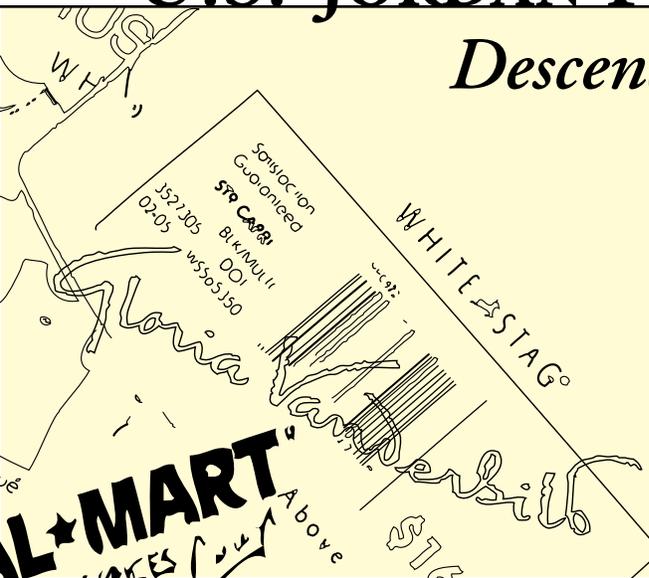


90°

U.S.-JORDAN FREE TRADE AGREEMENT

Descends into Human Trafficking & Involuntary Servitude





540 West 48th St., 3rd Fl.
New York, NY 10036
P: 212.242.3002
F: 212.242.3821
www.nlcnet.org

ACKNOWLEDGMENTS

**U.S. Jordan Free Trade Agreement
Descends Into Human Trafficking & Involuntary Servitude.**
Tens of Thousands of Guest Workers Held in Involuntary Servitude

May 2006

By Charles Kernaghan, National Labor Committee

With research and production assistance from: Amanda Agro, Barbara Briggs, Christine Clarke, Matt D'Amico, Daniel De Bonis, Aysha Juthi, Amanda Teckman

Design by Tomas Donoso

We especially want to thank the over one hundred very brave guest workers in Jordan who told us their stories as well as the workers who were forcibly returned to Bangladesh. At grave risk to themselves, they gathered clothing labels and carried out research with the hope that their work would help improve conditions for the tens of thousands of guest workers in Jordan.

We also want to thank our partners in Bangladesh, the Bangladesh Center for Workers' Solidarity and the National Garment Workers Federation for their extraordinary leadership and assistance.

CONTENTS

HOW THE WORK WAS DONE	1
AL SHAHAED APPAREL & TEXTILE: <i>Wal-Mart & K-Mart</i>	3
WESTERN FACTORY: <i>Do Any of Us Really Want a “Bargain” Based on Trafficking of Young Women into Involuntary Servitude?</i>	11
DUTY FREE ACCESS TO THE U.S. MARKET	19
AL SAFA GARMENTS: <i>Sewing Clothing for Gloria Vanderbilt, Mossimo & Kohl’s; Young Woman Raped - Hangs Herself</i>	20
ACTION PLAN: <i>To Bring Supplier Plants in Compliance with Jordanian Law</i>	25
RECRUITMENT AD FOR STAR GARMENTS	26
JORDAN’S LABOR LAW	27
MAINTREND: <i>Human Trafficking & Involuntary Servitude.</i>	28
CHINA IS THE BIG WINNER IN THE U.S. - JORDAN FREE TRADE AGREEMENT	41
USAID TRAINS BUSINESS MANAGER OF JORDAN’S LARGEST FREE TRADE ZONE	47
HI TECH TEXTILES: <i>Wal-Mart & Gloria Vanderbilt</i>	49
UNITED GARMENTS MANUFACTURING: <i>Wal-Mart Behind the “Everyday Low Prices-Always” Are Women Cheated, Every Day</i>	61
PACIFIC GARMENTS: <i>U.S.-Jordan Free Trade Agreement leads to tens of thousands of guest workers being cheated of their wages</i>	68



HONORWAY APPAREL LTD: <i>Wal-Mart, K-Mart, & J.C. Penney</i>	73
NEEDLE CRAFT: <i>Women Beaten Sewing Clothing for Wal-Mart</i>	79
DRAGON FACTORY: <i>Liz Claiborne: Even the Best Companies Sometimes Stumble</i>	82
IVORY GARMENT: <i>The Rat Pack:</i> <i>Faded Glory, Mossimo, & Gloria Vanderbilt</i>	86
AL NAHAT APPARELS: <i>Forced to Work 47 Hours of Unpaid Overtime Each Week!</i>	93
TOPAZ GARMENTS: <i>Nightmare at the Topaz Factory in Jordan</i>	100
PARAMOUNT GARMENT FACTORY: <i>Labels Sometimes Flat-out Lie:</i> <i>ZeroXposure & Chestnut Hill</i>	106
AL AHAM GARMENTS: <i>New York Laundry caught in sweatshop scandal in Jordan</i>	113
MINA GARMENTS: <i>Sewing Victoria's Secret Garments in a Hidden Sweatshop</i>	119
ASEEL UNIVERSAL GARMENT: <i>UAE Sweatshops in Jordan Producing Perry Ellis</i>	121
MAKING THE CASE TO COMPENSATE GUEST WORKERS FOR BACK WAGES LEGALLY DUE THEM.	123
SOUTHERN APPAREL: <i>Producing for Wal-Mart</i>	125
CENTEAR CLOTHING: <i>Another Wal-Mart Bargain</i>	128

CALIBER GARMENTS: <i>Producing for Wal-Mart & Gloria Vanderbilt</i>	132
SARI FACTORY: <i>Faded Glory and Gloria Vanderbilt</i>	136
PRESTIGE APPAREL: <i>Sewing Clothing for Gloria Vanderbilt & Bill Blass</i>	139
M.K. GARMENTS: <i>Another Gloria Vanderbilt Sweatshop</i>	142
PETRA APPAREL: <i>Producing for Wal-Mart & Gloria Vanderbilt</i>	145
FRESH TASTE FACTORY: <i>Sewing Clothing for Gloria Vanderbilt</i>	147
ATLANTA TEXTILES: <i>Dubai Sweatshop in Jordan Systematic and Extreme Violations</i>	148
I-TEXFIL: <i>Producing Mossimo for Target</i>	150
AL CAP FACTORY: <i>More Sweatshop Production for Gloria Vanderbilt</i>	152
AL TAJAMOUAT INDUSTRIAL PARK U.S.-JORDAN FREE TRADE AGREEMENT	154
LABOR RIGHTS PROVISIONS OF THE U.S.-JORDAN FREE TRADE AGREEMENT VIOLATED SYSTEMATICALLY WITH COMPLETE IMPUNITY	157
COMPANY PROFILES	158

HOW THE WORK WAS DONE.

Researching factory conditions in Jordan was very difficult. Workers are not provided pay stubs or time sheets. Foreign guest workers are prohibited from organizing, and by law, Jordan's union cannot affiliate foreign members. As a result, **not a single guest worker we spoke with had ever been approached, let alone helped, by a Jordanian union.** There are also language problems, since the guest workers from Bangladesh, Sri Lanka, China, India and other countries do not speak Arabic. As the U.S. State Department points out in 2004, not only do *“union bylaws limit membership to citizens, effectively excluding the country's more than 125,000 registered foreign workers,”* but Jordan's unions are also not fully independent of the government. *“Unions are required by the government to be members of the General Federation of Jordanian Unions (GFJTU), the sole trade union federation. The government subsidizes and audits the GFJTU's salaries and activities.... The government co-sponsors and approves the timing of these elections and monitors them to ensure compliance with the law. Union leaders complained about the requirement for government oversight of their elections.”*

“Some Qualifying Industrial Zone (QIZ) companies are reluctant to give out information regarding their financial status in terms of investment capital, exports, number of employees, along with the nationality of the owners. They believe such information is like a gold mine that must be kept well guarded rather than transparent.”

This also made it very difficult to find safe locations to meet with the workers, since there were no links between the guest workers and local labor, religious or human rights organizations.

Moreover, official government data regarding the number of free trade zone factories and workers is difficult to come by and is also quite dated. There is a lot of secrecy in Jordan, as is bluntly pointed out by Jordan's Export and Finance Bank.

Some estimates in 2004 put the number of free trade zone workers at 48,000, of which, at least 25,000 were foreign guest workers. Some official government estimates put the figures much lower. But even the 48,000 figure may be too low as factory lists never include the myriad “smaller” subcontract factories, with hundreds of workers in each one, that have grown up across Jordan. Also, the official number or percentage of Jordanian workers employed in these free trade zone factories seems high. When we were able—with fast driving and luck—to get into the industrial zones, what we always saw were hundreds of foreign guest workers, who vastly outnumbered any apparent Jordanian workers.

The gated industrial parks are in a state of what can only be described as a constant lock-down. We found this out one Friday evening, supposedly the weekly holiday in Jordan, when we were able to drive past the guard post and into the zone. When we got out of our car and started casually filming with our small video camera, trying to



look like tourists, it did not take more than 45 seconds to a minute before a security guard approached us. Within another minute or two, more guards joined us. Before five minutes, a black Mercedes Benz pulled up and another four plain-clothes guards got out. They kept asking us who we were, how we got in, what we were doing, and why we were filming. We started talking about how beautiful the palm trees are in Miami, trying to convince them that we were truly just naïve tourists. They made us put the camera away and followed us to the gate as we left. A few days later, we tried to drive into another free trade zone, hoping at least to film out the windows of the car, but we had no such luck. We were stopped at the entrance and a security guard just opened the back door of our car and got in. We had to kick the camera under the seat. He wanted to take us to the security office. We declined and left.

National Labor Committee staff members made two trips to Jordan, as well as traveling to Bangladesh to meet with workers who were exploited in Jordan and then forcibly deported when they asked for their legal rights, including their proper wages. With our partners in Bangladesh, the **Bangladesh Center for Workers Solidarity** (BCWS) and the **National Garment Workers Federation** (NGWF), we were able to establish a program visiting different workers' neighborhoods to locate former factory workers from Jordan and to interview them regarding their experiences. Some of these interviews were also filmed.

Our goal both in Jordan and in Bangladesh was to conduct several meetings with different groups of workers from the same factory, and to do so over the course of several months. In many cases, we held as many as four separate interviews with different workers from the same plant. In Jordan, it was difficult to find safe places for the interviews, but the workers were quite ingenious in setting this up. We cannot say any more than that. In Bangladesh, with our partners, it was easy to meet safely at their union offices.

All across Jordan, brave workers were able to smuggle labels out of their factories. To track U.S. companies sourcing production in Jordan, we also relied upon shipping records based on U.S. Customs Import documents. We also spent a lot of time in retail stores, checking labels and buying clothing made in Jordan.

In the end, though disappointing to us, we were still able to get at least some video footage and pictures of the free trade zone factories out of Jordan.

This research took one year, from May 2005 through April 2006.

AL SHAHAED APPAREL & TEXTILE: *WAL-MART & K-MART*

Al Shahaed Apparel and Textile
Al-Hassan Industrial Estate
Irbid, Jordan

- Guest workers stripped of passports and held as indentured servants.
- Mandatory 38 to 48 and even 72-hour shifts are routine.
- Workers beaten and tortured:
Slapped, punched, kicked, beaten with sticks and belts;
Sick workers stripped down to their underwear and locked in freezing rooms;

- Workers paid 2 cents an hour!
- 28 workers crowded into a 12-by-12 foot room with water available only every third day.
- After being cheated of wages, workers are forcibly deported to Bangladesh, where they face enormous debts incurred when they purchased three-year contracts to work in Jordan.

“Jail would be much better than where we were.”



SIXTY-FIVE WORKERS READY TO TESTIFY:

It must seem so improbable, that in the year 2005 and under a U.S.-Jordan Free Trade Agreement, that workers sewing clothing for Wal-Mart and other U.S. companies could be routinely forced to work 72-hour shifts, while being paid just two cents an hour, and repeatedly beaten with belts and sticks, that at the outset we have to say that there are 65 workers in Bangladesh ready to testify as to the horrors they faced at the Al Shahaed factory in Jordan.



WORKERS READY TO TESTIFY	
NAME	POSITION
Abbas	Operator
Shah Alam	Operator
Md. Shah Alam	Operator
Alamgir	Operator
Hassan Ali	Operator
Hazrat Ali	Operator
Shohor Ali	Helper
Al Amin	Helper
Masum Billah	Helper
Md. Faruque	Operator
Feroj	Operator
Feeroj	Operator
Delwar Hassan	Operator
Nassir Hassan	Operator
Noor Hassan	Helper
Amir Hossain	Helper
Awlad Hossain	Helper
Farque Hossain	Operator
Ismail Hossain	Helper
Jakir Hossain	Operator
Mosharraf Hossain	Line Quality
Robiul Hossan	Helper
Siddque Howlader	Helper
Imim	Operator
Imran	Operator
Nurul Islam	Iron Man
Md. Rafiqul Islam	Operator
Shahidul Islam	Operator
Shiful Islam	Line Quality
Humahun Kabir	Operator
Razahul Kabir	Helper

Md. Khalek	Operator
Abdul Malek	Helper
Manik	Operator
Abdul Mannan	Helper
Mashud	Operator
Abad Miah	Helper
Babul Miah	Operator
Milon	Operator
Md. Mofizul	Operator
Mohsin	Operator
Mukiss	Operator
Neeharul	Operator
Nobiul	Operator
Porimol	Quality
Mashud Rana	Quality
Razu	Operator
Razzak	Operator
Abdur Razzak	Helper
Abdur Rob	Operator
Salim	Helper
Golam Sarwor	Helper
Shaheenur	Operator
Bhorhan Shak	Operator
Shohorab	Operator
Shofiqul	Helper
Md. Soliman	Operator
Suzan	Operator
Shahidul Talukdar	Operator
Hassan Tarak	Helper
Kamal Uddin	Operator
Tomiz Uddin	Helper
Zia Uddin	Helper
Zabbar	Operator
Zahid	Operator

“We had to sleep on the floor with a thin blanket in biting cold. We had to wake up around 6:00 a.m. and wait in a long queue since there were only six toilets in the house.”

• Mr. Nasir

*“We were subjected to punishment when we wanted more food. **The guards used to beat us up with broomsticks.** Sometimes they used to force us to stand naked in an air-conditioned room in severe cold.”*

• Mr. Shahar Ali

“I asked for some medicine when I had sprained my toe. They refused to give it and thrashed my toes with a broomstick.”

• Mr. Nurul Islam

“I was sent to jail twice for demanding my salary. The jail authorities did not give me any food during the three days and four nights I stayed there. I had to live drinking only water from a tap on the toilet.”

• Mr. Tuhin

GOING TO JORDAN AS “GUEST WORKERS”

Beginning in **May 2004**, 115 Bangladeshi workers purchased three-year contracts to work in Jordan as sewing operators and helpers at the Al Shahaed Apparel and Textile factory. They had to pay 90,000 to 200,000 taka, or **\$1,327 to \$2,950**, to a contractor in Bangladesh, Golden View International, in order to purchase these work contracts. As they were poor workers, they had to borrow money in the informal market, where, in their area, the interest rate is five percent per month. This means that the interest on the average-sized loan of 135,714 taka, or \$2,002, would be \$100 a month. And if payments were not made, the debt would increase by 60 percent over the course of a year, rising \$1,201 to a total of \$3,203.20. Again, if the workers were unable



to make payments—which was the case for everyone since they were cheated of their wages—today, in March 2006, the original \$2,002 loan has turned into a debt of \$4,805, and still growing at \$240 a month.

The workers only took the loans in the first place because their contractor guaranteed that they would be earning at least \$120 a month, not including overtime, and that all food, lodging and health care would be free.

None of this was true. When the workers arrived at the Al Shahaed factory they were **stripped of their passports.** Nor did management provide any identification cards, making it dangerous for the workers to venture outside of their factories or dorms, for fear of being stopped by the police, imprisoned and then deported for lack of proper identification.

Al Shahaed was a small subcontract plant factory located in the Al-Hassan Industrial Estate near the city of Irbid. There were 130 workers in total, with 15 Jordanians also employed.

The workers sewed clothing for Wal-Mart and K-Mart,



MINIMUM 15-HOUR SHIFT 8:00 A.M. TO 11:00 P.M.	
8:00 a.m. – 1:00 p.m.	Work, 5 hours
1:00 p.m. – 1:30 p.m.	Lunch, 30 minutes
1:30 p.m. – 8:30 p.m.	Work, 7 hours
8:30 p.m. – 9:00 p.m.	Supper, 30 minutes
9:00 p.m. – 11:00 p.m.	Overtime, 2 hours

and at times for other labels, such as Kohl's. In the first quarter of 2005, they sewed *White Stag* women's pants for Wal-Mart. At that time, they were routinely forced to work 48-hour shifts. They also sewed *Joe Boxer* pajama pants for K-Mart (one worker was allowed to keep a sample of the pants).

HOURS: 38 TO 48, EVEN

72-HOUR SHIFTS ARE ROUTINE!

The minimum shift at the Al Shahaed factory was 15 hours a day, from **8:00 a.m. to 11:00 p.m.** But it was so rare to work just 15 hours a day that the workers said, "It felt like a vacation when we did."

Even when working this minimum shift, the half-hour



lunch was often scaled back to just five minutes, while the supper break was eliminated, meaning the workers could not eat until after they returned to the dorm.

Much more common was to be forced to work straight through 38, 48, and even 72-hour shifts, and going without sleep for two or three days. After working 38 or 48-hour shifts, the workers had to be back at the factory at 4:30 p.m. that same day. If a sewing operator worked a 48-hour shift, straight through from 8:00 a.m. Monday morning to 8:00 a.m. Wednesday morning, they were allowed eight and a half hours off before having to return to work at 4:30 p.m. that same Wednesday. It was only after working a 72-hour three-day shift that the workers were allowed a full day off.

After supper, at 8:30 p.m., which the workers described as being very minimal, there was no other food or refreshments throughout the all-night shift.

TORTURE AND BEATINGS:

In the middle of working a 48-hour shift, the workers were provided a small half sandwich for lunch. **When one of the workers complained about how little they were given to eat, the boss took off his belt and began repeatedly beating the worker.**

Working such a schedule and with the lack of rest, it was no wonder that the workers often felt exhausted, weak, sick and disoriented. **It was not uncommon for workers to pass out while working.**

After working 38 hours straight, five of the workers fell sick with dysentery and serious bouts of diarrhea. They decided to stay home the following day. The factory owner responded by sending his car and driver to the house to bring the workers to the factory. **When the sick men arrived, the owner made them strip down to their underpants and then locked them in a freezing room all day, with the air conditioning turned on high, despite the fact that it was winter and the tempera-**

ture was in the thirties.

“Often grown men were brought to tears,” the workers told us.

If a worker dared ask to be paid the wages due them, they could also be locked in a freezing room in their underwear.

Al Shahaed’s owner hired “muscle men”, gang members, to terrorize the workers. **If a worker even turned his head to look from one side to another, the gang members would come over and slap his face or punch him in the side of the head.** Anyone not concentrating 100 percent on their work would be beaten.

It was also common for the factory owner to slap workers, to grab and punch them, and to beat the workers with sticks and metal rods. Months later, when we were interviewing a group of Al Shahaed workers in Dhaka who had been forcibly returned to Bangladesh, some workers still showed visible signs of welts and bruise marks on their bodies. Workers were also kicked.

Another worker who dared to ask for his wages—they were supposed to be earning at least \$120 a month, but instead they were being paid just \$10—was attacked by

LEGAL MINIMUM WAGE
58 cents an hour
\$4.62 a day (8 hours)
\$27.69 a week (48 hours)
\$120 a month
\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour

the owner and three gang members, badly beating him, kicking and punching him over and over again in the stomach. Afterwards blood came out in the worker’s urine.

WORKERS CHEATED OF THEIR WAGES:

- **Paid just two cents an hour, \$2.31 for 98 hours of work;**
- **Workers held under conditions of indentured servitude or worse;**
- **Al Shahaed’s owner tells the workers: “You are here to work, forget about money.”**

The legal minimum wage in Jordan’s free trade zone factories is \$120 a month and 58 cents an hour for the regular 48-hour workweeks. All overtime must be paid at a 25 percent premium, or 72 cents an hour.

Al Shahaed imposed its own rules. The law did not matter. Instead of paying the legal \$120 a month for regular hours, they paid the workers just \$5, \$10, \$20 or \$30 a month at most for both regular and overtime hours. **Some workers were earning as little as one cent an hour! And \$1.15 for a 98-hour workweek! Workers earning \$20 a month were being paid five cents an hour totaling \$4.62 a week, while workers earning \$30 a month were being paid seven cents an hour totaling \$6.92 a week.**

The majority of workers were being paid just two cents an hour, or \$2.31 for a 98-hour workweek.

At a minimum, according to the law, the workers should have been earning \$63.75 a week – \$27.69 for the regular 48-hour workweek and \$36.06 for 50 hours of overtime at 72 cents an hour. (This is a very conservative estimate as we used the shortest shift worked in the factory of 15 hours a day – discounting the routine 38, 48 and 72 hour shifts – to arrive at a workweek of



98 hours. The real hours worked each week would be much higher.) This means that each week Al Shahaed's workers were being cheated of \$61.44 in wages legally due them. They were being paid **less than four percent of the legal minimum wage.**



As a compromise, the workers are now seeking payment of \$1,500 in back wages. However, if the North American companies sourcing production in Jordan do not establish a fund to help repay back wages to the Al Shahaed workers, and the tens of thousands of other guest workers across Jordan who have also been cheated, these workers are not likely to see a single penny of the money owed them.

PRIMITIVE LIVING CONDITIONS:

- **28 workers share each small room**
- **Water available only every third day**
- **Workers can bathe just once every seven to ten days**

All 115 Bangladeshi guest workers were housed in one small four room building, located in an isolated area, about five miles from the Al Hassan Industrial Estate. There was no public transportation and the workers would have to

walk five miles to make a phone call home to their families in Bangladesh.

Twenty-eight workers had to share each 12 foot by 12 foot room. The walls were lined with double level metal bunk beds, no more than 30 inches wide, yet two workers had to share each cubicle. A thin foam rubber pad served as a mattress. During the winter the building was freezing cold but there was no heat. Water was available just every third day in their building, requiring the workers to set up a system rationing bathing to once every seven to ten days. There were just six toilets – latrines – for all 115 workers, which meant that the workers had to queue up in long lines each morning waiting to use the bathroom. There was not even a television or radio for entertainment. Some workers thought of collecting money to purchase their own television, but quickly gave up the idea as they did not have enough money to even purchase food.

The factory owner also sent the gang members to terrorize the workers in their house. They would show up at 1:00 a.m.—on days the workers were not at the factory at that hour—to wake the workers to make them clean the house.



CONSTANTLY HUNGRY:

The amount of food provided was never sufficient, leaving the workers constantly hungry. The portions were small, the taste poor, and many times whole groups of workers fell sick from eating the food. When this happened the workers would have to sell the clothing they brought with them to Jordan – thinking they were going to be there for three years – in order to buy medicine.

The workers' basic diet consisted of bread, potatoes, vegetables and cabbage.

NO ONE HELPED THEM:

Al Shahaed's owner was particularly cruel and vicious. He blocked all communications between the workers and their families, by throwing away any letter that came to the workers from Bangladesh. The owner was informed that a letter would be arriving breaking the news to one of the workers that his father had just died. He threw this letter away also.

The workers came up with a plan to seek help. Claiming one of their colleagues was too sick to move and could not go to work, they pooled the little money they had, and sent him off to the capital city Amman. He went immediately to the **Bangladeshi Embassy**, where he was told by some official, "I'll look after it." But nothing ever happened. The worker even went to the **police** and the **labor court**, but again to no avail. The guest workers view many of the government agencies in Jordan that are supposed to protect worker rights as being corrupt and easily bought off.

FORCIBLY DEPORTED TO BANGLADESH:

When the workers became more desperate and outspoken, demanding to be paid at least some of the back wages owed them, they were forcibly deported back to Bangladesh. The workers were called into the factory manager's office and told to sign a blank piece of paper.

If they refused, they would be beaten by four gang members who were also in the room. In total 91 workers from the Al Shahaed factory were sent back to Bangladesh.

Cheated of their wages and unable to pay off their loans—with the interest rate alone climbing at \$240 a month—many of these workers have been forced to hide in Dhaka, unable to return home to their villages, and peddling bicycle rickshaws to try to survive. But almost all of these workers have stayed in contact, and intend to go on fighting, to win the back wages that are due them—and to make sure that the tragedy they suffered in Jordan is not repeated again and again with other Bangladeshi workers.

The Al Shahaed Factory changed its name around mid-2005 and relocated. It's unclear if the factory is still operating.





COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

THE SEARS HOLDINGS CORP.

333 Beverly Road
Hoffman Estates, IL 60179
Phone: (847) 286-2500
Website: www.searshc.com
CEO: Aylwin B. Lewis, pay in 2005 \$1.51 M
Senior Vice President, Supply Chain and Operations: W.
Bruce Johnson

DO ANY OF US REALLY WANT A “BARGAIN” BASED ON TRAFFICKING OF YOUNG WOMEN INTO INVOLUNTARY SERVITUDE?

SEWING CLOTHING FOR WAL-MART, KOHL’S AND GAP YOUNG WOMEN RAPED BY MANAGEMENT

Western Factory

3 / 22 Al Hassan Industrial Estate
P.O. Box 100 Al-Ramtha, Irbid, Jordan

Contact: Mohamed Irfan (Operations Officer)

Phone: 962 2 7391294/95

Mobile: 962 79 6529544

Fax: 962 2 7391279

Workforce: 260 foreign guest workers, 75 percent of them young women from **Bangladesh** and **India**.

- Four young women, including a 16-year-old girl, sexually abused by factory managers;
- Some 14 and 15 year-old child workers;
- Mandatory 16 to 20-hour shifts from 8:00 a.m. to 12:00 midnight or 4:00 a.m.;
- Forced to work seven days a week, with just four days off in ten months;
- At the factory 114 hours a week;
- Workers who pass out from exhaustion are hit with a ruler to wake them;
- Despite working 109 hours a week, the workers were not paid for six months;



- Even when the workers were lucky enough to be paid, they were still cheated of 65 percent of the wages legally due them, earning just \$25.38—or 23 cents an hour, for 109 hours of work;



- Sewers paid less than seven cents for each *Athletic Works* jacket they sewed for Wal-Mart;
- Anyone demanding their proper wages will be beaten and forcibly deported;
- Guest workers' passports are confiscated and—also lacking identification cards—they are virtual prisoners, unable to leave the free trade zone;
- Workers are slapped and punched for making mistakes;
- Workers are constantly hungry, since they are fed just half a piece of bread and weak tea for breakfast; one-and-a-half ounces of rice, three-quarters of an ounce of vegetables, and lentils for lunch; and a piece of bread and lentils for supper;
- Eight workers housed in each small 10-by-10-foot, windowless room, which during the summer is so unbearably hot that it is almost impossible to sleep;
- Dorms often lack water three or four days a week, making it impossible to bathe; stench from the bathroom is so strong women often report vomiting, and bathrooms also lack toilet paper, soap and towels;
- Wal-Mart owes these workers at least \$1,593 each in back wages. –Will they pay it?

The Indian-owned **Western** factory is a one-story, tin-roofed building located in Al Hassan Industrial Estate. According to the workers it is crowded, dirty and noisy, and the tin roof radiates even more heat during the summer, leaving the workers dripping in sweat. In the winter it is freezing.

In 2005, there were approximately 280 workers at the factory, including 225 guest workers from Bangladesh and 35 from India. Seventy-five percent of the workers were young women. There were also 20 Jordanian workers, who were mostly supervisors. There were at least 10 child workers at the factory who could not have been more than 14 or 15 years of age. (Many people in Bangladesh do not have birth certificates, so when they sign a contract to work in Bangladesh and receive their passports, some children simply write in that they are 19 or 20 years of age, though it is obvious they are not.)

For a ten-month period, August 2004 through May 2005, **60 percent of Western's production was for Wal-Mart, while 40 percent was for GAP.** In the first quarter of 2006, Western was sewing *Sonoma* jeans for *Kohl's*.

The vast majority of production for Wal-Mart was *Athletic Works* fleece jackets for children and adults in multiple colors—yellow, gray, red, blue, black and green, some with zippers or half zippers, and some with hoods. The production for GAP was thin pajama pants for men, also in various colors with elastic waistbands.

TYPICAL DAILY SHIFT 16 TO 20 HOURS A DAY	
8:00 a.m. to 1:30 p.m.	Work, 5 ½ hours
1:30 p.m. to 2:00 p.m.	Lunch, ½ hour
2:00 p.m. to 8:00 p.m.	Work, 6 hours
8:00 p.m. to 8:10 p.m.	Tea, 10 minutes
8:10 p.m. to 12 midnight or 4:00 a.m.	Work, 3.83 hours to 7.83 hours

TYPICAL SEVEN-DAY WORKWEEK AT WESTERN <i>AT THE FACTORY 114 HOURS WHILE WORKING 109</i>	
Saturday	8:00 a.m. to 12:00 midnight At work 16 hours, working 15.33 hours
Sunday	8:00 a.m. to 4:00 a.m. At work 20 hours, working 19 hours
Monday	8:00 a.m. to 12:00 midnight At work 16 hours, working 15.33 hours
Tuesday	8:00 a.m. to 4:00 a.m. At work 20 hours, working 19 hours
Wednesday	8:00 a.m. to 12:00 midnight At work 16 hours, working 15.33 hours
Thursday	8:00 a.m. to 10:00 p.m. At work 14 hours, working 13.5 hours
Friday	8:00 a.m. to 8:00 p.m. At work 12 hours, working 11.5 hours
At the factory 114 hours, while working 108.99 hours	

Western is a subcontract factory, receiving regular work from several larger factories, including **Al Safa, Needle Craft, Topaz** (all reported on in this study) and **Classic**.

GRUELING HOURS

- Routine 16-to-20-hour shifts, from 8:00 a.m. to 12:00 midnight or 4:00 a.m.;
- Working seven days a week;
- At the factory 114 hours while working 109 hours a week;
- Workers who fall asleep from exhaustion are hit with a ruler to wake them;
- Sixty-plus overtime hours each week, exceeding Jordan's legal limit by 439 percent!

It was only when Western workers were kept past midnight that they were allowed a half-hour supper break from 9:00 to 9:30 p.m. Otherwise they did not eat supper until after they returned home around 12:30 a.m.

Only on Fridays, which is the legal weekly holiday, were the workers allowed out "early" at 8:00 or 10:00 p.m. after putting in a 12-to-14-hour shift.

At least 70 percent of the time, every guest worker had to work the 20-hour all-night shifts. Thirty percent of the time, approximately half the workers had to stay for the 20-hour shifts. It all depended on the factory's production needs.

The workers were actually putting in two 40-hour shifts each week, for example from 8:00 Sunday morning to 12:00 midnight on Monday, with just four hours off, allowing the workers less than three hours of sleep. In the



global sweatshop economy, the 40-hour shift has now replaced the 40-hour workweek.

Understandably, workers sometimes fell asleep from exhaustion while at the factory. Supervisors would yell at them, and if they did not perk up right away, strike them with a long wooden ruler.

The guest workers did not have a single Friday off in the ten months from August 2004 to May 2005. They received just two days off for each of the two Eid religious holidays.

NO WAGES FOR SIX MONTHS

From December 2004 through May 2005, the guest workers at the Western factory were not paid, despite being forced to routinely work 109 hours a week. Sometimes the owner would “loan” the workers five dollars or ten dollars a month. It was that simple. The owner stopped paying wages for six months and anyone who complained too loudly would be beaten and forcibly deported. That would leave them trapped in misery, with no hope of ever receiving any of their back wages, while still facing the large debts they incurred in Bangladesh, taking loans at exorbitant interest rates in order to purchase their three-year contracts to work in Jordan at the Western factory.

Even when the guest workers were being paid for the four months between August and November 2004, they were being paid, at best, just 36 percent of the wages legally due them. At most the workers were paid just \$25.38 for the routine 109-hour workweek, which comes to just 23 cents an hour. At a minimum, the workers should have been paid \$71.48 --\$27.69 for the regular 48 hours of work and \$43.79 for the 60.82 hours of mandatory overtime, at the legal premium of 25 percent, or 72 cents an hour. The 60-plus hours of overtime each week exceeded Jordan’s legal limit by 439 percent! The workers were cheated of \$46.10 in wages legally due them each week. They were losing 65 percent of their legal wages, while sewing clothing for Wal-Mart and GAP.

In the ten-month period that the young guest workers at the Western factory sewed Wal-Mart fleece jackets and GAP pajamas, they were robbed of \$2,655.50 each in wages legally due them. This is an enormous amount of money for the guest workers from Bangladesh and India, who are some of the hardest working, yet poorest people in the world.

Wal-Mart, the largest retailer in the world, owes these workers \$1,593 each, given that Wal-Mart accounted for 60 percent of total production, while GAP owes them \$1,062. Will Wal-Mart and GAP pay these workers what they are owed?

Cheating the workers: Besides arbitrarily not paying wages for months at a time—and this is going on again right now, as Western management has paid no wages in 2006—when management does pay any wages, as we have seen, they routinely cheat the workers of up to 65 percent of the wages legally due them.

The primary method management uses is to set mandatory daily production goals which are excessively high, meaning the workers have no choice but to remain working without pay until the goal is met. Each day the workers are forced to work four or five or six hours of overtime without pay. For example, the assigned goal for a production line of 45 sewing operators is to complete 150 Wal-Mart *Athletic Works* fleece jackets in one hour. This is impossibly high, and the workers can realistically finish just 100 to 110 jackets an hour. In this way, the uncompleted work builds up all day, requiring the workers to make it up at night without pay.

The Western guest workers are also cheated in many other ways. Sick days are not allowed, and anyone too ill to work will be marked absent for three days for every day they miss. One month’s wage is also withheld and though it is supposed to be returned, the workers will never see this money again either. Management also charges these workers five dollars a month for bus transportation back and forth from the dorm to the factory. A five percent social services tax is also deducted each month from the workers’ wages. It is supposed to be returned in full when the worker’s contract is over, but

Wal-Mart

A major player in Jordan

In a single month, Wal-Mart imports \$3.4 million dollars' worth of Athletic Works garments made in Jordan.

Tracking just one Wal-Mart label, Athletic Works, over the course of a single month, December 2005, and using data drawn from U.S. Customs Department shipping records, we were able to uncover **56 shipments** from Jordan to Wal-Mart **containing hundreds of thousands of Athletic Works** garments entering the U.S. duty free with a **wholesale value of \$3,366,829**. And remember, this is just one of Wal-Mart's dozens of labels over just a one-month period.

Behind Wal-Mart's "Everyday Low Prices" are fabric from China, and thousands of indentured servants.

The **landed customs value** of the following Athletic Works garments made in Jordan **reflects Wal-Mart's total cost of production**, including all materials and accessories, direct and indirect labor, profit to the factory in Jordan and even shipping costs.

Behind Wal-Mart's bargains are cheap goods made by thousands of workers being held under conditions of indentured servitude, forced to work 100 hours a week while being cheated of at least half of the wages legally due them. The use of slave labor in Jordan is complimented by cheap fabric from China. This is Wal-Mart's low-price secret.

WAL-MART COST OF PRODUCTION

Dazzle shorts with mesh piecing <i>(Athletic Works-AW16K200)</i>	\$0.73
Dazzle muscle with mesh piecing <i>(Athletic Works—AW45A101B)</i>	\$1.00
100% polyester star workout top <i>(Athletic Works—AW351604X)</i>	\$3.03
Dazzle shorts with contrast waistband <i>(Athletic Works—AW45A101B)</i>	\$3.24
Men's reversible shorts <i>(Athletic Works—AW45A101B)</i>	\$3.68
Ladies 100% poly mesh hoodie <i>(Athletic Works—AW351604X)</i>	\$4.24

never is. Management pockets this money as well. The workers were promised free health care and medicines, which was also a lie. During winter, in the near freezing temperatures, and without heat in the dorm or factory, the workers' hands and fingers often swell up and their skin cracks. When they ask for hand cream or medicine, management tells the workers to buy their own. In another case, when one of the women fell sick, with her leg infected and swollen and her skin cracked and discolored, several workers went to management seeking medicine for their colleague. The manager responded that the company does not pay for medicines, and that the workers had to pay for it themselves. When the women protested, the manager responded, ***"If you keep talking like that, you'll be sent back to Bangladesh."***

It was the same when outside buyers came to the plant. If approached, the workers were instructed to respond that everything was fine and that they were happy working here. If they did not follow the script, and instead told the truth about factory conditions, they

would be immediately deported without their back wages. The only benefit the workers received from the buyers' visits was that on these days, they did eat lunch at 1:00 p.m. and the men with the sticks were nowhere to be seen.



SEWERS PAID JUST SEVEN CENTS FOR EACH WAL-MART FLEECE JACKET THEY SEW:

As we have seen, an assembly line of 45 sewing operators must complete 150 *Athletic Works* fleece jackets each hour. In effect, this means that the workers are allowed 18 minutes, or 30 percent of an hour, to sew each jacket. Given that the workers are paid, when they are paid at all, an average wage of just 23 cents an hour (not even one half of the legal minimum wage), **they are earning less than seven cents for each Wal-Mart jacket they sew.** Of course, it is a better bargain for Wal-Mart when the workers are not paid at all.

The fabric used for Wal-Mart's jackets also came from China. So, here we have a case of Wal-Mart's fleece jackets being made at the Western factory in Jordan, using Chinese textiles, by young guest workers held in involuntary servitude and often not paid, entering the U.S. duty free.

ABUSIVE & ILLEGAL WORKING CONDITIONS AT THE WESTERN FACTORY:

- **SEXUAL ABUSE OF YOUNG WOMEN:** It is very difficult for the women workers to speak of their being sexually abused. It is so painful and humiliating. But also, the stigma of such abuse can destroy any hope of marriage and a decent future. But several young women, in their anger and despair, were willing to confide to their Bangladeshi colleagues. At least four young women have been sexually abused by Western managers, including a 16 year-old girl. The other women were in their early 20's. Managers would pick out the cutest young women and offer them the false promise of a better job, higher wages, less work, and so on. They would also tell the girls that they wanted to take them on a day trip, so they could see how beautiful Jordan was. Once in the car, they would drive them to a hotel and force themselves on the

young women. The women were powerless. Stripped of their passports and with nowhere to turn, they were completely vulnerable to abuse. No one in Jordan had ever helped them, not once. There was no one to turn to, even to report the abuse. So they just went back to work, crushed.

- **ROUTINE BEATINGS AND THREATS:** For making mistakes, workers could be slapped very hard, and their wages could also be docked. Even when the workers were not being paid, the owner still threatened them that he would deduct money from whatever they were paid in the future. The supervisors, who were Jordanian men, would also constantly pressure the women to work faster. They would routinely yell and shout at the workers and also shove them. And as has been mentioned, workers who passed out from exhaustion would be struck with a ruler to wake them. Fear hung over all the workers. Everyone knew that if they raised their voice to make even the most modest demands, like that they receive at least part of their wages, the owner would bring in local gang members—who the workers called “muscle men”—to beat them. With no one in Jordan to turn to, there was no way out of this constant intimidation.
- **A LIVING HELL:** Life for the guest workers at Western was a living hell. Their dorm was a single-story building outside the industrial park. Eight workers were housed in each 10-by-10-foot room, where the workers slept on narrow double-level bunk beds, using cheap thin foam rubber pads for mattresses. There were no windows in the rooms, and the combination of the extreme summer heat and lack of ventilation made sleeping almost impossible. On the other hand, during winter, especially in January, February and March, it was freezing. In the dorm, especially during the summer, there was often no access to running water for three or four days a week. Despite being soaked in sweat all day and then returning to a stifling room, the workers could not bathe. It was even worse with the toilets. Twenty-five workers had to share each toilet, which lacked even toilet paper, soap and towels. When there was

Worker bunk beds.

no water for days, the stench around the toilets was unbearable. Many women reported vomiting when they had to use the bathroom.

While at work, the workers needed permission to use the toilet, and were limited to just three uses during the typical 16-hour shift. If workers took too long, they would be yelled at and slapped.

The workers were also promised decent food, but they were routinely underfed and felt constantly in hunger. For breakfast, they received just a half piece of pita bread and very weak tea, which the workers said was more like hot water. After working 5 ½ hours, the workers were given a lunch of one and a half ounces of rice, dahl (lentils), and three quarters of an ounce of vegetables. Even the dahl was watered down. After working ten more hours, the workers would be given supper at around 12:30 a.m., receiving just one piece of pita bread and some watered-down dahl. The workers were promised meat, which they never received. Nor were they ever provided any fruit.

Women in Bangladesh who worked at Western in 2004

before they were forcibly deported also described the food they received as horrible, and thought it must be leftovers since they frequently got sick from it. Nor was the factory cafeteria a pleasant place, according to them. **Three men carrying sticks patrolled the dining area, and if any worker dared to ask for more food—more rice or curry—they would be beaten with sticks.**

There are women workers from the Western factory, who were forcibly returned to Bangladesh after asking for their rights, who are ready to testify regarding the physical beatings they suffered.

LOCKED IN A VAN, BEATEN AND DEPORTED:

In desperation, in February 2005, a group of 10 workers – eight women and two men – sought a meeting with the owner of the Western Factory. The workers had not been paid correctly in six months, and without that money they were falling behind in their interest payments. For just the last six months, the original \$885 loan they had taken to purchase the work contract had grown to \$1,416. They went to plead with the owner: the workers needed their full legal wages and better food. The owner said he was ready to consider their demands. Shortly after that the group of 10 workers were told it was necessary for them to go out for a blood test. Of course, it was just a ruse and **the workers were locked in the van for two days, given only bread to eat, and beaten. The two men were beaten very badly. All ten were then driven to the airport and put on a plane back to Bangladesh, without any of the back wages owed them.**



Today these workers and their families remain trapped in debt, unable to pay off the money they borrowed to purchase these work contracts in Jordan.

UPDATE:

In January 2006, the abusive conditions at the Western factory remained unchanged. Workers sewing the *Sonoma* label for Kohl's are still being beaten, forced to work seven days a week, including working at least three all-night shifts a week.

As of April 30, the Western guest workers have received no wages in 2006. The only difference as of April is that now the workers can receive Friday off—but only if they work a 24-hour shift on Thursday, straight through from 8:00 Thursday morning to 8:00 a.m. Friday. This puts them at the factory 101 ½ to 104 hours a week, while working 97 to 99 ½ hours.

We have confirmed that Wal-Mart's hooded fleece jacket continues to be sewn at the Western Factory at least through February 2006, meaning Wal-Mart was in the Western factory for over a year and a half, while accounting for the majority of production under these brutal and abusive conditions.

GAP IS NOT WAL-MART:

Over years of experience, we have come—sadly—to expect to find Wal-Mart in the very worst factories. So Wal-Mart's being the majority of production at the abusive Western factory does not surprise us. Gap is another story. Though very far from perfect, our experience shows that Gap will at least listen seriously to allegations of violations at its contractors' plants, and sometimes even do the right thing to correct those abuses. We would put Gap among the more decent companies, along with Levi Strauss, Phillips Van Heusen, Liz Claiborne, and Sears. We hope and expect that Gap will intervene with the Western factory to bring it into compliance with Jordan's labor laws, including reimbursing the workers for the back wages they are owed.

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

THE GAP INC.

Paul S. Pressler
Two Folsom Street
San Francisco, CA 94105
Phone: 650-952-4400
Fax: 650-952-4407
www.gapinc.com

DUTY FREE ACCESS TO THE U.S. MARKET

The **U.S.-Jordan Free Trade Agreement** went into effect in **December 2001**, making Jordan just the fourth country to have a free trade agreement with the U.S. Goods made in Jordan can enter the U.S. duty-free as long as 35 percent of the products appraised import value can be attributed to direct processing in Jordan.

