

Addressing Wage Theft Through Increased Labor Standards

Innovative Approaches to Make Workers Whole

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King County Board of Health

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What is Wage Theft?



By [Taylor Blatchford](#)

Seattle Times engagement reporter

Wage theft, or the failure of employers to pay employees what they're legally owed, costs workers [billions of dollars each year](#) around the country. In Washington, more than 6,900 workers filed complaints with the state Department of Labor and Industries in fiscal year 2023 alleging that they weren't being properly paid.

Wage theft is concentrated in low-wage industries — especially in restaurant and hospitality work — and disproportionately affects women, immigrants and people of color. Many workers don't realize they're experiencing wage theft because they don't know the laws that protect them.

The Seattle Times consulted state laws, nonprofit advocacy organizations and legal experts to create this guide to wage theft and workers' rights.

What is wage theft?

Wage theft occurs when employers don't pay employees the wages they're legally owed.

Workers experience wage theft when they are paid less than minimum wage, are not paid for working off the clock, or miss out on owed overtime, tips or paid rest breaks. In some cases workers aren't paid at all.

How Does Wage Theft Show Up Locally?



In the Past 5 years in Seattle there have been 9 businesses that have failed to pay per a final order.



Since 2015, there have been 18 businesses total that have failed to pay per a final order in Seattle.



Our Statewide Labor and Industry has referred 1848 citations to collections between Fiscal year 2020 and Fiscal Year 2025 (as of 4/4/2025).



Of these 1209 received warrants and of those 1209, 853 received notices to withhold and deliver. 585 of these firms paid in full.



Across our state more than \$5.4 million is outstanding from judgements owed to workers.

Current Options for Workers for Redress

Washington State Labor & Industry

Seattle Office of Labor Standards

The City of Tukwila

U.S Department of Labor

San Diego County – Suspending Restaurant Permits

The Board directed the Chief Administrative Officer to develop protocols for denial, suspension, or revocation of licenses, permits, or county contracts of employers who violate labor standards. OLSE has met with various County departments such as the Department of Environmental and Health Quality, including critical stakeholders in the restaurant industry, to develop the Good Faith Restaurant Owners Program. The program is designed to encourage businesses to comply with the requirements for satisfying their outstanding judgments for owed workers' wages to maintain a County Environmental Health Permit. This program will help level the playing field for good faith business owners competing with those violating labor laws and continuing to operate with outstanding wage judgments.

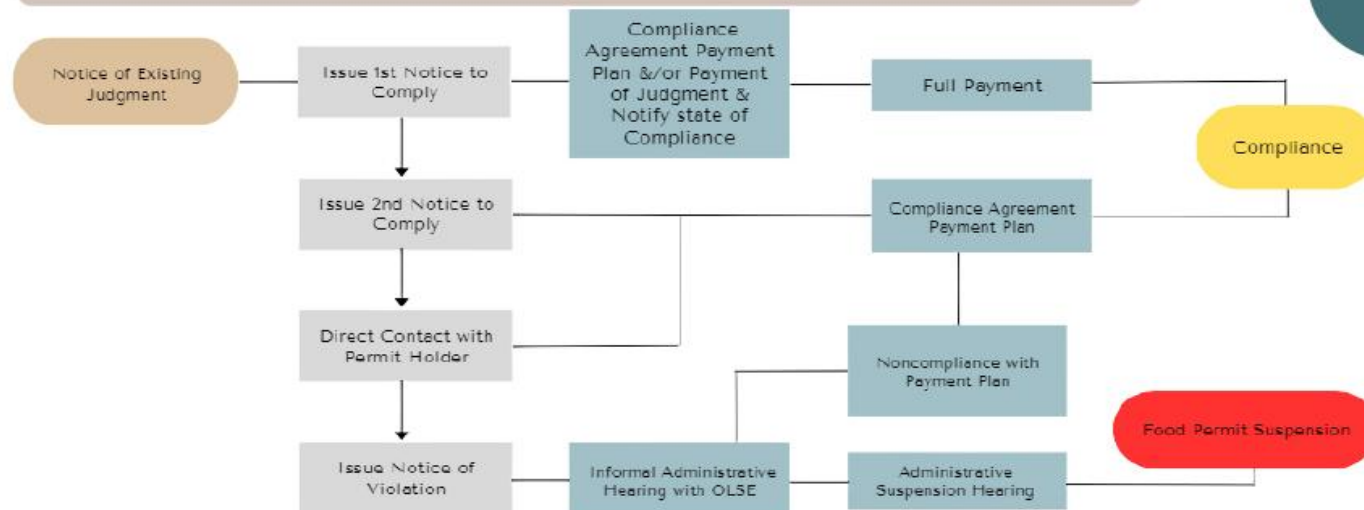
ACCOMPLISHMENTS

OLSE began notifying 25 restaurants of their existing unpaid judgment stemming from the San Diego Labor Commissioner's Office.

