

UNITE **HERE!** Local 11

June 24, 2025

Lilia García-Brower
California Labor Commissioner
Department of Industrial Relations
Labor Commissioner's Office
320 W. Fourth Street, Suite 450
Los Angeles, CA 90013

**Re: Request for Investigation re: Anti-Minimum Wage Referendum
Circulators' Compliance with Interstate Labor Trafficking Law
(Labor Code Section 970 et seq.)**

Dear Labor Commissioner García-Brower,

We write because it has come to our attention that companies hiring workers to gather signatures from Los Angeles voters on a petition to overturn a recently enacted minimum wage ordinance may have engaged in unlawful labor trafficking and other violations of California Labor Law. We ask your office to investigate these and other concerns.

Background re: Anti-Minimum Wage Referendum

On May 14, 2025, following more than two years of deliberations, the Los Angeles City Council enacted by a 12-3 margin, and the Mayor subsequently signed into law, an ordinance to increase the wages and health benefits provided to hotel and airport workers in the City of Los Angeles, provide training to hotel workers, and make other changes for the benefit of low-wage tourism workers ("Minimum Wage Ordinance").

On May 29, a group of businesspeople filed paperwork with the City Clerk of Los Angeles to launch a petition to overturn the Minimum Wage Ordinance through a referendum. The referendum effort is supported by a group of companies called the "L.A. Alliance for Tourism, Jobs and Progress" ("Alliance"), which has received major funding from Delta Airlines, United Airlines, and the American Hotel and Lodging Association. The following day, the Los Angeles Interim City Clerk Petty Santos announced that the petition was approved for circulation.

The Alliance, acting through contracted firms, immediately began to circulate the referendum petition across Los Angeles. From the very beginning of these efforts, the referendum effort has been marked by serious misconduct by circulators. On June 11,

2025, we sent a letter to the California Attorney General, the Los Angeles County District Attorney, and the Los Angeles City Attorney to request that they investigate allegations of conduct by petition circulators that may violate election law and other criminal laws. In that complaint, we alleged that the petition circulators are misleading voters by, among other things, repeatedly representing that the purpose of the referendum is to *increase*, not decrease, the minimum wage.

Unfortunately, it appears based on our conversations with circulators that a number of them were themselves misled about the purpose of the referendum by the companies who hired them. Many of these circulators were induced to travel from all over the country: we have encountered circulators who traveled to Los Angeles from Oklahoma, Texas, Illinois, Florida, Indiana, Georgia, and North Carolina, among other places, to collect signatures to overturn the recently enacted Los Angeles Minimum Wage Ordinance.

Based on our conversations with circulators, we believe that the companies who hired them may be violating California's anti-trafficking and other labor laws.

Allegations re: Labor Trafficking by Inducing Workers to Relocate by Knowingly False Misrepresentations

California law prohibits influencing, persuading, or engaging "any person" to relocate either to California or within California for work by means of knowingly false representations. Cal. Lab. Code § 970. Violators of Labor Code section 970 are both civilly liable for double damages and criminally liable. See §§ 972-73.¹

The types of relocation-inducing misrepresentations prohibited by California Labor Code section 970 include misrepresentations about the kind or character of such work, the length of time such work will last, the compensation to be paid, and the sanitary or housing conditions relating to or surrounding the work. Cal. Lab. Code § 970. *See, e.g., Seubert v. McKesson Court*, 223 Cal. App. 3d 1514 (1990) (finding violation of Labor Code § 970 where an employer induced an employee to move from Pennsylvania to California by falsely representing the nature of a position) (disapproved by *Dore v. Arnold Worldwide, Inc.*, 39 Cal. 4th 384 (2006) on unrelated grounds); *see also White v. Smule, Inc.*, 75 Cal. App. 5th 346 (2022) (holding that even an at-will employee could justifiably rely on misrepresentations concerning the length and nature of a position).

¹ Underscoring the gravity of conduct it proscribes, Labor Code section 970 closely mirrors the elements of the federal Trafficking Victims Protection Act, as amended, which makes "fraud in foreign labor contracting" a criminal offense. Specifically, the law prohibits "recruiting, soliciting, or hiring a person outside of the United States for purposes of employment in the United States"—knowingly or with intent to defraud—"by means of materially false or fraudulent pretenses, representations or promises regarding that employment." 18 U.S.C. § 1351 (enacted through the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008).

