

Item 1: Applicant Grant Request & Contact Information Form

| WORKERS' RIGHTS ENFORCEMENT GRANT Item 1: Applicant Grant Request and Contact Information Form August 1, 2024 to July 31, 2025 | |
|---|---|
| Grantee: San Francisco City Attorney's Office, Worker Protection Team | |
| County or City: San Francisco | |
| Funds Requested (cannot exceed \$750,000): \$745,346 | |
| Person with day-to-day operational responsibility for the program. | |
| Name | Matthew Goldberg |
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| Financial Officer or Person Responsible for the Grant Funds Financial Accounting. | |
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| Title | Chief Financial Officer, S.F. City Attorney's Office |
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2. PROBLEM STATEMENT

In many respects, the City and County of San Francisco (City or San Francisco)—home to more than 800,000 residents—reflects the broader problem of wage theft in California. Many of our residents are thriving, but San Francisco has one of the highest income inequality ratios of any metro area and just over 10% of City residents live in poverty. With respect to labor practices, wage theft is unfortunately commonplace. The Labor Commissioner’s Office received over 700 wage claims from San Francisco residents in 2021, and the City’s local agency enforcing worker protection laws, the Office of Labor Standards Enforcement (OLSE), fields over 5,000 calls and opens over 400 cases every year.

While wage theft is ubiquitous in California, with more than \$2 billion stolen from California workers annually, San Francisco faces unique challenges. Its workforce includes a significant portion of workers who are particularly vulnerable to exploitation. San Francisco is one of the most culturally and linguistically diverse cities in the country. One in three residents of San Francisco is an immigrant, 18.9% identify as Limited English Proficiency (LEP), and 42.9% speak a language other than English at home.¹ Low-wage immigrant workers are particularly likely to be victims of wage theft, in part because of their vulnerability to exploitation as a result of language, education, and citizenship status

By way of example, San Francisco is home to over 300,000 Asian American and Pacific Islander (AAPI) residents and has the highest percentage of residents of Chinese descent of any major city in the country. According to one recent [report](#), one in five California residents who identify as AAPI—this would be approximately 60,000 San Franciscans—reported being the victim of wage theft in the prior year.² In a 2014 [survey](#) of more than 400 workers in San Francisco’s Chinatown district, close to 60% of workers reported one or more forms of wage theft (e.g., receiving less than minimum wage, no overtime pay, etc.)³

Furthermore, nearly one in five San Franciscans work in the construction, retail, and hospitality industries, which are persistently associated with high rates of wage theft and worker exploitation.

In sum, San Francisco residents suffer from widespread wage theft and abusive labor practices. And our workforce—disproportionately immigrant and LEP, clustered in low-road industries—also confronts unique challenges and barriers.

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¹ San Francisco Language Access Compliance Summary [Report](#) 2024; S.F. Office of Civic Engagement & Immigrant Affairs (2024.)

² The Working Lives and Struggles of Asian Americans and Pacific Islanders in California, Findings from the 2019 AAPI California Worker Survey; PRRI (2019).

³ Wage Theft as a Neglected Public Health Problem: An Overview and Case Study From San Francisco’s Chinatown District; American Journal of Public Health (2014 June).

3. WAGE THEFT EXPERIENCE

San Francisco's Rich History Combatting Wage Theft and Other Forms of Worker Exploitation

The City and the San Francisco City Attorney's Office (SFCAO or "Office") have a long and storied history of advancing the rights of workers and combatting wage theft.

Over the past two decades, via both voter initiative and local legislation, San Francisco has enacted a series of landmark worker protection laws. These laws include, but are not limited to: the Minimum Wage Ordinance (2003), the Health Care Security Ordinance (2006), the Paid Sick Leave Ordinance (2006), the Family Friendly Workplace Ordinance (2014), the Paid Parental Leave Ordinance (2016), the Residential Construction Wage Theft Prevention Ordinance (2022), the Public Health Emergency Leave Ordinance (2022), the Domestic Worker Sick Leave Ordinance (2023), and the Military Leave Pay Protection Act (2023).

All told, San Francisco has the strongest municipal worker protection laws in America. But as with most laws that afford rights to working people, these laws would have little impact without a robust enforcement program.

Fortunately, in addition to establishing rights and protections, these local labor laws provide for a comprehensive enforcement scheme. Generally speaking, San Francisco's OLSE is empowered to investigate alleged violations and order relief (including backpay and penalties) via administrative findings. The SFCAO serves as OLSE's counsel, defends OLSE's findings in administrative hearings and subsequent court actions, and has independent authority to bring lawsuits under San Francisco's local labor laws. OLSE and the SFCAO have worked collaboratively for decades and have secured over \$10 million in restitution for workers in each of the last five fiscal years.

