

CALIFORNIA

State of California

- Concerned about the underground economy
- Unfair competition, lost benefits and protections for workers, and higher costs for law-abiding businesses
- Est. \$8.5 - \$10 billion in uncollected tax revenue

California Labor and Workforce Development Agency <https://www.labor.ca.gov/>

Employment Development Department (EDD) <https://www.edd.ca.gov/>

Joint Enforcement Strike Force (JESF)

https://www.edd.ca.gov/Payroll_taxes/Joint_Enforcement_Strike_Force.htm

- EDD is the lead agency
- Coordination of 15+ agencies
- Partnership of CA enforcement agencies that work with local and federal agencies to combat the underground economy to promote fairness for CA businesses
- Synergize activity of agencies that enforce tax, labor, and licensing laws
- Strategy: (1) education/outreach, (2) admin. enforcement, and (3) criminal prosecution
- Share data → Enhance enforcement of tax, labor, and licensing laws
- Site inspections
- Target industries known for noncompliance: construction, nail salon, restaurant, massage parlor, bar/nightclub, and automotive
- [Fact sheet](#), [brochure](#), and [booklet](#)
- Annual reports: [2019](#), [2018](#), and [2017](#)

Department of Industrial Relations (DIR) <https://www.dir.ca.gov/>

Labor Enforcement Task Force (LETf) <https://www.dir.ca.gov/letf/>

- DIR is the lead agency.
- Coordination of 9+ state agencies
- Strategy: (1) targeting (2) joint enforcement activity (3) education
- Share data
- Site [inspections](#) as a team
- Created [materials](#) for [workers](#) and employers ([Agriculture](#), [Construction](#), etc.)
- Reports: [2019](#) and [2016](#)

JESF and LETF also work together → Share best practices and train together

Additional resource:

Little Hoover Commission, *Level The Playing Field: Put California's Underground Economy Out of Business*, Report #226, March 2015, available at <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/226/Report226.pdf>.