

MAKING RIGHTS REAL



HOW THE WHISTLEBLOWER ENFORCEMENT MODEL CAN ADDRESS THE CRISIS IN LABOR RIGHTS ENFORCEMENT

SUMMARY & KEY POINTS

Too many employers violate worker's hardfought rights to pad their profits. To stem the tide against this lawbreaking, Whistleblower Enforcement policies would expand public enforcement of labor law, foster a culture of employer compliance, and generate essential revenue for state enforcement agency staff.

POLICY RECOMMENDATIONS

- ▶ **Appropriate More Funds from Annual Budget Processes to Further Bolster Enforcement Capacity:** States should dedicate more funds from annual budget processes to expand staffing, increase pay, improve retention, and extend overall capacity for public labor law enforcement.
- ▶ **Adopt Robust State Whistleblower Enforcement Policies:** States should adopt policies that extend the reach of the state enforcement agencies and allow workers, whistleblowers, and labor organizations to initiate legal proceedings on behalf of the state for violations of labor laws for strict penalties as well as injunctive or declaratory relief.
- ▶ **Allocate Whistleblower Enforcement Revenues to Enforcement Agencies:** Revenues generated through penalties for labor law violations should resource enforcement agencies to improve pay and working conditions, expand staffing, and thus improve public enforcement of labor laws.

Workplace rights violations are rampant. Wage theft dwarfs most types of theft in the U.S. Minimum wage violations alone, estimated to be [\\$15 billion annually](#), account for more theft than all offenses such as robbery, burglary, and motor vehicle theft [combined](#). That's because the penalties for wage theft and other workplace violations are too low, and the likelihood of getting caught is so small that unscrupulous employers bet on violating workers rights to line their pockets. Underfunding, understaffing, and insufficient pay for public investigators at state labor law enforcement agencies drives this problem. For instance, NY saw the ratio of workers to investigators increase from roughly 65,000 to one in 2018 to roughly 73,000 to one in 2023.

Whistleblower Enforcement policies would expand the reach of public enforcement agencies and allow affected workers, whistleblowers, and labor organizations to begin legal action on behalf of the state against employers who violate the law. **Resulting penalties discourage potential lawbreakers and serve as an untapped funding source for enhancing the capacity of public sector enforcement agencies, including through additional staffing, better pay, and enforcement resources.** Recently proposed policies would generate hundreds of millions of dollars across the country:

STATE	BILL	YEAR INTRODUCED	EXPECTED ANNUAL REVENUE
New York	EmPIRE Worker Protection Act	2023	\$103,613,840
Massachusetts	Wage Theft Act	2023	\$46,345,263
Washington	Worker Protection Act	2021/2022	\$40,192,588
Oregon	Just Enforcement Act	2021	\$12,905,638

For methodology, more details, and more estimates, see the full report, "Making Rights Real: How the Whistleblower Enforcement Model Can Address the Crisis in Labor Rights Enforcement."

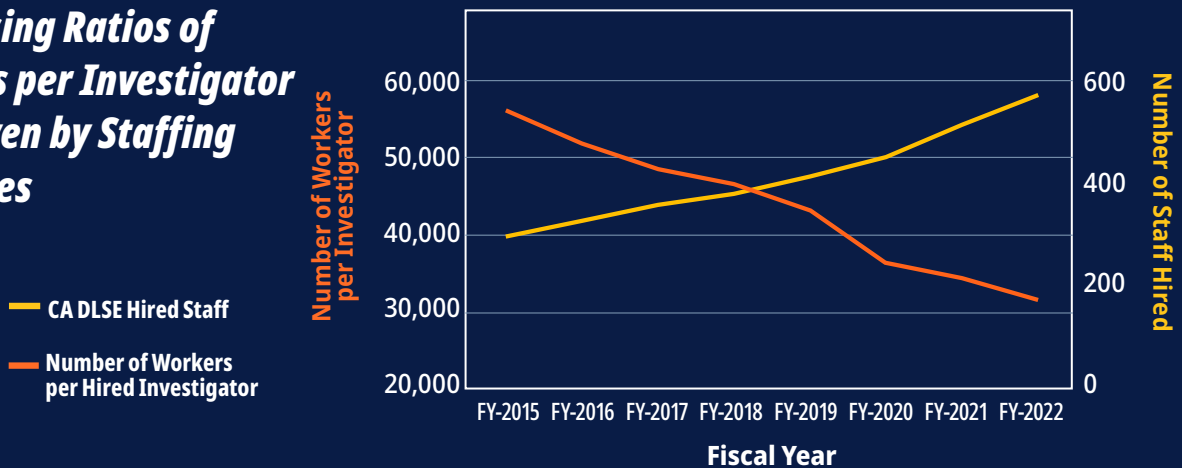
This tried-and-true approach traces its roots to the bipartisan False Claims Acts at the federal and state level. California's similar Private Attorneys General Act (PAGA), enacted in 2004, has enabled the recovery of hundreds of millions of dollars from employers violating labor laws, reduced the prevalence of wage theft, and increased state enforcement capacity, all while fostering job growth higher than the national

average. PAGA put money back into the hands of the state's most vulnerable workers and generated \$98 million annually for the state between FYs 2016 and 2022. Meanwhile, the number of positions filled at the Division of Labor Standards Enforcement grew much faster than the total size of the state workforce, in part through PAGA revenues.

California Annual Revenues from PAGA Penalties



Decreasing Ratios of Workers per Investigator are Driven by Staffing Increases



By harnessing the resilience of workers advocating for better workplaces and the guidance of their public officials, Whistleblower Enforcement policies provide a meaningful opportunity to expand the reach of and to resource public labor law enforcement, empower workers to hold employers accountable for their transgressions, and ensure that established workplace standards have a tangible impact on households nationwide.