Moreover, the SFCAO has an additional enforcement tool at its disposal. The Office has long been one of a handful of municipal law offices in the state with the authority under California's Unfair Competition Law (UCL) to bring affirmative lawsuits on behalf of the People of the State of California. (More recently, the Office gained the power to issue subpoenas in the course of these investigations.) Over time, the SFCAO has established itself as a statewide leader in bringing and resolving high-impact affirmative litigation. Actions to combat wage theft and otherwise enforce worker protection laws—both local and state laws—have long been a central element of this docket.

With San Francisco's robust suite of state and local enforcement tools, the SFCAO has secured significant results in combatting wage theft and other forms of worker exploitation, including these highlights from the past dozen years:

- In July 2012, the Office [resolved](#) a lawsuit, filed in partnership with La Raza Centro Legal, against a car wash for \$500,000 in unpaid minimum wages and interest;
- In September 2013, the Office secured a Judgment and Injunction in San Francisco Superior Court against a restaurant for \$1.15 in backpay for seven workers who were paid less than the San Francisco minimum wage;

- In December 2013, the Office [concluded](#) a two-year enforcement campaign against dozens of San Francisco restaurants for imposing fraudulent surcharges on consumers and failing to provide required health care benefits to workers. Ultimately, thirty-eight establishments paid over \$2 million to nearly 4,000 workers to compensate them for violations of the Health Care Security Ordinance;
- In July 2014, following an OLSE investigation, later affirmed by a hearing officer and a Superior Court Judge, the Office [secured](#) a settlement with a janitorial company for \$1.34 million in restitution for healthcare benefits for 275 janitors;
- In September 2016, the Office [resolved](#) a case against Chipotle Mexican Grill for \$95,000 in restitution for violations of the Paid Sick Leave Ordinance;
- In May 2020, the Office—in a unique four-office collaboration with the California Attorney General and the City Attorneys of Los Angeles and San Diego—[filed](#) suit against Uber and Lyft for misclassifying hundreds of thousands of drivers as independent contractors. We continue to actively litigate this matter;
- In September 2020, the Office secured a Judgment and Injunction in San Francisco Superior Court against a tour company for over \$700,000 in payments to 215 employees for violations of the Health Care Security Ordinance; and
- In November 2021, the Office [resolved](#) an OLSE investigation against DoorDash for over \$5 million in restitution for healthcare benefits for nearly 4,500 misclassified delivery drivers
- In April 2022, the Office secured a favorable ruling from the San Francisco Superior Court that required an airline catering company to pay almost \$2 million in health benefits to low-wage kitchen workers.

City Attorney David Chiu & the Establishment of the Office’s Worker Protection Team

Over the course of his nearly two decades in public office—as a member of the San Francisco Board of Supervisors, as a California Assemblymember, and now as San Francisco City Attorney—David Chiu has demonstrated an unwavering commitment to advancing and protecting the rights of workers.

Building on this commitment, in 2022, City Attorney Chiu established the Office’s first-ever Worker Protection Team (WPT or “Team”) to build-out the Office’s subject-matter expertise and expand its enforcement capacity. This is believed to be the first such team at a municipal law office in California—and perhaps the country.

The Team is currently staffed by the following professionals:

- Matthew Goldberg is the founding and current team leader. Matthew has combatted wage theft and other abusive workplace practices for nearly all of his nineteen-year legal career. In prior roles, Matthew led the Wage Protection Program at Legal Aid at

Work, led OLSE's enforcement of the Health Care Security Ordinance, litigated a wide-range of cases on behalf of workers and consumers on the Office's Affirmative Litigation Team, and served as the chief advisor to California Attorney General Rob Bonta on workers' rights and labor matters.

- Ian Eliasoph is a Deputy City Attorney on the Team. Before joining the Office, Ian worked as an attorney and supervisor for the Solicitor's Office of the U.S. Department of Labor, where he led enforcement efforts in numerous areas of federal employment law and assisted in recovering tens of millions of dollars for workers.
- Hannah Giorgi is the Team's Legal Assistant. Hannah assists in developing new cases, prepares all legal pleadings for filing, and manages the Team's discovery and document review.
- Royce Chang recently joined the Team as a Stanford Law School Public Interest Fellow. In law school, Royce completed internships with the Worker Rights and Fair Labor Section at the California Attorney General's Office and with the Wage Protection Program at Legal Aid at Work. Previously, he worked as an organizer with One Fair Wage.
- Attorneys from the Office's Code Enforcement Team and Affirmative Litigation Team assist the WPT to bolster its capacity.
- Finally, the Team receives additional support and staffing from the Office's legal secretaries and investigators.