Jordan has actually enjoyed duty-free access to the U.S. market since **1998**, when the U.S. government initiated a **Qualifying Industrial Zones (QIZ)** program, which allowed goods made in approved parks duty-free access. These goods had to meet the same 35 percent threshold for direct processing costs, but had to include at least eight percent processing completed in Israel. The Jordan QIZ share of the processing had to reach 11.7 percent, while the remaining 20 percent could be made up in the Gaza Strip, the West Bank or the U.S.

Free trade zone and QIZ factories in Jordan that export to the U.S. duty-free are also exempt from ***almost all local Jordan taxes***. Factories are exempt from:

- All income tax on corporate profits;
- All income and social services taxes on the salaries and allowances paid to non-Jordanian workers;
- All import and export duties on raw materials, parts and finished goods for export; and,
- All licensing fees as well as local building and land taxes.

Factories can also repatriate 100 percent of their profits to their country of origin.

In May of 2002, Jordan entered a Free Trade Agreement with the European Union, which calls for the elimination of all tariffs, to be phased in over a 12 year period.

Jordan became a member of the World Trade Organization in April 2000. It is interesting to note that as a condition of WTO admission, Jordan had to pass several new laws to improve the protection of intellectual property rights and trademarks. The U.S.-Jordan Free Trade Agreement demanded even stronger enforcement of intellectual property rights.

Evidently worker rights protections were not considered as important.



SEWING CLOTHING FOR GLORIA VANDERBILT, MOSSIMO & KOHL'S *YOUNG WOMAN RAPED - HANGS HERSELF*

Something terrible happened at the Al Safa factory. A young woman is dead. Some rumors circulated, but the guest workers at the Al Safa factory—even today—are still too terrified to speak of the woman's death, afraid that they could be beaten, fired, and even imprisoned, before being forcibly deported, if management knew they were publicly speaking about the girl.

This is what we have been able to piece together at this point. A young woman from Bangladesh, no more than 20 years of age, hung herself in early February 2005, after—allegedly—being raped by a factory manager. She hung herself in a bathroom using her scarf. It seems that her body was not immediately returned to Bangladesh, but remained in a locker at a local morgue for at least several months. To date, we know of no official investigation into her rape and death.



“One woman’s success can only help another woman’s success.”

-Gloria Vanderbilt

Al Safa Garments Industrial LLC

In June 2005, Al Safa was producing for Gloria Vanderbilt, Mossimo for Target and Sonoma for Kohl's

Al Safa Garments Industrial LLC
Al Hassan Industrial Estate
P.O. Box 50 Al-Ramtha, Jordan

Contact: Siddiquir Rahman (Manager)
Phone: 02/7391041 - 02/7391042
Mobile: 079/6438460
Fax: 00962/2/7391051

Ownership: Indian capital
Managing director: Md. Faruk
Established: November 11, 2003
Number of Workers: 550 + (350 men, 200 women)

95% of workers between the ages of 16 and 25
Guest Wrks: 200+ Bangladeshi, 200 Indian, 100 Sri Lankan
50+ Jordanian workers

Production: Pants, jerseys, polo shirts

The **Al Safa Garments** factory in the Al-Hassan Industrial Estate is a rough place for the 500 or more guest workers from Bangladesh, India and Sri Lanka. At most, the workers receive one day off a month, while being

STANDARD SHIFT 7:30 A.M. TO 11:00 P.M.	
7:30 a.m. – 12 noon	Work, 4 ½ hours
12:00 noon – 12:30 p.m.	Lunch, 30 minutes
12:30 p.m. – 8:00 p.m.	Work, 7 ½ hours
8:00 p.m. – 8:30 p.m.	Supper, half hour
8:30 p.m. – 11:00 p.m.	Work, 2 ½ hours

forced to work 15 ½ hours a day, from 7:30 a.m. to 11:00 p.m. Wages are paid sporadically—if at all—and never come close to what the workers are legally owed. **In fact, for the first five months of 2005, the workers were not paid at all. And when the workers asked for their wages, the owner responded, “If you like money, go back to Bangladesh.”** In other words, hold your tongue or be deported. When the guest workers arrived, their passports were confiscated. **Workers report being slapped and punched for failing to meet production goals.** In the summer, factory temperatures exceed 100 degrees.



The bathrooms are filthy, lacking toilet paper, soap and towels. The workers are housed 10 to 12 people per room measuring 10 by 15 feet, sleeping on the floor. There are no tables or chairs, and often no electricity or water. The food is also terrible, too little and sometimes makes the workers sick. They are given a piece of bread

This label was smuggled out of Al Safa factory.

and tea for breakfast, and only occasionally an egg. Lunch is always the same: rice, lentils and vegetables. Supper is the same, only sometimes they are given chicken. All the workers are young—16 to 25 years of age. There are 200 guest workers from Bangladesh in the plant.

HOURS AND FORCED OVERTIME

- **Routine 15 ½ hour shift, from 7:30 a.m. to 11:00 p.m.;**
- **Some shifts stretch to 12:30 a.m.—17 hours;**
- **Working seven days a week with an average of one day off per month;**
- **At the factory 104 hours a week, while working 97 ½ hours;**
- **No government holidays, no sick days, no legal vacation days.**

The standard shift at the Al Safa factory is from 7:30 a.m. to 11:00 p.m., 15 ½ hours a day. But it all depends upon when the daily production goal is finished, so sometimes the workers are able to leave earlier, at 10:00 p.m., though more often they must stay to 12:30 a.m. With a half hour breaks for lunch and for supper, the actual working time each day is 14 ½ hours

Al Safa guest workers work seven days a week, with one day off a month on average. Nor are government



holidays respected. Sick days and medical leave are also not permitted, and legal annual vacation days are never granted. The work schedule is grueling.

Even if the workers are let out ‘early’ on Friday – which is supposed to be the weekly day off – working from 7:30 am to 6:30 pm, **they are still at the factory 104 hours a week while actually working 97 ½ hours.** Friday they would be at the factory 11 hours while working 10 ½ hours, while every other day they would be at the factory 15 ½ hours while working 14 ½ hours.

Of course, such a work schedule is blatantly illegal. Under Jordanian law, the regular workweek is 48 hours, eight hours a day, six days a week. Workers are supposed to receive at least one day off a week, and overtime cannot exceed two or three hours a day, 14 hours a week, and 60 hours a month. **Al Safa’s guest workers are being forced to work 49 ½ hours of overtime each week, which exceeds the legal limit by 358 percent!** It gets even worse, as we shall see, since the guest workers are not even paid for the vast majority of overtime hours they are required to work.

Al Safa workers also have to work through the eight national statutory holidays, and are denied their legal right to 14 days paid vacation each year.

CHEATED OF THEIR WAGES:

- **For the first five months of 2005 the workers were not paid;**
- **Wages – if they are paid at all – are paid sporadically and never even come close to what the workers are legally owed;**
- **Paid 27 percent below the legal minimum wage;**
- **Including overtime, even at the best of times, the workers are cheated of 50 percent of their wages;**
- **Workers paid just \$32.42 for 97 ½ hours of work.**

For the first five months of 2005, January through May, the Al Safa guest workers were not paid. When the Bangladeshi workers questioned the manager, practically pleading for their wages, he always said: “I’ll pay you tomorrow,” or “I’ll pay you when you leave.” When the workers kept pressing him, the manager would become angry and threaten them: **“If you like money so much, go back to Bangladesh.”** In other words, hold your tongue or you will be returned to Bangladesh with none of your back wages. Workers are also beaten for asking too many questions.



In the regular 48 hour workweek, the workers should have earned \$27.69, at 58 cents an hour, which is the legal minimum wage. Al Safa management ignored that and extended the “regular” workweek to 63 hours, in the process lowering the guest workers’ wages by 28 percent, to just 42 cents an hour, 16 cents less than the legal minimum wage. As has been mentioned several times, when the workers were paid at all, they were never paid for anywhere near the number of overtime hours they were forced to work each week.

In fact, in separate interviews with the workers during the summer of 2005, the highest monthly wage anyone reported earning in the last one and a half years, was just \$141.34, including overtime. Even this highest wage was just half of what the worker legally should have earned.

For the regular 40 hour week the legal minimum wage is **\$27.69**. All overtime hours must be paid at a 25 percent premium, or 72 cents an hour. Since the standard workweek at Al Safa is 97 ½ hours, this means that the workers are routinely putting in 49 ½ hours of overtime each week, which at 72 cents an hour, comes to **\$35.70**. Combined regular and overtime pay should at a minimum total **\$63.39** a week. But even for the highest paid worker this was not the case. He was paid just **\$32.42** -- \$26.34 for regular hours and just \$6.08 for overtime, which is \$30.97 below what he was legally owed. **Even in the best of times, the Al Safa workers are being cheated of almost half of the wages legally due them.** Over the course of a year this adds up, with each guest worker being cheated of some **\$1,610.44 in wages owed them** – more than a year’s regular wages!

ABUSIVE CONDITIONS AT THE AL SAFA FACTORY:

HELD AS INDENTURED SERVANTS:

Upon their arrival at Al Safa, management confiscates the guest workers passports. Nor are workers provided the required identification cards, meaning that if they venture outside the industrial park or their dorm and are stopped by the police they could be imprisoned and deported. Some workers who have been at the factory for a year and a half still have never dared to make even a short trip to the nearby city of Irbid, and certainly not to the capital Amman.

BEATINGS AND THREATS:

Workers report being shouted at, beaten, slapped and punched for failing to reach assigned production goals, making even minor errors and for making any demands. The ultimate trump card and threat management wields is to have disgruntled **workers imprisoned**



Rat in worker bathroom.

and deported back to Bangladesh without their back wages, where they will be unable to pay off the money they borrowed to purchase their work contract in Jordan. This guarantees that the worker and their family will be trapped in a growing debt and misery which they have no hope of escaping. Male workers from Bangladesh reported borrowing 150,000 taka, or \$2,212, to purchase their three year contract to work at the Al Safa factory. Interest rate on the informal market in Bangladesh can total five percent a month, meaning their interest payments alone would come to \$110 a month.

FILTHY BATHROOMS:

Workers need permission to use the toilet, and the **bathrooms are filthy, lacking toilet paper, soap and towels.**

TYPICAL DIET	
Breakfast	Piece of pita bread with tea – and sometimes an egg
Lunch	Rice, lentils and vegetables;
Supper	Rice, vegetables – and only sometimes chicken.



PRIMITIVE DORM CONDITIONS:

Ten to 12 people are crowded into a room measuring 10 by 15 feet, sleeping on the floor, with no tables or chairs. The rooms are dirty and a foul stench hangs in the air from a lack of ventilation. Some days there is no electricity or running water. No recreation is available in the dorm – not even a television or radio.

FOOD—TERRIBLE AND TOO LITTLE:

Workers report that the food they are served is tasteless, to little, lacks adequate nutrition and sometimes makes them sick.

SWEATING WHILE THEY WORK:

The factory is crowded and temperatures can exceed 100-103 degrees in the summer. Despite five fans, the ventilation is never enough, and **workers sweat the entire day through.**

PROHIBITED FROM SPEAKING:

Speaking to other workers during working hours is strictly prohibited. This also holds for when foreign buyers enter the factory. The workers are told not to look up or speak to them.

NO SICK DAYS / NO MEDICAL TREATMENT:

Any worker needing a sick day will have three days wages cut as punishment. There is no doctor, no nurse, no medicines and no health care available at Al Safa.

THE WORKER'S HOPE:

What the workers hope for is extremely modest and doable. **What they are asking for is one day off a week so they can rest, and that they are paid correctly for all the hours they work.**

If North American buyers would only guarantee that their suppliers respect Jordan's basic labor laws, the misery of the workers could be ended over night.

COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
TEL: 212-575-2571 FAX: 212-768-7759
www.gloria-vanderbilt.com

MOSSIMO INC.

Mossimo G. Giannulli
2016 Broadway
Santa Monica, CA 90404
Phone: 310-460-0040
Fax: 949-852-1921

TARGET

1000 Nicollet Mall
Minneapolis, MN 55403
Phone: (612) 304-6173
Website: www.targetcorp.com
CEO: Bob Ulrich, pay in 2005 was \$6.57 M

KOHL'S CORPORATION

N 56 W 17000 Ridgewood Drive
Menomonee Falls, WI 53051
Phone: 262-703-7000
Fax: 262-703-7115
Web Site: <http://www.kohls.com>
CEO: Mr. R. Lawrence Montgomery, pay in 2005 was \$ 1.64M

ACTION PLAN

TO BRING SUPPLIER PLANTS IN COMPLIANCE WITH JORDANIAN LAW.

- We would suggest an immediate freeze on entry of new guest workers into Jordan until the export factories are brought into full compliance with Jordan's laws and internationally recognized worker rights standards.
- Secondly, and more importantly, **there must be an immediate ban prohibiting any further forcible deportations of guest workers.** This is critical as factory owners may attempt to quickly rid their plants of any outspoken workers, not only to remove them, but also to spread the fear among the workers who remain.
- There must be a feasible way to pay at least a portion of the back wages legally owed the workers over the last three years. Surely, if the apparel companies, the factory owners in Jordan, and the Jordanian and United States governments came together on this, a way could be found to set up such a fund.
- At least for the next two years, an independent human and workers rights ombuds office should be set up in Jordan to audit and report on progress in bringing the export factories into compliance with the law.



RECRUITMENT AD FOR RIMA STAR GARMENTS

জর্ডানে জরুরী নিয়োগ বিজ্ঞপ্তি

জর্ডানে মেসার্স রিমা স্টার গার্মেন্টস মেনুঃ কোং-এর অধীনে গার্মেন্টস মেশিন অপারেটর পদে ৭৫ (পচাত্তর) জন কর্মী নিম্নলিখিত শর্তে নিয়োগ করা হবে। আশ্রয়ী প্রার্থীদেরকে মূল পাসপোর্ট এবং পাসপোর্ট সাইজের ১ কপি রঙীন ছবিসহ জরুরী ভিত্তিতে অফিস চলাকালীন সময়ে নিম্ন লিখিত ঠিকানায় সরাসরি যোগাযোগ করিতে অনুরোধ করা হচ্ছে।

পদের নাম	সংখ্যা	বেতন
মেশিন অপারেটর	৭৫ (পচাত্তর)	১২৫ মার্কিন ডলার

শর্তাবলীঃ

১) চাকুরীর মেয়াদ ০৩ (তিন) বছর।
 ২) বাসস্থান, আহাৰ ও চিকিৎসা ফ্রি।
 ৩) কাজের সময় ৮ ঘণ্টা প্রতিদিন (সপ্তাহে ৬ দিন)।
 ৪) ওভারটাইম জর্ডানের শ্রমিক আইন অনুযায়ী।
 ৫) ছুটি জর্ডানের শ্রমিক আইন অনুযায়ী।
 ৬) বিমান ভাড়া এক পদ কর্মীর।
 ৭) চূড়ান্তভাবে নির্বাচনের পূর্বে প্রার্থীর নিকট থেকে কোন অর্থ গ্রহণ করা হবে না।
 ৮) এই বিজ্ঞপ্তি চাকুরী প্রদানের নিশ্চয়তা বহন করে না।
 ৯) এই বিজ্ঞপ্তি গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের প্রবাসী কল্যাণ ও বৈদেশিক কর্মসংস্থান মন্ত্রণালয়ের অনুমোদনপ্রাপ্ত স্মারক নং-শা-৪/ই-২/ইখওয়ান-৭৯৭/২০০৫/তারিখ-০৩-০১-২০০৬ অনুযায়ী প্রকাশ করা হলো।

যোগাযোগের ঠিকানাঃ ইখওয়ান ট্রেড ইন্টারন্যাশনাল লিঃ
 ইব্রাহীম ম্যানসন (চতুর্থ তলা), ১১ পুরানা পল্টন, ঢাকা-১০০০, ফোনঃ ৯৫৫৪৬৩৯, ৯৫৫৭৯০৫, ৭১৬৯৭০২, ৯৫৫০৯৫৬, মোবাইলঃ ০১৭১-৮৬৭৩২৭, ০১৭২-১১১৫০০, ০১৭১-৮২৫৮০১, ফ্যাক্সঃ ৮৮-০২-৯৫৬২৪৯৫

ইহা এ্যাভিয়েট ইন্টারন্যাশনাল এর একটি সহকারী প্রতিষ্ঠান

TOGGANTOR: JANUOS, 2006

TRANSLATION:

Advertisement for Limited Appointment in Jordan

75 machine operators will be recruited for RIMA STAR GARMENTS MANUFACTURING COMPANY, JORDAN, MONTHLY SALARY: US \$ 125.

With the following conditions:

Interested candidates should bring their original passport with a passport sized color photograph during office hours to the address below.

1. The contract is valid for three years.
2. Accommodation, food and medical treatment is entirely free of charge.
3. Working hour is eight hours everyday; six days a week.
4. Overtime would be paid according to labor laws of Jordan.

5. Workers would be enjoying leaves according to labor laws of Jordan.

6. Workers will have to pay one way air fare.

7. No advance money would be taken before final selection.

8. This advertisement does not provide guarantee for job for anyone.

This advertisement is approved by the Ministry of Expatriate Welfare and Employment Overseas.

Memorandum Number: SHA-4/E-2IKONE-797/2005/DATE-03-01-2006

Please contact : Ikone Trade Internatioanl Ltd.
 Ibrahim Mansion (3rd Floor)
 11 Purana panlton
 Dhaka-1000
 Phone: 9554639, 9557905, 7169702, 9550956
 Fax: 8802-9562495

JORDAN'S LABOR LAW

- **Regular workweek:** Eight hours a day, six days a week, for a 48 hour regular workweek
- **Legal minimum wage:** \$120 a month which is:
 - 58 cents an hour
 - \$4.62 a day (8 hours)
 - \$27.69 a week (48 hours)
 - \$120 a month
 - \$1440 a year
- **Legal overtime:** All overtime work must be voluntary and cannot exceed 60 overtime hours a month or 14 hours per week (13.85). This limits the legal workweek to 62 hours. All weekday overtime work must be compensated at a 25 percent premium, or 72 cents an hour. Overtime work on the weekly day off or on national holidays must be paid at a 50 percent premium, or 87 cents an hour.
- **Paid annual leave:** Each worker must be provided a paid annual leave of 14 days per year, which is in addition to national holiday and religious festivals.
- **National holidays:** There are eight national holidays:
 - January 1–New Year's Day
 - January 30–King Abdullah's Birthday
 - May 1–Labor Day
 - May 25–Independence Day
 - June 9–King Abdullah's Accession Day
 - June 10–Army Day
 - November 14–the late King's Birthday
 - December 25–Christmas Day
- **Islamic Holidays**
 - Eid ul-Fitr–end of Ramadan (3 day feast)
 - Eid ul-Adha–feast of sacrifice
- **Sick Days:** workers are entitled to 14 paid sick days a year
- **Maternity leave:** Women are due, at a minimum, 10 weeks paid maternity leave



WHAT DOES LATIN POP STAR THALIA SODI HAVE IN COMMON WITH OUTDOOR GIANT AND PURVEYOR OF CONSERVATIVE VALUES, THE L.L. BEAN COMPANY?

HUMAN TRAFFICKING & INVOLUNTARY SERVITUDE.

Hundreds of foreign guest workers at the Taiwanese-owned Maintrend factory in Jordan who are sewing clothing for the *Thalia Sodi* and *L.L. Bean* labels are being forced to work under extremely abusive and exploitative conditions that match exactly the U.S. State Department's definitions of "human trafficking" and "involuntary servitude."

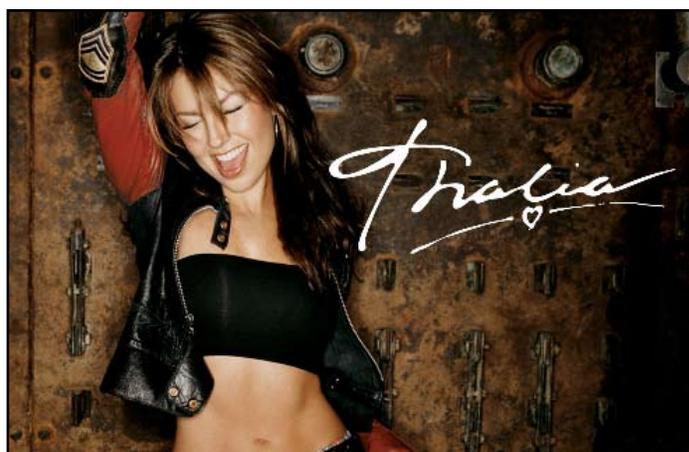
A U.S. State Department fact sheet issued in July 2005 defines "**human trafficking**" as:

"Trafficking in persons is modern-day slavery.... The common denominator of trafficking scenarios is the use of force, fraud, or coercion to exploit a person...for the purpose of subjecting a victim to involuntary servitude...or forced labor. The use of force or coercion can be direct and violent, or psychological."

"**Involuntary servitude**" is defined by the State Department as follows:

"People become trapped in involuntary servitude when they believe an attempted escape from their conditions would result in serious physical harm or the use of legal coercion, such as the threat of deportation. Victims are often economic migrants and low-skilled laborers who are trafficked from less developed communities to more prosperous and developed places. Many victims experience physical and verbal abuse, breach of an employment contract, and may perceive themselves to be in captivity—and all too often they are."

Foreign guest workers, primarily Bangladeshi, sewing Thalia Sodi and L.L. Bean clothing in Jordan are...



- Lied to by contractors in Bangladesh who convince the workers to purchase three-year contracts, at exorbitant interest rates of five to ten percent a month, to work at the Maintrend factory in Jordan;
- Once in Jordan, the workers find out their contract is a lie, their passports are immediately confiscated by management;
- Forced to work 15 ½ to 16 ½ hours a day, seven days a week, routinely working 96 ½ hours a week, including 48 ½ hours of obligatory overtime;
- Paid below the legal minimum wage, and with no overtime premium, workers are cheated of 45 percent of the wages legally due them;
- Management also illegally withholds significant portions of the workers' wages, making them even more vulnerable and dependent upon the company;

- Workers cringe when the Chinese managers come onto their floor, since they are routinely shouted and cursed at, slapped, punched, shoved, can lose 10 to 15 percent of their wages for working too slowly, or have 18 to 36 hours docked for making a mistake;
- Speaking during working hours is prohibited and workers need permission to use the toilet, which is limited to two or three visits during the entire 15 ½ to 16 ½-hour shift. Workers remaining one minute beyond the allowed five-minute limit will have one hour's wage docked. The bathrooms are dirty and lack toilet paper, soap and towels;
- There are 20 video cameras inside the factory to monitor the workers' every movement every second of the day;
- Workers trying to escape will have to leave their passports behind, fleeing on foot, hiding by day and running at night. Once alerted, the Jordanian police will try to hunt the workers down. Those caught will be imprisoned;
- Every worker knows that if they challenge the abusive conditions, the long hours, and low wages, or speak one word of truth regarding the illegal factory conditions, they will be immediately fired and forcibly deported to Bangladesh without one cent of the back wages owed them. Once back in Bangladesh, unable to pay off mounting debts, the worker and his or her family will descend into ruin and even deeper misery;
- The guest workers at the Maintrend factory are exhausted, isolated and terrified. They are in a trap with no exit—and there is no one in Jordan to whom they can turn for help.

Another very shocking aspect is that the U.S. State Department guidelines on “human trafficking” and “involuntary servitude” are being routinely and systematically violated under the United States-Jordan Free Trade Agreement.

Maintrend International Corporation

Building No. 4
Al Tajamouat Industrial City/Sahab
Amman, Jordan

Ownership:

Taiwanese Capital/Maintrend International Corp.

Headquarters

10F1, No. 351, Sec. 2, Chungshan Rd.

Chung Ho

Taipei, Taiwan

Phone: +886-2-2222 8833

Fax: +886-2-2222 8700

(Maintrend International's website states they are “proud to be the authorized apparel manufacturer for the 2002 Winter Olympic Games in Salt Lake City.”)



Maintrend factory contact in Jordan:

Mr. Hong Tech Lee

Phone: 962 6 402 0399

Fax: 962 6 402 0388

E-mail: h.t.lee@maintrend.com.tw

Established: 2000

Number of workers: 1,000 plus—approximately 400 guest workers from **Bangladesh**, 300 workers from **China**, 100 workers from **Sri Lanka**, and 200 **Jordanian** workers.

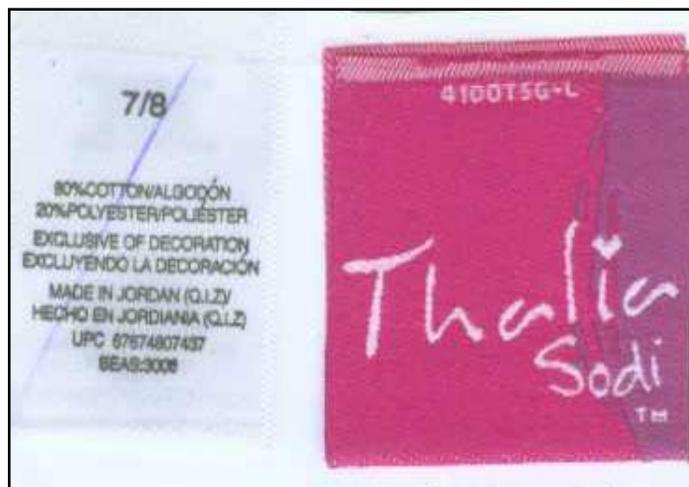


Maintrend will not hire or keep workers who reach 30 years of age. They insist on employing only a young workforce.

Production: fleece jackets, sweatshirts, polo and t-shirts sewn for **L.L. Bean**, **Thalia Sodi/Kmart**, and **Woolrich**. In May 2005, the Maintrend workers told us they were sewing long-sleeved fleece jackets in various colors—red, green, charcoal—with zippers for **L.L. Bean** and **Columbia**. Some of the jackets had hoods, some were reversible, while others were pullovers with partial zippers.

The L.L. Bean label has been sewn at the Maintrend factory for at least a nine-month period, May 2005 through January 2006. U.S. Customs documents show several large shipments of microfleece sweat suits from Maintrend to L.L. Bean in September 2005. In October 2005, the workers smuggled an L.L. Bean label out of the Maintrend factory. In January 2006, the workers told us they were sewing L.L. Bean women's long sleeve polartex fleece jackets (100% polyester) which retails in the U.S. for \$69.00. (As we will see, the direct labor cost to sew the jacket is just 21 cents.) Before that, the workers said they had produced polartex fleece vests for L.L. Bean, also 100% polyester, which retail for \$49.00.

In May 2005, as we were carrying out our first interviews with the Maintrend workers—who were recounting the violent, abusive and illegal conditions under which they were forced to work—by chance, a monitoring team



from Woolrich was touring the Maintrend factory at the same time. Evidently, the Woolrich auditors gave Maintrend a passing grade, as the workers were able to smuggle a Woolrich label out of the factory in October 2005.

In January 2006, the workers also smuggled a Thalia Sodi label (7/8, 80% cotton, 20% polyester) out of the Maintrend factory. Thalia Sodi is a very popular private label for Kmart.

The Maintrend factory occupies a large four-story building. The first floor is storage while floors two and three house the sewing and finishing departments, with the Bangladeshi workers on one floor and Chinese on the other. The fourth floor is for cutting.

The fabric for the garments comes from China and Taiwan, while the accessories—thread, zippers, hang tags, price tags and the marking paper to cut the fabric—come from Israel.

As we will point out later, the **real winner in the U.S.-Jordan Free Trade Agreement is China, as fabric from China accounts for over 60 percent of the total value of the garments entering the U.S. duty-free.** In 2005, Jordan shipped over one billion dollars' worth of garments to the U.S.



ROUTINE WORKWEEK AT MAINTREND <i>AT THE FACTORY 103 ½ HOURS WHILE WORKING 96 ½ HOURS</i>	
Friday	7:30 a.m. to 6:00 p.m. At the factory 10 ½ hours while working 9 ½ hours
Saturday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours
Sunday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours
Monday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours
Tuesday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours
Wednesday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours
Thursday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours while working 14 ½ hours

HOURS:

EXCESSIVE FORCED OVERTIME

- Standard 15 ½ to 16 ½-hour daily shift, from 7:30 a.m. to 11:00 p.m. or 12:00 midnight;
- Some grueling all-night 19 ½ to 20 ½-hour shifts from 7:30 a.m. to 3:00 a.m. and 4:00 a.m. the following morning—after three and a half hours of sleep, the workers have to report for their next shift;
- Working seven days a week, with one, or rarely two days off a month;
- Common for workers to be at the factory for 103 ½ hours a week while working 96 ½ hours;
- Forced to work through national holidays;
- Denied legal annual vacation days;
- Routinely forced to work 48 ½ hours of overtime each week—which exceeds the legal limit in Jordan by 350 percent!;
- Workers report being exhausted from the long hours, lack of days off and the constant relentless pressure to work faster.

The standard shift at the Maintrend factory is 15 ½ to 16 ½ hours a day, from 7:30 a.m. to 11:00 p.m. or 12:00 midnight. It is common for the foreign guest workers to be forced to work seven days a week, receiving just one, or rarely two days off a month. For example, during the months of September, October and November 2005, the Maintrend workers were allowed a total of just four days off. Prior to May 2005, there were no weekly days off, and the workers regularly toiled the entire month without a break.

There are two half-hour breaks each day, one for lunch at 12:30 p.m. and again at 8:00 p.m. for supper. This means the sewers are actually working 14 ½ to 15 ½



STANDARD SHIFT AT MAINTREND <i>15 ½ TO 16 ½ HOURS A DAY</i>	
7:30 a.m. to 12:30 p.m.	Work, 5 hours
12:30 p.m. to 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. to 8:00 p.m.	Work, 7 hours
8:00 p.m. to 8:30 p.m.	Supper, ½ hour
8:30 p.m. to 11:00 p.m. or 12 midnight	Work, 2 ½ to 3 ½ hours

hours a day.

On Friday, which is supposed to be the weekly holiday, the workers are let out “early” at 6:00 p.m. or 8:00 p.m., after working a 10 ½ or 12 ½-hour shift. Also, on Fridays, the workers receive a full hour off for lunch.

The above estimate is really at the low end of the range of hours actually worked, since it is not uncommon to be required to stay until 12:00 midnight at least three nights a week, while also working to 8:00 p.m. on Friday. Such a schedule would put the workers at the factory 108 ½ hours a week while working 101 ½ hours.

Nor does either of these schedules take into account the obligatory all-night 19 ½ to 20 ½-hour shifts, from 7:30 a.m. straight through to 3:00 a.m. or 4:00 a.m. the following morning, which may be required once or twice a week. These all-night shifts rotate among different assembly lines and departments that have fallen behind in their production goals. Usually at least 10 percent of the workforce must stay for these shifts, which at Maintrend would be over 100 people.

On the rare occasions that the factory is not open past 10:00 p.m., the half-hour supper break at 8:00 p.m. is cancelled, and workers do not eat until they return to their dorm.

The shortest schedule worked at the Maintrend factory, with Friday off and not working past 11:00 p.m. on the other nights, still puts the workers at the factory 93 hours a week while working 87 hours.

The 48 ½ hours of obligatory overtime each week exceeds Jordan’s legal limit by 350 percent! Under Jordanian law, overtime work cannot exceed 14 hours (13.85) a week, or 60 hours in a month. Also, by law workers must receive at least one day off a week. The regular legal workweek in Jordan is 48 hours, eight hours a day, and six days a week. In broad daylight, the Maintrend factory is systematically and grossly violating Jordan’s wage and hour laws, with complete impunity.

The guest workers are also required to work through Jordan’s eight legal national holidays. For example, in May 2005, the workers did not receive a day off for either May 1, Labor Day, or May 25, Independence Day. The same was true in November and December. The Maintrend factory was operating on November 14, the late King’s birthday, and on December 25, Christmas Day.

No guest worker is allowed any of the paid 14 days of annual vacation that is mandated by law.

Nor are sick days allowed. The worker’s wages are docked for any days absent. Nor do workers have the health insurance they were promised in their contracts, but rather

have to pay for their own medicine.

It is no wonder then, that within a month of their arrival at the Maintrend factory, the guest workers are sick and exhausted, worn down from the grueling shifts and lack of days off.

On average, the workers say, they can sleep just five or six hours a night. On their rare Fridays off, they sleep at least to 1:00 p.m. Other than sleeping in on their day off, many take a walk to a nearby local market and hang out for a while, having no money to do anything else.

WORKERS CRINGE WHEN CHINESE MANAGERS COME ONTO THEIR FLOOR.

The guest workers report that there is a constant and relentless pressure to work faster to meet their excessively high production goals. *“There is too much shouting,”* the workers say. *“And sometimes we are hit, pushed and shoved.”* It is not uncommon for Chinese managers to hit the workers and throw the fleece jackets in their faces for working too slowly, making a mistake, talking back or using the toilet too frequently or taking too much time. *“Everyone is afraid when the Chinese managers come onto the floor.”* Workers also report being shouted at, cursed, slapped, punched and shoved for complaining about the excessive overtime hours and lack of proper pay. Every guest worker spoke of the humiliation, embarrassment and fear they feel almost every day.

For nine months of the year, Jordan is very hot. Factory temperatures can exceed 100 degrees. There are no fans at the Maintrend factory and everyone is sweating all day, working with their shirts open.

Workers need permission to use the bathroom, and are limited to two or three uses a day during the entire 15 ½ to 16 ½-hour shift. Supervisors also time how long the workers are away. The maximum time allowed is five minutes, and anyone taking six minutes will be docked

a full hour’s wage. The bathrooms are also dirty, lacking toilet paper, soap and towels.

As we shall see in the following wage section, there are also other significant forms of pressure. Workers who fail to reach their production goal can have their wages docked, by 10 to 15 percent as punishment. Further, workers who make a mistake while sewing a fleece jacket can be fined \$7.07 to \$14.13, or 18 to 36 hours’ wages as punishment.

There is never a let up in the constant pressure workers face. There are 20 video cameras inside the factory, which management claims are to prevent problems, but which the workers believe are used to monitor their actions every minute of the day.

Speaking during working hours is also strictly prohibited. Maintrend is certainly not one of those “feel good” factory environments that the voluntary U.S. corporate codes of conduct or private monitoring schemes claim they can deliver.

WAGES

- Paid below the legal minimum wage;
- No overtime premium;
- Workers cheated of 45 percent of the wages legally due them each week;
- Paid just \$34.62 for a 96 ½-hour workweek, or 36 cents an hour—well below the legal minimum wage of 58 cents an hour for regular time and 72 cents an hour for overtime;
- One month’s wage is withheld.

Everything about the wage structure at the Maintrend factory is illegal. The regular legal workweek in Jordan is 48 hours, but Maintrend management has arbitrarily increased this “regular” workweek by 15 hours, to a total of 63 hours. They also did this with no increase in the minimum weekly wage of \$27.69, despite the increase



LEGAL MINIMUM WAGE	ILLEGAL WAGES AT MAINTREND
58 cents an hour (0.576823)	44 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (63 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
Overtime premium of 25 percent, or 72 cents an hour	No overtime premium paid

in hours. This lowers the guest workers' wages to 44 cents an hour for regular hours, which is 14 cents and 25 percent below the legal minimum wage of at least 58 cents an hour. Nor are the Maintrend guest workers paid the legal 25 percent premium, or 72 cents an hour, for overtime work. No matter how many extra hours they are obligated to work, they always receive the same piece rate wage, which is itself set below even the legal 58-cent minimum for regular hours.

Maintrend guest workers told us that they regularly earn between \$140 and \$150 a month, including overtime. This means they are earning \$32.31 to \$34.62 for the typical 96 ½-hour workweek. Even if we assume the higher figure of \$34.62, the Maintrend workers are still being cheated of \$28.05 in wages legally due them each week. They are being shortchanged of 45 percent of the wages they are owed.

For the typical 96 ½-hour workweek, the workers should be paid \$27.69 for the 48 regular hours, and \$34.98 for the 48 ½ hours of overtime paid at the 25 percent premium of 72 cents an hour. In total, they should be earning \$62.67. Instead, the Maintrend guest workers are earning, at best, just \$34.62 a week including overtime. This puts their average wage at just 36 cents an hour, which is well below the legal minimum wage of 58 cents for regular hours and the 72 cents mandated for all overtime work.

The loss of \$28.05 each week in wages legally due these workers, adds up over the course of a year to an annual wage loss of \$1,459, which is an enormous amount of money given that their regular annual pay is just \$1,440.

The very highest wage we found at the Maintrend factory was reported to us in August 2005 by a senior sewing operator who was earning \$160 a month, or \$36.92 a week. Even this high-end wage was \$25.75 short of the \$62.67 owed the worker for toiling a 96 ½-hour week. Even the highest paid worker is being cheated of 41 percent of the wages legally due him each week.

As we have seen, there are many techniques management uses to hold down the workers' legal wages. First, it extends the regular workweek to 63 hours rather than the legal 48 hours. Despite the enormous overtime demanded, Maintrend fails to pay the legal overtime premium of 25 percent. Workers can have an hour's wage docked for spending one minute too long in the bathroom. Failure to meet assigned production goals—which according to the workers are set unrealistically high—can lead to a 10 to 15 percent deduction in wages. Workers even slightly damaging a fleece jacket through a sewing error can be fined \$7.07 to \$14.13, the equivalent of 18 to 36 hours' wages, as punishment. Workers who arrive late to their station three times in a month will be docked one day's wages.

Also as we have seen, Maintrend's guest workers are further cheated by being denied legal holidays, vacation time and sick days. One month's wage is always withheld and the workers are paid on the 10th to 12th day of the following month. They have to wait until the 15th to 25th day to receive their overtime pay.

The illegal savings to Maintrend management can be quite significant. Even if we consider just the illegal wage cuts of \$28.05 a week, \$1,459 a year per worker, for the approximately 400 Bangladeshi guest workers held as indentured servants at Maintrend, the combined loss in wages each year is \$583,600, or a total of \$1,750,800 over the course of their three-year contracts.

The North American companies turn a blind eye to Maintrend's payment of below the legal minimum wage to hundreds of guest workers because it also allows them to score a better deal, to cut their production costs and lower the prices they have to pay. In the end, the North American companies are benefiting from and taking advantage of workers being held under conditions of indentured servitude.

The workers in Jordan have to tighten their belts and hold their own daily expenses to a minimum. As it is, after being cheated of nearly half the wages legally due them, there is precious little money available to send home each month to their families in Bangladesh. So the guest workers try to limit their own daily personal expenditures to between 99 cents and \$1.32. But even this comes to \$30 and \$40 a month. The factory food is never enough, so workers purchase food to supplement their diet, and for tea. Sometimes they have to purchase medicine, or buy a shirt or a blanket. They only dare spend their money on simple, basic things that are essential. Not a single worker we met had spent any money to see a film or even to make a day trip to see Jordan.

THE TRAP TIGHTENS

It is getting even worse for the guest workers. In December 2005, Maintrend management began

withholding another \$50 from the workers' monthly wages, explaining that they would do this for the next five months. Management was reacting to the escape of eight workers in November who fled the Maintrend factory on foot, leaving their passports behind, hoping to cross the border out of Jordan. In desperation over the constant abuse, the long hours and being cheated of their wages, more and more guest workers are running away. Maintrend management, upon noticing the workers' absence, alerted the Jordanian police who try to hunt the workers down. Those caught are imprisoned.

Withholding \$50 a month from the workers' wages over five months is meant to discourage more workers from running away. If someone tries to escape now, they will lose not only the one month's wage which has always been withheld, the regular wages and overtime owed them for the last month's work, and the \$5 to \$10 Social Security fee deducted each month from the workers' wages, but also the \$50 a month in wages which is now being arbitrarily and illegally deducted from the workers' wages. The workers have no assurances they will ever see this money again.

We do not know the fate of the eight workers who escaped in November 2005.

Production Costs: Workers paid just 21 cents to sew \$69 L.L. Bean fleece jackets.





Twenty-five sewing operators on a production line must complete 350 fleece jackets for L.L. Bean and other labels in an eight-hour period. This production goal is set by management and it is not negotiable. Each hour the workers on the line must complete 43 ¾ jackets. This means, in effect, that each worker must sew 1 ¾ jackets an hour, or one every 34.29 minutes (57% of an hour). Since we know that the Maintrend workers are illegally paid an average wage of just 36 cents an hour, we can determine that the direct labor cost, or wages, to sew each jacket is just 21 cents. This means that the workers' wages to sew each jacket amount to just three-tenths of one percent of the \$69 retail price for the L.L. Bean jacket. $(34.29 \text{ minutes} \div 60 \text{ minutes} = 0.57 (57\%); 0.57 \times \$0.36 \text{ per hour} = \$0.21 \text{ per jacket}; \$0.21 \div \$69 = 0.0030434)$

This is not a lot of money, so clearly there is a lot of room here to pay the workers at least the minimum wage.

If the 58-cent-an-hour legal minimum wage were strictly adhered to at the Maintrend factory, the workers would still only be earning 33 cents for every \$69 L.L. Bean fleece jacket they sew, meaning their wages would now amount to less than half of one percent (.0048039) of the jacket's retail price. In short, the sky would hardly fall in on the L.L. Bean Corporation if they demanded that the workers in Jordan sewing their garments be paid at least the minimum wage.

PRIMITIVE DORM CONDITIONS:

Eight workers share each 12-foot by 12-foot room, sleeping on narrow metal double level bunk beds, using a thin foam rubber pad for a mattress. Each dorm floor has 12 such rooms. In the summer, despite one window, the rooms are stiflingly hot and lack adequate ventilation. During the three months of winter, the unheated rooms are near freezing, but despite pleas by the workers, management refuses to supply blankets. They are told to buy their own.

For the last eight months, the shower in the dorms has been broken, as has the water heater. The workers have approached management many times about this, but it has yet to be fixed. The workers have to bathe with cold water using buckets. Running water is not always available in the dorm and the bathrooms are not clean.

Management provides no entertainment at the dorms and the workers had to pool what little money they had to purchase a small television and a radio.

There are security guards at the dorm and the workers have a curfew. Lights must be shut off at 1:00 a.m.

MONOTONOUS TASTELESS FOOD, AND TOO LITTLE OF IT:

DIET FOR MAINTREND WORKERS <i>ALL MEALS AT THE FACTORY</i>		
Breakfast	7:00 a.m. to 7:25 a.m.	Pita bread, tea, lentils
Lunch	12:30 p.m. to 1:00 p.m.	Rice, lentils and beef
Dinner	8:00 p.m. to 8:30 p.m.	Rice, lentils, and vegetables - most often potatoes

All the 7,000 or so Bangladeshi workers in the Al Tajamouat Industrial City are serviced by the same inexpensive food catering company, so the observations of the workers regarding the food are similar from factory to factory. They say the food served to them never changes, is very monotonous, tasteless, and that the portions are too small, often leaving the workers still hungry. The workers also report sometimes getting sick from the food. They comment that more nutritious foods such as fruit and juices

are never served.

On the rare holidays the workers are off, such as the important Muslim religious festival, Eid, the company does not provide any food to the workers, but rather gives each worker 1 jd (Jordanian Dinar) (U.S. \$1.41) to purchase their own food. This allows for just 47 cents per meal, which the workers say is far too little.

WHY CORPORATE MONITORING DOES NOT WORK

Completely by chance, in May 2005, a team of representatives from the Woolrich Company was in the Maintrend factory carrying out an audit at the exact same time that the National Labor Committee was beginning our investigation into conditions at that factory. There were differences. The Woolrich investigation lasted one day, whereas the NLC audit was carried out over a nine and ten-month period. Also, the NLC researchers interviewed the Maintrend workers in a safe location, and in the presence of people the workers trusted, so they knew they could speak the truth without retribution.