- Worked directly with each impacted restaurant to assist them in reaching compliance and satisfying the unpaid judgment with the California State Labor Commissioner.
- Helped recover \$100,000 in owed wages to workers.

San Diego Co. – Good Faith Restaurant Owners Program

GOOD FAITH RESTAURANT OWNERS PROGRAM FLOW CHART*



** Compliance is always possible and encouraged throughout the entire program process.*

PROGRAM OVERVIEW

The Good Faith Restaurant Owners Program will be launched in Summer of 2023 to help workers in the retail food industry collect outstanding unpaid wage theft judgments stemming from the California Labor Commissioner's orders and decisions (Wage Theft Judgments).

PROGRAM GOALS

1. Foster a healthy economic environment for the County's businesses and workers
2. Industry-wide compliance with State labor laws
3. Satisfaction of existing judgments

HOW DOES THE PROGRAM WORK?

The County of San Diego Office of Labor Standards and Enforcement (OLSE) will engage restaurant owners with current, unpaid Wage Theft Judgments to encourage payment.

One of the core missions of OLSE is to assist employers seeking to comply with the law to come into compliance. OLSE will work diligently with restaurant owners and exhaust all voluntary compliance measures before taking stronger action, including the possibility of suspending and revoking a restaurant's food facility permit.

HOW DO I COMPLY?

Compliance is paying off the entire judgment in full or working towards paying off the judgment via a payment plan with the Labor Commissioner's Office.





COUNTY OF SAN DIEGO

**GOOD FAITH
RESTAURANT OWNERS
PROGRAM**

SDC – Wage Claim Dashboard

Wage Claim Judgments

January 2017 - March 2025

Data downloaded 4/8/2025 from Division of Labor Standards Enforcement (DLSE)