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The protections of California Labor Code section 970 are not limited to employees. *See, e.g., Negrel v. Drive N Style Franchisor SPV LLC*, 2018 WL 6136151 (applying California Labor Code section 970 to franchisors). Thus, while many of the circulators have been designated independent contractors—a practice we believe amounts to unlawful misclassification under AB5 since signature-gathering is the core function of the firms that have contracted them—their rights under section 970 would be protected even if they were true independent contractors.

Nor are section 970's protections limited to permanent relocations of residence. *See Collins v. Rocha*, 7 Cal. 3d 232, 239-40 (1972) (holding that Labor Code sections 970 and 972 apply to temporary relocations of residence and that “[t]he quantitative fact that the change of residence was to be only for two weeks rather than for a longer period would not appear to affect the qualitative misrepresentations, nor does it render the statute inapplicable.”) Section 970 would thus apply to signature-gatherers induced to travel to California (or within California) for non-permanent positions.

Based on our interviews and interactions with some petition circulators, we believe that petition-gathering companies may have violated or are violating Labor Code section 970 and other California employment laws. In particular, several of these employees alleged to us that they were induced to come to California based on misrepresentations about the nature of the work, about the compensation, and about housing conditions surrounding the work.

One petition circulator, who traveled from Houston, Texas to work on this campaign, alleged that he was told that the campaign was to raise the minimum wage, which induced him to accept this job. He initially learned about the referendum in LA via call and text message from two representatives of a company called [REDACTED]. Both representatives confirmed to him that the campaign was to increase, not decrease, the minimum wage. The worker was promised \$8 per signature, a ride from LAX, and an Airbnb for lodging, the latter of which would be deducted from his earnings. He agreed, and arrived in LA on May 31, 2025. He was told he would be a 1099 worker and would be paid via a payment app.

The worker reviewed the petition documents he was provided with, and he understood that they aligned with what he had been told: the documents included a full text of an ordinance that would raise the minimum wage for hotel and airport workers in Los Angeles. He began collecting signatures, telling the voters he spoke with that they were signing a petition to increase the minimum wage. After a few days, he submitted over 400 signatures to the [REDACTED] representative, with a 73% validation rate, so he expected over \$2,000 in payment based on the \$8 per signature promise. However, he was only paid \$200.

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Then, on or around June 4, a canvasser pointed out to the petition circulator that the paperwork of the referendum in fact said it was to “overturn” the ordinance, not to pass it. The petition circulator then realized he had been misled into coming to Los Angeles, and was horrified that he had been collecting signatures to overturn a minimum wage. As he said, “I would have never flown to Los Angeles to work for [REDACTED] [REDACTED] if I had known that I would be circulating a petition to overturn the law and put it on the June 2026 ballot.”

Another petition circulator at Grand Central Market in Downtown Los Angeles reported that she was induced to relocate from Dallas, Texas, in part by the company’s representation that the referendum was to increase the wages for hotel workers and add training and protections against domestic violence. When asked for clarification, she pointed to a copy of the Ordinance, reiterating that she was seeking signatures to *support* passage of the Ordinance. She stated that if she had known the petition was in fact to overturn the minimum wage, she would not be gathering signatures.

A third petition circulator who traveled to work on the campaign from Georgia broke down when she was told what the referendum did. She said, “You don’t understand, I’m on the right side, I’m trying to raise the wage.” After a canvasser explained that the referendum was doing the opposite, she teared up and said “I’m going to cry” and said “They lied to me.”

If these allegations are found to be true, the companies have engaged in serious labor violations in violation of California law. As reviewed above, at least three workers may have been induced to relocate from other states based on false representations about the “character” and potentially other essential aspects of their work. Cal. Lab. Code § 970(a), (b). Moreover, given a large share, if not the majority, of referendum circulators have been recruited from other states, we believe the problem may be more widespread.

Accordingly, we respectfully ask that your Office investigate these potential legal violations, as well as other labor code compliance issues, such as potential meal-and-rest-break violations and other violations stemming from the potential misclassification of independent contractors, that we understand may also be practices at these firms.

We are happy to provide you with as much information as we can and put you in touch with workers to the extent that we are able. I can be reached by email at ztucker@unitehere11.org.

Sincerely,

/s/

Zoe Tucker
Staff Attorney

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