risso

Central Carolina Workers' Center, Greensboro, NC
(336) 230-0001; Marilyn Baird

Cincinnati Workers' Center, Cincinnati, OH
(513) 621-5991; Don Sherman

Workers Defense Project/Proyecto Defensa Laboral
Austin, TX
(512) 391-2305; Cristina Tzintzún

Houston Interfaith Worker Justice Center
Houston, TX
(713) 862-8222; Annica Gorham

Madison Workers' Rights Center, Madison, WI
(608) 255-0376; Patrick Hickey

Voces de la Frontera Workers' Center, Milwaukee, WI
(414) 643-1620; Cristina Neumann-Ortiz

End Notes

- 1 Twelve of the largest initial contracts were let to AshBritt Inc., Bechtel Group Inc., Ceres Environmental, Clearbrook LLC, D & J Enterprises, ECC (Environmental Chemical Corporation), Flour Corporation, IAP Worldwide Services Inc., Kellogg Brown & Root (a subsidiary of Halliburton Company), LJC Construction (also known as LJC Defense Contracting), Phillips & Jordan Inc., and The Shaw Group Inc. Philip Mattera, “Profiles of 12 companies that have received large contracts for cleanup and reconstruction work related to Hurricanes Katrina and Rita,” prepared for Interfaith Worker Justice by Good Jobs First, March 2006; available from Good Jobs First, 1616 P St. NW, Washington D.C. 20036; also available at www.goodjobsfirst.org/pdf/contractorprofiles.pdf.
- 2 Mission statement, from the U.S. Department of Labor website, www.dol.gov/opa/aboutdol/mission.htm
- 3 Philip Matera, “Profiles of 12 companies...”, op. cit.
- 4 Interview by Jesse Kehr and Anne Boyd (July 20, 2006).
- 5 OSHA National News Release, “OSHA Resuming Regular Enforcement Along Most of U.S. Gulf Coast,” Jan. 20, 2006, available at www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=11805.
- 6 U.S. Department of Homeland Security, “Notice Regarding I-9 Documentation Requirements for Hiring Hurricane Victims,” 9/6/2005, available at www.dhs.gov/xnews/releases/press_release_0735.shtm.
- 7 For example, see the story uncovered by the Mississippi Immigrant Rights Alliance about workers imported to cleanup the Seabee Naval Base in Gulfport, MS, profiled in “Good Work and Fair Contracts: Making Gulf Coast Reconstruction Work for Local Residents and Businesses,” a publication of the Gulf Coast Commission on Reconstruction Equity and Interfaith Worker Justice, available at www.iwj.org/actnow/gccre/gccre_full_report.pdf.
- 8 U.S. Department of Homeland Security, “Notice Regarding I-9 Documentation Requirements for Hiring Hurricane Victims,” 10/21/2005, available at www.dhs.gov/xprepresp/programs/editorial_0751.shtm.
- 9 The prevailing wage is pegged to both the region and the type of work. More skilled construction trades, such as carpenters and electricians, have higher rates set for the prevailing wage than the rate for laborers.
- 10 The Presidential Proclamation rescinding the suspension of prevailing wage regulations limits this to “all contracts for which bids are opened or negotiations concluded on or after November 8, 2005,” thus leaving sub-prevailing wage rates intact for all contracts let previous to November 5. See “A Proclamation by the President: Revoking Proclamation 7924,” available at www.whitehouse.gov/news/releases/2005/11/20051103-9.html.
- 11 See “Good Work and Fair Contracts,” op. cit.
- 12 Associated Press, “Minority firms getting few Katrina contracts,” October 4, 2005, available at www.msnbc.msn.com/id/9590752.
- 13 “Good Work and Fair Contracts,” op. cit.
- 14 The survey was done in collaboration with the National Emotional Support Center of the Interdenominational Theological Center of Atlanta, Georgia. It consisted of two parts – a survey of mental health and social service needs in New Orleans and a survey of work experience. ITC generously supported the IWJ Worker Justice Summer Internship in New Orleans.
- 15 “And Injustice for All: Workers’ Lives in the Reconstruction of New Orleans,” available at www.advancementproject.org/reports/workersreport.pdf.

