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# SENATE COMMITTEE ON PUBLIC SAFETY

Senator Aisha Wahab, Chair

2023 - 2024 Regular

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**Bill No:** AB 380                      **Hearing Date:** July 11, 2023  
**Author:** Arambula  
**Version:** June 20, 2023  
**Urgency:** No                                      **Fiscal:** Yes  
**Consultant:** MK

**Subject:** *Division of Labor Standards Enforcement: Labor Trafficking Unit*

## HISTORY

**Source:** Western Center on Law & Poverty

**Prior Legislation:** AB 1820 (Arambula) vetoed 2022

**Support:** American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO; California Labor Federation; California State Council of Service Employees International Union (SEIU California); Los Angeles County District Attorney's Office; National Association of Social Workers, California Chapter; Peace Officers Research Association of California; San Diego County District Attorney's Office; UDW/AFSCME Local 3930

**Opposition:** None known

**Assembly Floor Vote:** 80 - 0

## PURPOSE

*The purpose of this bill is to establish the Labor Trafficking Unit (LTU) within the Division of Labor Standards Enforcement (DLSE) and requires the LTU to coordinate with the Labor Enforcement Task Force (LETF), the Department of Justice (DOJ), and the Civil Rights Department (CRD).*

*Existing law* provides that any person who deprives or violates the personal liberty of another with the intent to obtain forced labor or services is guilty of human trafficking and shall be punished in the state prison for 5, 8, or 12 years and a fine of not more than \$500,000. (Penal Code, § 236.1 (a).)

*Existing law* provides that a victim of human trafficking may bring a civil action for damages, compensatory damages, punitive damages, injunctive relief, and combination thereof, or any other appropriate relief. (Civil Code § 52.5.)

*Existing law* provides that when the Attorney General deems it advisable or necessary in the public interest, or when directed to do so by the Governor, the Attorney General shall assist any district attorney in the discharge of the district attorney's duties, and may, if deemed necessary, take full charge of any investigation or prosecution of violations of law of which the superior

court has jurisdiction. In this respect, the Attorney General has all the powers of a district attorney. (Government Code § 12550.)

*Existing law* authorizes the CRD to receive, investigate, conciliate, mediate, and prosecute complaints alleging, and to bring civil actions for, a violation of the crime of human trafficking, as specified. (Government Code § 12930 (f)(3).)

*Existing law* establishes the LETF under the direction of Department of Industrial Relations (DIR) to enforce activities regarding labor, tax, and licensing law violators operating in the underground economy. (Unemp. Ins. Code §329.)

*This bill* establishes the LTU and directs it to coordinate with the LETF, the Criminal Investigation Unit, DOJ, and the CRD to combat labor trafficking.

*This bill* requires the LTU to receive and investigate complaints alleging labor trafficking, as well as take steps to prevent it.

*This bill* requires the LTU to coordinate with, or refer cases to, LETF or CRD for potential civil actions relating to labor trafficking violations.

*This bill* requires the LTU to coordinate with, or refer cases to, DOJ for potential criminal prosecution related to labor trafficking violations.

*This bill* permits the LTU to coordinate with local law enforcement agencies or district attorney's offices when investigating criminal actions relating to labor trafficking.

*This bill* requires the LTU to follow protocols to ensure survivors are not victimized by the process of prosecuting traffickers and are informed of services available to them.

*This bill* requires the Division of Occupational Safety and Health to notify the LTU when they find evidence of labor trafficking in the course of investigating businesses.

*This bill* requires, beginning January 1, 2026, and annually thereafter, LTU to submit a report to the Legislature that contains the following:

- a) The number of complaints or referrals received;
- b) The number and type of complaints or referrals investigated;
- c) The number of complaints referred to CRD and to DOJ respectively;
- d) The number of referrals and coordinations with local law enforcement agencies and district attorney's offices;
- e) The outcomes for each complaint; and,
- f) A discussion of the major challenges to address labor trafficking complaints and the ongoing efforts to address those challenges.

*This bill* sunsets the reporting requirement on January 1, 2036.

