

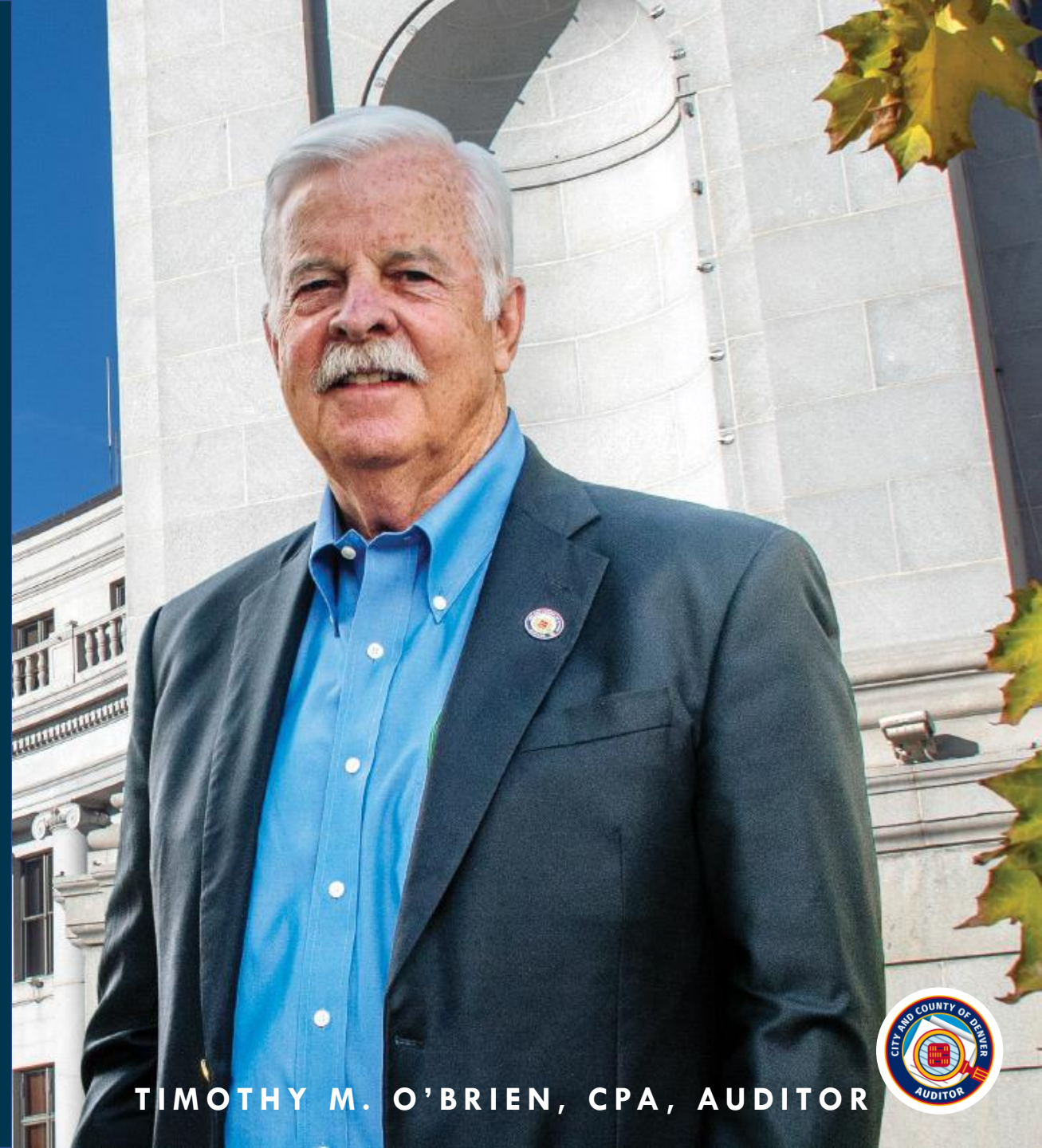


DENVER AUDITOR

“In 2023 the Denver City Council supported the growth of Denver's wage protections by passing the civil wage theft ordinance. Thanks to this continued support, we are able to help workers of all income levels receive the wages they earned according to law.”



Timothy M. O'Brien
Denver Auditor



TIMOTHY M. O'BRIEN, CPA, AUDITOR





AGENDA

1. Denver's Civil Wage Theft Ordinance
2. Wage theft and why it matters
3. Denver Labor's work in 2023
4. Looking ahead: next priorities

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DENVER'S CIVIL WAGE THEFT ORDINANCE

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CIVIL WAGE THEFT ORDINANCE

- On Jan. 9, 2023, the Denver City Council passed the city's Civil Wage Theft Ordinance, empowering and obligating the Denver Auditor to find, fix, and deter wage theft in all its forms.