- 16 Laurel Fletcher et al., “Rebuilding After Katrina: A Population-Based Study of Labor and Human Rights in New Orleans,” International Human Rights Law Clinic, University of California, Berkley; Human Rights Center, University of California, Berkley; and Payson Center for International Development and Technology Transfer, Tulane University, June 2006.
- 17 Interview by Jesse Kehr, July 17, 2006.
- 18 “Katrina contractor agrees to pay wages to unpaid workers,” www.splcenter.org/news/item.jsp?aid=215.
- 19 For case information on *Navarrete-Cruz v. LVI Environmental Services of New Orleans, Inc.*, et al see www.splcenter.org/legal/docket/files.jsp?cdrID=54.
- 20 See www.splcenter.org/news/item.jsp?aid=174.
- 21 For information about the Federal Acquisition Panel, contact Lara Auletta, Designated Federal Officer, 1800 F Street NW, Room 4006, Washington D.C. 20405. Minutes of the June 14, 2006 AAP hearing, with testimony from GCCRE members Bill Quigley and Bunny Greenhouse, are available at www.acquisition.gov/comp/aap/documents/06%2014%2006%20Panel%20Meeting%20Minutes.pdf. Other submissions from IWJ and GCCRE to the AAP are available at www.acquisition.gov/comp/aap/documents/Gulf%20Coast%20Commission%2004%2020%2006.pdf and www.acquisition.gov/comp/aap/documents/Gulf%20Coast%20Commission%20%2006%2012%2006.pdf.
- 22 Philip Mattera. “Profiles of 12 companies...”, op. cit.
- 23 Paul DeCamp, who served as senior policy advisor to WHD responsible for post-Katrina Gulf Coast policy, was recently appointed by President Bush to replace Mr. Robinson as WHD administrator. Mr. DaCamp’s appointment was made during a Congressional recess and therefore was not voted upon by the U.S. Senate.
- 24 “The information related to this request is withheld pursuant to exemption 7 (e) of the FOIA. Exemption 7 (e) affords protections to all law enforcement information that would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.” Letter from Cynthia C. Watson, DOL Disclosure Officer, to Ted Smukler, IWJ Director of Public Policy, Aug 1, 2006.
- 25 Interview by Cara Morton, August 3, 2006.
- 26 Interview by Cara Morton, July 17, 2006.26
- 27 Letter from Cynthia C. Watson, op. cit. In addition there were nine open investigations from the year proceeding Katrina and 13 open investigations post Katrina, about which DOL refused to provide any information citing privacy concerns.
- 28 The National Employment Law Project recently released an excellent overview of policy issues and resources concerning wage and hour enforcement: “Holding the Wage Floor: Enforcement of Wage and Hour Standards for Low-Wage Workers in an Era of Government Inaction and Employer Unaccountability,” available at www.nelp.org/docUploads/Holding%20the%20Wage%20Floor%202Epdf.
- 29 Annette Bernhardt and Siobhan McGrath, “Trends in Wage and Hour Enforcement by the U.S. Department of Labor, 1975-2004,” Brennan Center for Justice at NYU School of Law, Economic Policy Brief No. 3, September 2005. Available at www.brennancenter.org/programs/downloads/trendswageshours.pdf.
- 30 Howard Wial, Keystone Research Center, “Minimum-Wage Enforcement and the Low-Wage Labor Market,” available at <http://mitsloan.mit.edu/iwer/tfwial.pdf>.
- 31 Data from the Department of Labor; chart prepared by Matt Fiedler, Center on Budget and Policy Priorities.
- 32 TRAC database – Transactional Records Access Clearinghouse, provides data on the operations of the federal government, and is associated with Syracuse University; see <http://tracfed.syr.edu>.