On Friday, May 27, 2005, the Woolrich team—made up, according to the workers, of someone from the U.S., a woman from China, and someone from Thailand—began their audit at Maintrend. The workers were told ahead of time that buyers were coming within the next several days. The factory was cleaned. Factory managers coached the workers on what to say should they be questioned. The script went like this: *“We work eight hours a day, plus two overtime hours, and never more than that. We get Fridays off and we are paid correctly and on time, including the overtime premium. Also the food is good and the factory is never too hot. And yes, the treatment here is good and we have no complaints with management.”*

On the day of corporate visits, the factory food is improved and the workers get to go home early, at 6:00 p.m. or 6:30 p.m.

It is the same drill, rehearsed and repeated for each auditing group.

Of course, every single guest worker knows full well that if they dare utter a single word of truth about the abusive factory conditions, the long hours, being cheated of their wages and the lack of rights, they will be immediately fired and forcibly returned to Bangladesh without their back wages.

Maintrend, like other factories, uses two sets of time cards and pay records. One set is for the gullible corporate auditors while the other is for accurate factory records. But at this stage of the game, corporations are well aware that supplier factories across the world utilize these two sets of records, and they should not be so easily fooled.

We would like to challenge the Woolrich auditors, along with those representing the Thalia Sodi label and L.L. Bean, how is it possible that your investigations failed to uncover:

- That the guest workers are paying exorbitant interest rates on the money they borrow to purchase their work contracts at Maintrend;
- That the guest workers’ passports are confiscated by management;
- That the workers are forced to work 96 ½ hours a week, including 48 ½ hours of overtime, which exceeds the legal limit in Jordan by 350 percent;
- That Maintrend workers are paid below the legal minimum wage, paid no overtime premium and are routinely cheated of 45 percent of the wages due them each week;
- That the workers are terrified and cringe when their Chinese managers come onto the shop floor because they are routinely shouted and cursed at, pushed, shoved and slapped, and can be docked 18 to 36 hours of pay for making a mistake and have their wages cut 10 to 15 percent for working too slowly;
- That the workers have never heard of, let alone seen, any U.S. corporate code of conduct and have never



received even the most rudimentary explanation of how such codes of conduct are meant to protect their legal rights?

It is not possible that anyone attempting a serious investigation would not quickly learn that the tens of thousands of foreign guest workers in Jordan's factories are in a trap, being held as indentured servants, with nowhere to turn for help.

Corporate codes of conduct have never proven effective, but whatever modest positive impact they may have weakens when the supplier factories used by the U.S. companies are in countries where they are less likely to face any independent scrutiny from civil society. For example, North American and European corporate auditors do not dare enter Pakistan for fear of being targeted for an assassination attempt. In China, it is easy for U.S. companies to hide their production in the estimated 110,000 garment factories there. And in Jordan, no one in civil society is reaching out to the foreign guest workers in the export factories. Under such conditions, the U.S. corporate codes of conduct are moved to the back burner, with no upset to the U.S. companies, who in the end, will do nothing regarding respect for worker rights that they are not forced to do.

GUEST WORKERS CAUGHT IN A TRAP WITH NO EXIT

Young men in Bangladesh have to pay 90,000, 100,000, and 150,000 taka (\$1,328, \$1,275, and \$2,212) to purchase a three-year contract to work at the Maintrend factory. Their contract bars them from working at any other plant.

The contractors in Bangladesh lie to the workers, promising them that they will earn \$120 a month for regular time, and that all overtime work will be in addition to that and paid at a premium. They are told they will receive one day off a week, as well as national holidays and vacation time—all according to the law in Jordan. Food, housing and health care will be free and very decent. This is a good deal, and most importantly the workers

will earn a lot of money, which they will be able to send home to support their families.

Hundreds of workers accept the deal to work at Maintrend and go out to borrow money on the informal market in order to purchase their contracts. The interest rates alone are five to ten percent per month. At the ten percent rate, if not paid off every month, the loans will more than double within the first year. This is certainly a lot of pressure, but if the workers work hard and are paid correctly, they could pay down their debts each month while also sending more money home to their families than they could hope to earn if they stayed in Bangladesh.

However, when the guest workers arrive at the Maintrend factory, they immediately discover that their contracts are a lie. There are no days off, and despite the grueling hours, they are cheated of nearly half the wages legally owed them. But there is no exit. The workers are in a trap. One month's wage is always withheld, and the **workers know that if they ever dared challenge Maintrend management regarding the long hours, the lack of pay and the abusive conditions, they would be imprisoned and forcibly deported to Bangladesh without a single cent of the back wages owed them. Back in Bangladesh, given the wages of 21 cents or less an hour in Dhaka's garment factories, there is no way the returned workers can ever pay off the mounting interest, let alone the principle, on the money they have borrowed. Their debt will continue to grow as the worker and their family descend even deeper into misery.**

Under such conditions, guest workers must learn to hold their tongues. They are, after all, in the position of indentured servants.

There is another piece to this as well. No one in Jordan reaches out to any of these tens of thousands of foreign guest workers in the garment factories, which leaves the factory managers with absolute power. Factories like Maintrend can do whatever they please, in broad daylight, and expect complete impunity.

Maintrend workers said the **Jordanian Ministry of Labor Officials** visited the factory, but whether they were prohibited from doing so or simply chose not to, they never came onto the shop floor and never spoke with the workers. The Ministry Officials went straight to the factory manager's office and then departed.

Nor do Jordan's unions attempt to contact the guest workers. To date, in the over three dozen factories we have researched, not a single worker has ever been contacted by a member of a Jordanian union. By law, Jordan's unions cannot organize foreign workers—and it appears that the unions may not be entirely independent of the government, which oversees union elections and subsidizes union budgets.

We did not encounter a single incident when the labor courts or police in Jordan were helpful to the guest workers.

Sadly, the same is true of the Bangladeshi Embassy in Jordan. Despite repeated appeals for help, help never comes. The response from the Bangladeshi officials and staff is always the same... *"yes, yes, we are busy right now, but I'll get to it tomorrow."* But nothing ever happens, and often the workers are told flat out to *"stop causing trouble and return to work."*

As we have seen, the U.S. corporate codes of conduct are also thoroughly useless.

There is one last player though, and it is a powerful one—the U.S. government. After all, the United States has a free trade agreement with Jordan, under which more than a billion dollars' worth of garments entered the U.S. duty free in 2005. But unfortunately, over the last several years the U.S. government officials in charge of overseeing and implementing the U.S.-Jordan Free Trade Agreement have been asleep at the switch, when it comes to protecting fundamental internationally recognized worker rights standards.

The tens of thousands of foreign guest workers locked in Jordan's factories have fallen through the cracks of the global economy.

Nonetheless, despite all the abuse they have suffered, the demands of the guest workers remain so modest as to be shocking.

Such small demands— just respect Jordan's labor laws.

The workers say they *"have no hope"* and realistically given the trap they are in, see *"no chance to improve conditions."* Maintrend workers are now writing letters to newspapers in Bangladesh hoping they will be printed, warning the workers there, *"Don't come to Jordan!"* and explaining how the contracts they paid so dearly for are all lies, and that factory conditions in Jordan are much worse than in Bangladesh.

Yet, when we asked the workers what improvements they hoped for, even if they thought it highly unlikely that anything could ever be achieved, their demands were so modest as to be shocking.

Here is what the Maintrend guest workers dream and hope for:

- Two or three days off a month;
- Finish work at 8:00 p.m. each night;
- Better food and clean water;
- Stop the shouting and beatings;
- Provide blankets during the cold winter months; and
- Do not cut the salary, so that the workers can earn \$200 a month including overtime, or \$46.15 a week.

Perhaps without even being aware of it, all the Maintrend workers are asking for is that Jordan's most fundamental labor laws be respected. It is not as though the Bangladeshis are not hard workers. They are. All they want is three days off a month and to be at the factory 12 ½ hours a day rather than 15 ½ to 16 ½ hours. Under this



schedule, they would be working 12 hours a day, 6.25 days a week, from 7:30 a.m. to 8:00 p.m., for a total of 75 hours, including 27 hours of overtime. If they were paid just the legal minimum wage and nothing more, they would be earning \$27.69 for the regular 48 hours of work and \$19.44 for the 27 hours of overtime paid at the legal 72-cent-an-hour premium rate. This would come to \$204.23 a month, slightly exceeding their dream of earning \$200 a month.

In effect, what the workers dream for, but without hope, is that the North American companies will effectively demand that the fundamental legal rights of any worker sewing their garments in Jordan be respected. This should not be too much to ask under the U.S.-Jordan Free Trade Agreement. The fact that there are North American companies operating under a U.S. free trade agreement makes the serious ongoing abuses seem especially cruel and egregious.

COMPANY CONTACT INFORMATION

L.L. BEAN

Casco Street
Freeport, Maine 04033
Phone: (207) 865-4761
Website: www.llbean.com
CEO: Chris McCormick
Chairman: Leon A. Gorman

K-MART (THALÍA SODI)

333 Beverly Road
Hoffman Estates, IL 60179
Phone: (847) 286-2500
Website: www.searshc.com
CEO: Aylwin B. Lewis, pay in 2005 \$1.51 M
Senior Vice President, Supply Chain and Operations:
W. Bruce Johnson

WOOLRICH, INC.

2 Mill Street
Woolrich, PA 17779
Phone: 570-769-6464
Fax: 570-769-6234
www.woolrich.com
President and CEO Roswell Brayton, Jr.

CHINA IS THE BIG WINNER IN THE U.S. - JORDAN FREE TRADE AGREEMENT

A pricing document prepared for U.S. investors by the Jordanian Investment Bureau provides a rare behind-the-scenes glimpse into the cost of garment production in Jordan, and how the U.S.-Jordan Free Trade Agreement can be manipulated to China's benefit.

Over a billion dollars worth of garments sewn in Jordan entered the U.S. duty free in 2005, but the breakdown of a typical garment's total value is as follows:

The total cost of production for a girl's shirt sewn in Jordan is \$3.50.

QUALIFYING INDUSTRIAL ZONES			
QUALIFYING PRODUCT EXAMPLE			
QUALIFYING PRODUCT REQUEST EXAMPLE			
(All quotes in US dollars)			
Product: Girl's Shirt	Production: 30,000 units/month		
Direct Labor Cost			
Title	Number	Avg. Monthly Salary	Total Salary
QC	4	200	800
Sewers	60	130	7800
Finishing	10	120	1200
Ironing	8	120	960
TOTAL	88		\$ 9760
Indirect Labor Cost			
Title	Number	Avg. Monthly Salary	Total Salary
Plant Mgr.	1	3000	3000
Whse. Pers.	3	250	750
Cleaners	5	130	650
Clerks	3	350	1050
Guards	2	150	300
Accountant	1	700	700
Human Res.	1	550	550
TOTAL	16		\$ 7000
Direct Processing Cost			
Utilities			1000
Machinery Depreciation			1000
Bldg. Depreciation			840
Indirect Processing Cost			
Utilities			400
Machinery Depreciation			300

- Fabric and buttons from China account for \$2.20, or 63 percent of the garment's total value.
- Israel's contribution of cutting the fabric and supplying accessories is 32 cents, or 9.1 percent of the total value.
- The direct cost of production in Jordan, including direct labor and processing costs, comes to 42 cents, or just 12 percent of the garment's \$3.50 total cost. (Including indirect labor and processing costs would add another 26 cents, bringing Jordan's total to 68 cents, or 19.4 percent of the garment's total value. However, only direct labor and processing costs can be applied to the transformation value necessary to qualify for duty free access under the U.S.-Jordan Qualified Industrial Zones trade agreement.)
- The combined Jordanian and Israeli value-added totals just 74 cents, or 21 percent of the garment's total cost of production, which falls far short of the required combined minimum of at least a 35 percent transformation of the garment. However, there is a loophole, if the garment undergoes what is known as a "double transformation," meaning the fabric is both cut and sewn, then the Jordanian factory can claim the cost of the fabric as their own, despite the fact that it was made in China, and apply it as part of its necessary value added to gain duty free access to the U.S.



GIRL'S SHIRT MADE IN JORDAN UNDER THE U.S.-JORDAN FREE TRADE AGREEMENT CHINA IS THE BIG WINNER



- Of the \$1,082,626 worth of apparel sewn in Jordan which entered the U.S. duty free last year, at least 63 percent of the value, or \$682.2 million, can be attributed to China.
- The U.S.-Jordan Free Trade Agreement, given the average 15 percent tariffs on textile and apparel imports which otherwise would have applied, Chinese textile plants received over \$102.3 million in U.S. tariffs breaks last year.

JOB	TIME ALLOWED PER GARMENT	HOURLY WAGE	LABOR COST PER GARMENT
Sewers	25 minutes	63 cents	26 cents
Ironers	3.3 minutes	58 cents	3 cents
Finishers	4.2 minutes	58 cents	4 cents
Quality Control	1.7 minutes	96 cents	2.6 cents
		<i>Subtotal Direct Labor</i>	35.6 cents

JOB	TIME ALLOWED PER GARMENT	HOURLY WAGE	LABOR COST PER GARMENT
Warehouse Personnel	1.25 minutes	\$1.20	2.5 cents
Cleaners	2.08 minutes	63 cents	2 cents
Guards	50 seconds	72 cents	1 cent
		<i>Subtotal Indirect Labor</i>	5.5 cents

**TOTAL DIRECT AND INDIRECT
LABOR COST - 41 CENTS**

Direct Labor Cost per Garment:

(based on the following calculation: 30,000 garments per month breaks down to 6,923 per week, and 144 garments per hour given the regular 48 hour workweek)

Indirect Labor Cost per Garment:

(We have stripped out management personnel such as the plant manager who earns more than 23 times what the workers do, as well as the accountant, human resources manager and the company clerks. We have done this to keep the focus on the actual labor costs, involving the workers who handle the garment.)

If the major retailers like Wal-Mart would pay just nine cents more per garment, every guest worker in Jordan could earn at least the minimum wage.

We have broken down the direct and indirect labor costs, accounting for the value added each step of the way by every worker involved in manufacturing a shirt, to demonstrate an important point.

First, as has been documented repeatedly, the majority of foreign guest workers sewing clothing in Jordan are paid just 44 cents an hour, which is well below the legal minimum wage of 58 cents an hour, and certainly not the 63 cents an hour reported in the attached cost breakdown by the Jordanian Investment Bureau. At the illegal wage of 44

cents an hour, the guest workers are earning just 18.3 cents for each girl's shirt they sew. What would happen if, tomorrow, the U.S. companies began demanding that the guest workers in Jordan indeed be paid at least the legal 58 cent an hour minimum wage? Would corporate profits descend into a tailspin? Would the price of the garment have to skyrocket to pay the increased labor costs? Hardly. Paying the workers the legal minimum wage would raise the cost to sew the garment from 18.3 cents to just 24.2 cents, amounting to an increase of less than six cents.

If we then extended the same 32 percent wage increase—to lift the 44 cent an hour wage to the legal 58 cent minimum—to every worker who handled the garment this would add just three more cents to the total direct and indirect cost to sew the garment. Adding just nine cents to the cost of production for the shirt would allow each worker involved to earn at least the legal 58 cent an hour minimum wage.

Surely the companies could afford to do this.

CHINA DEMANDS U.S. TRADE AGREEMENTS BE OPEN TO FABRIC SOURCED IN CHINA

Up to this point, all U.S. preferential trade assistance programs that allow duty free access to the American market for apparel sewn in less developed countries in Central America, the Caribbean, Latin America and Africa have been restricted to the use of textiles sourced in countries that are party to the agreement. China is now challenging this, as their trade officers did at a World Trade Organization meeting in March 2006. China is demanding that all such preferential trade assistance programs be open to textile sourced anywhere in the world, including China, of course.



QUALIFYING INDUSTRIAL ZONES

QUALIFYING PRODUCT EXAMPLE

QUALIFYING PRODUCT REQUEST EXAMPLE

(All quotes in US dollars)

Product: Girl's Shirt

Production: 30,000 units/month

Direct Labor Cost

Title	Number	Avg. Monthly Salary	Total Salary
QC	4	200	800
Sewers	60	130	7800
Finishing	10	120	1200
Ironing	8	120	960
TOTAL	88		\$ 9760

Indirect Labor Cost

Title	Number	Avg. Monthly Salary	Total Salary
Plant Mgr.	1	3000	3000
Whse. Pers.	3	250	750
Cleaners	5	130	650
Clerks	3	350	1050
Guards	2	150	300
Accountant	1	700	700
Human Res.	1	550	550
TOTAL	16		\$ 7000

Direct Processing Cost

Utilities	1000
Machinery Depreciation	1000
Bldg. Depreciation	840

Indirect Processing Cost

Utilities	400
Machinery Depreciation	300

Bldg. Depreciation	100
--------------------	-----

Material Inputs

	Per Unit Consumption	Source	Per Unit Price
Major Inputs			
Fabric	1 meter	China	1.95
Cutting	1 piece	Israel	0.10
Other Inputs			
Sewing Thread	320 yards	Israel	0.02
Polybags	1 piece	Israel	0.05
Hangers	1 piece	Israel	0.05
Cartons	1 piece	Israel	0.10
Buttons	5 pieces	China	0.05

TOTAL COST CALCULATION

Material Cost:

QIZ Jordan	0
Israel	\$ 9600 (0.10 + 0.02 + 0.05 + 0.05 + 0.10) x 30,000 units
Gaza Strip	0
West Bank	0
USA	0
Other	\$ 66,000 ((1.95 + (0.05 x 5)) x 30,000 units

Labor Cost:

Direct QIZ	\$ 9760
Indirect QIZ	\$ 7000

Processing Cost

Direct QIZ	\$ 2840
Indirect QIZ	\$ 800

Cost of Production: \$ 96,000



FOB Price:	\$ 105,000
Israeli Share:	\$ 9,600 / 105,000 = 9.1 %
Jordan QIZ Share:	\$ 9,760 (direct labor) + 2,840 (direct proc.) = \$ 12,600
	\$ 12,600 / 105,000 = 12.0 %

Note: In this case, because double transformation (cutting and sewing) of the product has taken place in the QIZ, the cost of the fabric can be applied toward the Jordan QIZ share. Thus the 35% value added in the QIZ is easily attained, even exceeded. In no case, however, can the cost of the fabric account for the individual country's minimum requirement.

For further information, please refer to the following links:

- [QIZ LOCATIONS AND COSTS](#)
- [QUALIFYING YOUR PRODUCT](#)
- [PROCEDURES AND APPROVAL](#)
- [DIRECT COSTS OF PROCESSING](#)
- [INDIRECT COSTS OF PROCESSING](#)
- [QUALIFYING PRODUCTS APPLICATION FORM](#)
- [QUALIFYING PRODUCT EXAMPLE](#)

This page was last modified on Dec 21, 2000

[BACK](#)

USAID TRAINS BUSINESS MANAGER OF JORDAN'S LARGEST FREE TRADE ZONE

"I learned everything about investment promotion through USAID's training—how to target investors, make presentations, prepare marketing missions and follow up. I use this training every day to do my work better."

-Ms. Janset Kasht

Development Manager of Al Tajamouat Industrial City

- Over 10,000 foreign guest workers stripped of their passports are being held under conditions of involuntary servitude at the Al Tajamouat Industrial City.
- Unfortunately, USAID does not also train Jordan's free trade zone managers that human trafficking in foreign guest workers and holding them under conditions of involuntary servitude is both illegal and in violation of every internationally recognized worker rights norm.



PHOTO & CAPTION
Investment Brings New Jobs



Jordan has unique access to the U.S. market through qualified industrial zones — designated industrial areas whose products can enter the United States without duties or quotas. The zones were designed in part to help Jordan attract foreign investment to boost the economy, but at the time Jordan had no strategy for actively courting investors.

USAID responded by helping staff of the Jordan Investment Board build their skills in conducting market research, managing investor relationships and planning promotional missions.

When Janset Kasht joined the staff of the Jordan Investment Board in 1999, she had no experience in promoting foreign investment. But with on-the-job training she received from USAID, she has excelled as business development manager of Al Tajamouat Industrial City. Under Janset's watch, Al Tajamouat has become extremely successful — the investment it attracts accounts for 42 percent of the total foreign investment in Jordan's qualified industrial zones and has helped create 16,000 jobs at the zone's 32 garment factories.

Says Janset, "I learned everything about investment promotion through USAID's training — how to target investors, make presentations, prepare marketing missions, and follow-up. I use this training every day to do my work better."

By 2004, Jordan's qualified industrial zones had attracted more than \$379 million in foreign investment, helping create more than 40,000 new jobs. Exports from the zones rose from just \$25 million in 2000 to \$581 million in 2003.

Under the watch of USAID-trained Janset Kasht, Al Tajamouat Industrial City has become extremely successful — the investment it attracts accounts for 42 percent of the total foreign investment in Jordan's qualified industrial zones and has helped create 16,000 jobs at the zone's 32 garment factories.

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-0000
<http://stories.usa.d.gov>

USAID & THE U.S.-JORDAN FREE TRADE AGREEMENT

"[USAID] programs helped hundreds of companies to take advantage of the FTA and increase exports."

Contact: Mission Director
USAID c/o American Embassy
Anne Aarnes
Amman, Jordan
Phone: 962-2-590-6000

"Implementing these trade agreements is a second area of assistance that USAID has and will continue to support. Indeed, WTO and U.S.-FTA standards in such areas as intellectual property will require sophisticated technical assistance."

"Helping firms of all types to capture the opportunities available through Jordan's trade agreement with the United States is critical to achieving Jordan's development goals."

—USAID / Jordan Strategy 2004-2009
Gateway to the Future, Revised in Dec. 2003



JORDAN'S APPAREL EXPORTS TO THE U.S. <i>(WERE UP 13 PERCENT LAST YEAR, FOR AN INCREASE OF \$126.1 MILLION)</i>	
2000	\$52,096,507
2001	\$199,503,798
2002	\$385,629,253
2003	\$582,729,143
2004	\$956,416,274
2005	\$1,082,526,000

U.S. APPAREL IMPORTS FROM JORDAN SOAR OVER 2,000 PERCENT UNDER FREE TRADE AGREEMENT

Between 2000 and 2005, Jordan's apparel exports to the U.S. climbed 20.78 fold, increasing from \$52.1 million in 2000 to \$1.1 billion in 2005, an over 2,000 percent increase in just the last five years. Apparel accounted for a full 85 percent of Jordan's total U.S. exports of \$1,267,257,000 in 2005. Jordan is now the world's 21st largest exporter of apparel to the U.S., bypassing many much larger countries such as Egypt, Turkey, Malaysia, Colombia, and Peru.

**IN THE LAST 5 YEARS
388,053 U.S. TEXTILE AND APPAREL
JOBS HAVE BEEN LOST**

Between January 2001 and February 2005, 388,053 textile and apparel workers in the U.S. lost their jobs. The decline from 1,017,053 textile and apparel jobs in January 2001 to 629,000 jobs in February 2006 represents a 38 percent industry job loss in just the last five years.

Over the same five year period, 2.88 million U.S. manufacturing jobs were lost, representing a 17 percent decline. There are just 14.1 million manufacturing jobs left in the U.S., down from nearly 17 million jobs in January 2001.

The median hourly apparel wage in the U.S. is just \$8.67 an hour and \$18,030 a year.

- In FY 2003, the United States provided Jordan with \$950 million in foreign economic assistance.
- *“USAID annual cash transfers are conditioned on the implementation of specific policy reforms aimed at speeding privatization, developing capital markets and improving the investment climate. In addition, USAID supports a comprehensive set of economic reform and private enterprise development activities aimed at implementing policy reforms and improving the overall business climate for trade and investment.”*

—U.S. Commerce Department's Country Commercial Guide for Jordan (2004)

Note: The \$950 million in economic assistance provided to Jordan in 2003 should have provided USAID with a very strong platform to demand respect for internationally recognized workers rights, especially given the U.S.-Jordan FTA.

HI TECH TEXTILES: WAL-MART & GLORIA VANDERBILT

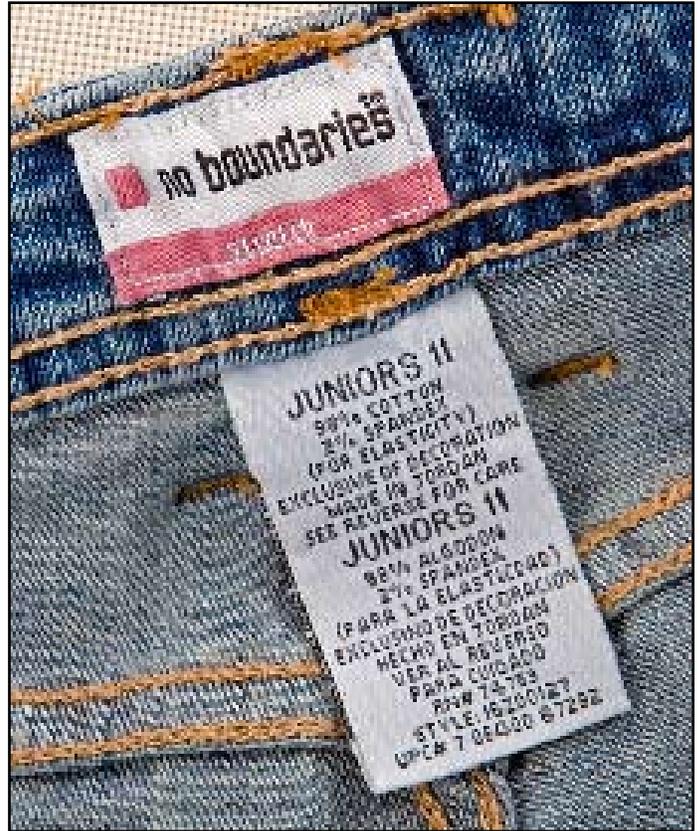
Hi Tech Textiles LLC
Ad Dulayl Industrial Park
Zarka, Jordan

Contact: Ali Imran
Phone: 962-5-382-5530
Fax: 962-5-382-5600
Email: ali@hitech-textile.com

Ownership: Pakistan Capital
Production: Women's and children's jeans for **Wal-Mart** and **Gloria Vanderbilt**

Hi Tech Textiles is a large factory with as many as 3,000 to 4,000 workers located in the Ad Dulayl Industrial Park in Zarka, just 30 miles from Jordan's capital, Amman. Hi Tech Textiles, which is wholly-owned by one of Pakistan's largest textile conglomerates, the Fairdeal Textile Group, was set up in Jordan in the year 2000 specifically in order to export garments duty-free to the United States. Fairdeal Textile claims to be a socially responsible corporation: *"Fairdeal Textile's mission is to produce high quality textiles of all kinds at a price that is globally competitive, while remaining a responsible corporate citizen socially and environmentally."*

Yet, for the over 90 percent of the Hi Tech employees who are "guest workers" from Bangladesh—there could



be as many as 1,000 workers from Bangladesh alone—Sri Lanka, India and Nepal, the working conditions and treatment are anything but fair. They are held under conditions of indentured servitude, stripped of their passports, and forced to work 100-hour weeks, while being cheated of more than half the wages legally due them. The workers also report being routinely slapped and even beaten with belts.

In separate interviews in 2005 and 2006, the workers were certain that they sewed women's and children's jeans for **Wal-Mart** and **Gloria Vanderbilt**. In fact, the workers were clear about the slight differences in production goals for the Wal-Mart jeans as compared with those for Gloria Vanderbilt. Given the large size of the Hi Tech factory, it is almost certain that these were not subcontracts, but rather direct contracts with both Wal-Mart and Gloria Vanderbilt. The question then arises: How is it possible that Wal-Mart's and Gloria Vanderbilt's codes





in just one factory, in their case, Hi Tech.

When the workers arrived at the Hi Tech Textiles factory, their passports were immediately confiscated by management. Nor did new workers receive an “akama”—identification card—without which it is very dangerous to even venture outside the industrial park for fear of being stopped by the local police. Foreigners, especially poor workers without proper ID can be imprisoned and deported.

The workers found themselves forced to work

of conduct and factory auditing programs failed to uncover over the course of years, let alone prevent, the fact that guest workers sewing their jeans were being held under conditions of indentured servitude?

“It was like being trapped in jail. It was horrible, tragic.”

The women paid a local Bangladeshi contractor 60,000 to 70,000 taka (\$885 to \$1,032) to purchase a three-year contract to work in Jordan. The men had to pay more—anywhere from 90,000 to 120,000 taka (\$1,327 to \$1,770). The workers were told that they would earn \$120 a month for the regular 48-hour workweek, and that all overtime would be paid at a premium according to Jordanian law. They would have at least one day off a week, and they would live well—“as they do in the West”—with free food, lodging and healthcare. There would also be government holidays and vacations. But the main thing promised was that they would earn a lot of money in Jordan, which they could send back to their families. Under the contract however, they could work

15½ to 16½ hours a day, from 7:30 a.m. to 11:00 p.m. or 12:00 midnight, seven days a week with some shifts even stretching 24½ hours. They routinely worked between 96 and 100 hours a week. Not only were the Bangladeshi workers not paid the local minimum wage, they were also cheated of their overtime pay. Some workers earned as little as 12 cents an hour, others 22 to 26 cents, whereas the average legal wage they should have received, including overtime, was at least 65 cents an hour. The guest workers from Bangladesh were being cheated of 45 to 80 percent of the wages legally due them. Moreover, if the workers fell behind their assigned production goal, they would be shouted at, humiliated, slapped, whipped with the garments or even beaten with a belt. The same would happen if they went to the bathroom too often, took “too much” time (the bathrooms lacked toilet paper, soap and towels), or dared to question management about their very low wages.

In desperation, in early February 2005, a group of women workers decided to approach Hi Tech’s manager to see if they could negotiate for at least a portion of the back

wages owed them. When asked, the factory manager responded that the contractor in Bangladesh had not paid their airfare to Jordan, so he had to deduct the money for their salary. The Bangladeshi women were shocked. There must be some mistake, they said, recounting that they had each paid 60,000 to 70,000 taka (\$885 to \$1,032) to the contractor, which definitely included their airfare. They begged the Hi Tech manager to call their contractor in Bangladesh, Nasser Travel Agency to confirm what the women were saying. At this point the Hi Tech manager became very angry, cursing and shouting ***“If you want to make demands, then it is back to Bangladesh for you.”***

The Bangladeshi women who approached the manager were then locked in their dorm building for the next 20 days. No food was provided, and since the young women had no money, they had to beg other workers to bring them food. For the last two days they were not allowed out of their room. Suddenly, they were told to pack their belongings, they were being taken to the airport. Just before they left, one of the supervisors told them, ***“You did some demands, you led a movement. Why did you organize and make demands? That’s why you are being sent back. We’ll have nothing to do with you!”***

At the airport, the women tried to approach some Jordanian police, but the officers ignored them. The women were sent back to Bangladesh on February 28, 2005, without having received any of the back wages owed them.

HELD UNDER CONDITIONS OF INDENTURED SERVITUDE

It is important to explain this in some detail, since the loans the workers incurred to purchase their work contracts in Jordan might not seem like a lot of money in the U.S. If it were not a lot of money, then their being forcibly returned to Bangladesh might not have been such a bad thing for these workers, especially given the brutal factory conditions they were escaping.



As we have seen, to purchase a three-year work contract in Jordan, Bangladeshi women typically had to pay a contractor 60,000 to 70,000 taka (\$885 to \$1,032). Men had to pay more, 90,000 to 120,000 taka (\$1,327 to \$1,770). In Bangladesh, poor workers have no choice but to borrow the money in the informal market, where interest rates are five to 10 percent a month. This means that if installments are not paid, the debts increase by 60 to 120 percent, or more, a year. Even assuming the interest rate is not compounded monthly, the \$885 loan can rise to a debt of \$1,416 to \$1,947 by year’s end, while the \$1,032 loan can turn into a debt of \$1,651 to \$2,270. This is no small debt when you are being paid just 44 cents an hour, as most guest workers are in Jordan, despite the fact that this is well below the country’s legal minimum wage of 58 cents an hour for regular time and at least 72 cents an hour for overtime.

To put this into perspective, let’s assume a minimum wage worker in New York State earning \$6.75 an hour agreed to travel offshore to work for three years so he or she could earn more money to better provide for his/her



family. Given that their wage of \$6.75 an hour is 15.34 times greater than the 44 cents an hour the Bangladeshi worker is earning in Jordan, an equivalent loan for a New York State minimum wage worker would be \$13,576 to \$15,031 for a woman, or \$20,356 to \$27,152 for a man. Then imagine these loans growing by five to 10 percent each month. At the end of a year, the woman worker could be face with a debt of between \$21,723 and \$34,828. For the man, it could be even worse, resulting in a debt of \$32,570 to \$59,734 after just one year! If they were also being cheated of their wages, how would a minimum wage worker in the U.S. ever be able to pay off such a staggering debt?

This is exactly what is happening to the Bangladeshi guest workers in Jordan. Once they borrow the money to purchase a three-year contract, they are in a trap not much different from being held in conditions of indentured servitude. The factory owners know exactly how vulnerable the guest workers are and they exploit this mercilessly. To be forcibly deported back to Bangladesh means the worker and their family will never be able to pay off their loan, leaving them mired in debt and extreme poverty.

CORPORATE CODE OF CONDUCT MEANINGLESS IN FAST-MOVING GLOBAL ECONOMY

Wal-Mart's code of conduct and factory monitoring program has again failed dismally to protect even the most basic legal rights of the workers sewing their clothing in Jordan. More surprising is that Gloria Vanderbilt's code of conduct has also fallen far short of guaranteeing respect even for minimum legal standards.

Audits are known in advance. Before North American buyers visit the Hi Tech factory—the workers told us, “they look just like you.”—the workers are instructed to respond to any questions by saying they earn \$200 a month, receive one day off a week, never work at night and are happy with their treatment. It is made abundantly clear that if any worker dares speak the truth to

the auditors, they will be deported back to Bangladesh the following day, guaranteeing that they and their families will be crushed under a constantly growing debt.

“Back to Bangladesh” is the trump card management holds, and it frightens the workers to death.

Leading up to the visit, the workers have to stay extra hours, without pay, to clean the factory, especially the filthy bathrooms, and to remove the piles of clothing boxes blocking the stairs. However, for the workers, there is one good result. When the North American buyers come, they are let out of work at 4:00 p.m. or 5:00 p.m., which seems like a vacation.

The real point here is that the systematic violation of the rights of the tens of thousands of guest workers in free trade zone factories across Jordan is so extreme, widespread and even violent and cruel that a North American company would actually have to go out of its way to remain ignorant of the grave injustices these workers are forced to endure each day. In the case of Jordan, the voluntary codes of conduct and private monitoring schemes are functioning more as a cover-up than a good-faith attempt to guarantee respect for even minimum legal standards.

The truth is, in Jordan the vast majority of guest workers are treated as indentured servants, and they have been abandoned.

When asked, the Hi Tech workers told us:

Nobody helps us. We did not find any union here. The [Jordanian] Labor Ministry people never come to the factory. And the Bangladeshi Embassy is not interested to hear of workers' problems.

We were told this again and again in our clandestine meetings with guest workers across Jordan.

NO HOPE FOR OUR LIVES. WE JUST WORK AND SLEEP.

On exhaustion:

We feel very tired and exhausted from the hard and long working hours. On average, we sleep five or six hours a night. We do not have any opportunity to relax, or even to watch television. [There is no radio or TV in their dorm room.] We just work and sleep.

On the constant pressure to work faster:

It's very difficult to meet the target, but our production goal is mandatory. There is always a huge pressure from the management to work faster. We are shouted at and mistreated for not meeting the target. Also, management cuts the pay if someone fails to reach the goal. That's why we have to make it up with extra hours, without pay, working in the factory.

On physical abuse:

Beatings and threats are very common. They shout, call names, insult the workers. Managers slap, punch, beat us with belts and lash us with the garments. It is very humiliating for the workers. They do this if we work too slowly, make mistakes, or use the toilet too often, or take too much time. Also if we ask questions.

“No hope for our lives”

We get up between 5:30 and 6:00 a.m. in the morning and go to bed around 12:30 or 1:00 a.m. We work like machines—always very exhausted. We miss our families in Bangladesh. There appears to be no hope for our lives.

A TYPICAL WORK SHIFT 15 1/2 TO 16 1/2 HOURS A DAY	
7:30 a.m. to 12:30 p.m.	Work, 5 hours
12:30 p.m. to 1:00 p.m.	Lunch, 1/2 hour
1:00 p.m. to 6:30 p.m.	Work, 5 1/2 hours
6:30 p.m. to 8:30 p.m.	Overtime, 2 hours
8:30 p.m. to 9:00 p.m.	Supper, 1/2 hour
9:00 p.m. to 11:00 p.m. or 12 midnight	Overtime, 2 to 3 hours



BRUTAL AND ILLGAL SWEATSHOP CONDITIONS AT THE HI TECH TEXTILE FACTORY HOURS:

- **Forced overtime;**
- **Routine 15½ to 16½ hour shifts, from 7:30 a.m. to 11:00 p.m. or 12-midnight, seven days a week;**
- **Some grueling 18½ to 19½ hour all-night shifts stretching from 7:30 a.m. straight through to 2:00 or 3:00 a.m.;**
- **Not uncommon for workers to be in the factory 106½ hours a week;**
- **No regular weekly day off—working seven days a week;**
- **Forced to work on statutory government holidays.**

In January and February of 2006, the routine daily shift at the Hi Tech Textile factory stretched 15½ to 16½ hours, from 7:30 a.m. to 11:00 p.m. or 12:00 midnight—and there was no weekly holiday. Workers did not have a single day off in January or February. The only weekly “break” the guest workers received was on Fridays—the Muslim holiday—when they worked a 10½ hour shift, starting at 7:30 a.m. and being let out “early” at 6:00 p.m.

It is common for the workers to be at the factory 106 ½ hours a week, while working 100 hours. Saturday through Thursday, they would work 16 hours a day, on average, from 7:30 a.m. to 11:30 p.m. with just a half hour off each for lunch and supper. On Fridays, they would work 10 hours, while being at the factory 10½ hours, from 7:30 a.m. to 6:00 p.m. ($6 \text{ days} \times 16 \text{ hours} = 96 \text{ hours}$; $96 + 10.5 \text{ hours} = 106.5 \text{ hours at the factory}$. ; $6 \text{ days} \times 15 \text{ hours} = 90 \text{ hours}$; $90 + 10 = 100 \text{ hours}$

worked.)

The actual work schedule is even worse than it looks. For one thing, three times each week there are revolving all-night 18½ to 19½ hour shifts, during which 200 to 300 workers are required to work from 7:30 a.m. straight through to 2:00 or 3:00 a.m. the following day. After working these grueling all-night shifts, the workers are allowed just an extra half hour off and must report back for work that same morning at 8:00 a.m. These all-night shifts rotate among the different assembly lines and departments, usually involving 200 to 300 workers who have fallen behind in their production goals. One can only imagine how exhausting this is. In just a three-day period, these workers will be at the factory 51 hours, while working 48 hours.

Even on “normal” days, the workers are often at the factory up to 17 hours a day as they have to arrive at 7:00 a.m. to take their breakfast, which is served at the factory. Every afternoon, between the half-hour lunch break and the break for supper, the workers toil seven and a half hours straight, from 1:00 p.m. to 8:30 p.m.

The workers report being able to sleep just five to six hours a night and being constantly exhausted. On the rare occasions when the workers receive a day off, the lightest schedule they work, from 7:30 a.m. to 11:00 p.m., six days a week, still puts them at the factory 93 hours a week, while working 87 hours. ($6 \text{ days} \times 15 \frac{1}{2} \text{ hours} = 93$; $93 \text{ hours} - 6 \text{ hours for meals} = 87 \text{ hours worked.}$)

Back in 2004 and early 2005, the Hi Tech workers could get Friday, the Muslim holiday, off—but only if they worked a 24½ hour shift on Thursdays. They had to work straight through from 7:30 a.m. on Thursday to 8:00 a.m. on the following Friday morning.

Between October 2004 and February 2005, the routine daily shift was 15 to 16 ½ hours from 7:30 a.m. to 10:30 p.m., 11:00 p.m. or midnight. The hours varied and no one was allowed to leave before the daily production goal was met.

NO RESPITE

Even the three meals a day provided the workers little respite. Just a half hour was allotted for each meal, and the workers report that after queuing up for their food, they had just 10 minutes to eat and then rush back to work. The food was also terrible. It was tasteless and the portions were too small. More nutritious food was rarely, if ever, served. Fish and fruits were never served and chicken was available once a month at most.

Often the quantity of food was not sufficient. But there was nothing the workers could do about it. Sometimes whole groups of workers fell sick from the food.

It was strictly prohibited for the workers to criticize the food or even make any comments regarding its taste and quality. To do so, as we will see, could result in a beating.

GUEST WORKERS' DIET (ALL MEALS SERVED AT THE FACTORY)	
Breakfast: 7:00 a.m. to 7:30 a.m.	One piece of bread, jelly and tea (occasionally lentils or peas were also served).
Lunch: 12:30 p.m. to 1:00 p.m.	Rice, mashed potatoes and vegetables (eggs were served twice a week and beef once).
Supper: 8:30 p.m. to 9:00 p.m.	Rice, mashed potatoes and vegetables (sometimes lentils were also served).

BEATINGS ARE COMMON— CONSTANT PRESSURE TO PRODUCE FASTER

As if the long hours and lack of sleep were not exhaust-

ing enough, the workers report being constantly pressured to work faster. Management assigned each assembly line a daily production goal, which they were forced to meet. For example, 60 operators in an assembly line were required to complete 150 pairs of Wal-Mart jeans each hour. Often, according to the workers, the production goals were set too high, making them impossible to reach.

One worker put it like this:

"It is difficult to meet the target, but our production goal is mandatory. There is always a huge pressure from management to work faster. We are shouted at and mistreated for not meeting the target."

In fact, the workers report that it is common for management to curse and shout at the workers, to slap them, punch them, lash them in the face with garments and even beat them with belts. The goal is to spread fear and to humiliate the workers. Management has a special punishment for the teenaged women. If they make a mistake, or are working too slowly, supervisors make the girl stand on a high table for three or four hours in front of all their co-workers, to humiliate and shame her.

Workers could be beaten for working too slowly, making even minor mistakes, commenting on the food they were served or even for asking questions about back wages owed them. They could also be punished and slapped for going to the bathroom too often or for taking too much time.

At Hi Tech Textiles, guest workers need permission from their supervisor to use the bathroom, and are limited to just two or three visits during a 15 ½ to 16 ½ hour shift. Supervisors also monitor the time each worker takes in the bathroom. Taking more than three minutes is judged to be excessive and could result in being punished. *The bathrooms are also filthy, lacking toilet paper soap and towels.*



PRIMITIVE DORM CONDITIONS PROVIDE NO RELIEF

Hi Tech Textile’s dorm rooms are crowded with double-level bunk beds, with only a foam rubber pad for a mattress. The workers complain that the beds are also far too narrow. Thirty-six to forty workers are crowded into a room which would be suitable for just 12 to 15 people and lacks adequate windows and ventilation. In summer the rooms are stiflingly hot, while in the winter they are freezing. Management does not provide any form of entertainment in the dorms—no television, not even a radio. There is a curfew, and all dorm lights must be turned off a half hour after the workers return from their shift. It is not uncommon for the workers to go to sleep at 12:30 p.m. only to get up at 6:00 a.m.

Nor is water always available in the dorm, and due to the scarcity of water and—according to the workers—its bad smell, *the workers are unable to bathe regularly.*

DENIED GOVERNMENT HOLIDAYS, SICK DAYS, LEGAL VACATION DAYS

For High Tech Textiles guest workers, their lives have turned into a constant grind. Not only are they denied weekly holidays and forced to work seven days a week, but they must also work on statutory national govern-

ment holidays. The only break the Bangladeshi workers receive is two days off for the Eid religious holiday. Sick days are not allowed, and *a worker is docked three days’ wages for each day she is absent.* By law, all workers must receive a paid annual vacation leave of 14 days, but this requirement is also ignored and violated by Hi Tech management. A woman’s legal right to maternity leave benefits also does not apply to guest workers, who are immediately deported if they become pregnant.