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CIVIL WAGE THEFT ORDINANCE

- Doesn't create new substantive rights for workers.
- Created new procedural rights to expand access to justice.
- Broadened Denver Labor's enforcement authority.
- Created new remedies for wage theft.



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CIVIL WAGE THEFT ORDINANCE

- In many ways, 2023 was Denver Labor's most successful year to date:
 - ✓ Recovered more than \$2 million for 3,570 workers.
 - ✓ Audited about 96,000 payroll records.
 - ✓ Attended 45+ community events.

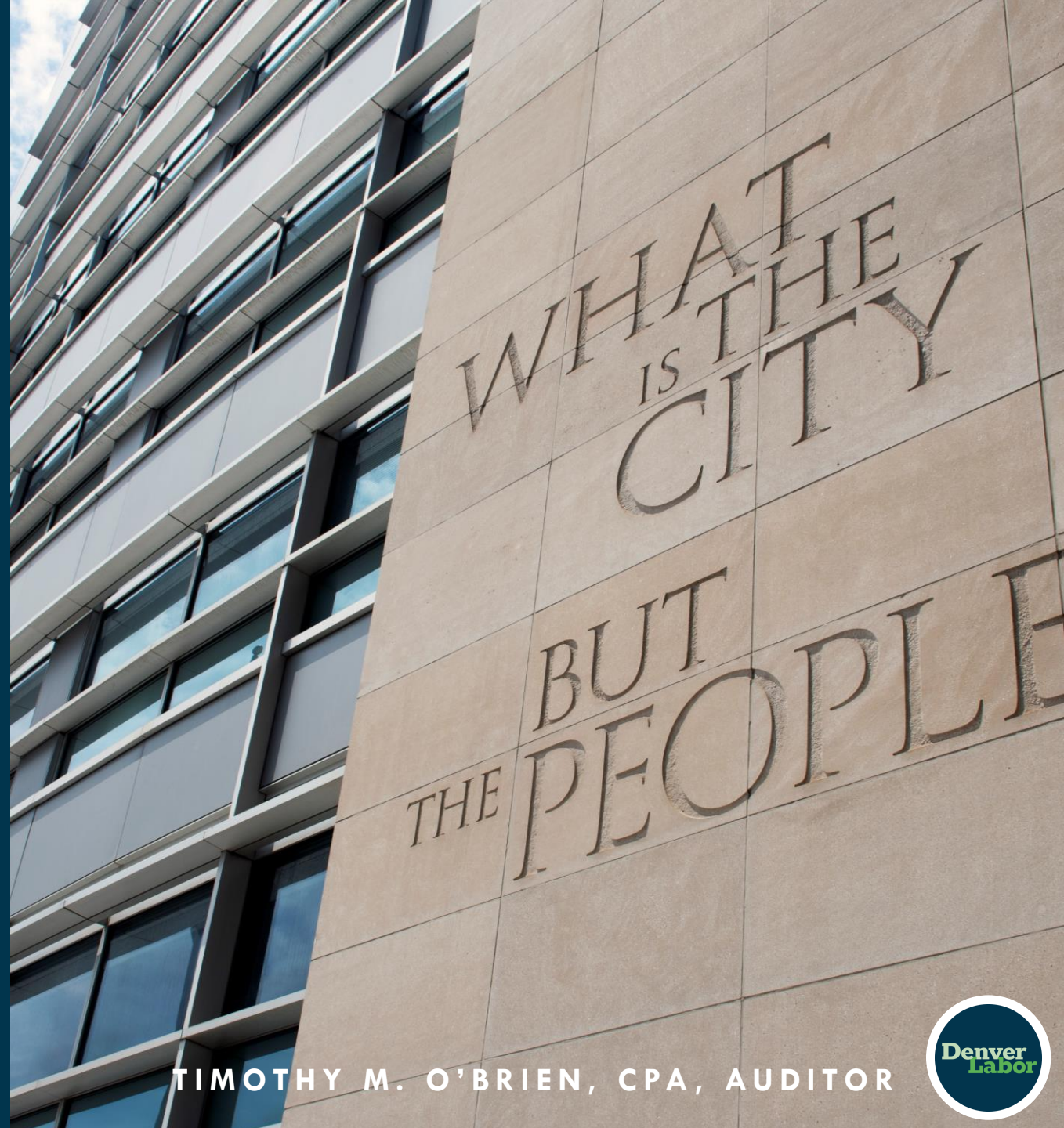


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CIVIL WAGE THEFT ORDINANCE

- There is more work that needs to be done:
 - ✓ Research indicates that in the City and County of Denver, tens of thousands of workers are victims of wage theft every year.



