

**STATEMENT OF
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SOLICITOR OF LABOR
OFFICE OF THE SOLICITOR
U.S. DEPARTMENT OF LABOR**

**BEFORE THE
COMMITTEE ON THE JUDICIARY
U.S. SENATE**

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Introduction

Chairman Durbin, Ranking Member Graham, and members of the Committee, thank you for the opportunity to testify today.

As you know, the Department of Labor is responsible for enforcing the nation's fundamental federal worker protection laws, including child labor laws. Many people believe exploitative child labor is a thing of the past, a hundred-year-old problem. But we know, unfortunately, that it is still very much a problem today.

Eighty-five years ago, Congress passed the Fair Labor Standards Act (FLSA), which included child labor provisions. Congress enacted these essential provisions to protect children in our industrialized economy and promote positive work experiences for young people by ensuring that when young people work, the work is safe, is age-appropriate, and does not jeopardize their health, well-being, or education.

While our economy has changed, the importance and relevance of these foundational principles remains.

As the challenge of child labor exploitation – including of migrant children – increases nationwide, the Department of Labor has taken significant actions to investigate child labor violations and hold companies accountable. The Department's Wage and Hour Division and the Office of the Solicitor are working collaboratively every day to leverage all available enforcement tools to protect children from exploitative labor and to hold employers accountable.

Importantly, the Department enforces all provisions of the FLSA without regard to immigration status; the law protects all young people from labor exploitation equally. While there remains much to do in the effort to root out child labor in this country, the Biden-Harris Administration and the Department of Labor are fully committed to using every lever at our disposal to stop the exploitation of young people in workplaces across the country. The Department, for example, is employing the “hot goods” provision of the FLSA, where appropriate, to stop the movement of goods made with child labor, seeking injunctions when necessary to immediately stop exploitative practices, taking prompt legal action when we discover that an employer is retaliating against employees for asserting their rights or cooperating with the Department, and identifying ways to ensure compliance up and down supply chains. We are equally committed to working with our federal partners, through the Department-led Interagency Task Force to Combat Child Labor Exploitation and beyond, to apply a whole-of-government approach to enhance federal efforts to protect children from exploitation and harm.

The Department of Labor’s Enforcement of Child Labor Laws

The FLSA prohibits the employment of children under the age of 18 in non-agricultural occupations deemed hazardous by the Secretary of Labor, and it restricts the type of work and hours of work that children under the age of 16 may perform in both agricultural and non-agricultural occupations. In FY 2023, the Department of Labor saw an 88 percent increase since FY 2019 in the number of children it has found employed illegally by businesses across the United States. The Department has worked to meet the challenge with robust enforcement actions.

The Wage and Hour Division of the Department investigates every child labor complaint, tip, and referral, and it ensures compliance with child labor protections in all of its FLSA investigations, including cases in which the complaint cites only wage violations. In Fiscal Year 2023 alone, the Department found 955 companies that it investigated had employed nearly 5,800 children in violation of labor laws. We also found 502 children employed in hazardous jobs last year, and the Department assessed more than \$8 million in civil money penalties against employers who employed children in violation of the law. Today, the Department has more than 800 open child labor cases nationwide while it continues to field complaints and initiate investigations to protect children across the country.

The Office of the Solicitor (SOL) works hand-in-hand with the Wage and Hour Division to enforce federal child labor laws, and SOL is using every resource at our disposal to root out exploitative child labor in our country. SOL attorneys are responsible for obtaining warrants; supporting and defending the Wage and Hour Division’s civil money penalty assessments; furthering the Wage and Hour Division’s enforcement of the FLSA’s “hot goods” provision by seeking a court order when necessary to stop the shipment of goods produced in violation of child labor laws in commerce; filing motions for temporary restraining orders or preliminary injunctions; and more. SOL also plays a lead role in crafting settlement terms that hold employers accountable and aim to improve compliance with child labor laws by companies up and down supply chains. When cases cannot be resolved at the investigation stage, SOL is the sole agency responsible for litigating these cases. In recent years, SOL has brought landmark cases to seek the immediate cessation of illegal child labor and require employers to institute enhanced policies and procedures to ensure compliance with child labor laws up and down supply chains.

In September 2022, the Department obtained a federal court order to stop SL Alabama LLC, an Alexander City, Alabama manufacturer of Hyundai and Kia auto parts, from illegally employing 13-, 14- and 15-year-old workers, and to prevent the company from shipping or delivering any goods produced in violation of federal child labor laws. The U.S. District Court for the Middle District of Alabama permanently enjoined SL Alabama LLC from violating the FLSA’s child labor provisions and from shipping any goods produced within 30 days of a child labor violation.