WAGES

- **Not a single guest worker at the Hi Tech factory is paid the legal minimum wage of 58 cents an hour;**
- **Not a single guest worker is paid the legal 25 percent overtime premium of 72 cents an hour;**
- **The workers were not provided time sheets or pay stubs;**
- **Guest workers earn 24 percent less than the legal minimum wage for regular hours, just 44 cents;**
- **Workers are cheated of up to 75 percent of the overtime wages legally due them.**

LEGAL MINIMUM WAGE
58 cents an hour (0.576823)
\$4.62 a day (8 hours)
\$27.69 a week (48 hours)
\$120 a month
\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour

- **Guest workers are being cheated of 45 to 80 percent of the total wages due them.**

What is happening at the Hi Tech plant with regard to payment below the minimum wage is also going on in the vast majority of apparel factories across Jordan that are exporting, duty-free, to the U.S. under the U.S.-Jordan Free Trade Agreement. This is not only illegal, it is also cruel and is a violence against the workers far worse than the beatings they endure. No one leaves their family, incurs what, for them, is a very significant debt and travels to a foreign country like Jordan, where they do not know the language, to work for three years unless they believe their sacrifice will help their family and that they will be paid for all the hours they work. But once the guest workers are in the trap, stripped of their passports and with no one to turn to for help—not the Jordanian Labor Ministry, not the local unions, nor even the Bangladeshi Embassy, and certainly not the corporate codes of conduct and factory audits of the U.S. companies—factory management is free to do whatever it pleases with the powerless workers.

In January 2003, the legal minimum wage in Jordan's factories was raised to **\$120 a month** and **58 cents an hour for a regular work week of 48 hours**. All overtime must be paid at a **25 percent premium, or 72 cents an hour**.

This is what the Bangladeshi workers were promised in their contracts, but it was not to be. Hi Tech Textile's



factory management unilaterally decided—and this is going on across Jordan—that the “regular” work week for the guest workers would be 63 hours and not the legal 48 hours. Instead of working eight hours a day, six days a week, from 8:00 a.m. to 5:00 p.m. with an hour off for lunch, the Bangladeshis are forced to work 10½ “regular” hours a day, from 7:30 a.m. to 6:30 p.m., with only a half hour off for lunch, six days a week. ***This immediately lowers their regular wage to 44 cents an hour, which is 14 cents less than the legal minimum. This means that the guest workers are being systematically cheated of 24 percent of their regular wages each week.*** Instead of earning \$27.69 a week for 48 hours of regular work, the guest workers are forced to work 15 hours a week more—63 hours—to earn the same \$27.69.

This is going on in broad daylight, and every step of the way it is illegal. By law, workers in Jordan cannot work more than two hours of overtime a day and no more than 14 hours a week, which caps the legal workday at 10 hours and the legal work week at no more than 62 hours. Also, the workers must receive at least one day off each week.

But at the Hi Tech factory, the guest workers are routinely forced to work up to 100 hours a week, including 52 hours of overtime, which exceeds the legal limit on overtime by 371 percent! Not only are guest workers being forced to work excessive overtime hours, they are also cheated on their overtime wage, since the overtime premium of 25 percent—or 72 cents an hour—is never paid. This immediately lowers their legal overtime wage by 25 percent. But it gets even worse. The workers estimate that management routinely records only half of the overtime hours that the workers actually work each week. This practice, of course, cuts the overtime wage paid the guest workers by another 50 percent. It is common for guest workers at the Hi Tech factory to be cheated of 75 percent of the overtime wages legally due them. This is on top of the illegal 24 percent deduction to their legal wage.

If the guest workers were paid at least the legal minimum wage of 58 cents an hour and the overtime premium



of 72 cents an hour, they would be earning **\$27.69 for the regular 48-hour workweek, and \$37.50 for the 52 hours of overtime, for a total wage of \$65.19 for 100 hours of work.** This legal wage is hardly excessive, and averages just 65 cents an hour for the 100 hours.

This 65 cent-an-hour average wage including overtime is still less than eight percent of the median wage of garment workers in the U.S., which is \$8.67 an hour. The U.S. wage is 13.3 times higher than the legal wage in Jordan. This, combined with duty-free access to the American market under the U.S.-Jordan Free Trade Agreement, should provide Jordan's garment factories a healthy competitive advantage.

But as we have seen, Hi Tech and many of the other factories do not stop there. **At best they pay the guest workers just \$35.83 for 100 hours of work—\$27.69 for a “regular” workweek of 63 hours and \$8.14 for 37 hours of “overtime,” of which only half the hours were counted and the overtime premium was not paid.**

(37 hours “overtime” x 0.5 = 18.5 hours counted; 18.5 hours x 44 cents an hour = \$8.14)

This means that the workers are being cheated of almost half—45 percent—of the legal wages due them, about \$29.36 each week. In the course of a year, the guest workers would be shortchanged of \$1,526.72 in wages legally due them. If there are 1,000 Bangladeshi workers at the Hi Tech factory, this means that management is cheating the workers, collectively, of **\$1.5 million a year.** (\$1,526,720).

It could even be worse. As we have seen, earlier in 2005 some Bangladeshi workers who were forcibly deported from Jordan reported being paid just **\$11.25 a week for 96 hours of work, or just 12 cents an hour. These workers were being cheated of more than 80 percent of the wages legally due them.** But when they questioned management on this, they were locked in their dorms for 20 days and then forcibly returned to Bangladesh. Other workers reported earning \$90 or \$105 a month, or \$20.77 to \$24.23 a week—22 to 26 cents an hour—for working 95-hour week. These workers were cheated of 60 to 66 percent of the legal wages due them.

The average production wage in the U.S. is \$16.47 an hour. To put the illegal losses the guest workers in Jordan are suffering into perspective, imagine if U.S. companies also decided to illegally cut our regular wages by 24 percent—as is standard practice in Jordan even under the U.S. Jordan Free Trade Agreement. A 24 percent cut would lower our wages by nearly \$4.00 an hour, which is something we would certainly feel and be angry about.

We can conservatively estimate, as will be shown in the next section, that the tens of thousands of guest workers in Jordan—and particularly the Bangladeshi workers—are being cheated of at least \$1,000 a year in wages legally owed them.

WORKERS PAID JUST 18 CENTS TO SEW WAL-MART & GLORIA VANDERBILT JEANS

Workers at the Hi Tech factory are allowed 24 minutes to sew each pair of Wal-Mart jeans.

It works like this: an assembly line of 60 operators must sew 150 pairs of jeans each hour, which amounts to two-and-a-half jeans per person per hour. In effect, each worker is allowed just 24 minutes to complete the jeans, which at a wage of 44 cents an hour, means that the direct labor cost comes to just 18 cents to sew each pair of Wal-Mart jeans. *(150 jeans per hour ÷ 60 workers = 2.5 jeans per worker per hour; 60 minutes ÷ 2.5 = 24 minutes per pair of jeans; 24 minutes ÷ 60 = 40% of an hour; 0.40 x 44 cents per hour = 17.6 cents wages per pair of jeans).*

When we asked the women what they thought the jeans they sew would retail for in the U.S., they responded 200 to 500 taka, or \$2.95 to \$7.37. When we pressed them to guess the highest price imaginable, they said 1,000 taka at most, or \$14.75.

AN INTERVIEW WITH NASIMA: *FORMER HI TECH WORKER*

Dhaka, Bangladesh
Friday September 30, 2005

Charles Kernaghan: How many workers work at the Hi-Tech factory?

Nasima: In the Hi-Tech Factory, there were a lot of workers - from seven countries - also 350 girls from Bangladesh. About 5,000 workers were in the Hi-Tech Factory. We had to start work at 7:30 a.m. and then at 12:30 p.m. we had lunchtime and at 7:00 p.m. we got our dinner. After dinner we had to work until 1:00 or 2:00 a.m., but most of the days we would go home at 12:30 p.m. And every Thursday we had to work from 7:00 in the morning until the next morning at 8:00 a.m. – a whole night shift. Sometimes we had to work the whole night anyways, but it depended on how much work we had to finish. During the first month I got \$34, but earlier they said we would be paid \$120. Some people even got \$20. When we asked why we were getting so little money they sent us back to Bangladesh. I didn't go to Jordan for this little amount of money. We expected to get \$150 - \$200. We worked 9 days in the first month and then all next month. But they cut one month's payment and just gave us 9 day's worth of money. We were so tired from our two day's long journey to Jordan but the next day we had to work overtime. Every day we had to work overtime but the next month we only got 105 dollars. We worked for about three and half months. In the last month we got \$90. They said we didn't pay for our airfare but we did. We paid 70,000 taka in Bangladesh. We went from Nasser travel. Then some of us decided to stay in our house because we demanded our money and rest of the workers who didn't say anything just went to work. Then we asked our PM to forgive us and send us back to work but he said Ali Imran is in Pakistan, when he comes back then you can go back to work. But they locked us in that house for 20 days without any food. We had some money so other girls who went to work helped us to buy our food. We called our families from there. When they called back the factory's management, they said we were working very well. After 20 days the caretaker of

the house told us to get ready. We became very happy then; we thought we were going back to work. When I got back from the bathroom, I saw that all the other girls were packing their stuff. I asked them what happened. They said that they saw airplane tickets in Pujari's hand so thought they might be going back to Bangladesh. Then we reminded them that we don't have any money and we didn't get paid for the last month of work, so how will we go to Bangladesh without money? Then, at the airport, we complained to the police that we didn't get paid and didn't even know why they are sending us back. But police said nothing. When we arrived at the Dhaka airport we didn't even have money to get back to our own houses.

When buyers came the management called and told us to say that we get \$200 per month. They told us to lie otherwise we wouldn't get any work. Before the buyers came we had to clean the factory - move the cartons like in the shipping department until 2:00 or 3:00 a.m. but the day the buyers came we got to go home at 4 p.m. to show buyers that we were working in good conditions and management takes care of us. Now we are in a very terrible position economically.

The owner always shouted and screamed at us. Sometimes, if we could not reach the production target, they would beat us and slap us, pushing us to the ground. Punishment was to stand up on a table for 3-4 hours.



COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: (212) 575-2571 Fax: (212) 768-7759
www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
Phone: (732) 346-7000

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

UNITED GARMENTS MANUFACTURING: WAL-MART

Behind the “Everyday Low Prices-Always” Are Women Cheated, Every Day

United Garment Manufacturing Co.
Building-H
Al Tajamouat Industrial City, Sahab
Amman, Jordan

Contact: Mr. Ziad Salah
Phone: 962-6-402-0512
Fax: 962-6-402-0517
Email: Ziad@ungrm.com
Established: 2003
Ownership: Pakistani Capital



SEWING CLOTHING FOR WAL-MART

- Passports confiscated, guest workers held under conditions of indentured servitude;
- Paid less than half the legal minimum wage;
- Forced overtime, at least 37 hours a week—all unpaid;
- Mandatory 14 ½ to 16 ½ hour daily shifts, from 7:30 a.m. to 10:00 p.m. or 12:00 midnight, working 85 to 95 hours a week;
- If absent for one day, wages docked for 15 days;
- One to two days' wages docked for failure to reach production goals;

- To receive one day off a week, workers have to put in an 18-hour shift the day before, from 8:00 a.m. straight through to 2:00 a.m. the following morning;
- No national holidays off;
- No vacation days as required by law;
- Workers paid 10 cents for every Wal-Mart shirt they sew;
- Workers are in a trap—facing the constant threat of being forcibly deported without their back wages.

This is our factory law and if you continue to pester me or ask more questions you'll be sent back to Bangladesh.

--United Garment Manager

GUEST WORKERS

The United Garment Manufacturing Co. is a large factory located in the Al-Tajamouat Industrial City in Sahab, which is about half an hour's drive from Amman. Of the 700 or more United Garment workers, the vast majority are “guest workers” from Bangladesh, Sri Lanka, India and China. There are 200 Bangladeshi workers in the factory alone, as compared with just 50 Jordanian workers.

SEWING FOR WAL-MART

We have been investigating the United Garments factory for the last 10 months, beginning in May of 2005.



In July 2005, the workers gave us the “**No Boundries**” label they were sewing for **Wal-Mart** (*Juniors XL (15) 82% polyester and 8% spandex, RN 44480*). During an earlier research trip in May, they told us they were sewing “**White Stag**” women’s pants for Wal-Mart. In January 2006, the workers smuggled another Wal-Mart label out of the United Garments factory carrying the same RN number, 44480 (*Juniors M (7/9) body 100% cotton and lining 100% polyester*).

The workers also described sewing a huge order of women’s shirts with long sleeves, in all colors, with matching scarves. Their description matched exactly the “**Faded Glory**” women’s tops we had purchased in Wal-Mart, which were made in Jordan. It also matched a U.S. Customs shipping record showing large orders of women’s

shirts with matching scarves being exported from Jordan to Wal-Mart.

HOURS

The United Garment factory makes up its own rules. There is no such thing as a legal, regular 48-hour work week. Nor does management recognize overtime hours. The workers are not paid for any overtime, and no matter how many hours they work each week, they are always paid the same monthly salary, which amounts to less than one half of the legal minimum wage due them.

FORCED OVERTIME

- **Standard 14 ½ to 16 ½ hour shifts, from 7:30 a.m. to 10:00 p.m. or 12:00 midnight;**
- **To receive one day off a week, the workers have to put in an 18 ½ hour shift the day before, working straight through from 7:30 a.m. to 2:00 a.m. the following morning;**
- **Working 85 to 95 hours a week;**
- **No government holidays and no legal vacation days off.**



The most common shift at the United Garments factory is 14 ½ to 15 hours a day, from 7:30 a.m. to 10:00 or 10:30 p.m. But since guest workers are not permitted to leave the plant until the daily production goal is finished, it is also not uncommon for some shifts to stretch to 16 or 16 ½ hours, to 11:30 p.m. or 12 midnight. It is only the 50 Jordanian workers who are allowed to go home at 5:00 p.m. each evening. The workers receive a one hour break for lunch, from 12:30 to 1:30 p.m. How-

THURSDAY ALL-NIGHT SHIFT <i>IN ORDER TO GET ONE DAY A WEEK OFF</i>	
7:30 a.m. – 12:30 p.m.	Work, 5 hours
12:30 p.m. – 1:30 p.m.	Lunch, 1 hour
1:30 p.m. – 10:00 p.m.	Work, 8 ½ hours
10:00 p.m. – 10:30 p.m.	Supper, half hour
10:30 p.m. – 2:00 a.m.	Work, 3 ½ hours

ever, there is no break for supper unless the shift goes beyond midnight. This means that the afternoon shift is really exhausting, working straight through from 1:30 p.m. to 10:00 or 10:30 p.m., 8 ½ to nine hours without a break. On most nights, workers do not have a chance to eat supper until they return to their dorm at 11:00 p.m. or midnight. Typically the workers are able to sleep just six hours a night, going to bed at 12:30 and getting up at 6:30 a.m.

As has been mentioned, the workers can get two and sometimes four Fridays off a month, but only if they work an all-night 18 ½ hour shift on Thursday, from 7:30 a.m. straight through to 2:00 a.m. on Friday morning. On their Fridays off, the workers report being so

exhausted that they sleep most of the day and perhaps watch some television. (They say they never go out. It is simply too expensive.)

Under this schedule, depending upon whether the workers worked until 10:00 p.m. or 10:30 p.m., ***they would be at the factory 91 to 93 ½ hours a week, while working 84 ½ to 87 hours. On average then, the workers would be at the factory 92 ¼ hours and working 85 ¾ hours.***

However, on weeks when they worked on Friday and had no day off, the workers would be at the factory 102 ½ hours while working 95 ½ hours. This assumes the workers get out “early” on Friday at 8:00 p.m.

STANDARD DAILY SHIFT <i>14 ½ TO 15 HOURS A DAY</i>	
7:30 a.m. – 12:30 p.m.	Work, 5 hours
12:30 p.m. – 1:30 p.m.	Lunch, 1 hour
1:30 p.m. – 10:00/10:30 p.m.	Work, 8 ½ - 9 hours This shift may stretch to 11:30 or midnight.

In July 2005, when we interviewed the United Garments workers, they were working seven days a week, from 8:00 a.m. to 11:30 p.m., 15 ½ hours a day, with just a half hour for lunch. ***The workers themselves estimated that they were working 94 to 99 hours a week.*** They also reported not having a single day off in May, June or July. During this period there were also all-night, 18 to 19-hour shifts at least once a week, from 8:00 a.m. to 2:00 or 3:00 a.m. the following day. These shifts tended to rotate among different assembly lines and departments, targeting areas where production had fallen behind.



LEGAL MINIMUM WAGE	WAGES FOR WORKERS SEWING WAL-MART GARMENTS
58 cents an hour (0.576823)	31 cents an hour
\$4.62 a day (8 hours)	\$4.43 a day (14.3 hours)
\$27.69 a week (48 hours)	\$26.54 a week (85 ¾ hours)
\$120 a month	\$115 a month
\$1,440 a year	\$1,380 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	

WAGES

The Big Cheat—Some of the poorest and hardest working people in the world are being cheated of more than half of the wages legally due them, while sewing clothing under the U.S. Free Trade Agreement for Wal-Mart, one of the largest companies in the world

- **Paid below the minimum wage: workers paid just 31 cents an hour, \$26.54 for an 87 ¾ hour work week;**
- **Workers cheated of \$28.37—more than half of the wages legally due them each week—which amounts to \$1,475 in lost wages each year;**
- **Two hundred Bangladeshi workers cheated of \$295,040 in wages each year;**
- **If all 650 guest workers were also illegally underpaid, the total annual loss in wages would amount to nearly one million dollars;**
- **Arbitrarily, some workers had their wages cut in half to 15 ½ cents an hour and \$13.22 a week.**

If you have the chance to look behind Wal-Mart’s “Everyday Low Prices” to see first hand the conditions under which Wal-Mart clothing and other goods are made, you will almost always find workers in the developing world who are being cheated of their wages, forced to work grueling overtime, who are stripped of their rights and face even physical punishment.

This is the case at the United Garments factory in Jordan, where the country’s labor laws mean nothing. By law, the minimum wage in Jordan is 58 cents an hour—\$27.69 for a regular workweek. All overtime work beyond the regular 48 hours must be paid at a 25 percent premium—at 72 cents an hour. Further, it is illegal to work more than 10 hours a day, to work more than 14 hours of overtime in a week or more than 60 hours of overtime in a month. Workers must receive one day off a week. Workers are guaranteed eight national holidays and 14 days paid annual vacation.

United Garment management made up its own rules. The guest workers would earn a take-home wage of \$115 per month, no matter how many overtime hours they were forced to work. There was no such thing as overtime pay.

So for a standard workweek of 85 $\frac{3}{4}$ hours, the guest workers still earned just \$115, despite working 37 $\frac{3}{4}$ hours of overtime—which also exceeded the legal overtime limit **by 273 percent!**

The workers, if they were paid the legal minimum and overtime wages, should have received at least **\$54.91 a week** (\$27.69 for the regular 48-hours of work and **\$27.22** for the 37 $\frac{3}{4}$ hours of overtime, paid at 72 cents an hour. But, as we have seen, no matter how many hours the workers were at the factory they always earned the same **\$26.54** a week.

So the workers were being cheated each week of **\$28.37** in wages legally due them. ($\$54.91 - \$26.54 = \$28.37$.) The workers were being shortchanged of over half—52 percent—of the wages owed them. This adds up, and over the course of a year, each worker was being robbed of \$1,475.24. Together, the 200 Bangladesh guest workers were collectively shortchanged of \$295,048.00 in wages due them. If all 650 guest workers were being underpaid in the same manner, the illegal shortfall in wages would total nearly one million dollars a year--\$958,906.00.

Unfortunately, this is far too often the reality behind Wal-Mart's and many other multinationals' bargain prices.

For some workers it was even worse. After four months of work at the Untied Garments factory, for no reason and without any explanation, some **workers had their pay cut in half to just 15 $\frac{1}{2}$ cents an hour and \$13.27 for an 85 $\frac{3}{4}$ hour workweek.** They were being cheated of 76 percent of the wages due them.

In July 2005, a group of United Garments workers told us that they were receiving overtime pay. They were working nearly 14 hours a day (13.85), seven days a week, for a 96.93-hour workweek. They were receiving \$4.62 to \$9.23 a week in overtime pay, or an average of \$6.93. So for the week they took home **\$33.47--\$26.54** for their regular hours and \$6.93 for their overtime. But they should have received **\$68.97** for the 96.93 hours of work--\$27.69 for the regular 48 hours and \$35.28 for the 48.93 hours of overtime. So these workers as well were also being paid less than half—just 47 percent—of

the wages legally owed them. They were being underpaid by \$36.50 each week.

CHEATED AT EVERY TURN:

- **No sick days:**

Anyone absent for a single day will, as punishment, have their wages docked for 15 days! One worker questioned a midlevel manager on this and was told, *“Look, you cost us to lose a lot of money on lost production, so you have to pay.”*

- **Wages Docked for failing to meet the production goal:**

Management assigns every assembly line a production goal each day. The goal is mandatory. Workers falling behind the goal will be punished by having their wages docked one or two days.

The workers said management set the production goal at impossible levels to reach. Sixty workers on an assembly line had to sew 180 to 200 Wal-Mart shirts an hour, or one shirt every 18.2 to 20 minutes. However, realistically the 60 workers could sew only 120 shirts an hour, or one every 30 minutes.

Not only were the wages cut for failing to meet the goals, but the workers described facing “constant” and “tremendous” pressure to work faster. Being shouted at by supervisors was the norm and some workers were also pushed and shoved.

Given the illegal 31-cent-an-hour wages, we can estimate that the **direct labor cost involved in sewing each Wal-Mart shirt was just 10.3 cents, or less.** (20 minutes is .3334 of an hour; $.3334 \times .31$ an hour wages = 10.3-cent wages.)



- **No national holidays:**

The workers do not reserve national government holidays, with the exception of New Year's Day, on January 1. But even here, the workers had to "replace" New Year's Day by working, without pay, the Friday before, on December 30, which was supposed to be their weekly day off.

- **No annual vacation:**

Jordan's labor law mandates that factory workers are due 14 days paid vacation leave each year. Not a single guest worker receives even a few days of this legal holiday.

- **No medicines:**

There is a doctor in the factory and the workers can receive rudimentary medical care, including being written prescriptions. But the workers, who are being cheated of their wages, also have to pay for any medicines they require.

TRAPPED AND ISOLATED:

Despite the U.S.-Jordan Free Trade Agreement, and its guarantee of respect for internationally recognized worker rights standards, tens of thousands of guest workers in Jordan's export factories are being held under conditions resembling indentured servitude.

Like other guest workers, Bangladeshi men had to pay between 120,000 and 130,000 taka, or \$1,770 to \$1,917, to purchase three year contracts to work at the United Garments factory. Similar to other poor workers, lacking bank accounts, savings or other assets, they had to borrow the money in the informal market, where interest rates typically range from five to ten percent each month. So on the 120,000 and 130,000 loans, the workers would owe at least \$88.50 to \$95.85 each month just in interest payments, not including paying down the principle. The need to pay off these debts each month while also sending money home to their fami-

lies—which, of course, was the only reason they came to Jordan—left the workers in a very vulnerable position.

Moreover, when they arrived at the United Garments factory, the workers' passports were confiscated by management. Nor did new workers receive their required identification cards, without which they could not even venture outside of the industrial park or their dorm without fear of being stopped and deported.

Under these conditions, factory management has absolute power. That is why United Garments management could make up its own factory rules, which are in complete violation of Jordan's labor laws. On the other hand, the guest workers are powerless.

It is not that they did not approach management seeking their legal rights. They did. But when several guest workers asked a senior manager why they were not being paid for any of the overtime hours they were working, he responded, *"This is our factory law and if you continue to pester me or ask more questions, you'll be sent back to Bangladesh."* There is nothing such vulnerable workers can do under such conditions than hold their tongue and accept the abuse.

Not a single factory worker in our ten month investigation across Jordan said that they received any help whatsoever from Jordanian Ministry of Labor officials, from the local unions, or even from their own Bangladesh Embassy. The workers were both trapped and isolated. If they were forcibly deported, not only would they be returned to Bangladesh where there is no hope they could ever pay off their loans, but they would also be cheated of at least two months' wages due them. At the United Garments factory it was standard practice—similar to other export factories—to withhold one month's wage, so that the workers do not receive their first wage until the 20th or 25th of the third month.

CODES OF CONDUCT MEANINGLESS:

During our first interviews in Jordan we saw firsthand just how vulnerable and frightened the workers are. Clearly many of the workers were nervous and they told us that conditions at their factory were excellent, there was no forced overtime or mistreatment and they were paid in full. Everything was fine. It was not until the workers understood who we were and why we were there that they opened up. They thought we were buyers. Through this and other experiences we learned a great deal regarding how extremely limited voluntary codes of conduct and private monitoring schemes are.

In fact, the workers told us that U.S. buyers had visited the United Garments factory in November 2005. Perhaps they could have been from Wal-Mart. Before the auditors or buyers parachute into Jordan, their visits are known in advance and the workers are instructed in what to say if they are questioned. They are to say: *“This is a good factory. Our wages are good and we are paid on the first week of the following month. We earn at least \$150 to \$160 a month with overtime. We also get one day off a week.”* Before the visit, the bathrooms are cleaned, and management even sprays deodorants and air fresheners around the toilets. Sometimes, even flowers are put out. *“However,”* several workers told us, *“when the buyers leave, everything is lost.”* In short, everything returns to normal. Every worker knows full well—and they are threatened beforehand—that if they deviate from the approved script and say anything truthful about factory conditions they will be immediately deported back to Bangladesh.

MODEST DEMANDS:

When we asked the United Garments workers what they hoped for, they responded that they *“be paid correctly for all the hours they work and that they receive one day off a week and national holidays.”* In other words, that at least a few of the wage laws of Jordan be respected.

That should not be too much to ask of Wal-Mart and the other U.S. companies.

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M



U.S.-JORDAN FREE TRADE AGREEMENT LEADS TO TENS OF THOUSANDS OF GUEST WORKERS BEING CHEATED OF THEIR WAGES

What is it about the global economy and how the multinationals operate that has caused the U.S.-Jordan Free Trade Agreement to descend into slave labor? As it is, the Free Trade Agreement provides the American companies with significant advantages. First, they can use low-cost fabric made under substandard conditions in China and still enjoy duty-free access to the U.S. for their garments made in Jordan. The minimum wage in Jordan is still just 58 cents an hour, which is hardly an extravagant wage. And, of course, the Free Trade Agreement allows the garments to enter the U.S. duty free, avoiding the average 15 percent tariff.

Why is it, that despite the advantages the Free Trade Agreement offers, the U.S. apparel companies and their contractors in Jordan have to turn to tens of thousands of foreign guest workers who are being held under conditions of involuntary servitude in export factories across Jordan, where they are being cheated of nearly half the wages legally owed them?

Is the global garment industry so competitive that the companies have no choice but to cheat some of the poorest yet hardest working people anywhere in the world-(as is definitely the case with the Bangladeshi and Sri Lankan guest workers in Jordan)?

What's happened to the U.S. Labor Department and other federal agencies in charge of overseeing and implementing the U.S.-Jordan Free Trade Agreement? Why are they missing in action? And once again the corporate codes of conduct have proved hopelessly ineffective. One has to wonder, does anyone care?

The workers' descent into involuntary servitude and the fact they are robbed of their already below-subsistence wages is not the sort of bargain that helps the American people, or anyone else. Tolerating such illegal sweatshop conditions only intensifies the race to the bottom in the

global economy. What goes around comes around, and bargains based on such cruel exploitation will only come back to bite us.

The **Pacific Garments factory** in Jordan, sewing *Paco Jeans*, is a concrete example of how the U.S.-Jordan Free Trade Agreement is out of control as it descends into slave-like labor conditions.



Pacific Garments Factory

Al Tajamouat Industrial City, Sahab
Amman, Jordan

Ownership: Indian capital—Mr. Javed

Contact: Mr. Abdul Samad

Phone: 962 6 402 0895

Fax: 962 6 402 0892

E-mail: pacific@wanadoo.jo

Number of workers: 600 (400 women and 200 men)
200 guest workers from Bangladesh, 200 from Sri Lanka, 100 Indians, and 100 Jordanians.

Established in 2001.

Production: In September 2005, at least 50 percent of the production was for Paco Jeans. The workers were able to smuggle the attached label out of the Pacific Garments factory.

THERE MUST BE 50 WAYS TO CHEAT YOUR WORKERS:

In 2005, the guest workers at Pacific Garments reported earning just \$90 to \$100 a month, which comes to \$20.77 to \$23.08 a week and, 33 to 37 cents an hour. On average this is **40 percent below Jordan's legal minimum wage**, which is 58 cents an hour and \$27.69 for the regular 48-hour workweek.

By January 2006, their wages had climbed to \$110 a month, or \$25.38 a week, for 63 hours of work, or 40 cents an hour—still **31 percent below the legal minimum**. Also, instead of paying overtime at the legal 25 percent premium, or 72 cents an hour, Pacific Garments pays the workers 42 cents an hour, which is **42 percent less than the legal overtime wage**. But no one seems to notice, not the U.S. companies or the responsible government agencies in the U.S. and Jordan.

(Note that Pacific Garments arbitrarily and illegally—in broad daylight—extended the legal 48-hour regular

workweek to 63 hours, with no increase in pay. In fact, the guest workers received a cut in wages, despite working 15 additional hours each week.)

In 2005, the workers rarely received a day off, regularly working seven days a week with, on average, one day off a month, and sometimes less. For example, for the three months of June, July and August of 2005, the Pacific workers received a total of just two days off. Now, workers can get Friday off, but only if they work a 17 or 18-hour shift on Thursday, from 8:00 a.m. straight through to 1:00 or 2:00 a.m. the following day. When they work to 2:00 a.m., the workers are allowed a 15-minute “tea break” around midnight, but without tea.

The routine daily shift remains 14 ½ to 15 ½ hours a day, from 8:00 a.m. to 10:30 or 11:30 p.m.

Even with Friday off (if they work the 17 to 18-hour shift on Thursday) the workers are still at the factory at least **92 hours a week, while working 86 hours**. It could be worse. In 2005, there were mandatory all-night 18 and 19-hour shifts up to twice a week from 8:00 a.m. to 2:00 or 3:00 a.m. the following day. Such shifts rotated among the assembly lines or departments that had fallen behind on their production goals.

Even the low-end range of 86 hours of work a week, including 38 hours of overtime, still **exceeds Jordan's**

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT PACIFIC GARMENTS
58 cents an hour (0.576823)	40 cents an hour
\$27.69 a week (48 hours)	\$25.38 a week (63 hours)
\$120 a month	\$110 a month
\$1,440 a year	\$1,320 a year
All overtime must be paid at a 25 percent premium, or 72 cents an hour	No overtime premium; workers paid, at best, 42 cents an hour; with up to half the overtime hours worked going unreported and unpaid.



TYPICAL SHIFT AT PACIFIC <i>(14 ½ TO 15 ½ HOURS A DAY)</i>	
8:00 a.m. to 1:00 p.m.	Work, 5 hours
1:00 p.m. to 1:30 p.m.	Lunch, 30 minutes
1:30 p.m. to 8:00 p.m.	Work, 7 hours
8:00 p.m. to 8:30 p.m.	Supper, half hour
8:30 p.m. to 10:30 or 11:30 p.m.	Work, 2 to 3 hours

legal overtime limit by 274 percent! Again, no one seems to notice.

Well, for being forced to work a grueling 86-hour week, perhaps the workers are at least properly paid according to the law? This is hardly the case. As of January 2006, the most the workers could earn, including the 38 hours of overtime, was \$27.72 to \$30.99 for the week. Something is seriously wrong. These workers should have earned at least **\$55.09 (\$27.69 for the regular 48 hours of work, and \$27.40 for the 38 hours of overtime paid at the legal overtime premium of 72 cents an hour)**. But on average the Pacific workers are earning just \$29.36 a week, which is **\$25.73 less than they are owed. They are being cheated of nearly half the wages owed them, or to be exact, 46.7 percent.**

Cheating the guest workers of \$25.73 a week in wages owed them adds up over the course of a year to **\$1,338.12 in lost wages**. For all 200 Bangladeshi guest workers at the Pacific Garments factory, the total combined loss in wages for the year is **\$267,624**. Over the course of their three-year work contract—for which they had to borrow money at exorbitant interest rates—the 200 Bangladeshi workers will be **robbed of \$802,872**. This is serious money for some of the poorest and hardest working people anywhere in the world. If we add in the wages of which the 200 Sri Lankan guest workers are cheated, over the three-year period, the workers from Bangladesh

and Sri Lanka together will have lost **\$1,605,744** in wages due them. In other words, **some of the poorest people in the world are subsidizing some of the largest, most successful apparel companies in the U.S.** How do Pacific Garments and the U.S. companies get away with this?

Pacific Garments management has a special technique for cutting wages. First, they set production goals unrealistically high, and when the workers cannot make their assigned targets, their wages are cut as punishment. In fact, the guest workers' wages can be cut for almost anything. **Sick days are not allowed and anyone too ill to work will have two days' wages docked for each day missed.** Speaking during working hours is also prohibited. **Anyone caught will be screamed at and one to two days' wages will be docked. Going to the bathroom without permission will also be punished with one to two days' wages being docked.** And, of course, management simply underreports the number of overtime hours actually worked each week, which means lower labor costs.

The cheat list just goes on. When the workers purchase their work contracts, they are promised free health care, but they do not receive this either and have to pay for their own medical expenses and prescriptions. There is no doctor or nurse in the factory. Nor are guest workers allowed any of the eight national holidays, which by

law should be days off with pay. It is the same with the legal 14 days of annual paid vacation which is every worker's right, but is also denied with complete impunity. In Amman, the average temperature in January is just 46.6 degrees Fahrenheit, and frost at night is not unusual. The workers' dorms have no heat, but when the workers—who are being cheated of their wages—ask management to at least provide them with blankets, they are told to purchase their own. The workers are promised good food and lodging, but eight to ten workers



share one small eight-foot by ten-foot room in a company house outside the industrial park. They sleep in narrow double-level metal bunk beds using foam rubber pads for mattresses. There is no hot water and the bathrooms are filthy. The food is the same cheap institutional food provided by the same catering service to all 7,000 Bangladeshi workers in the Al Tajamouat Industrial City. Across the board, everyone describes the food as poorly prepared, tasteless, too little, lacking nutrition, and it sometimes makes the workers sick.

For many people, the obvious question by now might be: why is it that the guest workers do not simply pick up and leave, as their conditions are so miserable? After all, there is no gun pointed at the workers' heads. But

there is. Corrupt contractors in Bangladesh—after lying to the workers about the \$120 a month they would be earning for the 48-hour regular workweek, not counting overtime for which they are to be paid at a premium; the free and decent food, housing and health care; and the one day off each week, holidays and vacation days they are to enjoy—charge the workers an average of about 120,000 taka, or \$1,840, to purchase their three-year contracts, which are good only for the Pacific Garments factory. They cannot work anywhere else. Expecting

to earn more money than they ever could in Bangladesh, the workers and their families were willing to borrow the money they needed on the informal market, where interest rates are an exorbitant five to ten percent a month. Even at the five percent rate, this means the worker would have to send home at least \$92 a month just to pay off the interest, let alone the principle, while also sending any remaining money home to their families, which is the only reason they make the sacrifice in the first place to leave home and travel to Jordan. Once at the Pacific Garments factory, they are stripped of their passports and quickly find out that their contract was a total lie. Referring to their contract, the workers told us: *“We only have rights on*

paper: good salary, good food, but in reality we have nothing.” But the guest workers are already in the trap, and the “gun” is the relentlessly growing interest—\$92 a month—on the loan they took. Leaving is not an option, since with the typical \$10-a-week wages paid in Bangladeshi garment factories, they could never hope to pay off their loan, guaranteeing that their families would never climb out of increasing misery and growing debt. Maybe this is what Thomas Friedman means when he says it is better to be exploited than to have no job at all, and he is right. The global economy is often a miserable deal for the tens of millions of workers across the developing world who sew our clothing and assemble our computers. But does it really have to come to this?



Is this the kind of an economy we want? **The fact that the U.S.-Jordan Free Trade Agreement could descend into slave labor, in broad daylight and with complete impunity year after year, concretely demonstrates that only enforceable laws, which hold corporations accountable to respect fundamental internationally recognized worker rights standards, and are backed up by sanctions, can hope to end the race to the bottom in the global sweatshop economy. On its own, the global economy will not change.**

As if fleeing from slavery, in desperation over a situation grown so bad, 14 workers escaped from the Pacific Garments factory at the end of 2005, leaving their passports behind, hiding by day and running by night in an attempt to cross the border out of Jordan. Factory management, once aware of their absence, alerted the police who set out to try to track down the fleeing workers. If caught, they will be imprisoned. This is unfortunately the true face of the U.S.-Jordan Free Trade Agreement.

COMPANY CONTACT INFORMATION

PACO SPORT LTD.

1385 Broadway, Suite 1903
New York, NY 10018
Phone: (212)575-9770
Fax: 212-575-4899
www.pacosport.com

HONORWAY APPAREL LTD: WAL-MART, K-MART, & J.C. PENNEY

Honorway Apparel Jordan Ltd.

Al Karak Industrial Estate
Al Karak, Jordan

Contact: Mr. Masoom Mahbub
Phone: 962 3 235 6040
Fax: 962 3 235 6050
E-mail: masoom.mahbub@honorway.com.jo

Owners: Hong Kong Capital
Number of workers: As many as 800, including 250 guest workers from Bangladesh and 230 guest workers from China.

SEWING CLOTHING FOR WAL-MART, KMART AND J.C. PENNEY



- *“We had to work until 12:00 a.m. or 2:00 in the morning.”*
- *“... We had to do overtime. And if we refused to do that, they said they would send us back to Bangladesh. So we had to obey them.”*
- *“We had no breaks, no days off, not even Friday.”*
- *“We never got our salary on time nor the correct amount.”*
- *“In the morning, we didn’t get any water to bathe.”*
- *“The Sri Lankan boss used to listen behind our backs to see if we talked. If he heard anybody talk, he would send him or her back to Bangladesh.”*
- *“... The boss hired some Jordanian people to beat us up. In the factory, we had to fight with them and the police took us to jail. We spent the night in jail. The next day, we were taken to court. The judge said it was our fault.”*
- *“We were in one house for two months and only got to eat once a day. We became so weak and sick, we called a Bangladeshi agent at the Jordanian Embassy. But he was against us and refused to help us. After two months, they started to send us back to Bangladesh.”*
- *“No one helped us there, their laws couldn’t help us, not even the Bangladeshi agents there.”*

— Mr. Shah Alam

Bangladeshi guest worker who was beaten, cheated of his wages and forcibly returned to Bangladesh in 2004.



AMERICAN APPAREL AND FOOTWEAR ASSOCIATION CERTIFIES JORDAN FACTORY WHERE WORKERS WERE BEATEN & CHEATED OF THEIR WAGES

Mr. Khaled Tarawneh, a senior manager at the Honorway plant in Jordan, confirmed that Honorway produces for **Wal-Mart**, **Kmart** and **J.C. Penney**. Mr. Tarawneh told the **Economist Intelligence Unit** in February 2005, that their factory in Jordan was not threatened by the explosion of China's apparel exports because:

“U.S. buyers are seriously concerned about the WRAP [Worldwide Responsible Apparel Production] Agreement and the CT PAT [Custom Trade Partnership Against Terrorism] and it is clear that Jordan is compliant on both, so factories will not move from here.”

February 1, 2005

“Business Middle East”

Economist Intelligence Unit

In the face of mounting public criticisms of serious sweatshop abuses at U.S. supplier factories around the world, the American Apparel and Footwear Association—refusing to release the names and addresses of factories around the world sewing apparel for U.S. companies or to allow respected independent local human rights organizations access to these plants—**set up their own voluntary code of conduct and private monitoring scheme called WRAP (Worldwide Responsible Apparel Production)**. WRAP's efforts have been a miserable failure in Jordan, as is evidenced by the illegal and abusive conditions, over the course of years, at Honor-



way and dozens of other factories across Jordan that are exporting clothing duty free to Wal-Mart and other U.S. companies. In Jordan, far from solving the problem of sweatshop abuse, WRAP is part of the cover-up.

WRAP's monitor for Jordan, the Intertek Testing Services, is actually based in Istanbul, Turkey. One would imagine they would at least be located in Jordan. However, WRAP's monitor can be reached in Istanbul at:

Intertek Testing Services
Fatih CAD, Dereboyu Sok No. 4, KAT: 2
34660, Istanbul
Turkey

Contact: Nurten Gunaydin
Phone: 0212 471 0065/106
Fax: 0212 693 4987
E-Mail: nurten.gunaydin@intertek.com

At the **Honorway Jordan Ltd.** factory in the Al Karak Industrial Estate, the standard shift is **from 7:30 a.m. to 10:30 or 11:00 p.m., 15 to 15½ hours a day, seven days a week.** **The workers are routinely at the factory over 100 hours a week while working at least 95 hours.** Some daily shifts stretch to 12:00 midnight, 2:00 or 3:00 a.m. (16½ to 19 hours a day).

Workers report being cursed at, slapped and beaten.

The workers' passports are confiscated and they do not receive their required identification cards, making it dangerous for them to even leave the industrial park.

Workers are paid late and always cheated of some of

Pfeiffer Industrial Ltd., headquartered in Hong Kong, “invested heavily in establishing a large manufacturing facility”—Honorway Apparels Jordan Ltd.—to take **advantage of “an unprecedented opportunity to gain duty-free access to the U.S. market.** Articles produced in the ‘Qualifying Industrial Zone’ may enter the **U.S. markets without the payment of duty or excise taxes.** For manufacturers producing items in the QIZ—they benefit from the lower and more competitive prices to enter the U.S. market.”

the wages legally due them.

Six, eight or more workers are housed in small dorm rooms with only **intermittent access to running water.**

Their diet was also limited: *“Our breakfast was only two pieces of bread with, maybe sometimes, vegetables or an egg. Then we got lunch break at 12:00 p.m. There was no clean drinking water in the cafeteria. We could have as much rice as we wanted, but curry was limited, and sometimes only vegetables, sometimes chicken.”*

The Bangladeshi workers struck in late 2003 over these abusive conditions, long hours and underpayment of wages. Their demands were in full accordance with Jordanian law: that they be paid correctly and no later than the 10th to 15th day of the following month; an end to the beatings; one hour for lunch; a refreshment break at 7:00 p.m., and that they receive the required identification cards. Management responded by cutting off all electricity and water to the dorm, while also shutting down food supplies. After a few days, management agreed to meet with 15 workers who would represent the Bangladeshis’ demands, but instead locked them in a room. The workers fought back to free their colleagues and windows were broken. Management called in the police and local gang members who beat the workers with clubs. Fifty workers were imprisoned for over a month and then forcibly deported to Bangladesh in February 2005 without the back wages due them.

There is also a large Honorway plant which produces for Wal-Mart in Bangladesh—Honorway Textiles and Apparel (Pvt.) Ltd. located in the Savar Export Processing Zone—where conditions are not much better. In the Honorway factory in Bangladesh, 1,800 young workers are required to work 13-hour shifts, seven days a week, for 9 to 18 cents an hour, or just \$4.08 to \$8.51 a week, while being at the factory over 80 hours a week. Workers absent for one day are fired. The company keeps two sets of time sheets and pay stubs to show the gullible monitors from WRAP and the U.S. companies.