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WAGE THEFT AND WHY IT MATTERS

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WHEN AND HOW WAGE THEFT HAPPENS

- Wage theft occurs whenever a worker is denied the wages or benefits to which they are legally entitled under local, state, or federal law. This includes contract law.



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WHEN AND HOW WAGE THEFT HAPPENS

- Common examples of wage theft include:
 - ✓ Minimum wage violations.
 - ✓ Overtime violations.
 - ✓ Prevailing wage violations.
 - ✓ Paid sick and safe leave violations.
 - ✓ Rest break violations.



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THE PERSONAL AND SOCIETAL COSTS

- Across America, wage theft affects millions of workers, reduces personal incomes by thousands per year, and collectively costs low-wage workers billions in unpaid earnings.

BY THE NUMBERS

In 2017, the Economic Policy Institute analyzed minimum wage violations in the 10 most populous states. The policy institute found that every year in these states:

2.4 million

*workers suffer
minimum wage
violations*

*This wage theft
costs these workers
more than*

\$8 billion

*The average
affected worker
loses out on about*

\$3,300

Source: Annette Bernhardt et al., "Broken laws, unprotected workers: Violations of employment and labor laws in America's cities" (2009), National Employment Law Project.

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THE PERSONAL AND SOCIETAL COSTS

- Wage theft is a **social problem**: It is both a cause and an effect of economic insecurity. People with **low incomes** are significantly more likely to have their wages stolen, and those acts themselves perpetuate the cycle of poverty.

Source: David Cooper and Teresa Kroeger, 15-28; Matthew Fritz-Mauer, "The ragged edge of rugged individualism: wage theft and the personalization of social harm," University of Michigan Journal of Law Reform 54, no. 3 (2020): 735.



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DENVER LABOR'S WORK IN 2023

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MISSION AND STRUCTURE

- Denver Labor's mission is to protect Denver's workers and employers and ensure everyone is paid according to the law.
- We enforce the following ordinances:
 - Prevailing Wage.
 - Minimum Wage.
 - Civil Wage Theft.



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IMPLEMENTING THE CIVIL WAGE THEFT ORDINANCE

- This was the most important task in 2023:
 - ✓ Attended more than 45 community events.
 - ✓ Conducted extensive rulemaking to explain and clarify Denver Labor's interpretation of the Civil Wage Theft Ordinance.



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IMPLEMENTING THE CIVIL WAGE THEFT ORDINANCE

- ✓ Conducted extensive rulemaking to create clear and detailed Rules of Procedure for Hearings and Appeals.
- ✓ Hired new staff to meet our growing needs.
- ✓ Released hundreds of media pieces to educate workers and employers.



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IMPLEMENTING THE CIVIL WAGE THEFT ORDINANCE

- ✓ Updated internal policies to reflect our new authority to:
 - Investigate all forms of wage theft.
 - Apply penalties of up to \$25,000 per violation.
 - Impose 12% annual interest on unpaid wages.
 - Collect up to 300% of unpaid wages as damages.



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COMMUNITY-BASED, EDUCATION-FIRST ENFORCEMENT

- Denver's workplace laws are based around a simple ideal: honest labor deserves fair pay.
- Denver Labor relies on community partnerships, cutting-edge research, and cross-agency partnerships.

Strategic Enforcement

Strategic enforcement rejects a passive, complaint-based approach to civil rights enforcement. Instead, Denver Labor works to shift entire industries by proactively focusing on high-risk sectors and cost-effectively bringing justice to workers rather than waiting or relying on them to step forward.

Our enforcement approach is designed to use resources in the most efficient way possible and to create ripple effects that will broadly influence employers to follow the law.

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COMMUNITY-BASED, EDUCATION-FIRST ENFORCEMENT

- Our approach to enforcement included:
 - Investigating high-risk industries and workplaces.
 - Conducting employer-wide investigations.
 - Accepting anonymous complaints and from third parties.
 - Publicizing key determinations and naming bad actors.
 - Attending dozens of events to engage with the community.



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2023 RESULTS

- Compared to our 2022 reporting year, we collected 85% more money in restitution, assisted over 1,500 more workers, and closed 29% more cases with restitution.