All cases originated out of the San Diego office

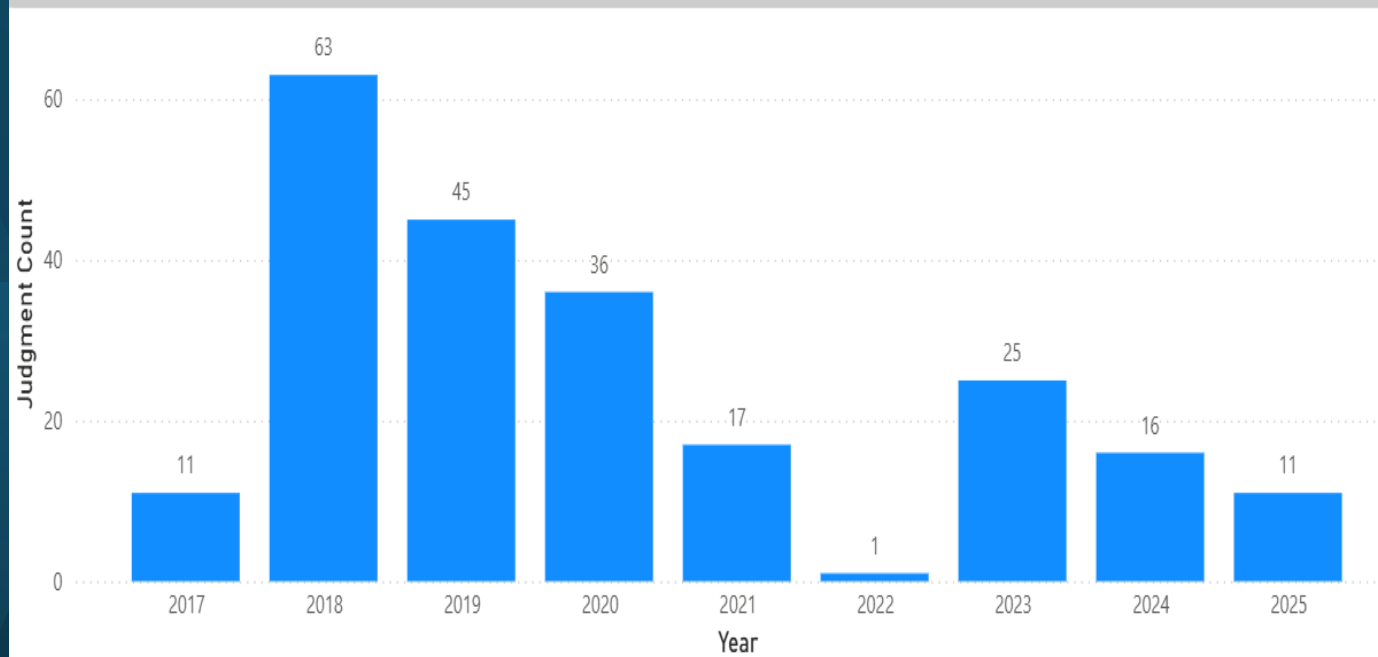
Clear All Filters

225

\$2.93M

228

Judgment Count by Year



Judgment Status

All

Supervisory District

1

County

All

NAICS General Category	Judgment Distinct Count	Judgment Total
Accommodation and Food Services	63	\$1,081,805.31
Administrative and Support and Waste Management and Remediation Services	20	\$89,219.17
Construction	20	\$217,478.61
Educational Services	1	\$3,076.96
Finance and Insurance	1	\$7,319.83
Health Care and Social Assistance	5	\$64,717.07
Information	1	\$4,483.26
Manufacturing	2	\$30,063.87
Total	225	\$2,929,199.04

Industry NAICS	Judgment Distinct Count	Judgment Total
Limousine Service	1	\$5,625.06
Limited-Service Restaurants	25	\$564,338.84
Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers	1	\$1,638.17
Janitorial Services	5	\$10,391.75
Home Health Care Services	2	\$2,682.71
General Freight Trucking, Long-Distance, Truckload	4	\$70,082.26
General Freight Trucking	1	\$4,228.72
Full-Service Restaurants	25	\$280,708.36
Freight Transportation Arrangement	3	\$63,880.86
Total	225	\$2,929,199.04

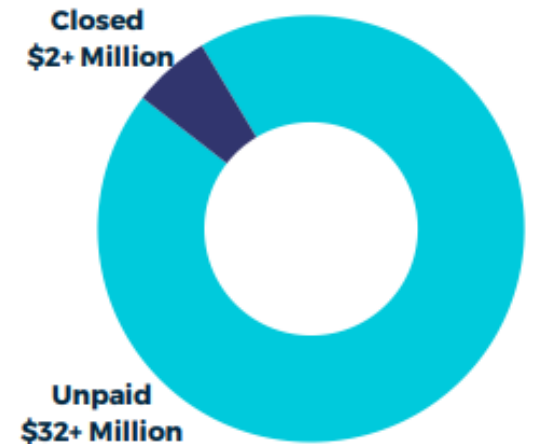
Santa Clara County – Suspending Restaurant Permits & County Contracts

ENFORCEMENT

Workers suffer wage theft when they do not receive all the wages, benefits, or other compensation they have legally earned. Victims of wage theft have several options to enforce their rights, including filing wage claims with LCO, that could result in judgments entitling them to recover unpaid wages and other benefits.

Between 2014 and 2024, LCO issued judgments in Santa Clara County amounting to over \$35 million. Yet businesses do not always pay what they owe. In fact, only 7% of judgments were paid, meaning that there are workers who are still waiting to collect over 1,170 unpaid judgments with a value of over \$32 million. This highlights the importance of OLSE's efforts to investigate and enforce unpaid wage theft judgments, in order to ensure that real dollars are returned to the workers who have earned them and that worker justice and fair business practices are occurring in the community.

SANTA CLARA COUNTY JUDGMENTS



*Source: 2014-2024 CA Labor
Commissioner's Office Judgments*

What is the Food Permit Wage Theft Enforcement Program?

Food facility permit holders with existing labor violation judgments or orders can expect to receive a series of notices from the County's Office of Labor Standards Enforcement (OLSE) and the Department of Environmental Health (DEH) requiring a response by:

1. Proving full compliance with the judgment
2. Proving that the judgment is not final or does not apply to the permit holder
3. Acknowledging the outstanding judgment and setting up a payment plan

Enforcement action ends when all outstanding judgments are paid in full.

What is a judgment?

Judgments or final administrative orders issued by the California Labor Commissioner's Office and the U.S. Department of Labor are related to a range of labor law violations, such as:

- Non-compliance of wage and hour laws like minimum wage, overtime, and rest breaks
- Workplace violations like retaliation, sexual harassment, or labor trafficking

How does this impact my business?