## COMMENTS

### 1. Need for This Bill

According to the author;

AB 380 will protect California's most vulnerable workers from being taken advantage of by unscrupulous individuals and businesses who force them to work under duress with little to no pay. Trafficked employees face threats from their employers relating to documentation status, harm to their families, and loss of wages that prevent them from trying to escape and seek help. California first enacted anti-trafficking laws fifteen years ago, yet no state agency currently has a requirement to look for labor trafficking. This bill will create a Labor Trafficking Unit with the authority to receive, investigate, and coordinate claims of labor trafficking. By establishing a Labor Trafficking Unit within the Department of Industrial Relations (DIR), the state agency best suited to enforce labor laws, our state can take the necessary steps to stop the abuses of workers. Subject matter experts agree that the Department of Industrial Relations is the most suitable location for this authority as its work focuses on wage theft, labor rights, and laws. According to a 2020 Little Hoover Report, *Labor Trafficking: Strategies to Uncover this Hidden Crime*, DIR “does not proactively look for labor trafficking cases because [it] does not have the authority to investigate or prosecute these cases” (p.9). Most importantly, DIR is already skilled in working closely with victims of trafficking. The department directly works to ensure survivors are informed about the services available to them and are not further victimized by the process of prosecuting traffickers

### 2. Labor Trafficking

According to the Attorney General's Website: “Labor trafficking involves the recruitment, harboring, or transportation of a person for labor services, through the use of force, fraud, or coercion. It is modern day slavery. Labor trafficking arises in many situations, including domestic servitude, restaurant work, janitorial work, factory work, migrant agricultural work, and construction. It is often marked by unsanitary and overcrowded living and working conditions, nominal or no pay for work that is done, debt bondage, and document servitude. It occurs in homes and workplaces, and is often perpetrated by traffickers who are the same cultural origin and ethnicity as the victims, which allows the traffickers to use class hierarchy and cultural power to ensure the compliance of their victims. Labor traffickers often tell their victims that they will not be believed if they go to the authorities, that they will be deported from the United States, and that they have nowhere to run. Traffickers teach their victims to trust no one but the traffickers, so victims are often suspicious of genuine offers to help; they often expect that they will have to give something in return.” (*What is Human Trafficking?*, California Attorney General. Available at: <https://oag.ca.gov/human-trafficking/what-is>. [As of March 29, 2023])

### 3. Little Hoover Commission Reports

In 2020 the Little Hoover Commission released three reports reviewing the state’s response to labor trafficking. The Commission noted that state efforts to combat human trafficking have focused mainly on sex trafficking. In the second report, *Labor Trafficking: Strategies to Uncover this Hidden Crime*, the Commission found that while several state agencies play a role in combatting human trafficking, there is no coordinated strategy to target the crime statewide. No state agency has a mandate to look for labor trafficking and government agencies are siloed. The Commission noted that while issues related to labor exploitation in California fall under the jurisdiction of the DIR, the agency does not proactively look for labor trafficking cases, in part because it does not have the authority to investigate labor trafficking cases. However, members of the Labor Enforcement Task Force – a multi-agency effort led by DIR to combat the underground economy – have observed signs of potential trafficking during inspections or received labor trafficking complaints and made nearly close to one dozen referrals of potential cases to the Department of Justice to investigate. (*Labor Trafficking: Strategies to Uncover this Hidden Crime*, Little Hoover Commission (Sept. 2020), at pp. 6-9. Available at: <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/251/Report251.pdf>. [As of March 29, 2023])

Consistent with these recommendations, this bill would establish LTU to receive and investigate complaints alleging labor trafficking and subsequently refer them for criminal prosecution by the DOJ or for civil action by the DEFH.

### 4. Governor’s Veto Message

AB 1820 (Arambula), of 2021-2022 Legislative Session, proposed nearly identical to this bill and was vetoed. The Governor’s veto message stated:

While I am strongly supportive of efforts to combat labor trafficking, the California Civil Rights Department (CCRD) (formerly DFEH) is the appropriate state entity to take the lead in this effort per the amendments offered by my office. DLSE does not have authority to criminally or civilly prosecute these types of cases nor have the tools and resources necessary to assist labor trafficking survivors. CCRD is already active in this space and could seamlessly expand its efforts to more aggressively combat labor trafficking provided it is given new resources in the budget.

This bill does not address the governor’s concerns.

### 5. Argument in Support

American Federation of State, County and Municipal Employees (AFSCME) supports this bill stating:

Human trafficking is reported to be the world’s fastest growing criminal activity, worth multiple billions of dollars in the U.S. alone. Although no accurate data for the United States exists, it is estimated that the number of sex and labor trafficking victims to be in the hundreds of thousands. According to the UC Berkeley Labor Centers, California specifically is reported to have one of the highest incidents of human trafficking in the U.S., with Alameda and Los Angeles Counties being central hubs. At the same time, however, California has been at the forefront of

developing innovative anti-trafficking programs and policies such the Los Angeles Sheriff's Human Trafficking Bureau, the SafetyNet program in Alameda, and the specialized courts for vulnerable girls in Alameda and Los Angeles. However, there are no statewide agencies with dedicated authority to investigate and prosecute individuals and businesses that violate human trafficking laws.

With the creation of the Labor Trafficking Unit under the Division of Labor Standards Enforcement, AB 380 would take a necessary step to properly investigate and coordinate state efforts to prevent and prosecute labor trafficking.

**-- END --**