New staff and legal authority allowed the division to help more workers and recover more money than ever before.

	2022	2023
Restitution recovered	\$1,101,738	\$2,043,086
Workers helped	2,061	3,570
Cases closed	454	586
Penalties issued	\$155,277	\$31,232.58
Average restitution per worker	\$534.56	\$572.29
Payroll records audited as part of prevailing wage enforcement	85,000+	96,000+

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2023 RESULTS: 24-7 INTOUCH CASE

- Our office received a wage complaint because 24-7 Intouch was not paying remote employees who live and work in the City of County of Denver the correct minimum wage.
 - After educating the employer, the business corrected the workers' wages.
 - Denver Labor recovered **\$334,211.23** for 161 employees.



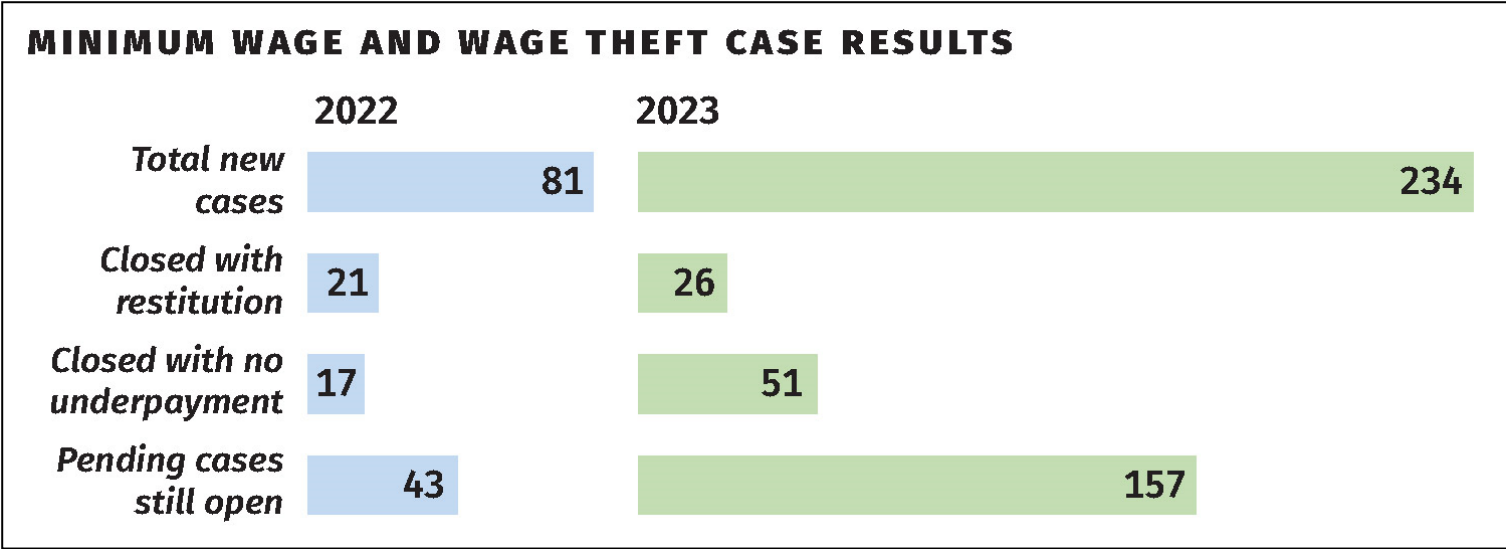
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OPPORTUNITIES FOR GROWTH AND IMPROVEMENT

- The number of cases per staff member increased.
- Denver Labor’s timeline for resolution averaged about 101 days.

The division’s expanded authority brought a nearly 300% increase in caseload for our civil wage theft team.



THE BROADER CONTEXT

- Low-wage workers frequently experience wage theft.
- Wage theft makes significantly more difficult to live and thrive in Denver.
- Workers rarely take formal legal action to assert their rights.
- They are afraid of retaliation.
- Many workers do not believe the government can or will protect their basic civil rights.