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

JC PENNEY COMPANY

JC Penney Company
P.O. Box 10001
Dallas, TX 75301
Phone: (972) 431-1000
Fax: (972) 431-1362
Website: www.jcpenney.com
Executive Vice President &
Director of Product Development
and Sourcing: Peter McGrath

**THE SEARS HOLDINGS CORP.
(K-MART)**

333 Beverly Road
Hoffman Estates, IL 60179
Phone: (847) 286-2500
Website: www.searshc.com
CEO: Aylwin B. Lewis, pay in 2005 \$1.51 M
Senior Vice President, Supply
Chain and Operations: W. Bruce Johnson



**INTERVIEWS WITH HONORWAY WORKERS WHO WERE ABUSED AND
CHEATED OF THEIR WAGES AND THEN FORCIBLY RETURNED TO
BANGLADESH. THEY SEWED CLOTHING FOR WAL-MART AND KMART.
(SEPTEMBER 2005 IN DHAKA, BANGLADESH.)**

SHAH ALAM: “My name is Mohammed Shah Alam. I live in Malibag Chowdhuripara. I am from Kumilla. I used to work at Envoy Garments. Someone asked me if I wanted to go to Jordan. A company is taking workers free and there we can get a lot of benefits. The next day some of us went to see the boss who was Sri Lankan. The boss took our personal information to make us a passport. He said that they are bringing us to Jordan for our own good - we will get enough money ... and living and food expenses are free. He said there are some rules and so we signed a paper that says our salary will be \$120, Fridays off and other expenses are free. Then in May 19th we took off to the Jordan. Before that we had to give an interview in a factory called Piper, it's from the same company that we had to work for in Jordan. On the first day we rested and the next day we went to a factory. They told us we were going to work as operators. There were a lot of Jordan and Chinese people as well. We just had to iron the first day of work. But after 2 or 3 days we were promoted to machine work. It was too much work. We didn't even get time to look around at anything. We didn't work just as operators but also as receivers, helpers and all other kinds of work there. For three to four months we worked so hard from 7:00 a.m. to 12:00 or 2:30 a.m. Jordanian workers didn't work that much so we and the Chinese girls had to do all the work. Some-



times we had to go home in the morning. During the 6:00 p.m. break, all the Jordanian workers went home and we had to work until 12:00 or 2:00 a.m. in the morning. Eight to twelve people had to share a room in the house we lived in, where only two people could live. They told us beforehand that we were to work only eight hours but later they said we have to work one hour more

and it won't be overtime. Before, they said that if we don't want we don't have to do the overtime work, but then we had to do the overtime. And if we refused to do that, they said they would send us back to Bangladesh. So we had to obey them. We never got our salary on time or the correct amount. In the morning we didn't get any water to take a bath. We had to be on time for the bus, not even one second late. If we were late by one second, the bus would leave without us. And about the medication - there was

no proper medication for us. Medicine for headaches, dysentery, and fever were all the same. We didn't have any days off for sickness. Our breakfast was only two pieces of bread with, maybe sometimes, vegetables or an egg. Then we got a lunch break at 12:00 p.m. There was no clean drinking water in the cafeteria. We could have as much rice as we wanted, but curry was limited, sometimes only vegetables, sometimes chicken. During the 6:00 p.m. break all the Jordanian workers went home and 230 people from Bangladesh and 230 of from China had to stay longer. We had no breaks, no days off, not

even Fridays. But Jordanian workers got paid more than us, had breaks and all the benefits.”

KHOKON SHAIKH: “I am Khokon. I am from Bangladesh. I worked with Shah Alam in Jordan in the same Honorway Factory. We worked for the Wal-Mart and Kmart companies. So, the dining system wasn’t good there; if we were late by a minute we couldn’t get our food. It was a great problem there. Most of the time we didn’t get water to take baths. A few days after working until 12 a.m. from the morning, I got sick so I went to my boss and asked for a day off; he said if the doctor gives permission then I could go. But the doctor would always say that we were able to work. But the girls from their country (Jordan) got 2 or 3 days off for any normal reason. We never got the privileges that they told us about before we came here.

They told us that we could go home or do overtime when we want. If we don’t want to we don’t have to do overtime. But the boss never lets us go early . . . and the boss said that the company car is for everyone and everyone will go together on time. He used to say that so that we operate the machinery and do all the other menial stuff as a worker. It was so hard to handle all the work. They cut into our salary every month for plane tickets, food, transportation, so when we asked why they are doing this they said, ‘If you want to work here you have to accept it, otherwise go back to Bangladesh.’ So we had no choice.”

SHAH ALAM: “Only 220 people were left. The other 30 people were sent to Bangladesh because they talked more than they worked. The Sri Lankan boss used to listen behind our back to see if we talked. If he heard anybody talk, he would send him or her back to Bangladesh. The rest of us were thinking that if they send us back like that, what would happen to us and our families? On

Friday, 16 Bengali people didn’t come to work, so the next day the Sri Lankan boss called them and said to come everyday, if they didn’t come they would not get any money. After that, another boss came and said a lot of bad words. So, some of the Bengali became really angry with that. They said, ‘We came to work here not to hear those insults!’ Then one guy named Julhash called the boss a bad word so the boss called the police. The police took that guy and hit him a lot. It was our lunch-time then. After that we told the police to release Julhash so we could get to work. But the police told us to go to work and they would release him; the day after that they didn’t send any transportation for us to go to the factory. We spent one week like that in our dormitory. Eventually they started to cut our water supply and electricity. Then we made an agreement that if we got our salary

within the first ten days of the month, one day off a week, and time for prayer then we would go to work. The boss called us and said they were going to agree with that. But the next week they didn’t send us any food. We bought some rice and just cooked ourselves. So we had to go to work because we didn’t have enough money to continue buying food. After that, when we went to work, the boss hired some Jordanian people to beat us up. In the factory we had to fight with them and the police took us to jail. We spent one

night in jail. The next day we were taken to court. The judge said it was our fault. Then one of our members told the police that it was not our fault and we should be released. Then the police said they would send us to Bangladesh and give us our money. We were in one house for two months and only got to eat once a day. We became so weak and sick we called a Bengali agent at the Jordan embassy. But the agent was against us and refused to help us. After 2 months they started to send us back to Bangladesh.





“One day when we were in our dormitory they said we had to go back to Bangladesh, if we didn’t go now, we could not go again because of the Iraq war. They gave us Bangladeshi money, 100-200 taka, to go home from the airport and gave us a ticket. But we didn’t get our two month’s salary or any overtime money. When we got back to Bangladesh we got another job at a factory. No one helped us there, their laws couldn’t help us, not even Bangladeshi agents there.”

WOMEN BEATEN SEWING CLOTHING FOR WAL-MART

Needle Craft Est.

Ad Dulayl Industrial Park
Zarqa, Jordan

Contact: Mr. Mansoor Ali
Phone: (962 5) 382 5681
Fax: (962 5) 382 5682
E-mail: mansoorali@ncljo.com

Ownership: United Arab Emirates. (*Needle Craft also has factories in United Arab Emirates, Bahrain and Pakistan.*)

Established: August 2001

Number of workers: In December 2004, there were approximately 600 workers at the Needle Craft factory, including 250 guest workers from Bangladesh. Other guest workers were from China, India and Sri Lanka. Some workers were Jordanian. Today there are 825 workers at Needle Craft, and according to the company at least 500 are foreign guest workers.

Production: Jordan’s Export and Finance Bank identifies Needle Craft as a supplier for **Wal-Mart**, along with four other factories in the Ad Dulayl Free Trade Zone (**Hi Tech, Petra Apparel, United Creations, and Mediterranean Resources Apparel**).

PRODUCTION TURNAROUND TIME FROM THE NEEDLE CRAFT FACTORY IN JORDAN	
30 days	Production of fabric
25 days	Shipment from Hong Kong to Jordan
30-35 days	Production of garment
22 days	Shipment to New York

Needle Craft’s website (www.ncljo.com) also confirms that the company’s factory in Jordan supplies **Wal-Mart** as well as **Kohl’s** and **Target**. Needle Craft also produces for **Nautica**.

“**Advantages**” to U.S. companies of sourcing production at the Needle Craft factory in Jordan are described as: *“No import duty for imports to U.S.A. from Jordan...can source fabric from anywhere in the world... competitive cost of production.”* Fabric is sourced in China, Taiwan, Pakistan and Korea;

Needle Craft also assures U.S. companies that their factories, *“meet all compliances related to human rights and local labor laws of the country.”*

SEWING CLOTHING FOR WAL-MART AT THE U.A.E.-OWNED NEEDLE CRAFT FACTORY

In October 2004, Ms. Shilpi and other women paid an agent in Bangladesh an average of 65,000 taka—or \$960—to purchase a three-year contract to work at the Needle Craft factory in Jordan.

The agent told the young women that they would be earning \$120 a month for regular hours and that all overtime would be paid at the legal premium according to Jordanian law. Their round-trip airfare would be free, paid for by the factory. Also, accommodations and food would be free and of good quality, and all health care would also be provided entirely free of cost. All benefits and holidays would be provided to the workers according to Jordan’s law.

The women agreed and borrowed money in the informal market, at interest rates of five



to ten percent a month, to pay for their contract.

When they arrived at the Needle Craft factory on October 20, 2004, this is the reality they found:

- **It was common for the women to be beaten.**
- **They were routinely forced to work 103½ hours a week**, including 55½ hours of mandatory overtime, which exceeded Jordan's legal limit by 400 percent!
- **They were paid less than a dollar a day to work 14 to 16 hours, amounting to wages of just six to seven cents an hour. They were being paid just 10 percent of the wages legally due them.**
- Twice each week the standard shift was from 7:30 a.m. to 10:00 p.m., or 14½ hours. The rest of the days the shift was 16 ½ hours, from 7:30 a.m. to 12:00 midnight. Only on Fridays, which was supposed to be the weekly holiday, were the workers let out "early" at 7:30 p.m. For the entire 14½ to 16½ hour shifts, the workers received just a half-hour break for lunch at 1:00 p.m. They then had to work straight through until they received their supper at 10:00 p.m. or 12:00 midnight.
- For some assembly lines, there were mandatory 22½ hour all-night shifts at least once a week, from 7:30 a.m. to 6:00 the following morning with just a 1½ hour break before they had to report for their next shift at 7:30 a.m.
- The **workweek was seven days**, and during the 43-day period the women were at the Needle Craft factory, they did not receive a single day off.
- Working so much overtime, the women were soon exhausted by the long hours and felt sick. They reported crying a lot.
- Fourteen women shared each small dorm room sleeping on narrow metal bunk beds using thin foam rubber mats as mattresses. **Water was only sporadically available making it difficult to bathe. The**

bathrooms were also filthy.

- For breakfast, the women received one piece of pita bread, jelly and tea. On some occasions, the workers also received lentils. Lunch and dinner were always the same—rice, mashed potatoes and vegetables, with beef once a week and eggs twice. Chicken was served once a month. The food was tasteless and the portions too small, never satisfying the workers' hunger.
 - Workers had to ask permission and receive a "toilet pass" to use the bathroom. There was just one pass per line, so the workers often had to wait a long time. If they acted impatient, the manager would curse at them.
 - **Workers were routinely beaten for asking questions or even commenting on the quality of the food.** When workers tried to ask questions regarding their wages, **the managers would fly into a rage, becoming very rough, shouting at and slapping the workers and even beating them with a stick while yelling, "we will pay this and nothing more."** During one such incident **three workers and a packer were beaten, slapped, hit with a ruler and punched very hard. They were threatened that if they kept asking questions, the manager would call the police.** The women were constantly frightened and felt like they were in prison. **"We were afraid of the big size of the Jordanian guards."** The manager always said to the women, **"If you are not happy here, go back to Bangladesh."**
- "We felt like birds in a cage. No one helped us."*
- **When several workers, including Ms. Shilpi, persisted in asking to be paid, they were forcibly deported and sent back to Bangladesh on December 2, 2004, without a single cent of the back wages owed them.**

The whole experience was a nightmare for these women, which did not end when they were returned to Bangladesh. **They still faced mounting debts, which they**

could never pay off given the 21-cent-an-hour wages for garment workers in Bangladesh. **They are still trapped in misery and debt.**

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M



LIZ CLAIBORNE: *EVEN THE BEST COMPANIES SOMETIMES STUMBLE*

King of Jordan As Fashionista?

King Abdullah II of Jordan, seeking to attract outside business to his country, has his eye on the American apparel sector. He met for breakfast recently with some of fashion's leading executives at the Four Seasons Hotel in Washington.

What was it like sitting next to him? "While I've met some heads of state before and probably half a dozen presidents, this was the first time I've met a king," said Bob Zane, a senior vice president of Liz Claiborne, which imports a lot from Jordan, and chairman of the United States Association of Importers of Textiles and Apparel.

"I find him to be articulate, intelligent, compassionate and very much his father's son," Mr. Zane said. "As I listened to the king, it became clear to me, and probably everyone else, that a viable industry is quite beneficial to a country like Jordan because of foreign exchange. The king said that one of the ways to ensure peace and prosperity in that troubled area is through economic development."

What did the king eat? A bagel, Mr. Zane said. FRANCINE PARNES

The New York Times (2/12/06)



Jordan Dragon

Building N
Al Tajamouat Industrial City, Sahab
Amman, Jordan

Contact: Mr. James Fang
Phone: 962-6-402-3101
Fax: 962-6-402-3120
E-mail: saleh@tai-nan.com

Ownership: Taiwanese (Owned by Tainan Enterprises Co. Ltd.), which also has factories in China, Indonesia and Cambodia. Tainan closed a factory in El Salvador after workers tried to organize a union, but remains an investor in the Just Garments factory.

Number of workers: 1,162 including guest workers from Sri Lanka and China.

Production: 4.8 million garments a year, 400,000 a month, 92,808 a week; women's and children's garments, mostly short and long pants.

In January 2006, Jordan Dragon workers were sewing Liz Claiborne's Villager label.

SEWING LIZ CLAIBORNE GARMENTS AT THE JORDAN DRAGON FACTORY:



LIZ CLAIBORNE, LEVI STRAUSS, & *OTHER DECENT COMPANIES CAN TAKE THE LEAD*

It is important to clarify, that while there are violations, conditions at the Jordan Dragon factory are actually better than at most other plants in the giant Al Tajamouat Industrial City. The workers are very clear about this, just as the Goldenwear factory, which produces for Levi Strauss, may be the best factory in the entire industrial park.

Liz Claiborne and Levi Strauss are definitely among the more decent apparel companies, as are Phillips Van Heusen, The Gap and Sears—all of whom source production in Jordan. At least this has been the experience of the National Labor Committee over the years. Whereas it is impossible to elicit a serious response from companies like Wal-Mart and Kohl's, the more decent apparel companies respond to allegations of serious sweatshop abuses in their supplier plants.

We will ask Liz Claiborne, Levi Strauss, Phillips Van Heusen, The Gap and Sears to host a meeting bringing together the major U.S. companies sourcing production in Jordan in order to come up with an action plan to quickly bring their supplier plants into compliance with Jordanian law, and the core United Nations/International Labor Organization's worker rights standards. The companies can clearly be more effective working together, presenting a unified remedial plan.

-
- We would suggest an immediate freeze on entry of new guest workers into Jordan until the export factories are brought into full compliance with Jordan's laws and internationally recognized worker rights standards.
 - Secondly, and more importantly, **there must be an immediate ban prohibiting any further forcible deportations of guest workers.** This is critical as factory owners may attempt to quickly rid their plants of any outspoken workers, not only to remove them, but also to spread the fear among the workers who remain.
 - There must be a feasible way to pay at least a portion of the back wages legally owed the workers over the last three years. Surely, if the apparel companies, the factory owners in Jordan, and the Jordanian and United States governments came together on this, a way could be found to set up such a fund.
 - At least for the next two years, an independent human and workers rights ombuds office should be set up in Jordan to audit and report on progress in bringing the export factories into compliance with the law.

- Upon their arrival, management confiscates foreign guest workers' passports;
- The routine shift is 14½ and sometimes 15½ hours a day, from 7:30 a.m. to 10:00 or 11:00 p.m.;
- There are some all-night 17½, 18½ and 19½-hour shifts, up to twice each week, from 7:30 a.m. straight through to 1:00, 2:00 and 3:00 the following morning. After three hours of sleep, workers have to report back for their next shift that same morning, though they can start a half-hour later, at 8:00 a.m.



LEGAL MINIMUM WAGE	ILLEGAL WAGES AT JORDAN DRAGON
58 cents an hour (0.576823)	51 cents an hour
\$27.69 a week (48 hours)	\$28.85 a week (57 hours)
\$120 a month	\$125 a month (247 hours)
\$1,440 a year	\$1,500 a year (2,964 hours)

Up to 125 workers, or about 15 percent of the workforce, are required to stay for these all-night shifts that rotate among assembly lines and departments that have fallen behind in their production goals;

- The workweek is seven days, with an average of one day off a month;
- The guest workers are routinely at the factory 97 hours a week while working 90½ hours, including 42½ hours of overtime, which exceeds the legal limit in Jordan by 307 percent;
- The regular workweek at the Jordan Dragon factory is arbitrarily defined as 57 hours, which is nine hours more than the legal 48-hour regular workweek;

- As a result, the guest workers receive 51 cents an hour, which is 12 percent below the legal minimum wage of 58 cents an hour. (The Sri Lankan guest workers believe that the workers from China are paid correctly.);
- The required 25 percent overtime premium is not paid, and the workers report that they are not paid for as many as one third of the overtime hours they are actually required to work each week. Nor do the workers receive time cards or pay stubs, documenting their wages, hours, and how the calculations are made by management;
- Also, if workers fail to reach their assigned production goals, as punishment, their wages may be docked, and they may also be forced to continue

ROUTINE DAILY SHIFT AT JORDAN DRAGON FACTORY <i>14 HOURS A DAY, SOMETIMES 15 ½ HOURS</i>	
7:30 a.m. to 12:30 p.m.	Work, 5 hours
12:30 p.m. to 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. to 8:30 p.m.	Work, 7½ hours
8:30 p.m. to 9:00 p.m.	Supper, ½ hour
9:00 p.m. to 10:00 or 11:00 p.m.	Work, 1 to 2 hours

With two half-hour breaks for lunch and for supper, this means the workers are working 13½ to 14½ hours a day. Also on Friday, which is supposed to be the weekly holiday, the workers are let out early, at 5:30 p.m.

working, unpaid, until the target is met;

- An assembly line of 50 sewing operators must complete 150 pairs of Liz Claiborne pants in one hour, which, in effect, means that the direct labor time allowed for each pair of pants is just 20 minutes. Given the 51-cent-an-hour wages, we can surmise that the workers are paid 17 cents for every pair of pants they sew;
- Workers describe factory conditions as harsh. Supervisors routinely curse and swear at the workers;
- Workers must get permission to use the toilet and are limited to two or three visits in a 14 ½-hour shift. Bathrooms are not clean, lacking toilet paper, soap and towels;
- There are no annual paid vacation days as required by law;
- No sick days are allowed, and anyone absent due to illness will be docked a day's wage;
- Eight workers share each small dorm room. There are security guards at the dorm and the workers have a curfew. On average, the workers report being able to sleep just six hours a night;
- According to the workers, the food is not good, nor is it sufficient;
- Liz Claiborne's code of conduct is unknown to the guest workers, but they are alerted when U.S. buyers will be visiting: the factory and bathrooms are cleaned, and managers instruct the workers to lie to the buyers. *"No one would ever say the truth,"* the workers told us. *"Everyone is afraid."*

COMPANY CONTACT INFORMATION

LIZ CLAIBORNE INC.

1441 Broadway
 New York, NY 10018
 Phone: (212) 354-4900
 Fax: (212) 626-1800
 Chairman, CEO: Paul. R. Charron
 Website: www.lizclaiborne.com



THE RAT PACK: FADED GLORY, MOSSIMO, & GLORIA VANDERBILT *IVORY GARMENT FACTORY IN JORDAN*

SEWING GARMENTS FOR WAL-MART, TARGET AND GLORIA VANDERBILT

“No one can speak ... many have been sent back already.”

“There’s too much abuse. Supervisors constantly scream, ‘Hurry up! Hurry up!’ and curse and push us. They also cut our wages for any little thing. This happens many times.”



The workers rate **Ivory Garment** factory as a “very bad factory” for the following reasons.

- Guest workers’ passports are confiscated and they face the constant threat of being forcibly deported without their back wages;
- Women report instances of sexual harassment;
- Forced to work 14½ to 16½ hours a day from 7:30 a.m. to 10:00 p.m., 11:00 p.m. or midnight, seven days a week, with at most one day off a month;
- Some grueling all-night 18½ and 19½ hour shifts from 7:30 a.m. straight through to 2:00 or 3:00 the following day; after just three hours of sleep, workers must report to their next shift at 7:30 a.m.;
- At the factory 105½ hours a week, while working 98½ hours, including 50½ hours of overtime, which exceeds Jordan’s legal limit by 365 percent!;
- No national holidays, legal vacation days or sick days;
- Paid below the legal minimum wage, shortchanged on overtime pay, and cheated of almost 40 percent of the wages due them;
- Workers paid less than 19 cents for each pair of Wal-Mart jeans they sew;
- Speaking prohibited and workers need permission to use the toilet;
- Corporate factory audits are meaningless and known in advance; the factory is cleaned and workers are threatened that they will be immediately fired and forcibly deported if they speak one word of the truth;
- Eight workers share each small dorm room, which is very hot during the long summer months; water is not readily available, and workers describe the food as terrible;
- There are security guards inside the factory and outside the dorm and workers have a curfew;
- The workers feel they are in a trap, completely isolated and with no one to help them. ***Only outside pressure will help.***

Ivory Garment Factory LLC

Building-0

Al Tajamouat Industrial City, Sahab

Amman, Jordan

Phone: 962-6-402-4801; -4802; -4803; -4804

Established in 2001

Number of workers: 1,000 (600 women, 400 men)
200 guest workers from Bangladesh, 500 from Sri Lanka, 200 from India, 100 Jordanians

Production: Long pants and jackets

Over a nine-month period, from June 2005 through February 2006, we were able to track *Wal-Mart's "Faded Glory" label jeans being sewn at the Ivory Garments factory*. In June 2005, it was "Faded Glory" stretch classic and in February 2006, it was "Faded Glory" stretch women's jeans.

We were also able to track "Mossimo" and "Cherokee" jeans for Target being sewn during the same nine-month period. In June 2005, it was the *Cherokee* label and in February 2006, it was *Mossimo Denim*. Also, U.S. Customs documents show four shipments from the Ivory factory to Target in October 2005, including children's denim pants.

The workers at Ivory were also certain that they regularly

sewed the *Gloria Vanderbilt* label. They knew the label very well.

We refer to Wal-Mart, Mossimo/Target and Gloria Vanderbilt as the "rat pack" because we keep finding these labels being sewn, often together, in some of the worst and most abusive sweatshop factories in Jordan. In the case of the Ivory Garment factory, the only label missing from the complete "rat pack" is Kohl's "Sonoma" brand, which also commonly appears in the very worst factories.

HOURS—FORCED OVERTIME:

- 14½ to 16½ hour shifts, from 7:30 a.m. to 10:00 p.m., 11:00 p.m. or 12 midnight, seven days a week,



TYPICAL SHIFT AT IVORY FACTORY	
7:30 a.m. to 12:30 p.m.	Work, 5 hours
12:30 p.m. to 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. to 8:00 p.m.	Work, 7 hours
8:00 p.m. to 8:30 p.m.	Supper, ½ hour
8:30 p.m. to 10:00 p.m., 11:00 p.m. or 12 midnight	Work, 1½ to 3½ hours



with at most one day off a month;

- Some grueling all-night 18½ to 19½ hour shifts from 7:30 a.m. to 2:00 or 3:00 a.m. the following morning. –Workers must still report to their next shift at 7:30 a.m. that same morning;
- Routinely at the factory 105½ hours a week, while working 98½ hours, including 50½ hours of overtime, which exceeds Jordan’s legal limit by 365 percent;
- No national holidays, no legal vacation days, and no sick days.

The routine shift at the Ivory Garments factory is from 7:30 a.m. to 10:00 p.m., 11:00 p.m. or 12 midnight—14½ to 16½ hours a day. On average, the workers are at the factory 15½ hours a day while working 14½ hours,

with two half-hour breaks for lunch and supper at 12:30 p.m. and again at 8:00 p.m. It is typical to be forced to work seven days a week. For example, in June, July and August of 2005, the workers were allowed a total of just two days off during those three months.

Nor do Ivory workers receive any of the eight national holidays, just as they are denied any of the legal 14 days’ vacation due them each year. Sick days are also denied. Workers who are absent due to illness have their wages docked.

Even on Fridays, which is supposed to be the Muslim weekly holiday, the workers are most often still kept at the factory until 9:00 or 10:00 p.m., working a 13½ to 14½ hour shift.

As often as twice each week, there are also grueling 18½ to 19½ hour all-night shifts from 7:30 a.m. straight

TYPICAL WORKWEEK AT THE IVORY FACTORY <i>(AT THE FACTORY 105 ½ HOURS A WEEK WHILE WORKING 98 ½ HOURS.)</i>	
Friday	7:30 a.m. to 9:00 p.m. At the factory 13½ hours, working 12½ hours
Saturday	7:30 a.m. to 10:00 p.m. At the factory 14½ hours, working 13½ hours
Sunday	7:30 a.m. to 12:00 midnight At the factory 16½ hours, working 15½ hours
Monday	7:30 a.m. to 10:00 p.m. At the factory 14½ hours, working 13½ hours
Tuesday	7:30 a.m. to 11:00 p.m. At the factory 15½ hours, working 14½ hours
Wednesday	7:30 a.m. to 11:00 p.m. At the factory 15½ hours, working 14½ hours
Thursday	7:30 a.m. to 11:00 p.m. At the factory 15½ hours, working 14½ hours
TOTAL: AT THE 105½ HOURS; WORKING 98½ HOURS	

through to 2:00 or 3:00 the following day. After just three hours' sleep, the workers from report back at 7:30 a.m. the same morning to begin their next shift. Approximately 10 percent of the workforce is required to participate in such all-night shifts, which tend to rotate among the assembly lines and departments, depending upon who is falling behind on their production goals and is out of synch with the rest of the factory.

Under this schedule, which is common, the guest workers are toiling 98½ hours a week, including 50½ hours of overtime, which *exceeds Jordan's legal limit by 365 percent!* By law, overtime work cannot exceed 14 hours (13.85) a week or 60 hours a month. Also, workers must be allowed at least one day off each week. The regular workweek is 48 hours a week—eight hours a day.

The Ivory factory however completely disregards the law and arbitrarily redefines the “regular” workweek for the guest workers as 11 hours a day, from 7:30 a.m. to 6:30 p.m., six days a week with a half hour off for lunch. This means the workers are working 10½ hours a day and 63 hours a week as “regular” hours, which exceeds the legal limit by 15 hours. Ivory management is not alone in doing this. The vast majority of factories in Jordan cheat their guest workers in this way. They unilaterally and illegally extend the regular workweek by 15 hours and do so with no increase in the weekly minimum wage of \$27.69, which stays the same despite the fact that the

workers are now working 63 hours a week instead of the legal 48 hours. Of course, this drops the guest workers' wage below the legal minimum, but evidently this does not bother the companies or government officials.

WAGES:

- Paid below the legal minimum wage;
- Shortchanged on overtime hours and pay;
- Cheated each week of nearly 40 percent of the wages legally due them.

The legal minimum wage in Jordan is 58 cents an hour, and \$27.69 for the regular 48-hour workweek. All overtime work must be paid at a 25 percent premium, or 72 cents an hour.

However, as already pointed out, Ivory factory management makes up its own rules. By arbitrarily extending the “regular” workweek to 63 hours, while still paying just the legal wage for 48 hours, or \$27.69, management has illegally slashed the **guest workers' hourly wage to 44 cents, which is 24 percent below the legal minimum.**

In effect, guest workers are being forced to work 15 hours

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT IVORY GARMENT
58 cents an hour (0.576823)	44 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (63 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	Overtime hours are not correctly noted or paid



of overtime each week, without pay. And that is just the beginning, as management also routinely underreports the number of overtime hours the workers are forced to work beyond their 63-hour “regular” workweek, which slashes their wages even further. In an average week, **guest workers are being cheated of \$24.88, or 39 percent, of the wages legally due them.**

Over the course of our nine-month investigation, Ivory workers reported earning between \$6.92 and \$11.54 in overtime pay each week, on top of their \$27.69 “regular” pay. Taking even the best-case scenario of the highest paid guest workers, their total wage for the week is \$39.23. However, given that the average workweek is 93½ hours, including 50½ hours of overtime, these workers should have earned \$27.69 for the regular 48 hours, and \$36.42 for the 50½ hours of overtime paid at the 72-cent-an-hour premium, for a total wage of \$64.11. So even the best paid workers are being cheated of \$24.88 each week, or 39 percent of the wages due them. Over the course of a year, these guest workers will lose \$1,293.76 in wages legally owed them. The combined annual wage loss for all 260 Bangladeshi garment workers at the Ivory factory totals \$259,000, which is a huge amount of money for some of the poorest yet hardest working people anywhere in the world.

Workers are paid on the 10th day of the following month.

WORKERS PAID LESS THAN 19 CENTS FOR EVERY PAIR OF WAL-MART JEANS THEY SEW:

The workers walked us through their production process for the *Faded Glory* jeans, which is no doubt very similar for *Mossimo* and *Gloria Vanderbilt*. On average, 65 sewing operators on an assembly line must complete 155 pairs of Wal-Mart jeans an hour. This means, that in effect, each worker is sewing 2.3846 pairs of jeans per hour (155 pairs ÷ 65 operators = 2.3846 pairs per operator), or one pair every 25.16 minutes (60 minutes ÷ 2.3846 pairs = 25.16 minutes per pair). As we know that the workers are paid just 44 cents an hour, and that 25.16 minutes is

42 percent of an hour, we can determine that the direct labor cost to sew the jeans is less than 19 cents, or 18 ½ cents to be exact (25.16 minutes ÷ 60 minutes per hour = 42% of an hour; 42% × 44 cents = \$0.1846153).

This also means that the 18 ½-cent wages the workers earn to sew even a cheap pair of *Faded Glory* stretch women’s jeans **amounts to less than 1 ½ percent of the jean’s \$12.83 retail price** ($\$0.1846152 \div \$12.83 = .0145091$.)

Surely Wal-Mart, Mossimo and Gloria Vanderbilt can easily afford to pay these workers at least the legal minimum wage due them.



ABUSIVE CONDITIONS AT THE IVORY FACTORY:

All the guest workers speak of facing constant pressure to work faster, to speed up to reach their excessive production goals. *“There is too much abuse,”* the workers say. *“Supervisors constantly scream, ‘hurry up, hurry up,’ and curse and push us. They also cut our wages for any little thing. This happens many times.”* The threat of arbitrary fines hangs over the workers every minute of every day. Primarily the workers are punished for not meeting assigned production goals, but also for speaking back, making a mistake, going to the toilet “too often,” questioning their low wages, and so on. The workers characterize the managers as abusive and nasty.

But there is nothing the workers can do. Management confiscates the workers' passports upon their arrival at the Ivory factory. *"No one can speak,"* the workers explain, and *"many have been sent back already."* Any guest worker who dares challenge management regarding the excessive hours, abusive treatment and underpayment of wages will be immediately fired and forcibly deported to Bangladesh, without a single cent in back wages owed them. This amounts to a sentence of ruin and misery for the workers and their families, since they have borrowed what for them are huge amounts of money—at exorbitant interest rates of up to 10 percent per month—to purchase their three-year contract to work at the Ivory factory. Back in Bangladesh, there is no way they can earn the money they were promised in Jordan, which means they can only sink deeper into debt.

This gives management absolute power over the guest workers, almost the equivalent of life and death for the workers and their families, which they use as their trump card to ruthlessly exploit the workers.

Speaking during working hours is prohibited, and workers need permission—a toilet pass—to use the bathroom. Visits are limited and timed.

Though extremely reluctant to speak about it, some women workers report suffering sexual harassment.

Sick days are not allowed and anyone absent will have their wages docked.

Eight to nine workers share each small dorm room, which is extremely hot in the summer. Running water is not always available. Every worker complains of the poor taste and quality of the food they are given, which is also too little and lacks sufficient nutrition. There are security guards inside the factory and outside the dorm. The workers have a curfew.

North American company factory audits are a joke, as the visits are known in advance. In preparation, the factory is cleaned and workers are instructed to lie to the corporate monitors. Anyone speaking a word of truth

about the poor working conditions will be immediately fired and forcibly deported.

The workers receive help from no one in Jordan—not the Ministry of Labor, not the Jordanian unions and not the Bangladesh Embassy in Jordan. The workers feel that only outside pressure will help change the abusive factory conditions.

As things stand now, the workers are trapped without a voice and no rights.

Their hopes are extremely modest—being paid correctly for all their overtime work; one day off a week and national holidays; and an end to the constant abuse. The workers would like more humane working conditions.

Wal-Mart's track record is very poor, but hopefully the *Mossimo* and *Gloria Vanderbilt* labels will step forward to demand that their contractor, the Ivory Garments factory, be brought into immediate compliance with Jordan's labor laws. It is not too much to ask.





COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: (212) 575-2571 Fax: (212) 768-7759
Website: www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
Phone: (732) 346-7000

MOSSIMO INC.

Mossimo G. Giannulli
2016 Broadway
Santa Monica, CA 90404
Phone: 310-460-0040
Fax: 949-852-1921

TARGET

1000 Nicollet Mall
Minneapolis, MN 55403
Phone: (612) 304-6173
Website: www.targetcorp.com
CEO: Bob Ulrich, pay in 2005 was \$6.57 M

FORCED TO WORK 47 HOURS OF UNPAID OVERTIME EACH WEEK!

*In Desperation, Workers STRIKE.
FACTORY OWNER CUTS OFF FOOD & WATER. WORKERS ARE BEATEN.*

This was the situation in February 2006 at the **Al Nahat Apparels** factory in Jordan, where 400 “guest workers” from Bangladesh, India and Sri Lanka sew clothing for **Mossimo** for **Target**, **Dress Barn**, and **Champs Sports**. For the last four months, despite being forced to work 95 hours a week—14 ½ to 16 ½ hours a day, seven days a week—including 47 hours of overtime, the workers had not been paid one cent for all their overtime work. Each week, the workers are being cheated of 60 percent of the legal minimum wages due them. Guest workers are pushed, punched, shoved and cursed at to work faster. There is *“too much torture,”* the workers say. *“For any problem, the boss beats us with his belt. Supervisors also beat us with sticks.”* A full month’s wages can also be docked as punishment for working too slowly. Sick workers are dragged from their dorm rooms by supervisors and forced to work. The guest workers are stripped of their passports and held under conditions of indentured servitude.

Early in February 2006, 200 Bangladeshi workers at the Al Nahat factory went on strike, refusing to leave their dorm until they were paid for at least some of the grueling overtime hours they are forced to work. The factory owner responded by cutting off food and water to the workers, who were also attacked and beaten.

The workers called the Bangladeshi Embassy in Jordan begging for help, but were told by a staff person to stop causing trouble and go back to work. Five days into the strike, the owner made another promise to the workers: “You will get your overtime payment properly and whatever problems you have at the factory, I’ll fix those, so go back to work.” Knowing they could not trust the owner, but abandoned and with nowhere to turn for help, the workers returned to the factory.

Al Nahat Apparels Ltd.

Al Tajamouat Industrial City/Sahab
Amman, Jordan



Ownership: Indian capital

Director: Mr. Malek Amunullah

Established in 2003

Number of workers: 450 (200 guest workers from Bangladesh, 100 Indians, 100 Sri Lankans, and 50-plus Jordanians)

Production: *“Mossimo”/Target* (RN 17730, XL, 80% cotton, 20% polyester); *“Dress Barn”* (RN 63284, Size 12, 98% cotton, 2% spandex); and *“Champs Sports”/Foot Locker* (2XL).

“We see no future for us to have a better life.”

“I get up at 6:00 a.m. each morning and get ready to go to the factory. We eat there three times a day, but we do not enjoy the food at all. We are too tired—our whole life is going like a machine. Machines sometimes need maintenance, but as a human being, we are not taken care of. When we go back home, we go to bed to sleep and sometimes talk for a little while. I miss my parents, relatives and friends very much. We see no future for us to have a better life.”



Even before their overtime pay was completely cut off, senior sewing operators were still earning only \$36.92 in August 2005 for working 91 hours a week. They were being cheated of \$21.78 each week, or nearly 40 percent of the wages legally due them. But there was nothing they could do. They are being held under conditions of indentured servitude.

They were lied to in Bangladesh by labor contractors—Malibag Mahbub International Agency, in the case of the Al Nahat factory—who promised the workers the sky and then charged them up to 150,000 taka, or \$2,300, for a three-year work contract in Jordan. The small print



informed the workers that they could only work in one factory—Al Nahat. One young man explained how his family sold the little land they had left in the countryside to pay for his contract, but it was not enough so they had to borrow \$1,000 in the informal market in Bangladesh at an interest rate of ten percent a month. The interest payments alone are \$100 a month, \$1,200 a year.

Once they arrived at the Al Nahat factory, their passports were confiscated. Soon the ugly reality of their conditions set in:

“We have never learned the Jordanian labor laws. We were told [by the contractor in Bangladesh] that we would be getting health insurance, free accommodations, and free meals in the factory. In addition, we are supposed to get \$120 a month, excluding overtime, but these are not enforced in reality. Vacation days, sick days and government holidays are not allowed to be enjoyed by Bangladeshi workers.”

The guest workers are in a trap, where the only exit is more miserable than their ongoing exploitation and abuse. If the workers seriously challenge the factory owner regarding the grueling hours, the lack of pay and the beatings, he will call the police who will imprison the “offenders” as they wait to be forcibly deported to Bangladesh—without a penny of the back wages owed them. Once in Bangladesh, there is no hope—given the wages there of 21 cents an hour or less—that the workers will even be able to pay off their growing debts, meaning they and their families are ruined, bankrupt and forced into hiding from their lenders. In such a trap, the workers learn that they must hold their tongues and put up with every humiliation and abuse. They cannot ask the factory owner for their most basic rights without the result being, “Back to Bangladesh!” The same goes for the shallow attempts by the North American companies to audit their suppliers’ plants. If any worker dared to speak one word of truth to the North Americans walking through the factory, they too would be deported the following day.

As things stand now, under the U.S.-Jordan Free Trade Agreement, the factory owners have absolute power to exploit, beat and cheat the guest workers, who are abandoned and have nowhere to turn for help.

Every day more guest workers are arriving in Jordan and at the Al Nahat factory. At the same time, other workers are running away from the Al Nahat factory, fleeing on foot like slaves, hoping to cross the border to get out of Jordan.

SEWING CLOTHING FOR MOSSIMO/ TARGET, DRESS BARN, AND CHAMPS SPORTS AT THE AL NAHAT FACTORY:

- Guest workers' passports confiscated and required identification not given—workers cannot leave the Industrial City;
- Standard shift 14 ½ to 16 ½ hours a day, from 7:30 a.m. to 10:00, 11:00 p.m., or midnight;
- Some grueling all-night 18 ½ to 19 ½-hour shifts from 7:30 a.m. to 3:00 or 4:00 the following morning—after three and a half hours of sleep, workers must report for their next shift;
- Working seven days a week, with at most one day off a month—not a single day off in May, June and July 2005...forced to work through the important Eid religious festival in January 2006;
- At the factory over 100 hours a week while routinely working 95 hours;

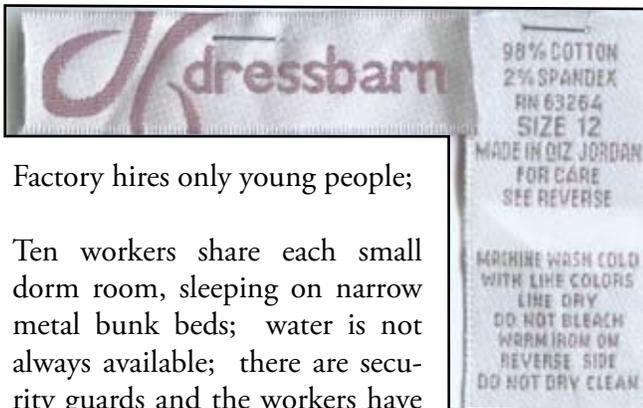


- Workers are exhausted: sick workers are dragged from their dorms to the factory;
- Paid below the legal minimum wage—workers cheated of 60 percent of the wages due them, earning just \$25.39 for 95 hours of work, or 27 cents an hour;
- One month's wages docked for working too slowly, being absent one day or making a mistake;
- Factory always withholds two months' wages;
- Workers report beatings are common—cursed at, slapped, punched, hit with sticks and beaten with belts;
- Workers must ask permission to use the toilet, and are limited to three or four visits in a 16 ½-hour shift; bathrooms are filthy, with no toilet paper, soap or towels;
- Speaking during working hours prohibited;
- Factory food is tasteless, too little and sometimes makes the workers sick;

TYPICAL SHIFT AT THE AL NAHAT FACTORY (14 ½ TO 16 ½ HOURS A DAY)	
7:30 a.m. – 12:30 p.m.	(Work / 5 hours)
12:30 p.m. – 1:00 p.m.	(Lunch, 30 minutes)
1:00 p.m. – 9:00 p.m.	(Work, 8 hours)
9:00 p.m. – 9:30 p.m.	(Supper, half hour)
9:30 p.m. – 10:00 p.m., 11:00 p.m. or 12 midnight	(Work, 2-4 hours)



TYPICAL WORKWEEK AT AL NAHAT (AT THE FACTORY 101 ½ HOURS WHILE WORKING 95 HOURS)	
Friday	7:30 a.m. – 6:30 p.m. At the factory 11 hours while working 10 ½ hours
Saturday	7:30 a.m. – 10:00 p.m. At the factory 14 ½ hours while working 13 ½ hours.
Sunday	7:30 a.m. – 10:30 p.m. At the factory 15 hours while working 14 hours.
Monday	7:30 a.m. to 10:00 p.m. At the factory 14 ½ hours, working 13 ½ hours
Tuesday	7:30 a.m. to 12 midnight At the factory 16 ½ hours, working 15 ½ hours
Wednesday	7:30 a.m. to 10:00 p.m. At the factory 14 ½ hours, working 13 ½ hours
Thursday	7:30 a.m. to 11:00 p.m. At the factory 15 ½ hours, working 14 ½ hours
TOTAL: AT THE FACTORY 101 ½ HOURS, WORKING 95 HOURS	



- Factory hires only young people;
- Ten workers share each small dorm room, sleeping on narrow metal bunk beds; water is not always available; there are security guards and the workers have a curfew; and,
- Factory cleaned before U.S. buyers come, and workers are threatened, *“We have to say that we are paid on time, get one day off a week, overtime is paid double and we are very happy with our factory management... If we don't say this, we will be terminated.”*

HOURS- FORCED OVERTIME:

The standard shift at the Al Nahat factory is 14 ½ to 16 ½ hours a day, from 7:30 a.m. to 10:00, 11:00 p.m., or midnight. There are also some grueling all-night 19 ½ to 20 ½-hour shifts from 7:30 a.m. straight through to 3:00 or 4:00 the following morning. After just three and a half hours of sleep, these workers must report back to the factory at 9:00 a.m. that same day to begin their next shift. This happens on average once a week, but not everyone has to work since the all-night shifts rotate among assembly lines and departments that are falling behind in their production goals. On average, the workers are allowed just one day off a month. For example, in the months of May, June and July 2005, the workers had no days off, but in October and November, the workers received a total of four days off. In January

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT AL NAHAT
58 cents an hour (0.576823)	27 cents an hour
\$27.69 a week (48 hours)	\$25.39 a week (95 hours)
\$120 a month	\$110 a month
\$1,440 a year	\$1,320 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	No overtime premium and no overtime pay

2006 though, the workers were forced to work through the important Muslim religious holiday, Eid, without a single day off. And Fridays—which is supposed to be the weekly holiday—the workers are allowed out “early” at 6:30 p.m. after working an 11-hour shift.

