



COALITION ON HUMAN NEEDS

1120 Connecticut Avenue, NW · Suite 312 · Washington, DC 20036 · 202.223.2532 · Fax 202.223.2538 · www.chn.org

The Honorable Lamar Alexander
Chair, Committee on Health, Education, Labor and Pensions

The Honorable Patty Murray
Ranking Member, Committee on Health, Education, Labor and Pensions

United States Senate
Washington, DC 20510

January 13, 2017

Dear Chairman Alexander, Ranking Member Murray, and Members of the Committee on Health, Education, Labor and Pensions:

On behalf of the [Coalition on Human Needs](http://www.chn.org), I write to express opposition to the nomination of Andrew Puzder for Secretary of Labor. The mission of the Coalition on Human Needs is to advocate to meet the needs of low-income and vulnerable people. The Department of Labor has a central role to play to ensure that places of employment meet basic standards as established by law and regulation, to protect workers in times of high unemployment, and to assist workers through effective training programs. These Department of Labor responsibilities are of great importance to low- and moderate-income workers.

Mr. Puzder, as CEO of CKE Restaurants, has shown disregard for the law by violating the Fair Labor Standards Act repeatedly. An [investigation](#) by the U.S. Labor Department in 2006-2007 (under President George W. Bush) found for 450 CKE Restaurant workers who were granted back pay. More recently, a Department of Justice study found that [60 percent of CKE restaurants](#) had a least one wage and hour violation.

In addition, according to [Mother Jones](#), in 2004 CKE settled overtime pay claims by store managers by agreeing to pay these workers \$9 million. In 2013, a still pending class action suit was brought by general managers for failure to pay overtime, "...even while requiring them to be on call 24 hours a day," as reported by [Law360](#).

In an [investigation of Hardee's](#) in 2014, the Labor Department found 21 violations against workers who were owed more than \$2,000 in wages because their pay was provided through debit cards whose fees reduced their earnings below the minimum wage.

CKE Restaurants under Mr. Puzder has also been cited by the Occupational Health and Safety Administration (OSHA) for health and safety violations, as noted in the letter you have received from the National Women's Law Center. One-third of those violations were deemed serious – that is, potentially life-threatening. Mr. Puzder has disparaged the use of rest or meal breaks, and his companies' employees have filed complaints that they were denied these breaks.

A new survey conducted by [Restaurant Opportunities Center United](#) in collaboration with Corporate Accountability International found that two-thirds of CKE workers with completed surveys reported “unwanted sexual behaviors” at work, as opposed to 40 percent in the fast food industry overall. Because of understaffing, 28 percent reported that they worked off the clock. About one-third of those surveyed said they did not receive required breaks or overtime pay. For lack of paid sick leave time, a startling 79 percent of CKE worker respondents said they prepared or served food while sick, which was described in the report as “higher than the rate in any of the other cities we have previously surveyed.”

Finally, a new [analysis](#) by the Century Foundation has compiled both Wage and Hour Division and OSHA violations since 2000, when Mr. Puzder became CEO for CKE Restaurants. They found 166 investigations, 87 of which (52 percent) resulted in at least one violation. There were 91 OSHA violations affecting 576 employees. There were 1,082 violations from all the wage and hour investigations since 2004, which affected 987 workers. Back pay totaling \$145,310 was turned over to 877 employees. Civil penalties to both oversight offices totaled \$156,377.

The Secretary of the Department of Labor should preside over vigorous enforcement of wage, labor and safety standards. On these issues alone, Mr. Puzder's record should be seen as disqualifying.

As a Coalition of faith groups, service providers, policy experts, civil rights, labor and consumer groups all concerned with raising the incomes of low-income workers, we are particularly troubled by Mr. Puzder's opposition to raising the minimum wage (including raising the minimum wage for tipped workers) and to the new overtime rule. Both these policies would benefit millions of low- and moderate-income workers and their families.

Further, we would hope for a nominee with a commitment to increasing employment and training opportunities and building career ladders for workers, all with a goal of helping workers to gain stable jobs with good pay and benefits. Mr. Puzder instead has a record of threatening workers with replacement by machines. As quoted in the publication [*Business Insider*](#): " 'They're always polite, they always upsell, they never take a vacation, they never show up late, there's never a slip-and-fall, or an age, sex, or race discrimination case,' says Puzder of swapping employees for machines."

The nation needs a Labor Secretary who will build on progress made to end employment discrimination based on gender/gender identity, race, or religion. We need a Secretary committed to increasing worker pay and benefits and to developing paths to secure employment at decent pay for those facing barriers such as their ex-offender status, poverty, or debt. We do not see evidence of Mr. Puzder's vision to advance opportunities for low-income workers. We do see evidence of disproportionately high violations at the expense of workers. Because of this, we urge you to oppose confirmation of Andrew Puzder for Secretary of Labor.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Deborah Weinstein". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Deborah Weinstein
Executive Director
dweinstein@chn.org
202-223-2532 x111