Since its founding in late 2022, the Team has already secured several notable results:

- In January 2023, the Team [resolved](#) an OLSE investigation against Instacart for over \$5 million in restitution for over 5,000 misclassified delivery drivers who were denied their right to health care benefits.
- In July 2023, the Team secured a stipulated Judgment and Injunction against a popular chain of Peruvian restaurants for nearly a \$1 million in payments to 231 workers for violations of the Health Care Security Ordinance.
- In February 2024, the Team [obtained](#) a first-of-its-kind Judgment and Injunction to resolve litigation against Qwick, a hospitality staffing company, for misclassifying thousands of temporary workers. The judgment requires Qwick to pay \$1.5 million to over 6,000 workers in unpaid overtime wages, establish a sick leave bank for eligible workers of up to \$350,000, and permanently reclassify its thousands of temporary workers as employees.

Looking forward, the Team stands poised to build on its past successes and continue securing meaningful victories for San Francisco and California workers.

4. APPLICANT'S STRATEGIC PLAN

At its inception in 2022, City Attorney David Chiu [established](#) the Worker Protection Team with the following mission statement:

The mission of the Worker Protection Team is to protect the rights of workers in San Francisco and California with an emphasis on combatting systemic business practices that exploit marginalized workers. Building on the Office's longstanding leadership in affirmative litigation, the Worker Protection Team investigates and litigates instances of wage theft, employee misclassification, and other abusive workplace practices. The Worker Protection Team also advises and supports the City's Office of Labor Standards Enforcement, which enforces more than two dozen local workplace protection ordinances, including ordinances that establish rights to a minimum wage, paid sick leave, paid parental leave, and healthcare benefits.

This mission—perfectly aligned with the goals of this grant program—will continue to guide our work. We will deploy the grant funds to advance this mission by combatting the problems identified above (see Item 2). But as the stewards of (limited) public resources, the Team is also laser focused on *maximizing* our impact. To that end, our principle blueprint is to source and prosecute the highest-impact enforcement matters.

More specifically, we will engage in a wide-range of outreach to *identify* and *source* high-impact targets for our investigations. In partnership with OLSE (as described in more detail in Item 5, below), we will work with community organizations and our sister public sector entities to identify bad actors and bad practices.

Next, over the course of our investigations and in evaluating where to devote our limited investigative and litigation resources, we will strategically *evaluate* the anticipated impact of any potential enforcement action by considering the following criteria.

1. The workers: Does the action support workers who earn low wages, are otherwise vulnerable, and/or who will have trouble securing adequate private counsel?
2. The target: Does the target of our action have a history of bad labor practices or of engaging in *willful* misconduct? Is the target an industry leader?
3. The industry: Does the target operate in an industry that is historically and currently associated with exploitative labor practices?
4. The conduct: Are the unlawful practices especially egregious or notable? Are they a new or novel form of exploitation?
5. Our place: Is our Team uniquely or especially well positioned to take on a matter? Are there specific barriers, like arbitration agreements and class action waivers, that make private litigation unlikely?

6. The results: Can our Team reasonably expect to secure substantial restitution for workers, put a stop to ongoing bad practices, and/or deter similar or related bad practices?

5. COLLABORATION WITH COMMUNITY PARTNERS

As San Francisco's front line for receiving and processing worker complaints, OLSE has long focused on public engagement and collaborating with community partners. To that end, OLSE administers a community outreach program dedicated to reaching workers who may be more vulnerable to wage theft and other labor law violations. As part of this program, OLSE contracts with the following seven community organizations to disseminate information on workers' rights in low-income and immigrant communities, provide individualized worker rights consultations, and encourage workers to file complaints regarding violations of San Francisco's labor laws:

- The [Asian Law Caucus](#) (ALC) brings together legal services, community empowerment, and policy advocacy to fight for immigrant justice, economic security, and a stronger democracy.
- The [Chinese Progressive Association](#) (CPA) educates, organizes, and empowers the low income and working-class immigrant Chinese community in San Francisco to build collective power with other oppressed communities to demand better living and working conditions and justice for all people.
- [La Raza Centro Legal](#) (LRCL) provides high quality, free legal representation to the Latino community and other low-income immigrant families, as the most trusted partner in legal services.
- Serving San Francisco's Mission District, [Dolores Street Community Services](#) (DSCS) works in several key areas, including worker rights, to nurture individual wellness and cultivate collective power among low-income and immigrant communities to create a more just society.
- The [Filipino Community Center](#) (FCC) is dedicated to providing a safe space where Filipino families can access services, receive support, and build community. FCC has a strategic focus on preventing wage theft in the Filipino-concentrated caregiving industry, as well as hotel, restaurant, and other low-wage sectors.
- The [South of Market Community Action Network](#) (SOMCAN) is a multi-issue and multi-strategy organization that nurtures the lives of youth, families, individuals, and workers in San Francisco's SOMA neighborhood.
- [Trabajadores Unidos Workers United](#) (TUWU) is a regional bay area immigrant worker center that stands at the intersection of economic justice and immigrant rights inclusion.