Under this schedule, the workers are routinely at the factory over 100 hours a week, while working 95 hours.

The 47 hours of mandatory overtime worked each week at the Al Nahat factory exceeds the legal limit in Jordan by 339 percent! The law in Jordan caps overtime at 14 hours (13.85) per week, and 60 hours in a month.

On the rare weeks that there is a day off, and even if no one is required to work past 10:00 p.m. on the other six days, the workers are still at the factory 87 hours a week and working 81 hours. This is definitely at the low end of hours normally worked each week at the Al Nahat factory.

Government holidays are also not respected, and the workers are denied their legal right to annual paid vacation days. By law, all workers have the right to eight government holidays and 14 days annual vacation with pay.

“All the workers feel extremely exhausted from the long hours. At most, we sleep six or seven hours a night. We

have no time for entertainment and we do not have even a radio or television in our dorm.”

**BELOW-SUBSISTENCE WAGES:
WORKERS ROUTINELY CHEATED OF
NEARLY 60 PERCENT OF THE WAGES
LEGALLY DUE THEM:**

For the last four months, the guest workers at the Al Nahat factory have been paid just \$110 a month, **\$25.39 a week, for working 95 hours**, including 47 obligatory overtime hours. This comes to an **average wage of just 27 cents an hour**. The workers should be **earning at least \$61.58, which is the legal minimum wage** for working 48 regular hours and 47 hours of overtime. **This means that Al Nahat’s guest workers are being cheated of \$36.19—59 percent of the wages legally due them each week.** At this rate, over the course of a year the workers will be shortchanged of \$1,882 in wages due them, which is a huge amount of money for someone earning just 27 cents an hour. For all 200 Bangladeshi guest workers, total combined annual loss of wages could exceed \$376,000.

The legal minimum wage in Jordan is 58 cents an hour, **\$27.69** for the regular 48-hour workweek. All overtime



must be paid at a 25 percent premium (72 cents an hour), which would total **\$33.89** for 47 hours of overtime.

The situation at Al Nahat is clearly getting worse. Although the guest workers were never paid the legal minimum wage, in August of 2005 some senior sewing operators did report earning \$36.92 a week for 91 hours of work, for an average wage of 41 cents an hour. At the time, they were being cheated of \$21.78 each week, or 37 percent, or the wages legally due them, which at a minimum should have been \$58.70. Still, some overtime pay is better than receiving none, as is now the case at Al Nahat. Management also holds back two months' wages, which gives them even further leverage over the workers.

CHEATED OF THEIR WAGES

& ALSO BEATEN:

“The production goal is mandatory. It is very difficult to meet. There is constant pressure to fulfill the target, to go faster. Management cuts our pay if we fail to meet the target. We need to make it up with extra time working in the factory. Workers are shouted at and sometimes beaten for not meeting the target.”

“For any problem whatsoever, supervisors take us to the office and beat us with sticks.”

Over the last nine months, in separate interviews with different workers, everyone confirmed that abusive treatment is common at the Al Nahat factory. Workers are routinely shouted and cursed at, shoved, slapped, punched, hit with sticks and beaten with belts for working too slowly, making a mistake, talking back, trying to take a day off, using the bathroom too frequently, and so on. Along with being beaten, workers can also have a full month's wages docked as an additional punishment. There is never any let-up. Even workers who are sick, and after repeated 16 ½-hour shifts are too ill to get out of bed, will be dragged from their beds by security guards and supervisors, who take them to the factory to work.

FACTORY FOOD:

TASTELESS AND NOT ENOUGH

“There is no taste in the food. The amount of food is limited for each person. The way the food is cooked is not good. Sometimes we get sick from this food.”

FILTHY BATHROOMS:

“We need permission to go to the bathroom—only three or four times are we allowed to go. Supervisors monitor the time we are gone in the bathroom. There is no soap and no toilet paper. The bathroom is dirty.”

WORKER'S DIET AT AL NAHAT		
ALL MEALS AT THE FACTORY		
Breakfast	7:00 a.m. to 7:25 a.m.	Pita bread, tea, lentils
Lunch	12:30 p.m. to 1:00 p.m.	Rice, lentils and beef
Supper	9:00 p.m. to 9:30 p.m.	Rice, lentils, and vegetables

TEN WORKERS TO EACH DORM ROOM:

“Ten workers share a small room. We live in a dormitory. There are small metal beds, double decker beds. We do not feel comfortable sleeping. The room is cold [in winter]. There are guards in our dorm and we need to return home at a certain time.”

Al Nahat workers have never heard of, let alone seen, any U.S. corporate codes of conduct. In the summer the factory is very hot and the workers sweat all day as they work. Speaking during working hours is strictly prohibited. There is no doctor or nurse in the factory and the workers have no health care. Even after six months of working, many guest workers still do not have the required identification card, or “Akama”, which makes it dangerous for the foreign worker to venture outside the Industrial City or their dorms. If they are stopped by the police, failure to provide the legal identification card will lead to swift deportation.

COMPANY CONTACT INFORMATION

MOSSIMO INC.

Mossimo G. Giannulli
2016 Broadway
Santa Monica, CA 90404
Phone: 310-460-0040
Fax: 949-852-1921

DRESS BARN INC.

David R. Jaffe, CEO
30 Dunnigan Drive
Suffern, NY 10901
Phone: 845-369-4500
Fax: 845-369-4625
Web Site: <http://www.dressbarn.com>

Daily Janakantha

There are Two-Hundred Bengali Workers Suffering in Jordan Factory.

February 13, 2006

For one week the workers did not get food to eat, not even a glass of water, and for four months they did not receive a salary. The factory owner and others retaliated when the garment workers spoke about the situation to the recruitment agency. On Saturday at 2 p.m. a call was made from Jordan to the Janakantha office in Bangladesh, the caller said he was a worker from Alnahad Garments. His name was Kamal Hossain and his father was Ali Akbar from Kumilla, Kamal said he went to Jordan eight months ago to work at Alnahad Garments. He got the job from an agency called Mahbub International in Malibag. They worked from 7 a.m. to 3 a.m. at Alnahad Garments. During the first four months they received their salary and then all of a sudden the factory stopped paying them. For the last four months two hundred workers have demanded payment

of their salaries. Each of them is owed fifty to sixty thousand Taka. During the last week the demands have gotten stronger. That is why the owners have not given the workers any food or water. Most of them have been beaten. Kamal Hossain cannot send his poor family any money or anything. When Kamal Hossain complained about this on the phone he was crying. He said some of the people that recruit workers for the owner put a gun to their head and force them to work. The workers cannot follow their orders because they are starving. Some workers could not stay there so they quit and escaped. After two days, the workers wanted to call the Bangladeshi ambassador in Jordan and ask for help, but they did not help them. Kamal Hossain complained that the Bangladeshi ambassadors spoke against them and said to go back to work. Workers did not follow orders, now their lives are in danger. Bangladesh embassy representatives went to Malibag Mahbub International Agency to find out whether Kamal Hossain was telling the truth. The owner of the agency screamed at them and said, “Janakantha has written reports on us before, but they cannot do anything.”



NIGHTMARE AT THE TOPAZ FACTORY IN JORDAN

SEWING MOSSIMO GARMENTS FOR TARGET

Young women badly beaten, slapped in the face, kicked, punched and forced to work 107 hours a week, without a single day off, and without wages for five months!



Workers smuggled this Mossimo label out of the factory in June 2005.

Topaz Garments Ltd.

Al Hassan Industrial Estate, Ramtha
Irbid, Jordan

Ownership: Indian capital—Mr. Dosrat Tanwar
Number of workers: 550 to 650, mostly guest workers from Bangladesh (275 women and 225 men), some workers from India and 30 or so Jordanian workers. All factory managers are Indian.

Production: jeans, trousers, polo shirts, t-shirts and dress shirts.

In June 2005, the Topaz workers were sewing the *Mossimo* label for Target, which they were able to smuggle out of the factory.

The Topaz garment factory is located in the **Al Hassan Industrial Estate** in Ramtha, not far from the major city of Irbid. We met with a group of Topaz workers in early June 2005. This is the nightmare they recounted to us:

Since January 2005, the Topaz workers had **not had a single day off in the last five months, nor had they been paid**. In five months, they had not received one cent of their wages. But that did not stop Topaz's owner from forcing the hundreds of Bangladeshi guest workers to work around the clock. Their typical shift was 15 hours a day, from 8:00 a.m. to 11:00 p.m. They received a half hour for lunch, but often this was cut down to less than 15 minutes. However, the week of May 23rd, just before we arrived, there **were three mandatory 22 ½-hour all-night shifts starting at 8:00 a.m. and not finishing until 6:30 the following morning**. The workers were allowed 45 minutes of rest before they had to be back in the factory for breakfast at 7:30 a.m. in order to begin their next shift at 8:00 a.m. About 300 workers, primarily assembly lines three and four, were forced to work these grueling all-night shifts. That week, they **were at the factory well over 114 hours while working at least 107 hours**.

Nor did it matter that the guest workers were not being paid. They could still be beaten if they failed to reach their production goals. Management set these goals excessively high but they were not negotiable. For example, if a small line of 35 sewing operators was given a goal of completing 110 pairs of jeans per hour, but could only do 85 or 90 jeans, they would be beaten. **The plant manager and line supervisors "would kick you," the workers said. "Grab you by the throat, strike you in the head, slap us and hold our mouths squeezing very hard against our teeth."**

In April 2005, five young women were badly beaten by the “big boss,” or general manager, and a line supervisor. The women were behind in making their production target, but still, they dared to ask the general manager when they would start being paid. He flew into a rage, and with the line supervisor, started **beating the women, hitting them in the face, and punching them in the head, back and arms.** The general manager even twisted the women’s arms. The women were hurt, crying and traumatized but they had to report back to work the following morning.

Nothing about the Topaz factory is easy. During the long summer months, the factory is stiflingly hot and the workers are soaked, dripping with their own sweat.

The guest workers stay in a small company house outside the industrial park, where 10 to 12 people must share one small room with just three single beds, leaving many workers no place to sleep but on the floor. It is normal to have access to water just two days each week, which means the workers cannot regularly bathe and the bathrooms send a stench throughout the house.

The food is mediocre at best, the workers said. For breakfast, they receive a piece of bread, lentils and tea, and two days a week one egg each. Lunch is rice and potatoes, with a very small piece of chicken two or three times a week. Supper is always the same, rice, potatoes and vegetables. It is never enough and sometimes the workers get sick from the food.

It is not that the workers did not ask for their wages. They did. Over the course of the five months, when the workers saw that the general manager was in a good mood, they took advantage of it to ask when they would be paid. The manager’s response was always the same. “*After the shipment goes out,*” he would say, or “*just wait one, two or three more days.*” Other times he would say, “*Tomorrow you will be paid,*” but they never were.

If the workers kept at it, pressing him for their wages, he would coldly say to them, “***If you want to persist, you should go back to Bangladesh.***” At that point the workers had to back off, holding their tongues and keep-

ing their faces down. The guest workers are in a trap, with absolutely no power and no avenue of recourse. The factory owner knows this and can do anything he wants with them.

It is hard for us to imagine why this threat of being sent back to Bangladesh would so paralyze the workers with fear and dread.

In Bangladesh, corrupt contractors had promised the workers that if they went to Jordan to work in the Topaz factory they would be able to earn \$250 a month with overtime. This seems an enormous amount of money in a country like Bangladesh where senior sewing operators earn 21 cents an hour or less—just \$44 a month. The catch is that they would have to pay around 130,000 taka—\$1,917.46—in order to purchase a three-year contract at the Topaz factory. The workers were also told they would live well in Jordan with free housing, decent food, and health care, that they would receive one day off a week and national holidays. It was all a lie, but the workers did not know it until they arrived in Jordan. To pay for their contract, the workers and their families borrowed money on the informal market, where interest rates run at an exorbitant five to ten percent a month. Still, with hard work and some overtime, they would be earning more money, and sending more money home to their families than they had ever dreamed possible.

Too bad it was all a lie. Upon arrival, the workers were stripped of their passports, and were caught in a trap. They were working long hours seven days a week, but had not been paid in five months. Meanwhile, their debts kept soaring. At the 10 percent monthly interest rate, their loans would more than double over the course of a year. Being sent back to Bangladesh would make their situation even worse, since in Bangladesh there is no way they could ever earn enough money to pay off their mounting debts. Going back to Bangladesh would, in fact, mean that their families would never climb out of debt and misery. They would be ruined.

This is why when the owner says, “*Back to Bangladesh,*” the workers tremble and hold their tongues. As punishment, and to keep the remaining workers in a state of



constant fear, the general manager of Topaz often forcibly sends back whole groups of workers, as **he did in May, when a group of 15 workers was deported to Bangladesh—without a single cent of the back wages legally due them. For every worker the owner deported, new workers kept arriving, unaware of what awaited them.**

After a year of working under these conditions, the workers said, *“We feel like we are dead...worn out, broken and exhausted. Just work, work, work, but no wage, no dollars. Just work, eat poorly and then sleep a few hours. People are getting sick and their health is deteriorating.”* Before we left, we asked the workers if they saw any possible way forward that would help improve their conditions. *“We have no hope that things will get better,”* they responded.

HOURS/FORCED OVERTIME:

- Routine 15-hour shifts, 8:00 a.m. to 11:00 p.m., seven days a week;

- Some all-night 22 ½-hour shifts from 8:00 a.m. to 6:30 the following morning—with no sleep, workers have to report back at 8:00 that same morning for their next shift;
- Common to be at the factory 100 ½ hours a week while working 94 hours, including 46 hours of obligatory overtime which extends the legal limit in Jordan by 332 percent;
- Not uncommon to be at the factory 114 hours a week while working 107 hours;
- No weekly day off;
- No government holidays;
- No legal vacation days; and
- No sick days—being out ill for one day will be punished with three days’ wages being docked.

TYPICAL WORKWEEK AT TOPAZ <i>AT THE FACTORY 100 ½ HOURS A WEEK WHILE WORKING 94 HOURS</i>	
Friday	8:00 a.m. to 6:30 p.m. At the factory 10 ½ hours, working 10 hours
Saturday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours
Sunday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours
Monday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours
Tuesday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours
Wednesday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours
Thursday	8:00 a.m. to 11:00 p.m. At the factory 15 hours, working 14 hours

ROUTINE DAILY SHIFT AT TOPAZ FACTORY <i>AT THE FACTORY 15 HOURS A DAY WHILE WORKING 14 HOURS</i>	
8:00 a.m. to 12:30 p.m.	Work, 4 ½ hours
12:30 p.m. – 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. – 7:30 p.m.	Work, 6 ½ hours
7:30 p.m. – 8:00 p.m.	Supper, half hour
8:00 p.m. - 11:00 p.m.	Work, 3 hours
Often the lunch break is cut from 30 minutes to less than 15 minutes.	

114-HOUR WORKWEEK NOT UNCOMMON <i>AT THE FACTORY 114 HOURS A WEEK WHILE WORKING 107 HOURS</i>	
Friday	8:00 a.m. to 6:30 p.m. At the factory 10 ½ hours while working 10 hours
Saturday	8:00 a.m. to 6:30 a.m. At the factory 22 ½ hours while working 21 hours
Sunday	8:00 a.m. to 11:00 p.m. At the factory 15 hours while working 14 hours
Monday	8:00 a.m. to 6:30 a.m. At the factory 22 ½ hours while working 21 hours
Tuesday	8:00 a.m. to 6:30 p.m. At the factory 10 ½ hours while working 10 hours
Wednesday	8:00 a.m. to 6:30 a.m. At the factory 22 ½ hours while working 21 hours
Thursday	8:00 a.m. to 6:30 p.m. At the factory 10 ½ hours while working 10 hours



LEGAL MINIMUM WAGE	ILLEGAL WAGES AT TOPAZ
58 cents an hour	46 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (60 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	No overtime premium and actual hours worked routinely underreported

WAGES:

- Workers not paid for a five-month period—January through June 2005;
- Before that, paid below the legal minimum wage, earning just 46 cents an hour, 21 percent below the minimum;
- No overtime premium paid and workers routinely shortchanged on number of overtime hours actually worked;
- Wages also arbitrarily docked, anyone taking a sick day docked three days' wages.

WORKERS PAID JUST 15 TO 16 CENTS FOR EVERY PAIR OF MOSSIMO PANTS THEY SEW

A small assembly line of 35 sewing operators had to complete 100 to 110 pairs of Mossimo pants an hour. In effect, the workers were allowed just 19 to 20 minutes to sew each pair of pants. This production goal was not negotiable. It was arbitrarily set by management, and the assembly line had to remain working unpaid until they

completed the goal. We know the sewers were being paid—when they were being paid at all—just 46 cents an hour, which is below the legal minimum wage. This means the Topaz workers were being paid 15 to 16 cents for each pair of *Mossimo* pants they sewed. *(110 pants per hour ÷ 35 operators = 3.142857 pants per hour per operator; 60 minutes ÷ 3.14 pants per hour = 19 minutes to sew 1 pair; 19 minutes ÷ 60 = 32% of an hour; .32 × 46 cents = 15 cents.) (100 pants per hour ÷ 35 operators = 2.857 pants per hour per operator; 60 minutes ÷ 2.86 pants per hour = 21 minutes to sew 1 pair; 21 minutes ÷ 60 = 35% of an hour; .35 × 46 cents = 16 cents.)*

VERY MODEST HOPES:

Even after all the suffering they have endured, the workers' hopes and demands remain very modest:

- Work from 8:00 a.m. to 6:30 p.m., six days a week;
- One day off a week;
- No all-night 22 ½-hour shifts;
- End the beatings and threats;
- Earn 77 cents an hour, or \$46.15 for a 60-hour week.

Seventy-seven cents an hour is not a whole lot of money, considering that the workers are leaving their homes and families behind to travel to a country where they do not speak the language, to work 10 hours a day, six days a week, while living under primitive dorm conditions. It would be wonderful if *Mossimo* and the other labels would seriously consider paying the workers in Jordan this 77 cents an hour.

COMPANY CONTACT INFORMATION

MOSSIMO INC.

Mossimo G. Giannulli
2016 Broadway
Santa Monica, CA 90404
Phone: 310-460-0040
Fax: 949-852-1921

TARGET

1000 Nicollet Mall
Minneapolis, MN 55403
Phone: (612) 304-6173
Website: www.targetcorp.com
CEO: Bob Ulrich, pay in 2005 was \$6.57 M



PARAMOUNT GARMENT FACTORY: LABELS SOMETIMES FLAT-OUT LIE: ZEROXPOSURE & CHESTNUT HILL

Consider the self-proclaimed hip “ZeroXposure” label. Not too long ago we purchased a ZeroXposure fleece jacket in Kohl’s for \$60. The hang tag reads: *“ZeroXposure’s passion has created products that embody the spirit of youthful independence... Taking our cue from Xtreme sport athletes, we continue to stay true to our mission: to create a system of living that is hip, fun and functional.”*

Too bad that the ZeroXposure jacket was made by other young people, who are being held under conditions of indentured servitude, forced to work 100 hours a week, soaked in their own sweat, while being cheated of more than half their legal wages each week and facing sexual harassment. What is hip about that? In the Paramount garment factory in Jordan, the young workers are paid just 20 cents for every \$60 ZeroXposure jacket they sew. Speaking during working hours is prohibited and workers need permission to use the bathroom.



Jen O’Brien, an award winning professional skateboarder and environmental activist, would be shocked and outraged to discover that one of her sponsors is involved in human trafficking and sweatshop labor. A person with a strong sense of social responsibility, she helped found the Action Sports Environmental Coalition (www.asecaction.org), a group that “serves the action-sports community as the platform to educate and empower individuals, companies, and organizations regarding ecological sustainability and responsibility.” A.S.E.C. strives to promote conscious consumption and encourages extreme sport athletes to “get involved and take action in a movement, and to leave behind those companies that only take from you, unconcerned about your needs, your body, your mind, and the fact that you do have a choice.” A person with such strong convictions would never knowingly endorse a brand that exploits young women for profit and we ought to encourage her to act on behalf of these women workers. Contact A.S.E.C and ask Jen O’Brien to do the right thing and stand up for the young women workers making ZeroXposure. (frank@coresolutions.org)



Or consider “Chestnut Hill” label polo shirts, made in the same sweatshop in Jordan. Their hangtag even quotes the great German writer and critic Walter Benjamin: *“Each morning the day lies like a fresh shirt on our bed—this incomparably fine woven tissue of pure prediction fits us perfectly.”* Chestnut Hill’s hangtag continues, *“Please accept our invitation to experience Chestnut Hill. We know that once you try it, you’ll never want anything else.”*

Too bad that the young people sewing Chestnut Hill polo shirts have “experienced” just three days off in the last seven months, working some 19 ½ hour shifts from 7:30 a.m. to 3:00 a.m. the following morning and being shouted at, even hit, when they fall behind on their production goal. Is that the kind of experience Chestnut Hill wants us to have? The workers are paid less than six cents for each Chestnut Hill shirt they sew.

Both the ZeroXposure and Chestnut Hill labels were made under these conditions at the Paramount Garment factory in Jordan, where over 400 “guest workers”

from Bangladesh, India and Sri Lanka are stripped of their passports and held under conditions which violate every internationally recognized worker rights standard.



EERILY REMINISCENT OF THE DAYS OF SLAVERY

In desperation over being cheated of their wages, the long hours and abuse, *some Paramount workers have tried to escape, leaving their passports behind, fleeing on foot, hiding by day and running at night in an attempt to cross the border into another country.* When Paramount managers discover that some of their workers are missing, they immediately alert the police, who try to hunt them down. Those caught are imprisoned.

And it is not just from the Paramount factory that guest workers are running away. In the Al Tajamouat Industrial City, 14 workers recently fled from the **Pacific** factory (sewing **Paco Jeans**), while other workers have tried to escape from the **Al Nahat** factory (**Mossimo/Target**), **Southern Garments** factory (**Wal-Mart**), **Fashion Club**

and other factories.

When we were in Jordan in January 2006, at least one of these fleeing workers had been caught and was imprisoned.

Paramount Garment Factory

Building-A

Al Tajamouat Industrial City, Sahab

Amman, Jordan

Ownership: India capital

Managing director: Mr. Ranjit

Phone: 962 6 4029991

Established: 2004

Number of workers: 500 (300 men, 200 women, 250 guest workers from Bangladesh, 200 others from India, Sri Lanka and China. Less than 60 of the workers are Jordanian.



Production: Throughout the summer of 2005, the Paramount factory was producing **ZeroXposure** label fleece jackets and **Chestnut Hill** label shirts. In a return visit in mid-March 2006, the factory appeared to still be producing Chestnut Hill polo shirts.

STANDARD SHIFT (15, 16, 16 ½ HOURS PER DAY)	
7:30 a.m. - 12:30 p.m.	Work/ 5 hours
12:30 - 1:00 p.m.	Lunch/ 30 minutes
1:00 p.m. - 7:30 p.m.	Work/ 6 ½ hours
7:30 p.m. - 8:00 p.m.	Supper/ 30 minutes
8:00 p.m. to 10:30 p.m. or 12:00 a.m.	Work/ 2 ½ to 4 hours



HOURS, FORCED OVERTIME

- Standard shift 15 to 16 ½ hours a day from 7:30 a.m. to midnight;
- Some all-night 18 ½ to 19 ½ hour shifts from 7:30 a.m. straight through to 2:00 or 3:00 a.m. the following morning;
- Working seven days a week, with just three Fridays (the Muslim weekly holiday) off in the last seven months;
- Common to be at the factory 104 hours a week while working 97 ½ hours.
- No government holidays, no legal vacation days, no sick days.

The standard shift at the Paramount Garment factory is from 7:30 a.m. to 10:30 p.m., 11:30 p.m. or 12 midnight—15, 16 or 16 ½ hours a day. Leaving time is solely determined by when the workers complete the factory’s production goal.

The typical seven-day work schedule at the Paramount factory puts the workers at the factory **104** hours a week while working 97 ½ hours.

The routine 97 ½ hour work weeks at the Paramount factory are in gross and blatant violation violation of Jordanian labor law, which mandates that overtime work must not exceed 13.85 hours a week and 60 hours a month. It is also mandatory that workers receive at least one day off each week. Despite the law, *Paramount workers are typically forced to work 49 ½ hours of overtime each week, which exceeds the government’s legal limit by 357 percent!*

Given the fluctuation in time when the shifts end each night, the workers we interviewed estimated their typical work week to be in the range of 95 to 100 hours. Up to twice a week, there are also grueling all-night 18 ½ to 19 ½ hour shifts, from 7:30 a.m. straight through to 2:00 or 3:00 a.m. the following morning. Only a portion of the workers have to stay, since these all-night mandatory shifts rotate among departments and assembly lines depending upon where production is lagging behind the goals and out of synch with the rest of the factory. Even following these grueling all-night shifts, the workers have to be back at work again at 7:30 a.m. that same morning, after just three hours sleep. Sometimes the workers are allowed an extra half hour of sleep, so they don’t have to report to work until 8:00 a.m.

The workers reported that there were several weeks in the summer of 2005 when they were being let out “ex-

WORKING SEVEN DAYS A WEEK <i>AT THE FACTORY 104 HOURS WHILE WORKING 97 ½ HOURS.</i>	
Friday	7:30 a.m. – 6:30 p.m. At the factory 11 hours while working 10 ½ hours <i>Friday is supposed to be the weekly day off.)</i>
Saturday, Monday	7:30 a.m. – 10:30 p.m. At the factory 15 hours while working 14 hours.
Sunday, Tuesday, Thursday	7:30 p.m. – 11:30 p.m. At the factory 16 hours while working 15 hours.

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT PARAMOUNT
58 cents an hour (0.576823)	40 cents an hour
\$27.69 a week (48 hours)	\$25.38 a week (85 ¾ hours)
\$120 a month	\$110 a month
\$1,440 a year	\$1,320 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	

actly” at 6:30 p.m. two nights a week and not being kept past 10:30 p.m. on the other five days. *Even this most moderate schedule puts the workers at the Paramount factory 97 hours a week, while working 91 hours.* But this is not common.

The Paramount workers do not receive any of the eight legal national holidays. For example, they had to work on May 1—Labor Day and on May 25—Independence Day. Nor are they allowed any of the paid annual vacation days due them as mandated by Jordanian law.

CHEATED OF THEIR WAGES—PAID LESS THAN THE LEGAL MINIMUM WAGE

- Including overtime, workers paid less than one-half of the wages legally due them;
- Paid just \$27.69 for a 91-hour work week—just 30 cents an hour.

The legal minimum wage in Jordan is 58 cents an hour, \$27.69 for the regular 48-hour work week. Also by law, all overtime must be paid at a 25-percent premium—at 72 cents an hour. This is hardly a huge sum of money, but nonetheless, management feels compelled to consistently cheat the workers of more than half the legal wages owed them.

First, Paramount management arbitrarily and illegally ex-

tended the “regular” work week by 15 hours for the guest workers, from 48 to 63 hours, while at the same time actually lowering the regular weekly pay from \$27.69 to \$25.38. (Unfortunately, this practice has become widespread across Jordan, since factory owners know they have a free hand to exploit the vulnerable guest workers who are stripped of their passports and have no rights.) The combined result is that instead of earning the legal minimum wage of 58 cents an hour, the Paramount guest workers now earn just 40 cents an hour, 18 cents less than the legal minimum, which amounts to a 31 percent cut.

Slashing the legal minimum wage is bad enough, but arbitrarily, routinely and drastically underreporting the overtime hours the workers actually work each week is much worse. As we have seen, even at the low end, the Paramount workers are *required to work at least 91 hours a week, which includes 43 hours of overtime.* More typical would be to work 97 ½ hours a week, including 49 ½ hours of overtime. However, to make as conservative an estimate as possible, we will only consider the low end, 91-hour work week. *For the regular 48 hour week, the workers should earn \$27.69, while for the 43 hours of overtime at 72 cents an hour, they should receive \$31.01, for a total weekly wage of \$58.70.*

However, when we did follow-up interviews with the Paramount workers in January 2006, the most they



were earning was \$120 a month--\$27.69 a week—including all regular and overtime hours. This is less than one half of what the workers are legally due. They are being cheated of \$31.01 in wages due them each week. This illegal 53 percent deficit in wages due them each week adds up to a loss of \$1,612.52 for the year—an enormous amount for someone already deeply in debt from the purchase of their work contract in Jordan and earning on average just *30 cents an hour*.

Some of the poorest and hardest working young people in the world are being cheated of over half the legal wages due them while sewing clothing for hip U.S. labels under the U.S.-Jordan Free Trade Agreement.

In May 2005, some senior Paramount workers told us that they were receiving some overtime pay and could earn an average of \$40.38 a week for working 96 hours. But even these “fortunate” senior workers were being cheated. Instead of \$40.38 a week, they should have earned \$62.25 a week. *For the 48 hours of overtime, they were required to work each week, they should have earned \$34.56 but instead were paid just \$12.69. These workers were paid just 37 percent of the legal overtime pay due them, which matches nearly exactly with the workers’ estimate that management rarely records more than one-third of the overtime hours they actually work each week.*

Moreover, management often withheld their overtime pay for three to five months. *This is all part of the psychological game management plays with the guest workers, stringing them along with the hope—even if it is a slight one—that someday they may get at least some of the back wages they are due.*

“If you do good work,” the manager tells them, “I’ll give you your full pay.”

EXPLOITING THE VULNERABILITY OF THE GUEST WORKERS

Whenever the guest workers ask the manager, *“Why are we getting such little money when we should be*

making so much more?, he always responds, *“Because you have not fulfilled the production target, I had to cut your overtime.”* But when the workers persist and protest, *“But it’s not possible to reach the production goals. They are too high,”* the manager quickly cuts off the conversation, threatening the workers, *“If you say anything else, I’ll send you back to Bangladesh.”* This is management’s trump card: Shut up or you will be fired, probably beaten, and then deported without a single cent of your back wages, to Bangladesh, where you and your family will sink into even more miserable poverty, crushed by your growing debts, money you borrowed in the first place at exorbitant interest rates to purchase your work contract for Jordan.

CHEATING THE WORKERS AT EVERY TURN

Every day that the workers fail to reach their mandatory production goal, management as punishment marks them absent for one, two or three days. Sick days are not recognized and no matter how ill the worker is, for every day missed, two days’ wages are cut. Management cheats the workers every way they can. As we have seen, there are no paid holidays, no vacation time. In the winter, when the workers’ dorm is freezing, management refuses to purchase blankets for the poor workers, telling them to purchase their own. When the workers are sick and need medicine, management tells them they have to buy their own prescriptions, despite the fact that they were promised free medical care in Jordan. If any worker is late three times in a month, one day’s wage is docked.

WORKERS IN A TRAP

The Bangladeshi and other guest workers were told that if they purchased a three-year contract to work in Jordan, they would be guaranteed \$120 a month in regular wages, not including overtime work, which would be paid at a premium. They were told that they would have Fridays off as well as national holidays, and that all lodging, food and health care would be provided free of charge.

Male workers borrowed 130,000 to 150,000 taka (\$1,917.46 to \$2,212.45) to purchase their contracts to work at the Paramount factory. As poor workers, they had to borrow money in the informal market in Bangladesh, where interest rates typically start at five percent a month. That puts the interest alone at \$96 to \$111 a month. Still, with hard work and overtime, the workers were confident that they could pay off their loans and still send more money back to their families than they would be able to earn in Bangladesh, where garment workers' wages average 21 cents an hour or less.

This is how management has absolute power over the guest workers. The workers' passports are confiscated the minute they arrive at the factory, and they are not provided the required identification cards, making it dangerous for them to leave the industrial park or their dorms. If foreign workers are stopped on the street without their ID cards by police, they can be imprisoned and deported. Their contracts allow them to work in only one factory, further trapping them in the Paramount plant.

If the workers do not put up with the abuse and being cheated of their wages, Paramount's managers will call the police, who will take the workers to prison to await forcible deportation. Such workers will be sent home without hope of ever receiving even a small portion of the back wages owed them. **They and their families will be destroyed, left penniless, but still saddled with what for them is a huge and growing debt from which they will never escape.** Being deported means sinking deeper into misery.

This is why the workers said to us that they had no choice but to accept the cheating and abuse, that, ***All of us are poor and if we are sent back to Bangladesh, it will be a huge problem since our families depend upon us.***

EXCESSIVE PRODUCTION GOALS

"All the time the supervisors are shouting at us to go faster... Sometimes they push and slap us, or hit us with the garments. All the time the managers shout with very bad language."

The mandatory production goal for an assembly line of 45 sewing operators is 60 to 70 \$60 *ZeroXposure* jackets in an hour, depending upon their complexity. This means the workers have a total of 39 to 45 minutes to complete each fleece jacket. At the illegal average wage of 30 cents an hour the workers are receiving, ***they are paid just 20 to 23 cents for each \$60 jacket they sew. This means that the wages the workers are paid to sew the garment amount to less than four-tenths of one percent of the retail price of the ZeroXposure jackets.***

The assigned production goal for the *Chestnut Hill* polo shirts is higher and even less possible to meet. Management wants each assembly line of 24 sewing operators to complete 120 to 130 shirts an hour, which the workers say is impossible. The most polo shirts a production line can sew in an hour is 90 to 100, or one every 14.4 to 16 minutes. But management is demanding a goal of completing each shirt in just 11.07 to 12 minutes—five minutes, or 30 percent, less time. ***The Paramount workers are being paid less than six cents for each Chestnut Hill shirt they sew.***

Of course, by setting the production goal excessively high, management can turn around and tell the workers their wages must be cut for failing to meet the assigned targets.

PRIMITIVE LIVING CONDITIONS

Ten to 15 workers are housed in each small room measuring approximately 10 by 15 feet. They sleep on narrow bunk beds with thin, three-inch foam rubber pads serving as mattresses. For as many as three days a week, the house is without water. The bathrooms are filthy. In the winter, the house is freezing, but there is no heat. There is a curfew in the dorm.

All the workers describe the food as really terrible. Sometimes they are served meat for lunch, but the workers say it looks old and often has a bad taste. Some workers have gotten sick from the food. The workers are never served juice or fruit.



During the summer months, when the Paramount factory is extremely hot, the workers report sweating all day as they work. Speaking during working hours is prohibited and workers need permission to use the bathroom. *Some young women—though they are very reluctant to speak of it—say they have faced sexual harassment.*

The workers told us that their greatest hope would be to be paid correctly for all the hours they work, to receive one day off a week plus national holidays, and that there be an end to the harsh, humiliating treatment and the constant threats.



COMPANY CONTACT INFORMATION

FLEET STREET LTD. (ZEROXPOSURE)

Manny Haber, CEO
512 Seventh Avenue,
New York, NY 10018 USA
Phone: 212-354-8990
Fax: 212-761-8131

BRODER BROS., Co.

Thomas Myers, Interim CEO
Six Neshaminy Interplex,
Trevose, PA 19053
Phone: (215) 291-6140
Fax: 800-521-1251
www.broderbros.com

NEW YORK LAUNDRY

CAUGHT IN SWEATSHOP SCANDAL IN JORDAN

Al Aham Garment Manufacturing Co.

Building D
Al Tajamouat Industrial City/Sahab
Amman, Jordan

Contact: Mr. Saleh Biades
Phone: 962 6 402 0525
Fax: 962 6 402 0524
E-mail: alaham@index.com.jo

Ownership: Hong Kong Capital.
Established: 2001

Number of workers: 1,200 (600 women, 600 men)
500 plus guest workers from Bangladesh, 300 from China, guest workers from India, and Jordanian workers. There are Jordanian managers and security guards.
Production: Knitted/woven sportswear

We were able to track the *New York Laundry* label being sewn at the Al Aham factory throughout the eight-month period of our investigation, from June 2005 through January 2006. Moreover, the workers estimate that *New York Laundry* consistently accounts for up to 75 percent of total production.



Al Aham workers smuggled this "N.Y.L." label out of the factory.



NEW YORK LAUNDRY'S SWEATSHOP SCANDAL

Recently we purchased a pair of petite women's gray sweatpants with a stripe down the leg, carrying the *New York Laundry* label, in Kohl's for \$36. The pants were made in Jordan. The hangtag was really interesting, reading:

"Our philosophy is that your clothing should be as easy and gratifying to wear as it is to enjoy a wonderful day in the city. New York Laundry is spontaneous and simply unique!"

However, for the hundreds of young foreign guest workers at the Al Aham factory who are sewing clothing for New York Laundry, their reality is anything but "easy," "gratifying," "wonderful," and "spontaneous." It is however "uniquely" harsh, prison-like and repressive. If the New York Laundry label recorded the truth about working conditions, it would read:

Made by young workers who are...

- Forced to work 14 ½ to 15 ½ hours a day, from 7:30 a.m. to 10:00 or 11:00 p.m., seven days a week, and



who are routinely at the factory 98 to 104 hours a week;

- Required to work all-night 18 ½-hour shifts, from 7:30 a.m. to 2:00 the following day, at least once a week;
- Paid below the legal minimum wage and cheated of their overtime so that they are robbed of more than one third of the wages legally due them each week;
- Routinely shouted and cursed at, pushed, shoved and slapped, many workers brought to tears;
- Housed in primitive dormitories with eight to ten workers sharing each small room, often lacking running water, and fed substandard food;
- Stripped of their passports and held under conditions of involuntary servitude with the constant threat of being forcibly deported without their back wages; and who
- “See no hope” for their lives.

We expect New York Laundry to quickly bring its contractor’s Al Aham plant into compliance with all Jordanian labor laws and with core internationally recognized worker rights standards. Al Aham is a large factory and

these were not small subcontracts, but rather direct contracts negotiated by New York Laundry. Comprising 75 percent of total production at the Al Aham factory, New York Laundry is directly responsible to correct the repressive illegal prison-like conditions. These young guest workers, all between the ages of 18 and 25, have had to suffer for the last several years.

ABUSIVE ILLEGAL CONDITIONS AT THE AL AHAM FACTORY

HOURS/FORCED OVERTIME:

- Routine 14 ½ to 15 ½-hour shifts, from 7:30 a.m. to 10:00 or 11:00 p.m., seven days a week;
- Workers at the factory 98 to 104 hours a week while working 91 ½ to 97 ½ hours;
- 43 ½ hours of mandatory overtime each week, which exceeds Jordan’s legal limit by 314 percent;
- All-night 18 ½-hour shifts, from 7:30 a.m. to 2:00 a.m. required for some assembly lines at least once each week;

TYPICAL SHIFT AT AL AHAM <i>(14 ½ TO 15 ½ HOURS A DAY)</i>	
7:30 a.m. – 12:30 p.m.	Work / 5 hours
12:30 p.m. – 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. – 8:00 p.m.	Work, 7 hours
8:00 p.m. – 8:30 p.m.	Supper, half hour
8:30 p.m. – 10:00 p.m. or 11:00 p.m.	Work, 1 ½ - 3 ½ hours
There are some shifts to 12:00 midnight.	

AT AL AHAM FACTORY 104 HOURS, WORKING 97 1/2 HOURS	
Friday	7:30 a.m. to 6:30 p.m. At the factory 11 hours, working 10 1/2 hours
Saturday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours
Sunday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours
Monday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours
Tuesday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours
Wednesday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours
Thursday	7:30 a.m. to 11:00 p.m. At the factory 15 1/2 hours, working 14 1/2 hours)

AT AL AHAM FACTORY 98 HOURS, WORKING 91 1/2 HOURS	
Friday	7:30 a.m. to 6:30 p.m. At the factory 11 hours, working 10 1/2 hours
Saturday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours
Sunday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours
Monday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours
Tuesday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours
Wednesday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours
Thursday	7:30 a.m. to 10:00 p.m. At the factory 14 1/2 hours, working 13 1/2 hours)



- No weekly holiday, with an average of just one day off a month;
- No government holidays, no sick days, and no legal vacation days.

The standard shift at Al Aham is from 7:30 a.m. to 10:00 or 11:00 p.m., 14 ½ to 15 ½ hours a day. However, some shifts stretch out to 12:00 midnight and at least once a week several assembly lines are required to work an all-night 18 ½-hour shift, from 7:30 a.m. straight through to 2:00 a.m. the following day. This schedule routinely puts the workers at the factory 98 to 104 hours a week while working 91 ½ to 97 ½ hours. There is no regularly scheduled weekly holiday, and on average, the workers are permitted just one day off a month. For example, in 2005 during the months of May, June, and July, the workers received just three days off. Government national holidays are not respected, nor are guest workers allowed any of the 14 days of annual paid vacation which is legally due them. On Fridays, which are supposed to be the weekly day off, Al Aham workers are allowed out “early” after working an 11-hour shift, from 7:30 a.m. to 6:30 p.m. The workers receive a half-hour break for both lunch and supper.

Working to 10:00 p.m. each night while getting out of the factory at 6:30 p.m. would put the workers **at the factory 98 hours while actually working 91 ½ hours.**

Working to 11:00 p.m. each night except Friday would put the workers **at the factory 104 hours while working 97 ½ hours.**

On the rare occasion that the workers actually have Friday off, they are at the factory 87 hours while working 81 hours.

As we have seen, working to just 10:00 p.m. each night while getting out early on Friday still has the workers toiling 91 ½ hours each week, **including 43 ½ hours of overtime, which exceeds Jordan’s legal limit by 314 percent.**

WAGES:

- Paid below the legal minimum wage, earning just 44 cents an hour, 24 percent less than required by law;
- Overtime hours are also routinely underreported, robbing the workers of over one third of the wages legally due them each week;
- Workers failing to reach their assigned production goal are marked absent for the day.

At most, senior sewing operators among the guest workers at the Al Aham factory can earn \$38.07 to \$37.23

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT AL AHAM
58 cents an hour (0.576823)	44 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (63 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
All overtime must be paid at a 25 percent premium, or 72 cents an hour	No overtime premium and overtime hour are routinely underreported, lowering the workers’ wages by one third

for the typical workweek of 91 ½ hours. This is well below what the workers should be legally earning. For the regular 48-hour workweek at the minimum 58-cent-an-hour wage, the workers should be earning \$27.69. For the 43 ½ hours of overtime, paid at the legal 25 percent premium, or 72 cents an hour, they should receive \$31.37, for a total of \$59.06 for the week. Instead, on average, even senior sewers are earning just \$38.65 for the week, which is **\$20.41 short of what they should be earning. Their wages are being illegally underpaid by 35 percent.**

Over the course of a year, each guest worker is losing **\$1,061.32** in wages rightfully due them. And for the estimated 500 Bangladeshi guest workers at Al Aham, the combined annual loss in wages totals **\$530,660**. Over the course of their three-year contracts, the wage loss for the Bangladeshi workers alone reaches **\$1,591,980**.

One of the techniques management uses to hold down wages is to set daily production goals unrealistically high, and when the workers fail to reach them, they are marked “absent” and docked the day’s wages as punishment.

TOO MUCH PRESSURE AND NO RIGHTS:

- Guest workers are stripped of their passports;
- The factory is noisy, crowded and extremely hot during the long summer;
- Speaking during working hours is prohibited;
- Workers need permission to use the toilet;
- Some women workers report sexual harassment;
- Workers are coached and threatened to lie to North American buyers.

Not only are workers sewing New York Laundry garments at the Al Aham factory being cheated of their wages, they are also beaten. **Workers report that it is not uncommon to be shouted and cursed at, pushed, shoved and slapped.**

The workers explain that when they try to question management regarding their very low wages, management always responds with the same excuses: “*You came late,...you didn’t make your target,...you made a mistake.*” The conversation has to end there, for if the workers dare continue challenging the manager, he cuts them short, threatening, “*If you continue, I’ll call the police and you’ll go back to Bangladesh.*” In other words, they will be forcibly deported to Bangladesh without a cent of the back wages owed them.

Many workers are actually brought to tears over the long and hard hours while being cheated of their wages, but they have no voice, no rights, and no power to defend themselves.

