# Communication from Public

**Name:** California Restaurant Association
**Date Submitted:** 03/04/2026 12:40 PM
**Council File No:** 23-0932
**Comments for Public Posting:** Attached

March 4, 2026

Hiring and Personnel Committee
Los Angeles City Council
200 North Spring Street,
Los Angeles, CA 90012

**RE: Opposition to Proposed Expansion of OWS (CF:23-0932)**

Honorable Chair McOsker and Members of the Personnel Committee,

The California Restaurant Association (CRA) represents more than 22,000 neighborhood eating establishments throughout California, and we work continuously to help shape public policy in ways that support a strong and sustainable restaurant community. The LA Chapter of the CRA is one of the most robust Chapters of the Association—and one that reflects the City's rich diversity of cultures and cuisines. It is also true that the City of Los Angeles continues to be among the most challenging environments in the nation to operate a restaurant.

I am writing to express serious concerns and strong opposition to the recommendations outlined in the Chief Legislative Analyst's (CLA) report regarding the proposed expansion of the Office of Wage Standards' (OWS) authority and enforcement of workplace violations.

Employers are deeply committed to protecting workers' rights and following employment laws. Creating safe, fair workplaces isn't just the right thing to do—it's what helps businesses succeed, communities thrive, and employees find real opportunities.

Achieving those shared goals requires thoughtful policymaking and meaningful collaboration among all stakeholders. When new enforcement strategies or regulatory changes are proposed—particularly those contemplating sweeping measures such as expanded subpoena powers, co-enforcement arrangements with outside organizations, public posting of violations, or potential permit consequences—it is critical that the voices of employers, who are responsible for implementing and complying with these laws, are included in the conversation.

The enforcement functions contemplated in the report already exist at the State level through the Labor Commissioner. Duplicating these functions at the City level risks diverting limited public resources away from core priorities such as public safety, housing, and homelessness services. The report estimates implementation costs of nearly $3 million in the first nine months and $30 million over ten years, yet it provides no cost-benefit analysis, performance benchmarks, or measurable evidence that duplicating state authority will improve worker outcomes.

The concerns outlined above are not theoretical—they raise real legal, operational, and financial implications that deserve serious attention.

**Eroding Due Process**

The recommendation to transfer subpoena authority from the Board of Public Works to a single Director removes critical checks and balances.

Under the current process, subpoena requests are reviewed by an appointed and Council-confirmed Board. They are heard in publicly noticed meetings under the Brown Act, ensuring the process is transparent and subject to public oversight. That structure creates accountability. It ensures that before the government compels a business to turn over sensitive information, there is deliberation and independent review.

The proposal would eliminate that safeguard and place the authority to issue subpoenas in the hands of a single official. Subpoenas are not minor tools—they compel the production of highly sensitive materials such as payroll records, personnel files, and detailed scheduling data. When the government exercises that level of power, independent oversight is not a technicality; it is a fundamental due process protection.

Concentrating that authority in one official raises legitimate concerns about over-delegation and increases the risk of abuse-of-discretion challenges. Even the appearance of unchecked authority can undermine confidence in neutral enforcement. Checks and balances exist for a reason, particularly when compulsory legal process is involved.

Just as importantly, there has been no showing that the current system is broken. The CLA's report itself acknowledges that "the need for an enforceable subpoena may not arise in most instances." In other words, subpoenas are rarely necessary. If that is the case, and an established, transparent authorization process is already in place, it is fair to ask: what problem is this change actually solving?

Expanding unilateral subpoena authority without identifying a documented enforcement gap does not improve efficiency in any meaningful way. Instead, it increases potential exposure to litigation while removing an important safeguard. That is not a balanced reform—it is a step away from transparency, accountability, and due process.

**Targeted Industry Enforcement**

The report treats complaint volume as if it were proof of wrongdoing, and that simply isn't accurate. Restaurants, because of their size, high turnover, and operational complexity, may naturally generate more complaints—even when they are fully compliant with wage laws. That reality does not establish systematic misconduct. An allegation is not a violation, and an investigation is not an adjudication. Yet the report repeatedly blurs those distinctions, equating the number of complaints or investigations with the existence of violations. That conflation is not just misleading—it raises real concerns under state and federal due process protections. When these critical distinctions are ignored, restaurants are effectively cast as bad actors without proof.

