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State Wage-Theft Investigators Say Staffing Crisis Is Hurting the Agency



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Protesters picket in front of the Shine N Brite Car Wash in Inglewood on July 11, 2023. Shine N Brite Car Wash was cited last November after state regulators found the carwash operator paid workers as low as \$7 an hour. (Genaro Molina/Los Angeles Times via Getty Images)

About 1 in 3 positions at the [California Labor](#)

Commissioner's Office, the agency tasked with investigating wage theft and other labor law violations, remain unfilled. The vacancy “crisis” is leading to burnout, low morale and the hemorrhaging of staffers, according to a letter by dozens of department employees obtained by KQED.

This comes as tens of thousands of Californians, who claim their employers shorted them on their paychecks, are forced to contend with **massive delays** in seeing their cases resolved by the state.

In their letter, the nearly 80 rank-and-file employees of the Labor Commissioner's Office implored lawmakers to address major barriers such as an “unreasonably slow” hiring process and low compensation, which they say prevent the agency from achieving a fully staffed department that can efficiently tackle the growing backlog of cases.

Staffing vacancies have reached 30% to 40% in various units of the agency, they added.

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“We are failing in our mission if we cannot hire and retain the necessary staff,” they wrote. “The high vacancy rate naturally leads to higher caseloads, additional work responding

to members of the public inquiring about the status of their claims, lower morale due to historic backlogs and increased stress.”

The July 9 message to the Joint Legislative Audit Committee offers a rare behind-the-scenes perspective of agency employees who are struggling to respond to an increasing volume of new wage-theft complaints exacerbated by hundreds of unfilled positions the state has budgeted for.

The Labor Commissioner employees requested an audit focusing on how to make salaries at their agency more competitive — and how to fix a “crippling inability” to hire and retain staff by the California Human Resources Department (CalHR) and human resources at the Department of Industrial Relations, which oversees the agency.

State government tends to offer lower wages when compared to the private sector, while hiring tends to be slower as well, according to experts. But salaries at the Labor Commissioner’s Office lag by nearly 30% compared to public-sector peers, said the employees, and the hiring process is so slow and inefficient that qualified candidates end up taking jobs elsewhere.

‘The high vacancy rate naturally leads to higher caseloads, additional work responding to members of the public inquiring about the status of their claims, lower morale due to historic backlogs and increased stress.’

—Joint statement, California Labor Commissioner’s Office employees

Those inefficiencies include making candidates apply multiple times for the same job after CalHR or the Department of Industrial Relations decides a new job posting is required, said the staffers, who include hearing officers, attorneys and investigators throughout the state.

All those hoops constitute extra work for Labor Commissioner employees, too. They worried that sometimes the HR departments decide “... after our staff [spends] countless hours interviewing and vetting candidates, that the candidates ... from the list HR itself provided, do not meet minimum qualifications for the positions,” the letter stated.

Over 200 vacant positions

Nearly 240 positions were vacant at the Labor Commissioner’s Office in May 2022, according to public testimony by agency officials. Even in years when Gov. Gavin Newsom proposed expanding the agency’s budget to hire more employees, the agency remained severely understaffed.

The Department of Industrial Relations did not respond to requests for comment. A spokesperson for CalHR said the department is trying to improve the hiring process.

“CalHR is working on a number of strategies to help eliminate barriers to hiring and retaining employees,” said Camille Travis,

deputy director of communications at CalHR, in a statement.

“They include the Work for California recruitment campaign which kicked off in February, increasing the number of hiring events with our department partners (virtual and in-person), and improvements to CalCareers that will make it easier for candidates to navigate the state hiring process,” Travis wrote.

The Labor Commissioner’s wage claim process was created as a faster and free alternative for workers who lack the resources to hire an attorney and pursue their claim in court. Many of the workers who seek help from the state agency are living paycheck to paycheck.

Workers rights advocates and labor officials agree that the longer a wage claim languishes without resolution, the harder it tends to be for workers who win their cases to ultimately recover any money. That’s in part because many businesses close, go bankrupt or move assets to avoid paying.

But workers are often forced to wait years before receiving a hearing and a final decision from the state on their wage-theft cases.



➔ **'A Deep, Systemic Problem': Persistent Backlogs Force State Audit of California Labor Commissioner's Office**

As of May 2022, about half of the 36,000 pending claims for unpaid wages at the agency had taken longer than a year to resolve, according to Labor Commissioner figures obtained and analyzed by KQED. Nearly 4,000 of those cases had languished for three years or more.

‘I feel betrayed’

Landscaper Juan Carlos Alas has yet to receive a final decision on the complaint he began with the Labor Commissioner’s Office in September 2020, after his employer filed for bankruptcy and failed to pay him and co-workers the last of their wages. The father of two said he fell behind on rent payments and bills.

“It was hard because we needed the money they stole from us,” said Alas, 36, who lives in Redwood City. “If we work, we have the right to get paid for that work.”

But collecting any of the \$22,000 in unpaid wages, overtime and penalties Alas claims may now be “difficult if not impossible,” said Jennifer Smith, Alas’ attorney at the nonprofit Community Legal Services in East Palo Alto. The defendant has since moved away and can’t be located, she said.

The nearly three-year wait has frustrated Alas, who argues the agency is supposed to help

‘I feel betrayed. We trusted California’s

workers like him gain some justice.

“I feel betrayed,” said Alas, who is originally from El Salvador.

“We trusted California’s laws, and up to now, we haven’t seen any results.”

laws, and up to now, we haven’t seen any results.’

—Juan Carlos Alas, landscaper

The chair of the Joint Legislative Audit Committee, Assemblymember David Alvarez, told KQED the Labor Commissioner employee letter was “alarming” and that staffers’ concerns would inform a [proposed audit \(PDF\)](#) into the backlog of wage-theft cases that is expected to begin in September.

Alvarez, a Democrat who represents parts of San Diego County, said he would communicate with the State Auditor’s Office to ensure they take into account the staffers’ concerns. The state needs to take a close look at how the hiring process and employee compensation can be improved, he said, so that vulnerable workers get timely decisions on their wage-theft claims.

“We don’t believe anyone should be waiting anywhere in the magnitude of years. That is not acceptable,” said Alvarez. “That is why we approved the audit ... because everybody is concerned that workers are not getting their due pay.”