Soon after, in November 2022, the Department filed an action in federal court seeking a nationwide temporary restraining order and injunction against Packers Sanitation Services Inc. LTD (PSSI)—one of the nation’s leading providers of food safety sanitation—to stop the company from illegally employing dozens of minor-aged workers while the Department continued its investigation of the company’s labor practices. By February 2023, the Department announced that PSSI was assessed \$1.5 million in civil money penalties in this case, one of the largest child labor exploitation cases in our history, after finding more than 100 children—from 13 to 17 years of age—illegally employed in hazardous occupations and working overnight shifts at 13 meat processing facilities across eight states.

More recently, on July 6, 2023, a federal court in Minnesota entered a consent judgment that requires Monogram Food Solutions LLC, a national food manufacturing company that manufactures meat snacks, appetizers, sandwiches, and more, to comply with the federal child labor laws at all of its production facilities and warehouses nationwide, and to take significant steps to comply with these laws in the future. The Department found that the company employed at least two 16- and 17-year-old children to operate meat processing equipment in violation of federal child labor hazardous orders. Earlier this month, the Department also sought and obtained a temporary restraining order to stop the exploitation of child labor, illegal shipment of “hot goods,” retaliation, overtime violations, and other violations of the FLSA against a poultry processor in California, after the employer refused to voluntarily stop shipping the “hot goods.”

The Department of Labor’s Education, Outreach, and Compliance Assistance

In addition to its enforcement actions, the Department provides education, outreach, and compliance assistance to ensure that children, families, communities, and employers fully understand federal child labor laws.

We strive to provide accessible, accurate materials to young people, parents, teachers, and community leaders to ensure that they understand their rights and responsibilities. The Wage and Hour Division’s program called YouthRules! is shared throughout the country to highlight the ways in which children can be lawfully employed. Through the YouthRules! initiative, the Department and its partners promote positive and safe work experiences that help prepare young workers in the 21st century workforce through resources, videos, presentations, and community engagement. Since 2021, the Wage and Hour Division has conducted over 4,000 outreach and education events for employers and other stakeholders on child labor.

To assist employers in complying with child labor laws, the Department has worked directly with employers to help them ensure compliance in working conditions for young workers, including by developing a list of best practices and trainings for employers to help keep young workers safe. However, with the increased reliance on staffing agencies and subcontracting, businesses often claim that they are unaware of, or unable to control child labor violations at their worksites. Too frequently, this may mean child labor violations up and down the supply chain.

As the Department works to promote compliance assistance, it simultaneously acknowledges the importance of companies recognizing their moral and legal responsibility for combating the use of exploitative child labor by their subcontractors and vendors, and throughout their supply chains.

The Department of Labor's Interagency Collaboration

The Department of Labor also recognizes the need for a whole-of-government approach in combating unlawful child labor. Just ten days after the Department announced that PSSI was assessed and paid \$1.5 million in civil money penalties in that historic case, the Department announced significant new efforts to combat exploitative child labor, in concert with new announcements from the Department of Health and Human Services (HHS). This included the initiation of a National Strategic Enforcement Initiative on Child Labor and the launch of an Interagency Task Force to Combat Child Labor Exploitation (the Task Force). These initiatives have led to important progress in our efforts to protect children and effectively enforce federal child labor laws. The Department of Labor is leading the Task Force, which furthers collaboration and improves information-sharing among federal agencies. The Task Force participants include the Departments of Agriculture, Commerce, Education, Health and Human Services, Homeland Security, Justice, and State, all of which are taking concrete steps to improve cross-training, outreach, education, and health outcomes of children who could be subject to illegal child labor.

As a part of these efforts, the Department of Labor and HHS signed a Memorandum of Agreement in March 2023, which formalized an ongoing partnership between the agencies and outlined procedures the agencies will follow as they work together to deepen information-sharing, coordination, cross-training of staff, and public education efforts. Leadership of the Wage and Hour Division and the HHS Administration for Children and Families (ACF) meet regularly to communicate and further refine their processes and partnership. This collaboration has also strengthened relationships between staff in the field.

Regarding information-sharing, the departments have established a formalized process for sharing aggregate data to further assist the Wage and Hour Division in identifying child labor trends and assist ACF in providing supportive services on an on-going basis. Further, if Department of Labor investigators identify indicators of human trafficking, they notify HHS

(through ACF's Office on Trafficking in Persons (OTIP), which is responsible for determining eligibility for benefits) within 24 hours. Regarding cross-training, the departments have successfully collaborated on cross-training initiatives for over 250 Wage and Hour Division managers and approximately 800 ACF staff, including more than 600 Office of Refugee Resettlement staff, related to the eradication of illegal child labor in a four-month period. Building on the success of these trainings, the departments are broadening their scope to provide trainings for other programs and HHS's national network, including homeless and runaway youth programs.