If your business has a food facility permit and you have an existing labor violation judgment or order, you have 45 days to become compliant before the county will begin enforcement activities. Enforcement activity can be halted by:

- Paying judgment or order in full
- Calling OLSE to set up a payment plan
- Requesting a hearing to dispute the Notice of Violation

No existing judgement, no impact.

Your business is not impacted if you are not subject to an existing labor violation judgment or order. If you aren't sure whether you have an existing judgment or order, contact:

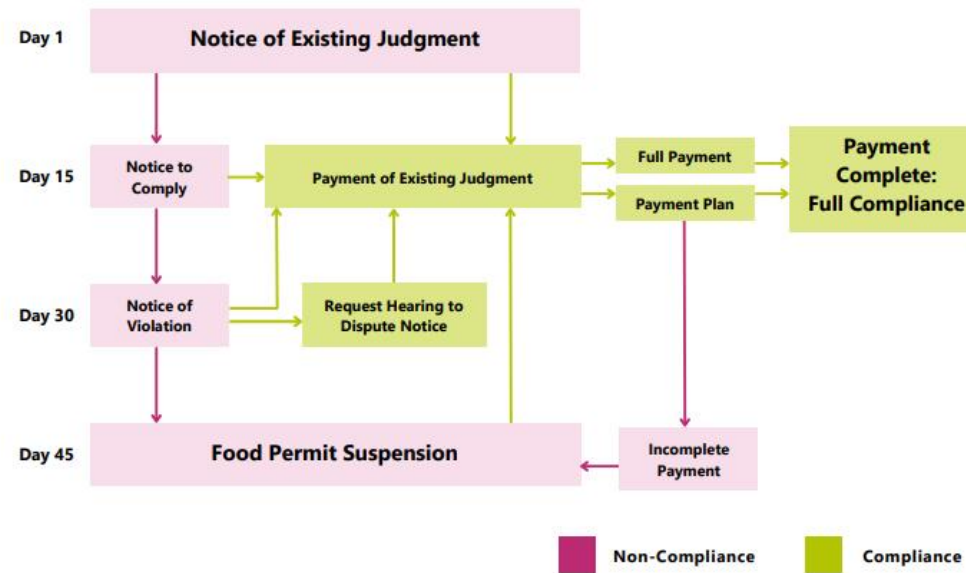
California Labor Commissioner's Office

- Phone: 1-408-277-1266
- Website: www.dir.ca.gov/dlse

U.S. Department of Labor:

- Phone: 1-408-291-7730
- Website: www.dol.gov/agencies/whd

The Path to Compliance



OLSE ENFORCEMENT

OLSE leverages County food permits and contracts to collect unpaid judgments through the Food Permit Enforcement Program and the County Contracts Labor Standards Enforcement Program.

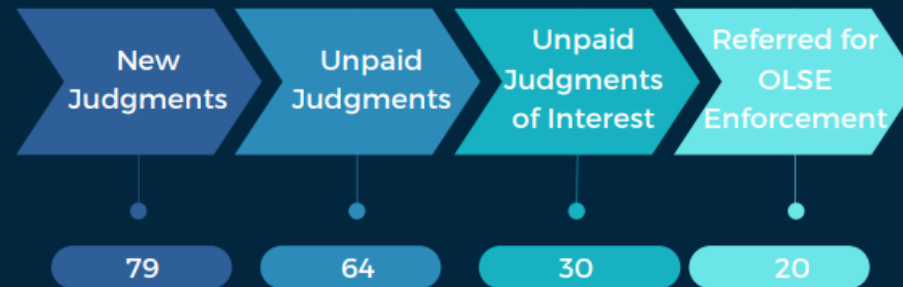
FOOD PERMITS

OLSE launched the Food Permit Enforcement Program in September 2019. In partnership with the County's Department of Environmental Health, OLSE exercises the County's authority to suspend food permits of businesses that refuse to satisfy outstanding judgments.