- 33 U.S. Government Accountability Office, "Service Contract Act: Wage Determination Process Benefit From Greater Transparency, and Better Use of Violation Data Could Improve Enforcement," GAO-06-27, December 7, 2005.
- 34 U.S. Government Accounting Office, "Report to the Ranking Minority Member, Committee on Health, Education, Labor, and Pensions, U.S. Senate, "Employment Arrangements: Improved Outreach Could Help Ensure Proper Worker Classification, GAO-06-656, July 2006.
- 35 U.S. Government Accounting Office, "Suggested Areas for Oversight for the 110th Congress," GAO-07-235R Potential Oversight Issues, November 17, 2006.
- 36 Tyler Moran, "North Carolina work site enforcement action puts workers at risk," National Immigration Law Center, Immigrants Rights Update, Volume 19, Issue 5, October 5, 2005., available at www.nilc.org/immsemplymnt/wkplce_enfrcmnt/wkplcenfr021.htm.
- 37 "Statement by AFL-CIO Executive Vice President Linda Chavez-Thompson on False OSHA Meeting Used by Immigration and Customs Enforcement in North Carolina Raid," July 14, 2005, available at www.afl-cio.org/mediacenter/prsptm/pr07142005.cfm (Linda Chavez-Thompson is a board member of IWJ).
- 38 IWJ coordinates a network of 16 workers' centers in Arkansas, Illinois, Indiana, Louisiana, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Texas, and Wisconsin.
- 39 Interview with Christina Tzintzun, Workers Defense Project/Proyecto Defensa Laboral, Austin, TX, Oct. 30, 2006.
- 40 Interview with Don Sherman, Cincinnati Workers' Center, Oct. 30, 2006.
- 41 Interview with Jean Geraci, Voces de la Frontera Workers' Center, Milwaukee, Wisconsin, Oct. 30, 2006.
- 42 Interview with Marikka Pretz-Andersen, Chicago Interfaith Workers' Rights Center, Oct. 30, 2006.
- 43 "Questions for Paul DeCamp, Nominee for Administrator, Wage and Hour Division, Submitted by the Minority."
- 44 U.S. Department of Labor FY2008 Detailed Budget Documentation, Employment Standards Administration Performance Chapter, ESA-15-16, available at www.dol.gov/dol/budget/2008/PDF/CBJ-2008-V2-08.pdf.

Interfaith Worker Justice Board of Directors

Co-Presidents: Rev. Nelson Johnson, Pulpit Forum of Greensboro and Faith Community Church, Bishop Gabino Zavala, Archdiocese of Los Angeles

Vice-President: Ms. Edith Rasell, Minister for Labor Relations, United Church of Christ

Public Policy Chair: Ms. Rosalyn Pelles, Dept. of Civil, Human and Women's Rights, AFL-CIO

Organizing Chair: Mr. Jeffry Korgen, National Pastoral Life Center

Communications Chair: Mr. Charles F. Whitaker, Medill School of Journalism, Northwestern University

Finance and Fundraising Chairs: Rev. Bennie Whiten, Jr., United Church of Christ, Mr. Monroe Sullivan, Retired Businessman/Social Activist

Board Development Chair: Rev. Darren Cushman-Wood, Speedway United Methodist Church

Mr. Hussam Ayloush, Council on American-Islamic Relations – Southern California

Imam Mahdi Bray,* Muslim American Society Freedom Foundation

Ms. Linda Chavez-Thompson, AFL-CIO

Mr. Robert DeRose, Barkan + Neff Law Offices

Dr. Mary Heidkamp, Dynamic Insights International

Ms. Karen McLean Hessel,* Justice for Women, National Council of Churches

Mr. John Hill, General Board of Church and Society, United Methodist Church

Rev. Daryl Ingram, African Methodist Episcopal Church

Rabbi Jill Jacobs, Jewish FundS for Justice

Rev. Jarvis Johnson, Walmart Watch

Ms. Susan Leslie, Unitarian Universalist Association

Ms. Linda Lotz, American Friends Service Committee

Rev. J. Herbert Nelson, Liberation Community Church

Rev. Sinclair Oubre, Catholic Labor Network

Sr. Mary Priniski, OP, Catholic Committee of the South

Mr. Bill Quigley, Loyola Poverty Law Center

Ms. Joanne Reich, Ministries with Women, Children, and Families

Mr. J. Chris Sanders, Political Consultant, UFCW

Mr. Thomas Shellabarger, U.S. Conference of Catholic Bishops

Rev. Dr. Paul Sherry,* National Council of Churches

Ms. Evelyn Shlensky,* Commission on Social Action of Reform Judaism (URJ and CCAR)

Ron Stief, Public Life and Social Policy, United Church of Christ

Rev. Phil Tom, Urban Ministry Office, Presbyterian Church USA

Special Advisors: Bishop Jesse DeWitt,** Retired, United Methodist Church

Rev. Jim Lawson, Holman United Methodist Church

Rev. Joseph Echols Lowery, Southern Christian Leadership Conference

Rabbi Robert Marx, Congregation Hakafa

Rev. Jim Sessions, United Methodist Church

Rev. Addie Wyatt, Vernon Park Church of God

Executive Director: Kim Bobo

** Former Board President, * Former Board Officer



Interfaith Worker Justice

1020 W. Bryn Mawr Ave., 4th Fl.
Chicago, IL 60660

(773) 728-8400

www.iwj.org