The report also fails to place complaints in proper context by neglecting to compare them to overall workforce size. Without that adjustment, larger industries like restaurants will inevitably appear riskier,

while smaller industries may appear safer than they really are. Complaint volume alone does not demonstrate unlawful conduct, nor does it show that violations are occurring—or are likely to occur—within a particular workplace. By ignoring this basic proportional analysis, the report effectively stacks the deck against restaurants from the outset.

The actual enforcement numbers tell a very different story. Between 2016 and 2024, OWS received 1,084 complaints. During that same period, 858 investigations were conducted, 704 were resolved, and violations were substantiated in roughly one-third of those cases—about 234 violations across all industries. In other words, the majority of complaints did not result in confirmed violations. Complaints trigger review; they are not findings of fault. The evidentiary threshold for labeling an entire industry "high-priority" appears undefined and unsupported by concrete evidence that violations have actually occurred or are likely to occur.

Despite this, the report labels restaurants as a "high-risk" industry and recommends targeted, proactive enforcement. In practical terms, that could mean sweeps, random inspections, audits, heightened penalties, or even permit consequences—directed at businesses based on complaint volume rather than adjudicated violations. Even fully compliant businesses could face operational disruption, legal costs, reputational harm, and administrative burdens simply because of this designation—not because of any proven misconduct. For an industry already operating on narrow margins, these added burdens are not theoretical; they carry real financial and operational consequences.

Labeling an entire sector in this way presumes wrongdoing before findings are made, lacks a clearly articulated evidentiary standard, and invites equal protection and arbitrary-and-capricious challenges. It also undermines confidence in neutral enforcement by signaling that restaurants are suspect as a class. If enforcement consequences flow from this designation, the City would be imposing heightened penalties and scrutiny untethered to adjudicated violations. There is no meaningful due process when enhanced enforcement ignores the outcome of the investigative process itself.

Sound enforcement policy should focus on verified findings and properly scaled data, not assumptions drawn from raw complaint counts. Restaurants should not be singled out based on inference. Enforcement must be evidence-based, neutral, and fair—otherwise, it risks doing lasting damage to businesses that are doing everything right.

**Employee Privacy & Co-Enforcement Concerns**

The proposed co-enforcement model would involve outside advocacy organizations in enforcement efforts, giving them potential access to sensitive workplace information and influence over investigative priorities. While the report notes that the City "cannot share records with external entities," it does not specify enforceable safeguards to protect employee or employer data if these outside groups are formally integrated into enforcement activities.

Under the current process, Community Based Organizations (CBOs) must obtain written consent before sharing any worker-provided information to become involved in an investigation. This requirement is a critical safeguard, ensuring that workers retain control over their personal information and that third-party organizations do not act without explicit authorization. Importantly, CBOs presently function as

representatives—assisting workers in navigating the complaint process—but they do not have independent investigative authority and do not act on behalf of the City.

If the City is now contemplating a co-enforcement model that would more formally "deputize" non-government actors, it remains unclear how much additional authority these entities would be granted. Would CBOs be permitted to access employer records directly? Would they be authorized to participate in investigations, request documents, or influence enforcement priorities absent individualized worker consent? Any expansion beyond their current role would represent a significant shift in enforcement authority and would raise serious questions regarding oversight, confidentiality protections, and the appropriate limits of non-government participation in public enforcement actions.

The concerns are particularly acute in industries such as restaurants, which employ large workforces and maintain substantial amounts of sensitive employee data. Employers have a fundamental obligation—and right—to safeguard personal information, including contact details, payroll records, scheduling data, and other sensitive identifying information, from unnecessary exposure. Third-party entities are not subject to the same public accountability requirements, records retention rules, or transparency standards that govern government agencies.

Beyond privacy risks, there is a broader structural concern. Many of the organizations typically engaged in "co-enforcement" efforts are advocacy groups with active policy or labor-organizing agendas. While these groups may play valuable roles in outreach and education, embedding them within co-enforcement structures risks blurring the line between neutral law enforcement and workforce organizing.

City enforcement authority should not become a vehicle—directly or indirectly—for advancing unionization efforts or other advocacy objectives. Labor standards enforcement must remain impartial, focused strictly on compliance with the law, and administered by accountable public agencies with established privacy protections—not through loosely defined external partnerships. Workers should be free to make independent decisions regarding representation without government enforcement mechanisms appearing to favor or facilitate a particular outcome.