COUNTY CONTRACTS

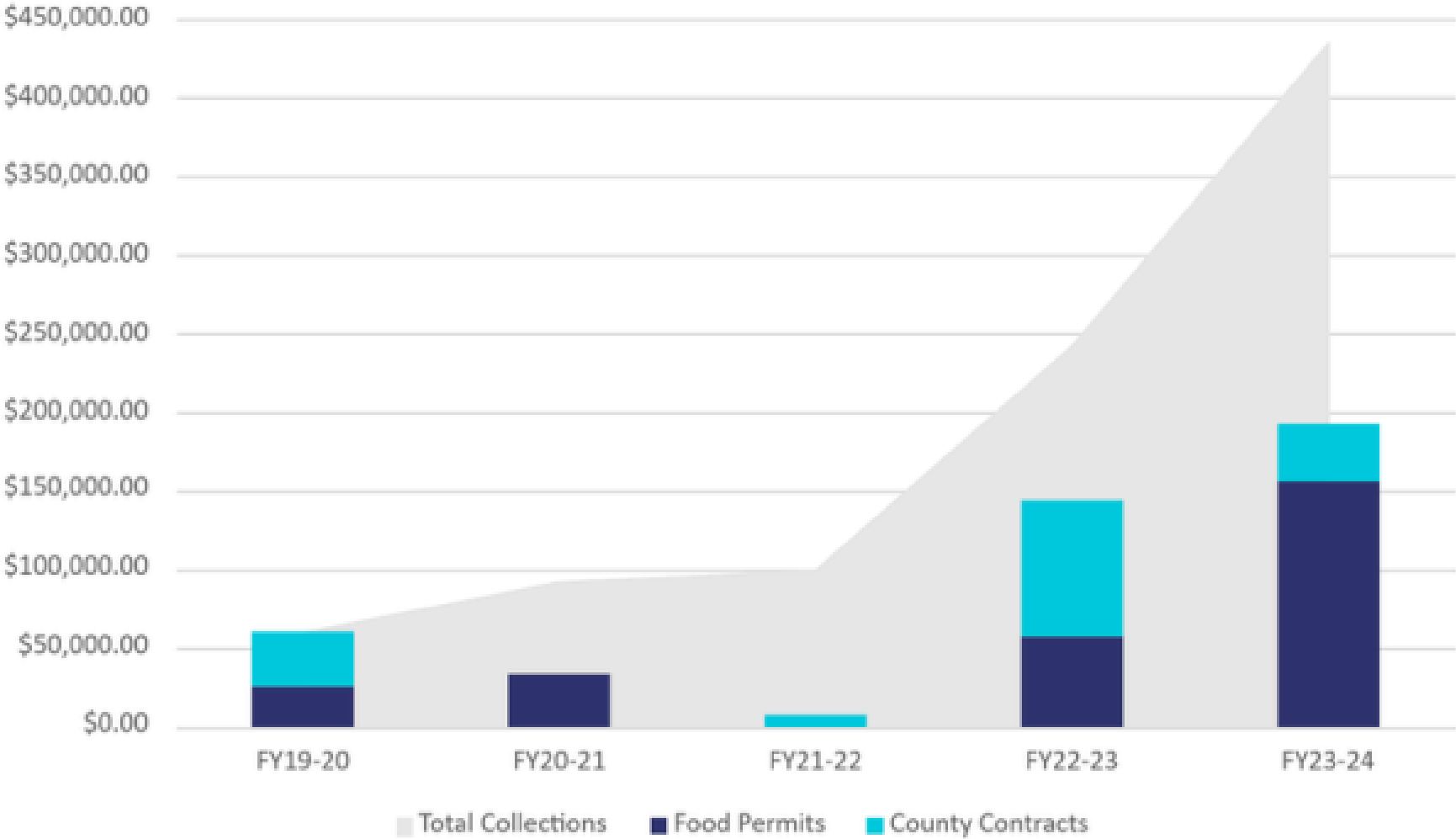
OLSE enforces the County's Wage Theft Prevention Policy which requires vendors to comply with all applicable labor laws and disclose any judgments. OLSE partners with County departments to remind contractors that the County can and may terminate contracts for material breach if they fail to satisfy outstanding judgments. Potential contractors with unpaid judgments may be disqualified from solicitation.

FY 23-24 INVESTIGATION OUTCOMES



In FY 23-24, OLSE identified 79 new judgments that were issued in Santa Clara County, of which 80% were outstanding and unpaid. Initial research discovered that 30 unpaid judgments were with businesses where OLSE may be able to leverage County food permits or contracts. Additional investigation found that one-third of the businesses with unpaid judgments had closed or needed to be referred to other agencies for further action. After investigations concluded, 20 judgments continued toward enforcement leveraging County food permits or contracts to encourage judgment resolution.

COLLECTIONS BY FISCAL YEAR



Questions?

Contact:

KCBOHAdmin@kingcounty.gov