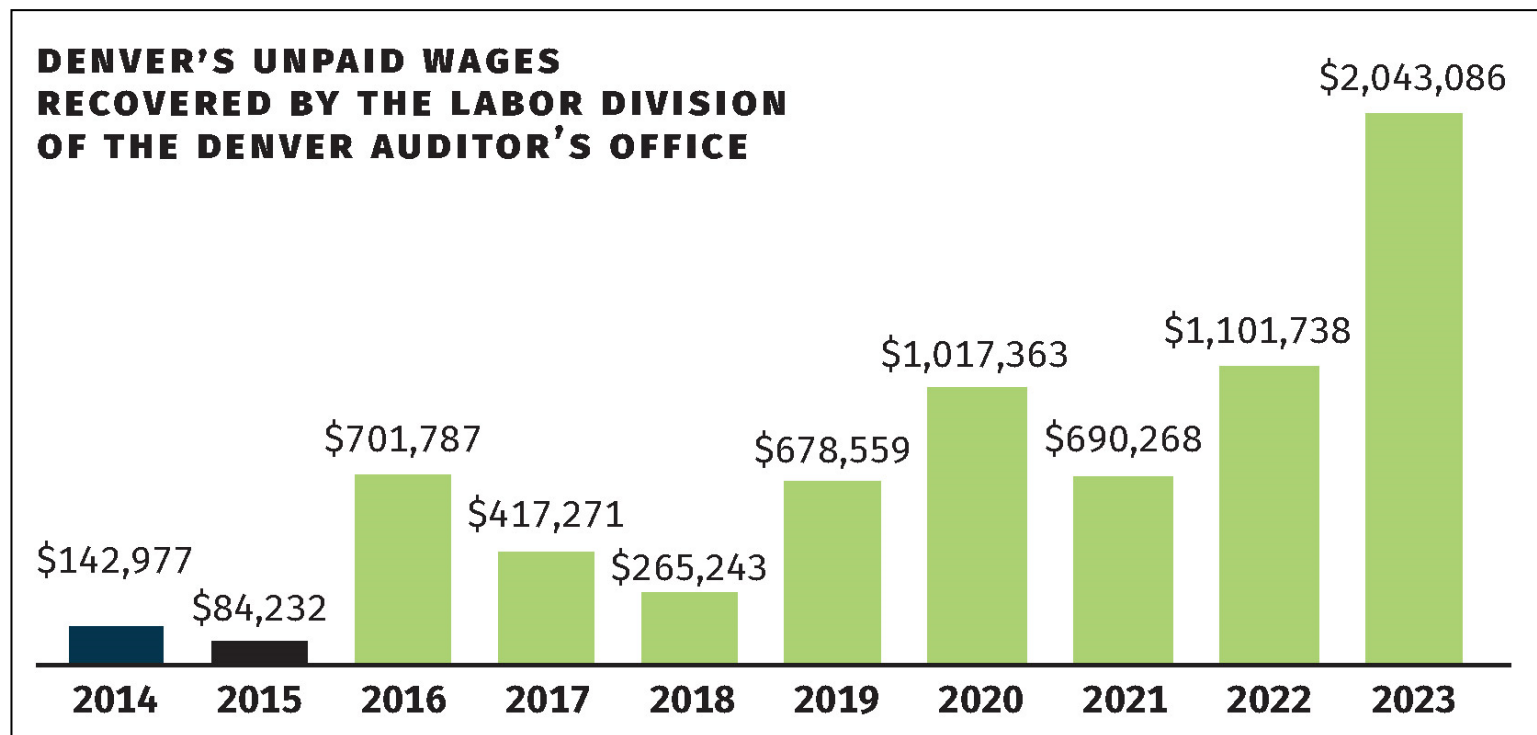
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THE BROADER CONTEXT

- The Civil Wage Theft Ordinance and the mayor's and City Council's investments in enforcement have made a real difference for Denver's workers.
- Both addressed the access to justice crisis.

Restitution for workers represents vindication and justice: confirmation for these workers that they and their rights matter.



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LOOKING AHEAD: NEXT PRIORITIES

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LOOKING AHEAD

- For many people, the government is their last, best, and only hope for wage justice.
- Too many barriers prevent workers from successfully asserting their own rights.
 - ✓ Denver's city leaders must be proactive in defense of those in our community who most need help.



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FUTURE RESEARCH

- We've partnered with researchers at the workplace justice lab at Rutgers University to have a much clearer understanding of:
 - ✓ How many people in Denver suffer minimum wage violations per year.
 - ✓ Which of our communities are most susceptible.
 - ✓ Which industries are at the highest risk.



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STRATEGIC PRIORITIES

- We've identified five high-risk sectors to focus on:
 1. Staffing agencies.
 2. Hospitality.
 3. Home healthcare.
 4. Nail salons.
 5. Border businesses.



The logo for Denver Labor, featuring the words "Denver" and "Labor" in a green, sans-serif font. "Denver" is positioned above "Labor", and both are set against a dark blue circular background.

Denver
Labor

THANK YOU

Denver Auditor's Office

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