The WPT, in partnership with OLSE, will meet regularly with these and other community partners to gain insight into the challenges that San Francisco workers face, to hone our enforcement priorities and develop new cases.

In addition to these community organizations, the Team will continue its longstanding practice of meeting regularly with staff at the relevant federal, state, and local public agencies (including the U.S. Department of Labor, the California Labor Commissioner's Office, the Worker Rights and Fair Labor Section of the California Attorney General's Office, and the various city attorney and county counsel offices who also work to combat wage theft). In building these relationships—and exchanging and sharing information and best practices—we will enhance our enforcement capacity. These relationships will also generate opportunities for multi-office collaboration.

6. EXPECTED OUTCOMES

High-impact enforcement work, particularly civil litigation against large corporations engaged in exploitative employment practices, is inherently unpredictable. Sophisticated defendants have developed an expansive array of tools to delay litigation, including frivolous removal motions, motions to challenge jurisdiction, motions to compel arbitration, painstaking discovery delays, and all the associated appeals.

Notwithstanding these inevitable uncertainties and vagaries, with the requested grant funds, the Team expects to achieve the following enforcement outcomes during the grant year:

- Evaluate dozens of potential targets;
- Conduct at least six large-scale investigations;
- File at least two new civil lawsuits;
- Directly represent OLSE in at least 10 matters at the administrative enforcement stage of OLSE investigations; and
- Resolve at least six matters, resulting in substantial restitution to workers and/or significant injunctive terms.

Beyond this core enforcement work, we expect to enhance our skills and capacities by working with community and government partners to leverage our resources to secure maximum impact.

Item 7 Budget Form

| WORKERS' RIGHTS ENFORCEMENT GRANT BUDGET: PERSONNEL, CRIME PREVENTION, ADMINISTRATIVE COSTS FISCAL YEAR 2024-2025 | |
|---|--|
| APPLICANT NAME: San Francisco City Attorney's Office, Worker Protection Team | |
| A. PERSONNEL SERVICES: Salaries and Employee Benefits | <i>COST</i> |
| Position (Percent) Salary Benefits Chief Attorney, 25% (FTE Salary + Benefits = \$366,368) Deputy City Attorney 1, 75% (FTE Salary + Benefits = \$328,341) Deputy City Attorney 2, 25% (FTE Salary + Benefits = \$279,288) Legal Assistant, 25% (FTE Salary + Benefits = \$140,790) Law Fellow 1, 75% (FTE Salary + Benefits = \$178,319) Law Fellow 2, 75% (FTE Salary + Benefits = \$178,319) SUB-TOTAL | \$ 91,592 \$ 246,256 \$ 69,822 \$ 35,197 \$ 133,739 \$ 133,739 \$ 710,346 |
| B. ANNUAL AUDIT: ADMINISTRATIVE CHARGE | <i>COST</i> |
| Annual Audit Price Independent Audit | \$ 35,000 |
| A.B. PERSONNEL, AUDIT | <i>TOTAL COST</i> |
| TOTAL | \$ 745,346 |

7. BUDGET NARRATIVE

The San Francisco City Attorney's Office has a Worker Protection Team comprised of several full-time professionals. The Team also draws upon other professionals throughout the Office.

Our attached budget seeks partial funding for six professionals: a Chief attorney, two Deputy City Attorneys (at different steps in the job classification), a Legal Assistant, and two Law Fellows. In recognition that these professionals spend only some of their professional time engaged in qualifying labor law enforcement work, our budget conservatively seeks funding for a portion of each professional's salary and benefits. The budget indicates the specific percentages for each position.

For each position, the budget indicates the "FTE Salary + Benefits." The budget request for each position is equal to this fully-loaded cost multiplied by the portion (or percentage) of time for which we seek funding.

We request a total of \$710,346 in grant funding for the "Salaries and Employee Benefits" line item.

Separately, we seek \$35,000 to complete the mandatory Annual Audit. In total, we are requesting a grant award of \$745,346, which is comprised of the \$710,346 for salaries and benefits and \$35,000 for the audit. The \$35,000 request for the audit is 4.7% of the total grant award we are requesting, which is under the 5% maximum.