The guest workers are in a trap. They have never heard of, let alone seen, any corporate code of conduct, and have no idea as to their supposed meaning. When asked, the workers said they receive help from no one. They are 100 percent alone.

“We have never seen any people from the [Jordanian] Ministry of Labor.”

“It’s the same, we have never seen any [Jordanian] union leaders.”

“No, the Bangladesh Embassy never helps us get fair wages and other proper treatment.”

“We see no hope.”

NEW YORK LAUNDRY HAS ANOTHER PROBLEM

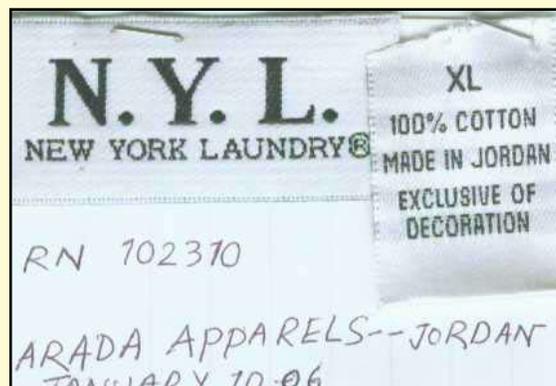
Conditions at a second New York Laundry supplier in Jordan are no better.



SEWING GARMENTS FOR NEW YORK LAUNDRY:

SWEATSHOP ABUSE AND ILLEGAL WORKING CONDITIONS AT THE ARADA APPARELS FACTORY IN THE AL TAJAMOUAT INDUSTRIAL CITY.

- **Routine 15 ½ to 16 ½-hour daily shifts**, from 7:30 a.m. to 11:00 p.m., or 12:00 midnight;
- Twice each week, 40 to 50 sewing operators are **required to stay for 18 ½ to 19 ½-hour all-night shifts, from 7:30 a.m. to 2:00 or 3:00 the following day**. After just three or three and a **half hours of sleep, they must report for their next shift**;
- **Working seven days a week**, with an average of just one Friday off a month;
- Workers are routinely at the factory **105 ½ hours a week while working 99 hours**;
- No government holidays, no sick days, no vacation days as mandated by law;
- Paid below the legal minimum wage, with no overtime premium, while management also underreports the number of hours actually worked, cutting the overtime pay by nearly one half;
- Workers who fail to complete their daily production goal must remain working—without pay—until they do so;
- Workers report being shouted at and beaten—it is almost an everyday occurrence for workers to be slapped, punched and hit with the garments;
- Workers need permission to use the bathroom and visits are limited and timed—bathrooms are filthy, lacking toilet paper, soap or towels;
- Guest workers' passports are confiscated—workers asking for less hours and proper pay will be forcibly deported;
- 10 to 12 workers share each small dorm room sleeping on narrow double-level bunk beds—there are security guards at the dorm, and the workers have a curfew—workers report being exhausted, and sleeping an average of only six hours a night.



Workers smuggled this New York Laundry label out of the Arada Apparels factory in January 2006

NEW YORK LAUNDRY

1400 Broadway
New York, NY 10018-5300
Phone: 917-510-9600
CEO: Stuart Disick

SEWING VICTORIA'S SECRET GARMENTS IN A HIDDEN SWEATSHOP

Mina Garments Factory

Al Hassan Industrial Estate, Ramtha
Irbid, Jordan

This Victoria's Secret label was smuggled out of the Mina factory in June 2005.



Mina is a small factory with approximately 125 workers—75 guest workers from Bangladesh and 50 workers from Jordan. The workers do not know who owns the factory but thought it could be investors from Pakistan or China. Mina is a subcontract factory.

- **“Workers beaten almost every day.”** Supervisors even hit the workers with rulers and scissors. The young workers are punished for working too slowly or making mistakes, but will also be beaten if they ask for their proper wages.
- Guest workers who **become pregnant will be immediately deported.**
- **Guest workers’ passports are confiscated and they are not provided the required identification**

cards, leaving them virtual prisoners since if they are stopped by the police outside the industrial park, they can be detained and forcibly deported.

- **Bathrooms are filthy and lack toilet paper, soap and towels.** Workers need permission and can use the toilets just two or three times a day.
- The **routine shift is 14 ½ to 15 ½ hours a day from 7:30 a.m. to 10:00 or 11:00 p.m., seven days a week, with at most two days off a month.** It is common for workers to be at the factory 99 ½ hours a week while working 93 hours, including 45 hours of mandatory overtime, which exceeds Jordan’s legal limit by **325 percent.** (The workers get half-hour breaks for lunch and supper. When they are forced to work on Friday, their weekly holiday, they are allowed out early at 5:00 p.m.)
- **Two or three times a week, 40 percent of the guest workers are kept for grueling 19-hour all-night shifts from 7:30 a.m. straight through to 2:30 the following morning.** Workers still have to be back for their next shift at 7:30 that same morning.
- Workers describe factory conditions as **“terrible”** and **“much worse than in Bangladesh.”** Workers say they are **“exhausted and sick,”** and **sleep an average of just 5 hours a night.** They do not get to sleep until 1:00 a.m. and they must be up at 6:00 a.m.
- **Workers are cheated of their wages and paid just 48 ½ cents an hour, which is eight percent below the legal minimum wage, and they are not paid the legal 25 or 50 percent premium for all the overtime hours they are forced to work.** Workers are also required to work extra hours, without pay, to complete their production goals, and the company also withholds two months’ wages from



the workers.

- Legal government holidays, sick days and paid vacation days are denied.
- Dorm conditions are primitive with eight to ten workers housed in each small room, sleeping on narrow metal bunk beds. **The workers do not have regular access to running water and must “save water in pots.”** There are security guards at the dorm and the workers have a curfew.
- **Any worker speaking one word of truth about factory conditions will be attacked and forcibly deported.** Not one worker had even heard of Victoria’s Secret’s/The Limited’s code of conduct, or any other corporate codes of conduct, which are completely meaningless to the workers.

CONTACT INFORMATION

LIMITED BRANDS INC.

Three Limited Parkway
00 Box/6000
Columbus, OH 43216
Phone: (614) 415-7000
Fax: (614) 415-7094

UAE SWEATSHOPS IN JORDAN

PRODUCING PERRY ELLIS

Aseel Universal Garment Ltd.

Al Tajamouat Industrial City, Sahab
Amman, Jordan



Ownership: United Arab Emirates, India
Contact: Mr. Rajat Malhotra
Phone: (962 6) 402 4005/6/7
Fax: (962 6) 402 4008
Email: uqmc5@emirates.net.ae
Established: 2000

Number of Workers: 500—70 percent women, including 350 workers from Sri Lanka, 100 from India and 50 workers from Bangladesh.

ABUSIVE AND ILLEGAL WORKING CONDITIONS AT THE ASEEL FACTORY:

- Women workers, though very reluctant to speak about it, do **report instances of sexual harassment.**
- **Workers say they feel like they are in prison.**

- Workers are also housed in the factory building on the upper floors and are not free to come and go as they please. **“We have to live on the top of the factory, often not allowed to get outside and move around. We want to be free of this situation.”** Ten workers share each of the small dorm rooms, which lack proper ventilation and are extremely hot during the long summer months. Also, running water is not always available. The quality of the food is unanimously described as poor.
- Overall the guest workers report that Aseel factory conditions are very abusive and much worse than in Bangladesh. **Workers are routinely shouted at and threatened. Workers’ passports are confiscated. Workers need permission to use the toilet and are prohibited from speaking during working hours.** The workers have no hope that their legal rights will ever be respected.

Aseel workers smuggled this Perry Ellis label out of the factory in September 2005.





- **The routine shift at the Aseel factory is 14½ to 15½ hours a day, from 7:30 a.m. to 10:00 or 11:00 p.m., seven days a week. At most, the workers receive just one day off a month.** There are no government holidays, sick days or paid annual vacation days, despite the fact that these are mandated by Jordanian law. At least **once a week some assembly lines must remain for grueling all-night 17½ to 18½ hour shifts, from 7:30 a.m. straight through to 2:00 a.m. or 3:00 a.m. the following day.** After just three or four hours' sleep the workers must report back at 7:30 a.m. that same morning for their next shift.
- Workers report **routinely being at the factory 99½ hours a week while working 93 hours, including 45 hours of overtime, which exceeds Jordan's legal limit by 325 percent.** Workers receive just two half-hour breaks each day, at 1:00 p.m. for lunch, and 8:30 p.m. for supper. When they are forced to work through the Friday weekly holiday, workers are let out "early" at 5:00 p.m.
- **Aseel guest workers are paid just 44 cents an hour, which is 24 percent below the legal minimum wage of 58 cents an hour. Nor are they paid the legal 25 percent to 50 percent premium required for overtime work.** It is common for management to further cheat the workers of their wages by consistently underreporting the number of overtime hours they are actually forced to work each week. The average wage for a senior sewer at the Aseel factory is just \$40.38 for the typical 93-hour workweek. However, the worker should receive \$27.69 for the regular 48 hours of work and \$32.40 for the 45 overtime hours paid at the legal 72-cent an hour premium, for a total of \$60.09. **Aseel guest workers are being routinely cheated of \$19.71 in wages due them each week,** which, in the course of a year, will mean the loss of \$1,025 in wages owed them.
- Here too, Perry Ellis' corporate code of conduct is completely meaningless and unknown to the workers. However, any guest worker speaking truthfully about the forced overtime, long hours, abusive con-

ditions and being routinely cheated of their wages will be immediately deported.

PERRY ELLIS INTERNATIONAL INC.

3000 Nw 107 Avenue

Miami, FL 33172

Phone: 305-592-2830

Fax: 305-594-2307

Web Site: <http://www.perryellisincorporate.com>

Chairman and CEO: Mr. George Feldenkreis

MAKING THE CASE TO COMPENSATE GUEST WORKERS FOR BACK WAGES LEGALLY DUE THEM.

The U.S.-Jordan Free Trade Agreement goes out of its way to specifically address compensation for cases of *“infringement of trademark, copyright and related rights,”* ordering *“the infringer to pay the right holders damages adequate to compensate for the injury the right holder has suffered as a result of the infringement....”*

The same protections and compensation afforded to corporate trademarks and labels under the U.S.-Jordan Free Trade Agreement can surely be used as a model to compensate the guest workers who made these very products while being illegally underpaid.

RIGHTS AFFORDED TO CORPORATE PRODUCTS UNDER THE U.S.-JORDAN FREE TRADE AGREEMENT:

U.S.-Jordan Free Trade Agreement
Enforcement of Intellectual Property Rights
Article 4 / Provisions 24-26

24. Each Party shall provide that, at least in cases of knowing infringement of trademark, copyright and related rights, its judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement and any profits of the infringer that are attributable to the infringement that are not taken into account in computing such damages. Injury to the right holder shall be based upon the value of the infringed-upon item, according to the suggested retail price of the legitimate product, or other equivalent measures established by the right holder for valuing authorized goods.

25. Each Party shall ensure that its statutory maximum fines are sufficiently high to deter future acts of infringement

with a policy of removing the monetary incentive to the infringer, and shall provide its judicial and other competent authorities the authority to order the seizure of all suspected pirated copyright and counterfeit trademark goods and related implements the predominant use of which has been in the commission of the offense, and documentary evidence.

26. Each Party shall provide, at least in cases of copyright piracy or trademark counterfeiting, that its authorities may initiate criminal actions and border measure actions ex officio, without the need for a formal complaint by a private party or right holder.

JORDAN’S LABOR LAW DEMANDS COMPENSATION FOR PAYMENT OF BELOW THE LEGAL MINIMUM WAGE.

First, Jordan’s labor laws apply to every area of the country, including the free trade zones and export parks, and to all workers, including foreign guest workers.

Under The Jordan Labor Law, Article 53, “Protecting the Salaries Minimum Rate,”

- *“The employer or his representative shall be **punished by a fine** that shall not be less than twenty-five Dinar, nor more than one hundred Dinar [\$35.34 to \$141.34] for each case in which he shall pay a laborer a salary that shall be less than the minimum rate fixed for the salaries **in addition to rulings for the labor to be entitled to the difference of the salary** which penalty should be doubled in case the breach shall be repeated.”*

Factory management violating the legal 58-cent-an-



hour minimum wage can be fined between \$35.34 and \$141.34 per case or incident, along with being required to make up the difference, by paying the worker the amount necessary to bring the illegal wage paid up to the minimum level.

As we have seen, many—if not the overwhelming majority—of Jordan’s export factories have for years paid and continue to pay regular wages as low as 44 cents an hour to tens of thousands of foreign guest workers, which is 24 percent below the legal minimum wage.

This means factory management owes each guest worker 14 cents per hour in unpaid minimum wages for the 48 hours of regular work per week, for 52 weeks over the course of a year. **This amounts to regular back wages due each worker of \$6.72 per week, and \$349.44 for the year.**

Legal overtime compensation has been even more grossly underpaid, with management routinely underreporting actual overtime hours worked by one third to one half, coupled with the failure to pay the legal overtime premiums of 25 to 50 percent.

Even if we take the very shortest workweek in Jordan of 80 hours—which the workers rarely have the chance to experience—this means that the workers are routinely not being paid for 10.66 to 16 hours each week for overtime hours they actually worked. **They are being underpaid by \$7.68 to \$11.52 each week, or \$399.36 to \$599.04 each year in overtime wages legally due them.**

Also according to the law, factory management could be subject to a maximum fine of \$141.34 for each case of underpayment of legal minimum and overtime wages. If for example, 200 foreign guest workers were the victim of this underpayment, the factory could have to pay fines of \$28,360. If the violations were repeated, the fines would double.

A MAN WITHOUT A COUNTRY

He paid an agent in Bangladesh over \$1,000 to purchase a three-year contract to work at the Pakistani-owned **Crystal Ready Made Garments factory** in the Al Hassan Industrial Estate on the outskirts of Irbid, Jordan. As is always the case, his passport along with those of all the other foreign guest workers, was confiscated by management upon their arrival. Then, in the summer of 2003, after working there for more than a year, the owner picked up and left in the middle of the night, without informing the workers or paying any of the back wages owed them. Nor did the owner return their passports. The worker went to the Jordanian police to explain what had happened and to plead for help. He was told that they could help him, but first he would have to pay a “fine” of 1,200 Jordanian Dinar—\$1,696, which, he did not have, since he had also been cheated of his wages. When we interviewed this man in June 2005, he had already been stuck in Jordan for two years, in limbo, a man without a passport or a country; and penniless. Often the workers helped him out as he moved from dorm to dorm, never staying more than a few days, and sometimes he was even able to pick up a little work in some of the factories. As we did, most Americans would have trouble believing that such cruel abuse and indifference to a man’s life could ever happen under a U.S. free trade agreement. But it did.

PRODUCING FOR WAL-MART

Southern Apparels Ltd.

Al Tajamouat Industrial City/Sahab
Amman, Jordan

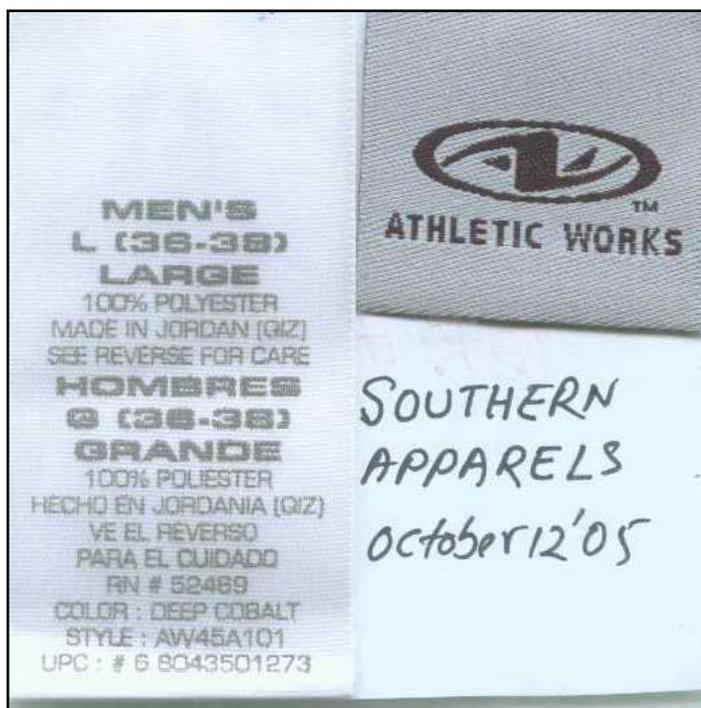
Joint ownership: Jordanian and Indian capital

Established in 2002

Number of workers: 250 (150 women and 100 men)
150 guest workers from Bangladesh, 50 from Sri Lanka and 50 Jordanian workers. Only young workers, between the ages of 16 and 25, are recruited to work at Southern.

Production: Wal-Mart's *Athletic Works* label

In October 2005, Southern workers were able to smuggle Wal-Mart's *Athletic Works* label out of the factory (men's large, 100% polyester, RN# 52469, Deep Cobalt, Style AW45A1Q1, UPC# 68043501273).



Sewing Wal-Mart's *Athletic Works* label at the Southern factory

ABUSIVE AND ILLEGAL WORKING CONDITIONS:

- **Routine 14 to 16-hour daily shifts**, from 8:00 a.m. to 10:00 p.m. or midnight, seven days a week;
- **Some all-night 18 to 19-hour shifts** from 8:00 a.m. straight through to 2:00 or 3:00 the following morning. After sleeping three and a half or four hours, workers must report to their next shift at 8:00 that same morning. Such shifts are mandatory up to twice per week, for 10 to 20 percent of the workforce;
- **Working seven days a week, with at most one day off a month.** During the three-month period of June, July and August 2005, the Southern workers received a total of just two days off;
- **Government holidays are also not respected.** In June 2005, the Southern factory was open on both June 9, King Abdullah II's Accession Day, and June 10, Army Day;
- It is **common for workers to be at the factory 102 ½ hours a week, while working 96 hours.** The mandatory 48 hours of overtime each week **exceeds Jordan's legal limit by 347 percent;**
- **Southern workers are paid below the legal minimum wage, earning just 44 cents an hour, 24 percent less than the legal minimum of 58 cents;**
- **Workers are also cheated of their overtime pay.** Rather than earning the legal wage of \$62.31 for the typical 96-hour workweek (\$27.69 for the regular



48 hours of work at 58 cents an hour, and \$34.62 for 48 hours of overtime at a 25 percent premium rate of 72 cents an hour), Southern workers sewing Wal-Mart garments earn just \$34.62 to \$36.92, which on average is 43 percent less than they are owed. **They are being cheated of \$26.54 each week in wages legally due them.** Over the course of a year, the weekly loss adds up to a total of \$1,380 in unpaid wages. For all 150 Bangladeshi workers, the combined total loss in wages owed them is \$207,012 a year;

- Upon their arrival, management confiscates the guest workers' passports. But the workers are not issued the identification cards required for foreigners, making it dangerous for them to venture outside the Industrial City for fear of being deported;
- Women workers report instances of sexual harassment;
- Speaking during working hours is strictly prohibited;
- Workers are required to **ask permission, and secure a "toilet pass," to use the bathroom.** Visits are limited to two or three in a 14 to 16-hour shift. Supervisors monitor the time the workers are absent;
- There is no doctor or nurse in the factory, and sick days are not respected. Anyone absent for a day will have their wages docked;
- **Yelling and shouting at the workers is a common occurrence,** both to pressure them to work faster to meet their production goals, and in response to workers questioning the excessive overtime and extremely low wages;
- Ten workers share each small dorm room, which lacks sufficient light and ventilation. Nor is water

TYPICAL WORKWEEK AT SOUTHERN <i>AT THE FACTORY 102 ½ HOURS A WEEK WHILE WORKING 96 HOURS</i>	
Friday	8:00 a.m. to 6:30 p.m. At the factory 10 ½ hours, working 10 hours
Saturday	8:00 a.m. to 2:00 a.m. At the factory 18 hours, working 17 hours
Sunday	8:00 a.m. to 10:00 p.m. At the factory 14 hours, working 13 hours
Monday	8:00 a.m. to 12:00 midnight At the factory 16 hours, working 15 hours
Tuesday	8:00 a.m. to 10:00 p.m. At the factory 14 hours, working 13 hours
Wednesday	8:00 a.m. to 10:00 p.m. At the factory 14 hours, working 13 hours
Thursday	8:00 a.m. to 12:00 midnight At the factory 16 hours, working 15 hours
At the factory 102 ½ hours while working 96 hours	

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT SOUTHERN APPAREL
58 cents an hour (0.576823)	44 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (63 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	Legal overtime premium not paid and overtime hours are grossly underreported

always available. In the summer, the rooms are stiflingly hot and in winter, freezing. The food is not sufficient and is poorly prepared;

- Corporate audits are a farce and **workers have never heard of, let alone seen, Wal-Mart's code of conduct.** Workers are instructed to lie to the auditors or face immediate deportation without their back wages;
- **Workers have no hope that their conditions will ever improve,** as they have no voice and no rights. But, if the situation could change, they would like to be paid correctly for all the overtime hours they

work, to have better food, one day off a week, and an end to the constant shouting and threats.

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
 Bentonville, Arkansas 72716
 Phone: (479) 273-4000
 Website: www.walmartstores.com
 CEO: Lee Scott, pay in 2005 was \$5.37M

TYPICAL SHIFT AT SOUTHERN 14 TO 16 HOURS A DAY	
8:00 a.m. - 1:00 p.m.	Work / 5 hours
1:00 p.m. - 1:30 p.m.	Lunch, 30 minutes
1:30 p.m. - 8:00 p.m.	Work, 6 ½ hours
8:00 p.m. - 8:30 p.m.	Supper, half hour
8:30 p.m. to 10:00 p.m. or 12:00 midnight	Work, 1 ½ to 3 ½ hours



ANOTHER WAL-MART BARGAIN

“Our lives are confined to the factory and dormitory.”

Sexual harassment; 15 to 16 ½-hour shifts, seven days a week; Working 100 hours a week; cheated of over 40 percent of their wages.

Centear Clothing Ltd.

Al Tajamouat Industrial City / Sahab
Amman, Jordan

Phone: 962 4 020 967

Ownership: Indian Capital —Mr. Razib

Opened in 2002

Number of workers: total 300—200 men and 100 women. Two hundred workers are from Bangladesh, 75 from India and 25 from Jordan.

Production: Wal-Mart’s “Athletic Works” label accounted for the majority of production in June, July and August 2005. (“Athletic Works”, UPC# 11783, Shell-100% polyester, Knit-100% polyester.)



SEWING WAL-MART’S “ATHLETIC WORKS” LABEL

- Routine 15 to 16 ½-hour shifts, seven days a week, from 8:00 a.m. to 11:00 p.m. or 12:30 a.m.;
- Some all-night 18 to 19-hour shifts, from 8:00 a.m. to 2:00 or 3:00 the following morning; after three or four hours of sleep, workers have to begin their next shift;
- One day off a month, no government holidays, no legal vacation days;
- Workers report working 100 hours a week;
- Paid below the legal minimum wage: for 100 ½ hours of work earning just \$36.92 a week, or 37 cents an hour—43 percent less than the legal minimum due them;
- Women report sexual harassment;
- No sick days—if absent, day’s wage is docked;
- Workers must ask permission to use the bathroom;
- Speaking during working hours is prohibited;
- Ten to twelve workers share small and unclean dorm rooms, with limited access to water;
- Guest workers will be deported for asking for their rights.

Centear Clothing Ltd. is a relatively small subcontract factory located in the Al Tajamouat Industrial Park in Sahab. Nearly 90 percent (87 ½ percent) of Centear’s workforce are “guest workers” from Bangladesh and India. They sew clothing for Wal-Mart, and the workers believe, also on occasion for K-Mart.

TYPICAL DAILY SHIFT AT CENTEAR CLOTHING LTD. --15 TO 16 ½ HOURS A DAY--	
8:00 a.m. to 12:30 p.m.	Work / 4 ½ hours
12:30 p.m. to 1:00 p.m.	Lunch / 30 minutes
1:00 p.m. to 8:00 p.m.	Work / 7 hours
8:00 p.m. to 8:30 p.m.	Supper / 30 minutes
8:30 p.m. to 11:00 p.m. or 12:30 a.m.	Overtime / 2 ½ to 4 hours

HOURS

The standard daily shift is 15 to 16 ½ hours, from 8:00 a.m. to 11:00 p.m. or to 12:30 a.m. There is no regular quitting time and the workers are not permitted to leave the factory until they complete their assigned production goals. They work seven days a week, with an average of just one day off a month. For example, in June, July and August 2005, the workers were allowed just three days off. Guest workers are also forced to work on national holidays at the Centear factory.

There are also grueling all-night 18 to 19-hour shifts up to twice a week, from 8:00 a.m. straight through to 2:00 or 3:00 the following morning. Usually these all-night

shifts rotate to different production lines or departments, depending upon who is falling behind on their mandatory production goals. After working such an all-night shift, the workers are allowed just three or four hours of sleep before they have to return to work.

The workers themselves estimate that they work over 100 hours a week. The following schedule, which is not uncommon, puts the workers at the factory 107 hours a week while working 100 ½ hours.

Such a 100 ½-hour workweek includes 52 ½ hours of overtime, which exceeds Jordan's legal limit by 379 percent! By law, overtime is to be limited to no more than 14 hours (13.85 hours) a week.

100 ½-HOUR WORKWEEK		
Friday	8:00 a.m. to 6:00 p.m.	(10 hours with ½ hour off for lunch)
Saturday	8:00 a.m. to 11:00 p.m.	(15 hours with 1 hour off for lunch and supper)
Sunday	8:00 a.m. to 12:30 a.m.	(16 ½ hours with 1 hour off for lunch and supper)
Monday	8:00 a.m. to 11:00 p.m.	(15 hours with 1 hour off for lunch and supper)
Tuesday	8:00 a.m. to 12:30 a.m.	(16 ½ hours with 1 hour off for lunch and supper)
Wednesday	8:00 a.m. to 11:00 p.m.	(15 hours with 1 hour off for lunch and supper)
Thursday	8:00 a.m. to 3:00 a.m.	(19 hours with 1 hour off for lunch and supper)



WAGES:

PAID BELOW THE LEGAL MINIMUM WAGE, CHEATED OF OVERTIME PAY

The regular legal workweek in Jordan is eight hours a day, six days a week, for a 48-hour week. The legal minimum wage is **set at 58 cents an hour and \$27.69 a week**. The **Centear factory routinely violates Jordan's wage and hour laws**, which is the definition of a sweatshop in the United States. In fact, the **Centear factory workers sewing Wal-Mart garments are being cheated of over 40 percent of the wages legally due them each week**.

First, Centear workers do not work a regular 48-hour week as the law mandates. Management arbitrarily—and illegally—increased the “regular” workweek for the guest workers to 60 hours, while paying the same weekly salary of \$27.69, despite the fact that the guest workers are now working 12 extra hours a week. This means that the guest workers are earning just 46 cents an hour, which is 12 cents—or 20 percent—less than the legal minimum of 58 cents an hour. The workers are even further cheated, when it comes to their overtime pay, through management's gross under-reporting of the overtime hours actually worked.

Centear workers report earning \$160 a month, including overtime. This comes to \$36.92 a week, but they are working 100 ½ hours to earn that. Legally the workers should be earning \$27.69 for the regular 48 hours of work, and 72 cents an hour—overtime must be paid at a 25 percent premium—for the 52 ½ hours of overtime they work, or **\$37.80. Their wage for the 100 ½ work-week should be at least \$65.49. Yet the workers report earning just \$36.92 a week, including overtime. This means they are being cheated of \$28.57 in wages legally due them each week. They are being paid 43 cents an hour less than required under Jordan's laws. In the course of a year, each worker is being short-changed of \$1,486 in wages—an enormous amount of money for someone who is earning an average wage of just 37 cents an hour.** ($\$36.92 \div 100.5 \text{ hours} = 36.7$ cents an hour.)

ABUSIVE AND ILLEGAL WORKING CONDITIONS:

- Workers report incidents of **sexual harassment**;
- Guest workers are shouted at and **threatened with immediate deportation** if they ask for their rights or even question their low wages;
- **No sick days or medical leave**—wages docked for days absent;
- **Workers need permission to use the toilet**;
- **Speaking during working hours is prohibited**;
- **There are no paid national holidays or legal annual vacations**;
- **There is no doctor or nurse in the factory**, and no health care;
- Ten to twelve workers must share each small dorm room. The rooms are not clean, nor is there sufficient ventilation;
- **Access to water is limited**, and is not available on a full-time basis;
- If workers are late three times in a month, a full day's wage will be docked;
- **No corporate codes of conduct were posted in the factory**, and the workers have never even heard of such codes;
- Workers feel that they are in a trap, with no rights and no way out. **They have no hope that conditions will ever change.**

However, if conditions could somehow change, their demands are very modest. The workers would like to be paid properly for their overtime hours, which would immediately and significantly improve their salaries; that

there be fewer threats and less an atmosphere of fear in the factory; and that the food and primitive living conditions be improved.

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M



PRODUCING FOR WAL-MART & GLORIA VANDERBILT

Caliber Garment Factory Ltd.

Cyber City Industrial Zone/Ramtha
Irbid, Jordan

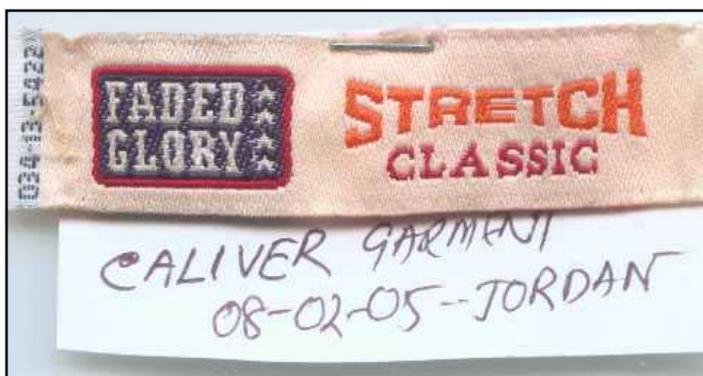
Contact: Mr. Anil Krishnamurthy
Director: Mr. Ranjit
Phone: 962 6 565 3295
Fax: 962 6 565 3296
E-mail: info@caliber.com.jo

Number of workers: 1,500 (600 women and 900 men)
800 guest workers from Bangladesh, 350 from Sri Lanka,
200 from India and 150 Jordanian workers. Only young
workers are hired, 16 to 25 years of age.

Production: Short and long pants and shirts

WAL-MART & GLORIA VANDERBILT:

In August 2005, the Caliber factory was producing “Faded Glory” stretch classic jeans for **Wal-Mart**. (See attached “Faded Glory” label workers smuggled out of the factory.) The workers also reported sewing a lot of “Gloria Vanderbilt” jeans, and U.S. Customs documents show the Caliber factory making four large shipments to Gloria Vanderbilt for **Jones Apparel** in September 2005.



SEWING JEANS FOR WAL-MART & GLORIA VANDERBILT AT THE CALIBER FACTORY

ABUSIVE AND ILLEGAL WORKING CONDITIONS:

- **Routine 16-hour shifts**, from 8:00 a.m. to midnight, seven days a week;
- Some **grueling all-night 18 to 19-hour shifts**, stretching straight through from 8:00 a.m. to 2:00 or 3:00 the following day; (such shifts are common at least once a week, and rotate among different departments and assembly lines, depending upon which sections are falling behind in their production goals. At least 10 percent of the workers are obligated to participate in these all-night shifts);
- **No regularly scheduled weekly holiday:** on average, less than one day off a month; during the three-month period of June, July and August 2005, the Caliber workers had just two days off;
- **Not uncommon to be at the factory 100 hours a week while working 94 hours:** 46 hours of obligatory overtime each week **exceeds the legal limit in Jordan by 332 percent;**
- **Paid below the legal minimum wage**, earning just 44 cents an hour, which is 24 percent less than the legal minimum of 58 cents an hour;
- For the typical 94-hour workweek, including 46 hours of overtime, the Caliber workers should be earning at least \$60.86 a week--\$27.69 for the regular 48 hours, and \$33.17 for the 46 overtime hours paid at the legal 25 percent premium, or 72 cents an hour. **Caliber management does not pay the**



legal overtime premium, and also routinely underreports the number of overtime hours actually worked. Instead of earning \$60.86 per week, most Caliber guest workers earn at best, \$36.92 to \$39.23, which is \$21.63 to \$23.94 less than they are legally due. They are being shortchanged of 36 percent to 39 percent of their wages. On average, guest workers are losing \$1,185 in wages each year. For all **800 Bangladeshi guest workers, the annual wage loss totals nearly \$950,000.** Nor does this loss include unpaid legal benefits such as national holidays, vacation days, sick days, promised health care, etc.;

- Workers are **paid just 19 cents for every pair of jeans they sew** for Wal-Mart and Gloria Vanderbilt;
- Workers are paid their regular wage every two months, but must wait three months to receive their overtime pay;
- **Women report instances of sexual harassment;**
- Speaking during working hours is prohibited and workers need permission to use the toilet; **Workers report being shouted at and threatened for asking for their legal wages and benefits,** or even for asking questions;
- **Workers' passports are confiscated and they face the constant threat of being forcibly deported without their back wages;**
- Primitive dorm conditions with eight to ten workers sharing each small room: water not always available; food is of poor quality, lacks taste and is not sufficient;

ROUTINE 16-HOUR DAILY SHIFT AT THE CALIBER FACTORY	
8:00 a.m. to 12:30 p.m.	Work / 4 ½ hours
12:30 p.m. – 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. – 8:00 p.m.	Work, 7 hours
8:00 p.m. – 8:30 p.m.	Supper, half hour
8:30 p.m. to 12:00 midnight	Work, 3 ½ hours
There are also some 10-hour shifts at Caliber. On Fridays, which is supposed to be the weekly holiday, the workers can get out as “early” as 6:00 or 6:30 p.m.	



LEGAL MINIMUM WAGE	ILLEGAL WAGES AT CALIBER
58 cents an hour (0.576823)	44 cents an hour
\$27.69 a week (48 hours)	\$27.69 a week (63 hours)
\$120 a month	\$120 a month
\$1,440 a year	\$1,440 a year
Overtime is to be paid at a 25 percent premium, or 72 cents an hour	No overtime premium paid and overtime hours underreported

TYPICAL WORKWEEK AT CALIBER	
Friday	8:00 a.m. to 6:00 p.m. At work 10 hours, working 9 ½ hours
Saturday	8:00 a.m. to 12:00 midnight At work 16 hours, working 15 hours
Sunday	8:00 a.m. to 10:00 p.m. At work 14 hours, working 13 hours
Monday	8:00 a.m. to 12:00 midnight At work 16 hours, working 15 hours
Tuesday	8:00 a.m. to 10:00 p.m. At work 14 hours, working 13 hours
Wednesday	8:00 a.m. to 2:00 a.m. At work 18 hours, working 17 hours
Thursday	8:00 a.m. to 8:00 p.m. At work 12 hours, working 11 ½ hours
At the factory 100 hours, while working 94 hours	

- Before U.S. buyers come, the factory is cleaned and workers are instructed on how to respond to questions; anyone saying anything negative about the factory will be immediately deported;
- **Workers have never received help from the Jordanian Ministry of Labor, the unions, the police or labor courts, and not even from their own Bangladesh Embassy in Jordan;**
- Guest workers have no hope that improvements will be made *“to end management’s inhumanity and abuses”*; **caught in a trap, workers have no rights, no voice, and live in constant fear.**

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: 212-575-2571 Fax: 212-768-7759
www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
TEL: 732-346-7000

THE JONES APPAREL GROUP, INC.

250 Rittenhouse Circle
Bristol, Pennsylvania 19007
Phone: (215) 785-4000
Website: www.jny.com
President and CEO: Peter Boneparth. His pay in 2005 was \$4.5 M



LONG HISTORY OF ABUSE AT THE SARI FACTORY: *FADED GLORY AND GLORIA VANDERBILT*

As far back as May 2000, young women guest workers at the Sari Factory, in desperation and with nowhere to turn for help, decided to strike, to protest the excessive and exhausting overtime hours they were forced to work each week, and the fact that they were being paid well below Jordan's legal minimum wage. Management responded by forcibly reforming the striking women and suspending them for one week without pay. ("Textile Workers Suspended Following Strike Against Poor Treatment and Low Wages," Md. Ben Hussein, *Jordan Times*, June 3, 2000.).

Five years later, the same violations continue at the Sari Factory, where workers sewing jeans for Wal-Mart and Gloria Vanderbilt are still forced to work 42½ hours overtime each week – exceeding Jordan's legal limit by 307 percent – while being paid below the legal minimum wage and being cheated of 43 percent of the wages legally due them.

The desperate situation of the guest workers has not changed either. Today, foreign workers are still stripped of their passports, and receive no help from the Ministry of Labor or unions in Jordan. The Sari Factory continues to violate the most fundamental rights of the guest workers with complete impunity.

Sari International

Al Hassan Industrial Estate
P.O. Box 65, Ramtha_21457
Irbid, Jordan

Ownership: American Capital
Executive Director: Mr. Ale Dajmal
Contact Person: Mr. Entisar Tuquz
Phone: 962-2-739-5316/7
Fax: 962-2-739-5310
Email: Admin@sari.com.jo
Entisan@sari.com.jo

Number of Workers – **1,000** (200 women / 800 men) – **600** guest workers from Bangladesh, **200** from Sri Lanka, **100** from India and **100** Jordanian workers. Only young workers are hired, 16-25 years of age.

Production: Outerwear, pants, shorts, jackets – mostly Women's and girl's clothing

Producing for Wal-Mart and Gloria Vanderbilt:

In August 2005, Sari workers were able to smuggle "**Faded Glory**" **Stretch Classic** labels from Wal-Mart out of the factory. The workers also carried out "**Globria Vanderbilt**" labels. U.S. Customs documents also record numerous shipments of pants from the Sari Factory from October 2004 through November 2005 to Gloria Vanderbilt in the US. In September 2005, \$518,000 worth of clothing was shipped to Gloria Vanderbilt in the US, and in October, another \$399,290 of garments worth was shipped.

There are apparently also other labels in the factory, but according to the workers, "Faded Glory" for Wal-Mart makes up at least 25 percent of the total production.

SEWING CLOTHES FOR WAL-MART & GLORIA VANDERBILT

ILLEGAL WORKING CONDITIONS AT THE SARI FACTORY:

- *Routine 14½ hour daily shift, from 7:30 am to 10:00 pm, and sometimes 11:00 pm.*
- *Some all-night mandatory 18½ to 19 ½ hour shifts from 7:30 am to 2: am or 3:00 am the following morning. Such shifts are worked on average once a week by at least 10 percent of the workers.*

- *Required to work seven days a week, with an average of one day of a month.* For the three month period, May, June and July 2005, the workers were allowed just four days off in total. It is also *obligatory for guest workers to work through national holidays*, as they did on May 1 (Labor Day), May 25 (Independence Day), June 9 (King Abdullah II's Accession Day) and June 10 (Army Day). Nor are guest workers permitted any of the legal 14 paid vacation days they are due each year. There are no sick days, and anyone absent will have a day's wages docked.
- *Workers are routinely at the factory 97 hours a week while working 90½ hours. The obligatory 42½ hours of overtime each week exceeds Jordan's legal limit by 307 percent.* Many workers report working more than 96 hours a week, on the rare weeks when the Sari workers have a day off they are still at the factory 87 hours a week while working 81 hours.
- *Guest workers are paid below the legal minimum wage, and do not receive the legal 25 percent premium for overtime work.* Further reducing legal wages, management also underreports approximately half of the overtime hours worked each year.
- For the typical 90½ hour workweek at the Sari Factory, the guest workers report earninging \$32.31 to \$34.62, at an *average wage of just 37 cents an hour.* This *37 cent an hour wage is well below the legal 58 cents an hour wage for the regular 48 hour week, and*

the 72 cent an hour premium wage for all overtime work. The workers should be earning at least \$58.34 a week -- \$27.69 for the regular 48 hours of work and \$30.65 for the 42½ hours of overtime. So *the Sari guest workers are being cheated of \$23.72 to \$26.03 each week of wages legally due them. On average, they are being cheated of \$24.88, 43 percent of the wages due them. In the course of a year, the guest workers are losing \$1,294 in wages they rightfully earned. If we consider just the 600 guest workers from Bangladesh, in total their combined loss in wages amounts to \$776,400 a year, and \$2,329,200 over the course of their three year contracts.* This is a huge amount of money for some of the poorest and hardest working people anywhere in the world, who are being cheated, in broad daylight, as they sew clothing for the giant Wal-Mart and Gloria Vanderbilt (Jones Apparel) companies.

- "Regular" wages are paid on the 26th to 30th of the following month, while overtime is paid two months late.
- *Guest workers' passports are confiscated, leaving them exposed to the constant threat of being forcibly deported if they dare question factory conditions or ask for their legal rights. The workers feel trapped: "We have no freedom" ... and "we see no hope at all."*
- Workers describe conditions in the Sari Factory as "very harsh", with "constant threats and shouting" to work faster to reach their mandatory production

TYPICAL 14½ HOUR SHIFT AT SARI FACTORY	
7:30 a.m. – 12:30 p.m.	Work, 5 hours
12:30 p.m. – 1:00 p.m.	Lunch, 30 minutes
1:00 p.m. – 8:00 p.m.	Work, 7 hours
8:00 p.m. – 8:30 p.m.	Supper, half hour
8:30 p.m. – 10:00 p.m.	Work, 1 ½ hours



TYPICAL WORKWEEK AT SARI <i>AT THE FACOTRY 97 HOURS A WEEK WHILE WORKING 90 ½ HOURS</i>	
Friday	7:30 a.m. – 5:30 p.m. At the factory 10 hours, working 9 ½ hours
Saturday through Thursday	7:30 a.m. – 9:00 p.m. At the factory 14½ hours while working 13 ½ hours

LEGAL MINIMUM WAGE	ILLEGAL WAGES AT SARI FACTORY
58 cents an hour (0.576823)	Illegally workers at Sari are earning an average wage of just 37 cents an hour
\$27.69 a week (48 hours)	
\$120 a month	
\$1,440 a year	
Overtime premium of 25 percent, or 72 cents an hour	

goals. Conditions, the workers say, are much worse at the Sari factory than they are in Bangladesh.

- Speaking during working hours is prohibited and workers need permission to use the toilet.
- There is no health insurance, they haveno sick days and there aer no doctors or nurses in the factory.
- Primitive dorm conditions, with eight to 10 workers in each dorm room, which during the long summer months are stiffling hot. Running water is not always available. Everyone describes the food as sub-standard.
- *Corporate factory audits a joke and codes of conduct completely unkown to the workers.*

COMPANY CONTACT INFORMATION

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
TEL: 212-575-2571 FAX: 212-768-7759
www.gloria-vanderbilt.com

SEWING CLOTHING FOR GLORIA VANDERBILT & BILL BLASS

Prestige Apparel Manufacturing
Al Tajamouat Industrial City/Sahab
Amman, Jordan

Ownership: United Arab Emirates/India
Contact: Mr. Imran Haroon
Phone: 962 6 402 4570/1/2
Fax: 962 6 402 4573
E-mail: prestigeapparel@go.com.jo

Number of workers: 400 to 500, 60 percent women, including guest workers from Bangladesh, India, and China, and a small number of Jordanian workers.

Production: Pants

GLORIA VANDERBILT

U.S. Customs Documents show a steady flow of Gloria Vanderbilt (GLO) jeans being shipped out of the Prestige factory throughout September, October, November and December 2005.



“We want to get rid of our suffering in Jordan.”

—Prestige guest worker

BILL BLASS



In July 2005, workers smuggled this Bill Blass jeans label out of the Prestige factory.