Any expansion of subpoena authority further heightens these privacy concerns. Compelled production of payroll and personnel records—absent clear guardrails governing confidentiality, retention, and appropriate use—could significantly increase the risk of sensitive information being accessed or disclosed beyond its intended enforcement purpose.

**Public Shaming Database**

Final unpaid judgments are already publicly available online, providing access to information once a court has formally determined liability

The new recommendation, however, would significantly expand publication to include administrative findings and negotiated settlements

Not every investigation that results in a "violation" reflects intentional wrongdoing or a fully litigated outcome, and publishing summaries of such matters alongside formal judgments risks blurring important distinctions. This can give the public an incomplete picture of what actually occurred, potentially leading to lost customers, strained vendor relationships, and long-term economic harm—even when a matter was resolved without litigation or an admission of wrongdoing. In this context, the proposal is an additional penalty layered on top of an existing process, while also duplicating information that is already publicly accessible.

**Budget Implications and Duplications**

The report envisions overlapping enforcement at the State, County, and City levels, creating significant uncertainty regarding jurisdiction, timelines, and applicable standards. When multiple entities can act on the same complaint, employers and employees face confusion, duplicative investigation, and the risk of inconsistent outcomes. This concern is heightened by recent state-level legislative action:

- SB 648 (Smallwood-Cuevas): strengthens the California Labor Commissioner's authority to investigate, issue citations, and file civil actions against employers for tip and gratuity violations.
- SB 261 (Wahab): expands state enforcement on unpaid wage claims, increases penalties for employers who fail to comply after 180 days, and removes public posting requirements for wage orders.

These new state measures demonstrate that enforcement powers at the state level are already increasing.

At a projected cost of $30 million over ten years, this expansion is fiscally careless, particularly amid persistent structural deficits. The report offers no measurable benchmarks demonstrating that duplicating state-level enforcement at the municipal level would improve compliance more effectively than investing in education, mediation, or better coordination with existing agencies.

The fiscal context makes this proposal even more concerning. Basic services are already stretched thin, and departments are being asked to do more with less. Expanding bureaucracy under these conditions is difficult to justify. The City is under pressure to cut costs: for example, the City Controller recently reported that on February 9, 7,189 employees were furloughed for the day to help manage the deficit. In this environment, proposing additional layers of enforcement authority is not just fiscally unsound—it is disconnected from the financial reality facing Angelenos and City staff. The City does not have surplus capacity to absorb costly, duplicative mandates and suggesting otherwise ignores the severity of the current budget crisis.

Expanding OWS authority for overtime, meal and rest break, and late pay enforcement would significantly overhaul the department's current scope of work—an expansion OWS itself has indicated could effectively double its workload. Doubling responsibilities without adding resources isn't realistic and claiming it could be done at no cost defies common sense. Pushing for a sweeping expansion of authority while the City faces major financial constraints isn't just irresponsible—it shows a disregard for the City's very real financial limitations.

**Food Facility Permit Revocation**

The suggestion to link food facility permits to contested labor claims is especially alarming.

A restaurant's health permit exists to ensure food safety and protect public health—it is not a labor enforcement tool. Conditioning, suspending, or revoking a food-service permit based on unresolved wage or scheduling allegations would represent a drastic and untested policy shift.

There is no clear connection between food safety compliance and alleged wage violations. Using public health licensing to enforce labor disputes could lead to disproportionate consequences, including immediate job loss and reduced access to food in local communities, all before allegations are fully adjudicated.

Such an approach risks penalizing employees, customers, and communities alike, while offering no evidence that it would actually improve compliance outcomes.

Los Angeles restaurants are small, community-focused businesses working on very tight margins. As the recommendations stand, they lack the operational clarity, legal grounding, and fiscal analysis needed to make them workable, enforceable, and fair.

Moving forward without addressing these gaps could lead to unintended consequences and unnecessary costs. We respectfully ask the Committee to reconsider this proposal and pursue a balanced approach—one that protects workers while supporting Los Angeles restaurants.

Respectfully,

Jackie Romero
Director, Local Government Affairs
California Restaurant Association