

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MAY 19, 2026**

MINUTE ORDER NO. 29

SUBJECT: STRENGTHENING WAGE THEFT ENFORCEMENT TO RECOVER STOLEN WAGES AND PROTECT WORKING FAMILIES (DISTRICTS: ALL)

OVERVIEW

Across San Diego County, workers are losing wages they have rightfully earned due to wage theft. Wage theft is a widespread and persistent problem affecting low-wage workers, immigrant communities, and workers in industries where violations often go unseen or unreported. This loss of income impacts residents' ability to pay for basic necessities including rent, groceries, childcare, and healthcare for their families. When workers are underpaid, denied overtime, or not paid at all, the impact is harmful and immediate and forces families to absorb financial losses they cannot afford and perpetuates the consequences of poverty.

Wage theft is a pervasive and pernicious issue across the United States. Research published in the journal *Preventive Medicine* found that some employers in the United States steal tens of billions of dollars annually through wage theft, with total financial losses exceeding those from all other forms of property crimes combined. Local data also underscores the scale of this issue. In San Diego County, more than \$29 million in unpaid wage theft judgments have accumulated since 2017, representing wages that workers have already been legally awarded through court judgements but have not yet received. This gap between judgment and recovery highlights a fundamental breakdown in enforcement and access to justice. A regional survey of hourly workers found that 87% experienced some form of wage theft within a calendar year, with many experiencing violations regularly. Despite the prevalence of these violations, awareness was critically low, as most affected workers did not recognize that they had experienced wage theft and nearly 90% of surveyed community members did not know where to report violations. Even when workers successfully navigate the system and obtain a legal judgment in their favor, recovery is far from guaranteed.

On May 4, 2021 (23) the Board of Supervisors (Board) established the Office of Labor Standards and Enforcement (OLSE) to begin addressing these gaps by providing education, outreach, and enforcement support within the County's jurisdiction. In carrying out this mission, the County's Wage Theft Enforcement Program investigates allegations of unpaid wages and other labor standard violations, supports workers through intake and case review, and coordinates enforcement actions to secure wages owed in collaboration with the Office of County Counsel and the District Attorney's Office. Through strategic investigations, employer engagement, and targeted outreach, the program helps hold employers accountable, promotes compliance, and ensures workers receive the wages they have earned.

Since its creation, OLSE has taken on a growing number of cases, partnered with community organizations, and developed innovative tools such as the first Workplace Justice Fund in the United States to provide financial resources to impacted workers. The Fund provides short-term relief to workers who have already obtained legal judgments for unpaid wages but remain unable to collect from their employers, while the County pursues recovery on workers' behalf. These efforts demonstrate both the demand for services and the County's ability to play a meaningful role in protecting workers and supporting fair workplaces.

While these efforts have been important, the scale of wage theft continues to outpace existing resources. With limited investigative capacity, enforcement remains largely reactive, and many workers never receive the wages they are owed. Additionally, responsible businesses are placed at a disadvantage when competitors cut costs through illegal labor practices. Strengthening enforcement protects workers and reinforces a level playing field for employers who follow the law.

This Board action represents a targeted and necessary next step in advancing workplace justice in San Diego County. By expanding investigative capacity, strengthening coordination with the Office of County Counsel, enhancing community awareness, and evaluating opportunities to scale the Wage Theft Enforcement Program and Workplace Justice Fund, the County can advance a more proactive, accessible, and effective wage theft enforcement system. Together, these actions aim to ensure workers retain every dollar they've earned and help protect working families from the destabilizing effects of poverty.

RECOMMENDATION(S)

CHAIR PRO TEM PALOMA AGUIRRE

1. Authorize the addition of two (2.0) full-time equivalent (FTE) positions within the Office of Labor Standards and Enforcement (OLSE) to expand the County's capacity to investigate wage theft complaints, enforce labor standards, and recover unpaid wages owed to workers, and to expand community outreach and education efforts, the Wage Theft Enforcement Program, and Workplace Justice Fund. Authorize the Department of Human Resources to classify the positions at the appropriate level, and refer to budget the appropriation of \$300,000 based on General Purpose Revenue.
2. Direct the Chief Administrative Officer (CAO) to implement an expanded enforcement and engagement strategy within the Office of Labor Standards and Enforcement that includes:
 - a. Increased investigative capacity to address wage theft complaints;
 - b. Enhanced enforcement of local and state labor standards; and
 - c. Expanded community outreach and education efforts, including:
 - i. The design and implementation, in coordination with County Counsel, of a comprehensive public awareness and Know Your Rights campaign on wage theft;
 - ii. Efforts to increase awareness of worker protections, reporting mechanisms, and available County resources, including the Wage Theft Enforcement Program and Workplace Justice Fund, through culturally competent, multilingual, and community-based outreach; and
 - iii. Engagement strategies tailored to workers and industries at heightened risk of wage theft, including partnerships with trusted community-based organizations and worker-serving institutions
3. Direct County Counsel, in coordination with the CAO and the Director of OLSE, to strengthen wage theft enforcement through enhanced legal coordination, including:
 - a. Streamlining referral processes between OLSE and the Office of County Counsel;
 - b. Expanding litigation pathways to pursue wage theft violations and recover unpaid wages; and
 - c. Identifying and assigning appropriate legal resources to support a more proactive and effective enforcement strategy.