Since the launch of these enhanced efforts, the Department of Labor and the Task Force have also engaged with agencies across federal, state, and local governments, resulting in new collaborative initiatives to prevent and address illegal child labor, including cross-training to ensure that every agency has the necessary skills to identify and report possible incidences of child labor exploitation; updating and creating new materials to ensure partners, employers, and the general public are armed with the information needed to prevent child labor violations; and pursuing innovative partnerships and avenues to engage every facet of the federal government.

In addition, the Task Force has led to the development of several cross-agency initiatives, including:

- The Department of Labor partnering with the Department of Justice's Office of Victims of Crime to ensure that their grantee service providers for victims of crime have greater awareness about exploitative child labor, information on how to report suspected child labor violations, and resources to share with their clients and communities.
- The Department of Agriculture (USDA) issuing a letter to poultry processors representing approximately 70 percent of meat and poultry production by volume, requesting that all actors in the food supply chain take important precautionary steps to prevent or eliminate illegal child labor. These steps include determining whether illegal child labor is being used anywhere in their supply chain, incorporating stronger standards in supplier and vendor contracts, and adopting supplier standards that will better guard against the use of illegal child labor. In the months since, USDA has engaged in productive conversations with industry leaders about how they are working to ensure that their supply chains are free of illegal child labor. USDA is continuing to explore

enforcement mechanisms and considering aspects of regulatory infrastructure that support USDA's ability to strengthen compliance and provide the necessary attention and oversight.

- Leveraging the Department of Homeland Security's resources and relationships to amplify the Department of Labor's efforts to educate key stakeholders on federal labor law and efforts to combat child labor exploitation.
- The Department of Labor briefing, in coordination with the Department of State, ambassadors and embassy leadership from Colombia, El Salvador, Guatemala, Honduras, and Mexico on efforts to combat exploitative child labor in the United States, including of migrant children.
- Sharing resources with embassies and consulates to educate migrant communities about child labor laws under the FLSA.
- The Department of Labor providing training and resources to the Department of Justice's Legal Orientation Program for Custodians of Unaccompanied Children to educate custodians of unaccompanied children on federal child labor laws and protections.

I am proud to be here today, joined by my colleagues from across the Biden-Harris Administration who are working with us to stop exploitative child labor.

Congressional Action Is Needed

While the Department and the Biden-Harris Administration are fully committed to using every tool and resource available to protect every child in this country from exploitation in the workplace, we cannot do this work alone. Stopping child labor exploitation will require action from all of us, including Congress. Simply put, no modern nation should build its economy on the backs of exploited children.

First, the Department of Labor is calling on Congress to grant the funding request in the President's 2023 supplemental funding request to Congress for \$50 million each for the Wage and Hour Division and the Office of the Solicitor to investigate child labor cases and bring critical enforcement actions. Between 2010 and 2019, the Wage and Hour Division lost 15 percent of its full-time employees funded by its annual appropriation because it was nearly flat-funded during this period. And the Office of the Solicitor has essentially been flat-funded in its

annual appropriation when compared to FY 2010, resulting in the loss of more than 100 staff from the peak, a 17 percent decline, as costs have increased. With modest funding increases over the last few years, American Rescue Plan funding for COVID-related investigations, and a strong focus on hiring during the Biden-Harris Administration, the Department has begun to increase its staffing levels. But it still has not received adequate resources to allow the Department to meaningfully rebuild its staff and enforcement capacity. It is time for Congress to demonstrate its commitment to ending the scourge of unlawful child labor in this country by providing the requisite resources to support these efforts.

Second, the Department also calls on Congress to, at a minimum, increase civil money penalties for companies that use child labor. The maximum civil money penalty under current law for a child labor violation that does not cause a child's serious injury or death is \$15,138. That is not high enough to be an effective deterrent. Overall, the Department is calling on Congress to increase civil money penalties, strengthen protections from retaliation for people who report child labor law violations, and ensure that the Department has adequate resources to investigate and hold accountable businesses flouting child labor laws.

Conclusion

The Department of Labor and the Biden-Harris Administration are leaving no stone unturned to root out exploitative child labor. We must all work together to make sure that children are safe, healthy, and protected from exploitation. Thank you, and I look forward to your questions.