At our meeting in July, the Prestige garment workers were extremely clear and to-the-point that their factory was noisy, overcrowded, and stiflingly hot in the summer, leaving the workers soaking in their own sweat. And they described factory management as *“abusive and nasty,”* routinely *“shouting at and threatening [the workers]”*. The workers were paid below the minimum wage, and cheated of over 40 percent of the overtime wages due them. They worked 15 to 16 hours a day, with just two days off a month. They were stripped of their passports. Their dormitory was dirty and it often lacked running water, and the food was terrible.



The second thing the workers were clear about was that nothing will change until the factory owner and the local government authorities feel some pressure. All the workers are asking for is one day off a week and to be paid correctly according to Jordanian law, especially for all their grueling overtime hours.

ABUSIVE AND ILLEGAL WORKING CONDITIONS AT THE PRESTIGE APPAREL FACTORY:

- Upon their arrival, foreign guest workers are **stripped of their passports** by management. Nor do new workers receive their required identification cards, making it dangerous—for fear of being deported—for them to even leave the industrial park.
- The routine shift is **15 to 16 hours a day, from 8:00 a.m. to 11:00 p.m. or 12:00 midnight**. At most the workers receive **just two days off** a month. It is not uncommon to be at the factory **101 hours a week while working 94 hours**. Even when the workers enjoy the rare one day off a week, they are still at the factory 90 hours while working 84. The average workweek is **89 hours including 41 hours of overtime**, which exceeds Jordan's legal limit **by 286 percent**. The workers receive just two half-hour breaks during their entire 15-to-16-hour shift, a half hour for lunch at 12:30 p.m. and another half hour for supper at 8:00 p.m.
- For small groups of workers who have fallen behind on their production goals there are also mandatory all-night, 18 hour shifts up to twice a week, from 8:00 a.m. straight through to 2:00 the following morning. These workers still have to report back that same morning for their next 8:00 a.m. shift.
- Sick days are not allowed, and workers will be docked one or even two days' wages for time missed. Nor are government holidays respected. It is the same with the legal right to 14 annual paid vacation days, which is also completely ignored.
- Workers are **paid just 44 cents an hour, which is 24 percent below the legal minimum wage of 58 cents an hour. The workers are not paid the legal overtime premium**, and despite being forced to routinely work 41 hours of overtime each week, the workers **report that they are repeatedly shortchanged of 42 percent of the wages legally due them**. For the 89-hour workweek, the workers should earn **\$57.21**—\$27.69 for the regular 48 hours of work and \$29.52 for the 41 hours of overtime paid at the 72 cent an hour premium. Instead, the workers are being paid an average of just **\$33.46** each week, meaning they are being **shortchanged of \$23.75 in wages due them**. Over the course of a year, this adds up to the **loss of \$1,235 in wages legally due them**.
- Workers need permission to use the toilet, and speaking during working hours is prohibited.
- Workers are threatened to lie to buyers about factory conditions or be immediately forcibly deported without their back wages.

U.S. Customs documents show that on October 27, 2005, the Prestige Apparel factory shipped 26,016 pairs of girls' "Flame" jeans, worth \$212,839, to Gloria Vanderbilt, entering the U.S. through the Port of Norfolk. The total landed customs value of the girls' jeans was \$8.18 each, which includes all fabric and accessories costs, direct and indirect labor, shipping and profit to the Prestige factory. The girls' "Flame" jeans made in Jordan retail for \$29 at Kohl's, which means Gloria Vanderbilt and Kohl's share a 255 percent mark-up—\$20.12—above the total cost of production of \$8.18 per pair. Surely there is enough money here to pay the workers at least the legal minimum wage in Jordan of 58 cents an hour. There is no need to cheat workers other than greed, and because they can get away with it.

**Shipment of Gloria Vanderbilt Girl's Flame Jeans
Exported from Jordan in October 2005**
(Based on U.S. Customs Department data)

Factory

PRESTIGE APPAREL MANUFACTURING CO
BLOCK- J PLOT 1325 UNIT NO 21
P.O.BOX NO.10 AL TAJAMOUAT
AMMAN 11636 JO
0096264024570/71

U.S. Buyer

GLORIA VANDERBILT
A DIVISION OF JONES APPAREL OF
TEXAS LTD
EDISON NJ 08837 US

Quantity: 2168 CTNS: 15176 KG Total

Country of Origin: JORDAN

Exported from: HAIFA

Estimated Value: \$212,839.00

U.S. Port of Entry: NORFOLK

Arrival Date: 10/27/2005

Product

26016 PAIRS COTTON/POLYESTER/SPANDEX
GIRLS FLAME JEANS

UPDATE

We have received word from the workers in Jordan that, beginning in April 2006, there was an improvement in both wages and food at the Prestige factory.

COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: 212-575-2571 Fax: 212-768-7759
www.gloria-vanderbilt.com

BILL BLASS LTD.

550 7th Ave., 12th Fl.
New York, NY 10018
Phone: 212-221-6660
Fax: 212-398-5545
President and CEO: Michael Groveman
Web Site: www.billblass.com



M.K. GARMENTS: ANOTHER GLORIA VANDERBILT SWEATSHOP

- Guest workers' passports confiscated—held under conditions of involuntary servitude;
- Women report instances of sexual harassment; pregnant women will be immediately deported;
- Workers report beatings are common;
- Forced to work 14 to 15 hours a day, seven days a week, with an average of one day off a month;
- Paid below the legal minimum wage and with no overtime premium, guest workers are cheated of one-third or more of wages legally due them;
- Sewers paid just 17 cents for every Gloria Vanderbilt pair of jeans they sew;
- Some all-night 19½ to 20-hour shifts from 8:00 a.m. to 3:30 or 4:00 the following morning.

“To fulfill the target is extremely difficult, but the goal is mandatory. There is a lot of pressure from management to work quickly. They cut our pay if we fail to meet the target.”

M.K. Garments Ltd.

Ad Dulayl Industrial Park
Zarqa, Jordan

Ownership: Possibly Oman investment

Director: Mr. Mustafa

Established: 2003

Number of workers: 800, 63 percent women. Four hundred guest workers from Bangladesh, 300 from Sri Lanka and 100 Jordanian workers.

Production: Pants

In August 2005, *Gloria Vanderbilt* women's jeans accounted for **75 percent of total factory production**. A return visit in February 2006 showed the same *Gloria Vanderbilt* label still produced six months later.

Smuggled out of the factory in August 2005
The same *Gloria Vanderbilt* label smuggled out in February 2006



**ABUSIVE & ILLEGAL
WORKING CONDITIONS AT THE
M.K. FACTORY IN AD DULAYL:**

“They beat us for making mistakes, slow work, or spending too much time in the bathroom.”

- Though very reluctant to speak about it, in the summer of 2005, women workers reported instances of **sexual harassment**. By February 2006, the workers were too afraid to speak of it. However, it is common knowledge that if a **guest worker becomes pregnant, she will be forcibly deported, without her back wages**.
- The routine shift is **14 to 15 hours a day, from 8:00 a.m. to 10:00 or 11:00 p.m., seven days a week**. In the three-month period from December 2005 through February 2006, the workers received just three days off, or **one day a month**. It was a little better in the summer of 2005 when the workers received two days off a month in June, July and August. There are two half-hour breaks for lunch and supper at 1:00 p.m. and at 8:30 p.m. When forced to work on Friday, the weekly holiday, the workers are usually let out “early” at 6:30 p.m. It is typical then for guest workers to be **at the factory 97 ½ hours a week while working 91 hours. The mandatory 43 hours of overtime each week exceeds the legal limit by 310 percent**.
- There are also **grueling all-night shifts two or three times a week** for small groups of workers who have fallen behind in their production goals. **These shifts stretch 19 ½ to 20 hours from 8:00 a.m. straight through to 3:30 or 4:00 the following morning**. These workers must still report back for their next shift that same morning at 8:00.
- There are **no sick days, and guest workers are required to work through national holidays. Legal** annual paid vacation days are also denied.
- Guest workers are paid just 46 cents an hour, which is 21 percent below the legal minimum wage of 58 cents an hour. Nor are workers paid the legal 25 to 50 percent overtime premium. In fact, the workers are cheated of over one-third of the wages legally due them. The guest workers, on average, are paid **\$38.08** a week. However, they should be earning at least **\$58.65**—\$27.69 for the regular 48 hours of work, and \$30.96 for the 43 hours of mandatory overtime paid at the 72-cent-an-hour premium. The workers are being shortchanged of **\$20.57 a week in wages legally due them, which totals \$1,070 in lost wages for the year. This is an enormous amount of money for some of the poorest workers in the world**. The first month’s wage is always withheld, and the workers are paid anywhere from the 15th to 25th day of the following month. Workers receive no time cards or pay stubs.
- Workers report that physical punishment is common, with **managers slapping and sometimes even punching the workers**. Frequently they throw the garments in the workers’ faces. Most often the workers are punished for working too slowly or making mistakes. Also no one is allowed to question the excessive hours or underpayment of wages. **Workers who do not reach their assigned production goal will also have their wages cut as punishment**.
- Sixty sewers on an assembly line must complete 160 pairs of Gloria Vanderbilt jeans each hour. This means the workers are allowed just **22 ½ minutes to sew each pair of jeans. At the illegal 46-cent-an-hour wages the guest workers are paid, this means that the sewers are paid just 17 cents for every pair of Gloria Vanderbilt jeans they complete**.
- *“We take breakfast at the factory at 7:30 a.m. to 8:00 a.m.—one piece of bread and lentils. Lunch is at the factory from 1:00 p.m. to 1:30 p.m., and is rice, two small pieces of meat and lentils. We also eat dinner in the factory, which is rice, vegetables and lentils at 8:30 p.m. to 9:00 p.m. Every day the*



food is almost exactly the same and there is no taste to this food. The amount of food is limited for each person, and the portions are too little. Fruits are never served, and sometimes we get sick from the food.”

- Speaking is prohibited and workers need permission to use the bathroom—visits are limited and timed by the supervisors. The bathrooms are **dirty, lacking toilet paper, soap and towels.**
- Eight to ten workers share each small dorm room. In the summer, the dorm and factory are stiflingly hot. **Running water is not always available** in the dorm. There are security guards at the dorm and the workers have a curfew.

COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: 212-575-2571 Fax: 212-768-7759
www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
Phone: 732-346-7000

PETRA APPAREL: *PRODUCING FOR WAL-MART & GLORIA VANDERBILT*

Petra Apparel Factory

Ad Dulayl Industrial Estate, Plot #25
Zarqa, Jordan

Ownership: Pakistani
Contact: Mr. Ahmed Nuseriat
Phone: (962 5) 382 5066
Fax: (962 5) 382 5700
E-mail: nuseriat@petraapparel.com

Employees: 850 plus
Production: Blue jeans for women and children

Jordan's Export and Finance Bank identifies Petra as a supplier for **Wal-Mart**.

ABUSIVE AND ILLEGAL WORKING CONDITIONS AT THE PETRA FACTORY:

- Twice each week there are mandatory all-night 20 ½-hour shifts, from 8:00 a.m. straight through to 4:30 the following morning for assembly line workers who have fallen behind in their production goals.
- Workers report being beaten, shouted at, slapped and even punched. Workers are routinely hit for making mistakes, but also for speaking during working hours or taking too much time in the bathroom. Bathrooms are filthy, and lack toilet paper and soap. Workers need permission to use the bathroom, which is limited to two or three visits per shift. Visits are also timed.
- Guest workers who become pregnant will be forcibly deported without their back wages, and required to pay their own airfare.



In February 2006, Petra workers smuggled this Gloria Vanderbilt label out of the factory.

- Workers receive just one or at most two days off a month.
- It is not extreme for guest workers to be at the factory 89 hours a week while working 84 hours. The standard shift is from 8:00 a.m. to 8:30 or 10:00 p.m. Workers receive a half-hour off for lunch and for supper. When forced to work on Friday, their weekly day off, they are allowed out at 4:30 p.m.
- Petra guest workers are paid below the legal minimum wage, earning just 46 cents an hour, which falls 21 percent short of the 58-cent legal minimum. Nor are guest workers paid the legal 25 to 50 percent overtime premium which is required by law. Also in violation of the law, workers who fail to complete their assigned production goal will have their wages cut as punishment. Workers do not receive pay slips or time cards.
- **Taking a legal sick day will result in the loss of three days' wages.**
- **Petra guest workers are forced to work through national holidays and are also denied any of the 14 annual paid vacation days legally due them.**
- Workers are **allowed 27 ½ minutes** to sew each pair



of **Gloria Vanderbilt** jeans, meaning the sewing operators receive just **21 cents** for each pair of jeans they complete.

- A rented house serves as the company dorm. Eight workers share each tiny room sleeping in triple-level metal bunk beds, using their foam rubber pads for mattresses. There is not hot water, and in fact, water is not always available. There are security guards at the dorm and the workers have a curfew.



COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: 212-575-2571 Fax: 212-768-7759
www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
TEL: 732-346-7000

WAL-MART STORES, INC.

702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

FRESH TASTE FACTORY: *SEWING CLOTHING FOR GLORIA VANDERBILT*

Fresh Taste Factory

Al Hassan Industrial Estate, Ramtha
Irbid, Jordan



Fresh Taste workers were able to smuggle this Gloria Vanderbilt label out of the factory in June 2005.

Ownership: The workers believe the factory is Indian-owned.

Number of workers: 400 to 500, including approximately 165 guest workers from Bangladesh, 40 percent of whom are women. There are also guest workers from Sri Lanka and India.

The first thing the workers told us was that if they failed to meet their daily production goal, the owner would shout and then dock one or two days' wages as punishment. He did this a lot—every worker reported being routinely cheated of up to half the wages due them each

month. Nor could the workers question the owner on this. If they tried, he threatened that he would have them all forcibly deported “back to Bangladesh.” The production goals were set unrealistically high, so that 40 workers on an assembly line had to complete 150 to 200 garments an hour, or one every 12 to 16 minutes. The factory is very hot in the summer, and the workers toiled 13 to 16 hours a day soaked in their own sweat. The routine shift was from 8:00 a.m. to 9:00 p.m., or to 12:00 midnight. The workers reported **being forced to work 90 ½ to 97 ½ hours a week, leaving them exhausted.** Even at the low end, they would be at the factory 97 hours while working 90 ½ hours. As in other factories employing guest workers, they too receive just one or two days off a month. On their rare days off they were so exhausted, they spent most of the time sleeping. They also prayed and watched a small television which they had to purchase themselves.

In June, these Fresh Taste workers sewing Gloria Vanderbilt garments were being paid just **42 cents an hour, which is 28 percent less than the legal minimum wage of 58 cents.** The workers were being paid \$26.54 a week for 63 “regular” hours of work. Despite the fact that the regular legal workweek in Jordan is 48 hours, this did not stop the owner from making up his own rules. Nor did the workers earn the legal 25 percent to 50 percent overtime premium. In fact, as we have seen, the workers were routinely cheated of half the wages legally due them.

The guest workers' passports were confiscated by the factory owner. He told the workers that if buyers entered the factory to question them, they must say everything is good, and that they work just eight hours a day. The workers explained to us, ***“We never can tell the truth. If we do, we'll be fired and sent back to Bangladesh the following day.”*** Not one of the workers had ever heard of, let alone seen, a U.S. company's corporate code of conduct.



DUBAI SWEATSHOP IN JORDAN

SYSTEMATIC AND EXTREME VIOLATIONS

SEWING CLOTHING FOR KOHL'S & GYMBOREE

Atlanta Textile Manufacturing Co.

Section J
Al Tajamouat Industrial City, Sahab
Amman, Jordan

Ownership: **Dubai**
Phone: (962-6) 402-1836/7
Fax: (962-6) 402-7335
Email: atlanta@accessme.com.jo
Established: 2003

Number of workers: 300, 67 percent male—including 150 guest workers from Bangladesh, 100 from Sri Lanka and 50 Jordanian workers. (The factory only hires and keeps young people 18-25 years of age.)

Production: pants

- “We have no freedom of movement. It’s like being in jail.”
- “Foreign guest workers held in **involuntary servitude**, stripped of passports;
- “Women workers report **sexual harassment**;
- Forced to work **14 to 15 hours a day, seven days a week**, including 41½ hours of overtime, while being **paid below the legal minimum wage** and routinely **cheated of one third of their wages**;
- **Workers absent for three days will be reported to the police, with the threat of imprisonment**;
- **Workers are cursed at, shoved and threatened with deportation if they ask for their correct wages**;

- The Atlanta workers say: “**There is no one in Jordan to help the Bangladeshi workers. And we have no hope at all that anything will change.**”

ABUSIVE AND ILLEGAL WORKING CONDITIONS AT THE ATLANTA FACTORY:

- Foreign guest workers **stripped of passports and denied their required identification cards**, making it dangerous for them to even venture outside the free trade zone.
- Women workers, though extremely reluctant to talk about it, do say **they face sexual harassment in the factory**.
- Guest workers are forced to work **14 to 15 hours a day, from 8:00 a.m. to 10:00 p.m. or 11:00 p.m., seven days a week, with at most one day off a month**. Workers are routinely at the factory **96 hours a week while working 89½ hours, including 41½ hours of mandatory overtime**, which exceeds Jordan’s legal limit **by 300 percent**. At least one night a week, small groups of workers who have fallen behind on their production goals are required to remain for an **18-hour all-night shift, starting at 8:00 a.m. and not ending until 2:00 the following morning**. After a few hours sleep, these workers must still report for their next shift that same morning, at 8:00 a.m.
- Sick days are not permitted, **nor are the eight national holidays respected**. The workers’ legal right to **14 days annual paid vacation is also denied**.
- **If a worker is absent for three days, even if they are sick, they will be reported to the local Jorda-**

nian police and possibly face arrest and imprisonment.

- **Workers report being shouted and cursed at, pushed, shoved and threatened with deportation if they question the long hours or underpayment of wages.**
- **Sewing operators are paid below the legal minimum wage, earning just 46 cents an hour, which falls 12 percent short of the 58-cent-an-hour wage required by Jordanian law. Helpers earn even less, being paid just 38 cents an hour. No guest worker is paid the required 25 to 50 percent legal overtime premium. Also management routinely underreports the number of overtime hours actually worked each week, and in doing so, cuts the workers' wages by one third.** For the typical 89½-hour workweek, the workers should be earning \$27.69 for the regular 48 hours of work, and \$29.88 for the 41½ hours of overtime, paid at the 72 cent an hour premium, for a **total of \$57.57**. The guest workers are earning, on average, just **\$38.08, which is \$19.49 less than they are owed. They are being shortchanged of 34 percent of the wages legally due them.** In the course of a year, the guest workers are being cheated of over **\$1,000** in wages owed them.
- Workers need permission and a **"toilet pass"** to use the bathroom, and visits are monitored and timed.
- Speaking during working hours is prohibited.
- Ten workers share each small dorm room, which, they report, is not clean. **Nor is running water always available.** The rooms lack sufficient ventilation, and are stifflingly hot in the summer. The workers also report that the food they are served is **"very bad"** and too little.
- **The workers have never heard of, let alone seen, Kohl's or Gymboree's corporate codes of conduct,** and have no idea of their existence or supposed role in protecting their basic legal rights.

COMPANY CONTACT INFORMATION

KOHL'S CORPORATION

N 56 W 17000 Ridgewood Drive
Menomonee Falls, WI 53051

Phone: 262-703-7000

Fax: 262-703-7115

Web Site: <http://www.kohls.com>

CEO: Mr. R. Lawrence Montgomery, pay in 2005 was \$ 1.64M



I-TEXFIL LTD.

PRODUCING MOSSIMO FOR TARGET

Al Tajamouat Industrial City / Sahab
Amman, Jordan

Ownership: Korean
Contact: Mr. Yong Sung Choi
Phone: 929-6-402-0508/9
Fax: 962-6-402-0507
Email: ychoi5@texfil.com

Number of workers: 800

PRODUCING MOSSIMO FOR TARGET

ABUSIVE AND ILLEGAL WORKING CONDITIONS:

- Foreign guest workers' **passports are confiscated** by factory management.
- **Routine 15 ½ to 16 ½ hour daily shifts**, from 7:30 a.m. to 11:00 p.m. or 12:00 midnight.
- Working **seven days a week with one and at most two days off a month.**
- Two or three times each week small groups of 40 to 50 workers are required to stay for 18½ to 19½ hour **all-night shifts**, from 7:30 a.m. to 2:00 or 3:00 a.m. the following morning. After a few hours sleep, the workers have to report back for the next shift that same morning, though they are allowed to start a half hour later at 8:00 a.m. These all-night shifts target areas that have fallen behind in their production goals.
- It is common to be **at the factory over 100 hours a week while working 96 hours, including 48 hours of overtime, which exceeds Jordan's legal limit by 342 percent.** Even when the workers have Friday off, which is just once or twice a month, they are



Workers smuggled this Mossimo label out of the I-Textfil Factory in November, 2005

- still at the factory 93 hours a week while working 87 hours.
- The workers receive just two half-hour breaks each day, at 12:30 p.m. for lunch and 8:30 p.m. for supper. When they are required to work on Friday, which is supposed to be their weekly holiday, they are usually let out early at 5:00 p.m.
- Workers report being exhausted from the constant pressure to work faster, the hard work and grueling hours. On average, I-Textfil workers sleep just six hours a night.
- Physical abuse is common. **Workers are shouted and cursed at by supervisors, and also slapped, punched and hit with the garments.** This is punishment for working too slowly, making a mistake, asking for back wages, using the bathroom too fre-

quently, and so on.

- Workers need permission to use the toilet and visits are limited to three or four times per 16 ½ hour shift. Factory bathrooms lack toilet paper and towels.
- **Guest workers earn just 44 cents an hour, which is 24 percent below the legal minimum wage of 58 cents an hour. Nor is the legal 25 percent overtime premium paid. Even more seriously, management underreports up to one half of the overtime hours actually worked each week, which results, in the extreme, in cutting the workers' pay by half.**
- Workers receive no pay stubs or time sheets, and one month's wage is withheld.
- The factory is very hot during the long summer months, as is the dorm, where eight to ten workers share each small room, sleeping on double-level bunk beds. There are security guards at the workers' dorm and they have a curfew.
- Workers take all their meals at the factory, having to arrive at 7:00 a.m. for breakfast. If they are not let out until midnight, this means they are spending 17 hours a day at the factory. The workers uniformly report that the food is poorly cooked, tastes bad, that the portions are too meager, and it is rare that they receive any nutritious food such as fruit.
- There are **no sick days, no government holidays, and no paid annual vacation days, despite their being required by law.** Nor do the workers have health insurance.

COMPANY CONTACT INFORMATION

MOSSIMO INC.

Mossimo G. Giannulli
2016 Broadway
Santa Monica, CA 90404
Phone: 310-460-0040
Fax: 949-852-1921

TARGET

1000 Nicollet Mall
Minneapolis, MN 55403
Phone: (612) 304-6173
Website: www.targetcorp.com
CEO: Bob Ulrich, pay in 2005 was \$6.57 M



MORE SWEATSHOP PRODUCTION FOR GLORIA VANDERBILT

Al Cap Factory

Al Tajamouat Industrial City, Sahab
Amman, Jordan

This factory opened a year ago, in April 2005. (The workers believe that Al Cap is related to the Al Tayar plant.)

Number of workers: 700 to 800—approximately 150 guest workers from Bangladesh, 400 from Sri Lanka (who are mostly women) and 100 from India. There are also some Jordanian workers.

In March 2006, the workers said they were producing pants for **Gloria Vanderbilt**—the **GLO** label.

When we spoke with the Al Cap workers in January 2006, it was very cold. Some nights there was frost and ice on the ground. The workers' dorm is a company house outside the free trade zone which lacks heat and hot water. Twenty-seven workers share one room, sleeping on narrow metal double-level bunk beds and using thin foam mats for mattresses. The bathrooms in both the factory and the dorm are filthy, lacking even toilet paper. The dorm is cleaned just once a week, so it is more or less always dirty. There are security guards at the dorm.

The workers had repeatedly asked the factory manager to please fix the broken hot water heater at their dorm so they could bathe. But the answer was always the same, something like, "Oh, yes, we'll get it fixed tomorrow." But nothing ever happened and there is still no hot water.

When guest workers arrived at the Al Cap factory, management confiscated their passports. Nor does management provide the workers with the required identification cards which would at least allow them to venture outside the industrial park and their dorm. Without the ID cards, the workers explained, they were "*virtually*

trapped and imprisoned." Especially after the terrorist hotel bombing last year in Jordan, foreign workers who are stopped on the street by the police and lack their ID cards will be detained and perhaps deported. The Al Cap workers were afraid even to walk to a small market outside the free zone to purchase food. When the workers ask the factory manager for their identification cards, he responds, "*You don't need them now, but I'll give them to you later.*" Here too however, nothing ever happens.

The workers say they are not beaten at the Al Cap factory, but they describe working conditions and their treatment as being very harsh, with managers constantly shouting and using vulgar language.

Not everyone has to work overtime in the plant, and the Jordanian workers always go home at 5:00 p.m. But not so for the Bangladeshi and other guest workers. For them, the routine shift is from **8:00 a.m. to 10:00 p.m., 11:00 p.m. or midnight, 14 to 16 hours a day, seven days a week.** At most, the guest workers receive one day off a month. Their "holiday" is to get out "early" at 7:00 p.m. on Friday, which is supposed to be their weekly day off. *It is common for the guest workers to be at the factory 95 hours a week while working 86 ¾ hours.* This would even be at the low end of the number of hours routinely worked, but even so, the mandatory 38 ¾ hours of overtime each week exceeds Jordan's legal limit by 280 percent.

The guest workers are routinely cheated on their wages. For the 86 ¾ hours of work, the workers should be paid **\$55.59** --\$27.69 for the regular 48 hours and \$27.90 for the 38 ¾ hours of overtime paid at the legal 72 cent-an-hour overtime premium. Instead, the guest workers are paid between \$34.62 and \$35.88 a week. **On average they are being cheated each week of \$20.34 in wages legally due them, which comes to \$1.058 a year in illegally lost pay.** Systematically the foreign guest work-

ers are **shortchanged each week of 37 percent of the wages due them.**

Management cheats the workers in many ways. **They are paid below the legal minimum wage and they do not receive the legal overtime premium of 25 to 50 percent. Management also arbitrarily cuts the workers' wages when they fail to meet their production quota, which management purposefully sets at excessive levels.** For example, a worker is given a production goal of attaching 115 to 120 waist bands an hour to "GLO" jeans—or one every 30 to 31 seconds. In the 12 ½ hour shift, the worker must attach 1498 waist bands. **If he or she falls behind in the goal, as punishment, the manager cuts one, or even two or three, hours of wages.**

Stripped of their rights, the guest workers are powerless and easily exploited.

COMPANY CONTACT INFORMATION

GLORIA VANDERBILT

Jack Gross, President
1441 Broadway, 25th floor
New York, NY 10018
Phone: 212-575-2571 Fax: 212-768-7759
www.gloria-vanderbilt.com

Corporate Office
45 Fernwood Ave.
Edison, NJ 08837-3830
Phone: 732-346-7000



AL TAJAMOUAT INDUSTRIAL PARK

U.S.-JORDAN FREE TRADE AGREEMENT

- Jordan's largest free trade zone – 1.4 million square feet.
- Two factories, employing just five percent of the zone's total workforce, are Jordanian owned.
- **Seventy-one percent of the factories, employing 79 percent of the workers, are owned by investors from China, Taiwan, India, United Arab Emirates and Korea.**
- **Seventy percent of the workforce is made up of foreign guest workers.**

The privately owned Al Tajamouat Industrial Park received \$18.5 million in financing from the World Bank's International Financial Corporation in October 2001 to build seven new factories, expand their existing plants and to increase dorm space for the guest workers. The zone's owner, the Specialized Investment Compounds explained that: "The IFC finance package enabled us to expand in a very short period of time."

By 2003, \$250 million had been invested in Al Tajamouat, making it the largest free trade zone in Jordan, which today houses over two dozen assembly companies—some with multiple plants—all of which enjoy duty-free access to the U.S. Only 8 percent of the free trade zone factories are Jordanian owned, employing just five percent of the zone's total workforce. Seventy-one percent of the factories, employing 79 percent of the zone's total workforce of 16, 452 people, are owned by investors from China, Taiwan, India, United Arab Emirates and Korea. Other investors include Pakistan, Turkey, Bangladesh, Armenia and one U.S. Company.

Right from the beginning the free trade zone was set up to employ foreign guest workers, as the zone's owner, the Specialized Investment Corporation, noted that dormitories were "originally intended to house foreign workers." Food services were set up for guest workers from China, Bangladesh, Sri Lanka and the Philippines. Zone management created a "labor catering service with a capacity of feeding 7,000 people on a three meal per day basis. Meals are delivered to factory canteens or on-site dormitories."

By 2003, a full **70 percent** of Al Tajamouat factory workers were foreign guest workers from Bangladesh, China, Sri Lanka, Nepal, India and the Philippines. Al Tajamouat's labor recruiting service "Has been able to build a workforce of 15,000 people, 30 percent of which are Jordanians..." (full factory list attached in appendix.)



JORDAN GOVERNMENT MAKES \$39 MILLION A YEAR FROM FOREIGN GUEST WORKER VISAS

According to the U.S. State Department, “*Foreign workers in the QIZ [Qualified Industrial Zones] were recruited through a vetted process involving registered recruitment agencies.*” Apparently the Jordanian Ministry of Labor is involved in registering and overseeing these recruitment agencies, which, of course, would also give them the power to cut off or punish abusive contract recruitment agencies.

Employers must pay a fee to the government for each foreign guest worker visa issued and for each visa renewal. In 2004, according to the *Jordan Times*, government revenues from such foreign work and residency permits reached **\$38.9 million**.

VISA LAW TIES GUEST WORKERS TO SPECIFIC FACTORIES & ALLOWS FORCIBLE DEPORTATION

“A non-Jordanian is not allowed to work in the Zone unless he has obtained a work visa or permit, authorizing its holder to work only for the employer who has applied for the visa or permit.”

U.S. apparel companies must also have been aware of the guest worker program from the very beginning as dormitories and factories were built “as per U.S. buyer specifications, equipped to house over 7,500 people.” Further, “each unit includes toilet facilities in compliance with U.S. buyer specifications.” However, the U.S. apparel companies must not have pressed for heat or air conditioning, as the zone’s managers explained, “[we] ... do not install heating or air conditioning in production areas.”

The Al Tajamouat Free Trade Zone has a: “**Labor Recruiting Service** with a full-time team of employees catering to all our investors’ labor needs. The department is in charge of recruiting local and foreign labor in order to boost foreign investment in the country.”

The Al Tajamouat Free Trade Zone also has a **Security Department** which “secures the zone’s entrances and dormitories on a 24 hour 365 day basis.” There were 28 “guard points,” and by 2004 the zone expected to employ over 140 security guards, especially as they have



been “receiving requests for contracted factory security services” from the apparel companies.

The Al Tajamouat Free Trade Zone offers:

“Duty free, tax free, quota free access to the largest market on Earth.” (“savings of 20%-30%” on garments.)



ing duty-free goods for export to the U.S. Some sources estimated the figure at **48,000 workers in 2004, of which 25,000—more than 50 percent were foreign guest workers.** The Jordanian Ministry of Labor estimates that 45 percent of the country’s apparel workforce is made up for foreign guest workers. However both these estimates appear low to us, as the free trade zones appear to be overwhelmingly staffed by workers from Bangladesh, China, India, Sri Lanka, Nepal and the Philippines.

Regarding foreign ownership of factories, the situation is more or less the same in the other free zone industrial parks. Al Karak’s factories are 100 percent foreign-owned. Of the 14 factories in Ad Dulayl, just 14 percent are Jordanian-owned, while 71 percent are owned by United Arab Emirates investors, including joint ventures, and Pakistani investors. Sixty percent of Al Hassan’s factories are also foreign-owned, with investors from China, Taiwan, Pakistan, Israel, India and the United States.

combined with...

“Availability of a cheap, skilled, experienced and educated labor pool.”

Plus...

“Total income and social services tax exemptions.”

“Duty free entry of fixed assets and spare parts.”

“Full repatriation of capital and profits.”

(Specialized Investment Compounds Co. Plc. Al Tajamouat Industrial City, Company Profile / www.altajamouat.com)

MORE THAN 25,000 FOREIGN GUEST WORKERS IN JORDAN’S FREE TRADE ZONE FACTORIES

It is difficult to uncover official figures documenting the total number of factory workers across Jordan produc-

LABOR RIGHTS PROVISIONS OF THE U.S.–JORDAN FREE TRADE AGREEMENT VIOLATED SYSTEMATICALLY WITH COMPLETE IMPUNITY

WHAT WENT SO TERRIBLY WRONG WITH U.S. LABOR DEPARTMENT OVERSIGHT?

U.S.–JORDAN FREE TRADE AGREEMENT

The treaty preamble states:

“Desiring to promote higher labor standards by building on their respective international commitments and strengthening their cooperation on labor matters; and wishing to promote effective enforcement of their respective environmental and labor laws;”

ARTICLE 6: LABOR

1. The parties reaffirm their obligations as members of the **International Labor Organization (“ILO”)** and their commitments under the **ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up**. The Parties shall strive to ensure that such labor principles and the internationally recognized labor rights set forth in paragraph 6 are recognized and protected by domestic law.

2. The Parties recognize that it is **inappropriate to encourage trade by relaxing domestic labor laws**. Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws as an encouragement for trade with the other Party.

3. Recognizing the right of each Party to establish its own domestic labor standards, and to adopt or modify accordingly its labor laws and regulations, each Party shall strive to ensure that its laws provide for labor standards consistent with the internationally recognized labor rights set forth in paragraph 6 and shall strive to improve those standards in that light.

4. (a) A Party **shall not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction**, in a manner affecting trade between the Parties, after the date of entry into force of this Agreement.

(b) The Parties recognize that each Party retains the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor matters determined to have higher priorities. Accordingly, the Parties understand that a Party is in compliance with subparagraph (a) where a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources.

5. The Parties recognize that cooperation between them provides enhanced opportunities to improve labor standards. The Joint Committee established under Article 15 shall, during its regular sessions, consider any such opportunity identified by a Party.

6. For purposes of this Article, “labor laws” means statutes and regulations, or provisions thereof, that are directly related to the following internationally recognized labor rights;

- (a) the right of association;
- (b) the right to organize and bargain collectively;
- (c) a prohibition on the use of any form of forced or compulsory labor
- (d) a minimum age for the employment of children; and
- (e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.



COMPANY PROFILES

GLORIA VANDERBILT

“I’ve always believed that one woman’s success can only help another woman’s success.”



Born in 1924 into the prominent Vanderbilt family, Gloria Laura Vanderbilt became an actress, artist, designer, author and socialite. She inherited a four million dollar trust fund upon her father’s death in 1925 and has since multiplied her fortune. After studying art at the Art Student’s League in New York City, she produced artwork that became licensed by Hallmark. She then licensed her name to be used on fashion lines, including jeans and perfume. Her designer label flourished and is now owned by the Jones Apparel Group and sold in stores including Kohl’s and Sears. She had two sons, the younger of whom, Anderson Cooper, is a reporter and news anchor for CNN.

JONES APPAREL GROUP

The Jones Apparel Group, Inc.
250 Rittenhouse Circle
Bristol, Pennsylvania 19007

Phone: (215) 785-4000
Website: www.jny.com

President and CEO: Peter Boneparth. His pay in 2005 was \$4.5 M

The **Jones Apparel Group** is a Fortune 500 company that owns and manages a wide variety of brands including *Gloria Vanderbilt, I.e.i., Anne Klein* and *Bando-lino Blu*. The company recently bought Barney’s for \$400 million. Revenues for 2004 totaled \$4.65 billion – roughly the same as the entire annual economic output (GDP) of Cambodia. According to Jones Apparel’s SEC filing for 2005, their advertising costs were \$ 80.6 million in the fiscal year 2005. Currently, the company is looking to sell and has retained Goldman Sachs to explore options. According to Jones Apparel Group’s website, “We primarily contract for the manufacture of our products through a worldwide network of quality manufacturers.” However, the company also became known for its involvement with sweatshops in the Northern Marianas Islands. In March 2000, Jones Apparel settled with workers, who had filed a class action lawsuit against Jones along with a number of other apparel companies for severe human and worker rights abuses and violation of U.S. labor law in the U.S. territory of Saipan.

KOHL'S CORPORATION

N 56 W 17000 Ridgewood Drive
Menomonee Falls, WI 53051

Phone: 262-703-7000

Fax: 262-703-7115

Web Site: <http://www.kohls.com>

CEO: Mr. R. Lawrence Montgomery, pay in 2005 was \$ 1.64M

Kohl's Corporation was founded in 1962 and operates 731 department stores in 41 states in the U.S. Kohl's sells apparel, footwear, accessories, and home products and was ranked the sixth largest general merchandiser in America according by Forbes magazine. Kohl's, with annual revenue of \$13.4 billion in 2005, is considered one of the best performing companies in its industry. Kohl's advertising costs for the fiscal year 2005 were \$594 million.

L.L. BEAN

Casco Street

Freeport, Maine 04033

Phone: (207) 865-4761

Website: www.llbean.com

CEO: Chris McCormick

Chairman: Leon A. Gorman

L.L. Bean, a privately owned company whose chairmanship has remained in the family since its founding in 1912, is a household name in sports and outdoor gear with annual revenue over \$1.4 billion. The company has been a leader in the catalogue retail industry, receiving over 14 million calls in 2004. L.L. Bean has also fostered its image as a supporter of conservation and environmental philanthropy, and it proud of its leadership in the manufacturing industry ***"with regard to product quality, ergonomics and health and safety programs."*** The company has been praised by the Occupational Safety and Health Administration for *"facility safety including strong employee involvement and managements' ergonomic focus."* According to Advertising Age magazine, L. L. Bean spent \$27.4 million on advertising in 2004.



MOSSIMO GIANNELLI



Mossimo Giannulli was born June 4, 1963 and in 1987 founded Mossimo, Inc., a designer, licensor and distributor of men's, women's and children's apparel, footwear, and fashion accessories such as watches, hats, jewelry, belts, and handbags. Mossimo is married to actress Lori

Loughlin, best known for her role as Becky on the hit show "Full House." The Mossimo brand was originally sold in surf shops and later in higher end retailers including Nordstrom. For a time in the late 1980s, the Mossimo brand was considered the next hot name in fashion. The Mossimo brand suffered financial troubles in the 1990s due to tough competition from brands like Tommy Hilfger and The Gap. But since signing of a three-year exclusive licensing agreement with Target in 2000, worth an estimated \$1 billion, the brand has made a major turnaround. Mossimo licenses its name and designs, and Target handles all manufacturing, distribution and marketing. In addition to apparel and footwear, its offerings include towels and sheets; kitchen, bedroom, and bath soft good products and accessories; sunglasses, sport glasses, and optical frames, swimsuits and fitness active wear. In April 2006, the Iconix Brand Group Inc. acquired Mossimo, Inc for \$119 million. Mossimo Giannulli personally owned about 65% of the company's stock and made an estimated \$77 million in the transaction.



NEW YORK LAUNDRY

Owned by Martin Stuart Ltd.

1400 Broadway
New York, NY 10018-5300

Tel: 917-510-9600

CEO: Stuart Disick

Martin Stuart Limited was founded in 1989 by long-time apparel industry executive Stuart Disick. The company now does business under the name NYL Brands Holdings since it was acquired by the private equity firm, Eureka Capital Growth on February 3, 2006. The company is a New York-based designer, seller and distributor of popularly-priced activewear sold through national department stores and other high-volume distribution channels. NYL's flagship brand, **N.Y.L. / New York Laundry** is currently sold in close to 5,000 retail stores throughout the U.S. including **Kohl's** and **Sears**.

THE SEARS HOLDINGS CORPORATION (K MART AND SEARS)

The Sears Holdings Corporation
333 Beverly Road
Hoffman Estates, IL 60179

Phone: (847) 286-2500
Website: www.searshc.com

CEO: Aylwin B. Lewis, pay in 2005 \$1.51 M
Senior Vice President, Supply Chain and Operations: W.
Bruce Johnson

In 2005 Kmart and Sears merged to create the Sears Holdings Corporation, making it the third largest retail corporation in the United States following Wal-Mart and Home Depot. The company has annual revenues of about \$55 billion – five times the entire economic output (GDP) of Jordan. Sears Holdings Corp. has 2,300 full-line and 1,100 specialty retail stores in the US. The corporation has exclusive distribution rights over a number of famous labels, including Land's End, Athletech, Canyon River Blues, Thalia Sodi and Route 66, as well as being the sole American distributor of Joe Boxer. According to the company's website, the Sears Holding Corporation **"values honesty, integrity and adherence to the highest ethical standards"** and believes in **"teamwork, integrity, accountability, coaching for execution, positive energy and recognition through results."** According to their SEC filing for 2005, Sears Holdings spent about \$2 billion in advertising in 2005.

TARGET

Target
1000 Nicollet Mall
Minneapolis, MN 55403
Phone: (612) 304-6173
Website: www.targetcorp.com
CEO: Bob Ulrich, pay in 2005 was \$6.57 M

The Target Corporation is sixth largest retailer in the United States with an annual income of over \$52.6 billion. According to the company website, 96 percent of people *"recognize the bullseye, even nudging out the apple and the swoosh."* While Wal-Mart poses the main competition, Target tends to appeal to a younger and more affluent audience. Target has exclusive deals with a number of famous designers, including Isaac Mizrahi and Mossimo. According to its website, the Target Corporation prides itself its commitment to corporate responsibility, especially when it comes to its supply chain. **"Currently, to sell any domestic private-label goods to Target Corporation, a vendor must meet the requirements of Target Corporation's 'Approved for Purchase' program, which includes a training session, qualification process by sourcing experts and meeting stringent requirements – including labor compliance."** Target currently has over forty compliance staff, including over 20 staff and auditors outside the US. The "sourcing expert" Target uses is the Associated Merchandising Corp (AMC), a Target subsidiary. According to Target's 2004 SEC filing, the company's advertising costs were \$888 million in fiscal 2004.



THALÍA SODI



Born Ariadna Thalía Sodi Miranda, in 1971 in Mexico City, Thalía is a famous Mexican actress and singer. She has recorded numerous platinum selling albums as well as starred in many “telenovelas” (TV novels) that have made her a household name in the Latin world. Thalía is married to music executive Tommy Mattola and resides in New York

City. In 2003, she launched her own a clothing line under the name Thalía Sodi Collection. Sold exclusively at Kmart, the line has been highly successful. Sold initially at 300 stores, Thalía Sodi Collection women’s and girls clothing can now be purchased at some 1,500 Kmart stores.

WAL-MART

Wal-Mart Stores, Inc.
702 SW 8th Street
Bentonville, Arkansas 72716
Phone: (479) 273-4000
Website: www.walmartstores.com
CEO: Lee Scott, pay in 2005 was \$5.37M

Wal-Mart is the largest retailer and the second largest company in the world with an income of \$288 billion – that’s larger than the entire yearly economic output (gross domestic product) of 149 of the world’s countries, including Norway, South Africa and Saudi Arabia. Sales from Wal-Mart’s U.S. stores, alone is almost four times greater than the GDP of Bangladesh and 19 times greater than that of Jordan. Wal-Mart currently contracts to factories in tens of countries around the world and operates stores in countries, including China, Mexico, Germany and South Korea. The company was founded by Sam Walton, who believed in Wal-Mart’s ability to change the world. ***“We’re all working together, that’s the secret,”*** he once said, ***“we’ll give the world an opportunity to see what it’s like to save and have a better life-style, a better life for all. We’re proud of what we’ve accomplished; we’ve just begun.”*** The CEO of Wal-Mart, Lee Scott, was paid \$5.37 million for 2005, including bonuses. Wal-Mart Chairman S. Robson Walton, Sam Walton’s eldest son, has a net worth of \$18.3 billion and was ranked by *Forbes* as the world’s tenth richest person in 2005. The next four richest people on the list are also Walton family members. According to SEC filings Wal-Mart’s 2005, advertising costs were \$1.4 billion.