4. Direct the CAO to evaluate opportunities to strengthen and expand the Wage Theft Enforcement Program and Workplace Justice Fund, including:
 - a. Identifying sustainable funding sources, such as penalties, fees, settlements, grants, and other revenue streams associated with wage theft enforcement;
 - b. Assessing strategies to increase access to these programs for workers with unpaid wage judgments;
 - c. Evaluating strategies to improve the efficiency and timeliness of employer-side collection and cost-recovery efforts as enforcement capacity expands; and
 - d. Identifying opportunities to align these programs with expanded enforcement efforts to maximize recovery and direct financial relief to impacted workers.
5. Direct the CAO to report back to the Board within 120 days with a written update on implementation of this Board action, including progress on staffing, enforcement, outreach, public awareness efforts, Wage Theft Enforcement Program and Workplace Justice Fund improvements, and any additional resource or policy recommendations for Board consideration.
6. Direct the CAO to express the County's support for State Assembly Bill 1838, consistent with Board Policy M-2.

EQUITY IMPACT STATEMENT

Wage theft disproportionately harms low-wage workers, immigrant communities, women, and workers of color. These populations already face structural barriers to economic mobility and legal protections. Many impacted workers are employed in industries with high rates of exploitation and are less likely to report violations due to fear of retaliation, language barriers, or lack of access to legal resources. As a result, those most vulnerable are often the least likely to recover wages they are rightfully owed. Expanding the County's enforcement capacity through additional staffing and targeted outreach directly addresses these inequities by increasing access to justice, improving recovery outcomes, and ensuring that all workers regardless of background are protected and paid for their labor.

SUSTAINABILITY IMPACT STATEMENT

The proposed action to expand wage theft enforcement strengthens economic, social, and health sustainability by ensuring workers receive earned income that supports household stability and community well-being. When wages are withheld, families are more likely to rely on public assistance, increasing strain on County systems and undermining long-term economic resilience. This initiative advances County Sustainability Goals by promoting just and equitable access to protections, supporting economic stability, and protecting health and wellbeing through reduced financial stress and insecurity. Strengthened enforcement also supports a fair and competitive business environment, discouraging unlawful practices and reinforcing responsible economic activity across industries.

FISCAL IMPACT

There is no fiscal impact for Fiscal Year (FY) 2025-26 for the addition of 2.0 staff years as requested in Recommendation 1. If approved, there will be ongoing costs and revenue of \$300,000 starting FY 2026-27 that will be referred to budget deliberations in the Office of Labor Standards and Enforcement based on available General Purpose Revenue. Subsequent fiscal year costs will be included in future years Operational Plans based on available funding.

Funds for the actions requested in Recommendations 2-6 are included in the Fiscal Year 2025-26 Operational Plan and the Fiscal Year 2026-27 CAO Recommended Operational Plan based on existing

staff time in the Office of Labor Standards and Enforcement, Office of County Counsel, and the Office of Economic Development and Government Affairs (EDGA) funded by existing General Purpose Revenue. At this time, there will be no change in net General Fund cost and no additional staff years associated with these recommendations. There may be fiscal impacts associated with future related recommendations which staff would return to the Board for consideration and approval.

BUSINESS IMPACT STATEMENT

Strengthening wage theft enforcement promotes a fair and competitive business environment by holding all employers to the same labor standards. Unlawful practices such as wage theft disadvantage businesses that comply with the law and invest in their workforce, creating an uneven playing field across industries. Expanding investigative capacity will improve enforcement outcomes and reinforce accountability, while also supporting long-term compliance. At the same time, OLSE provides education, training, and resources to help businesses understand and meet their obligations to their workforce. This approach balances enforcement with support, fostering responsible business practices and a more stable and equitable local economy.

ACTION:

This item was withdrawn at the request of Chair Pro Tem Paloma Aguirre.

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter