

GAO

**Fact Sheet for the Chairman,
Subcommittee on Labor Standards,
Committee on Education and Labor,
House of Representatives**

April 1987

**THE FAIR LABOR
STANDARDS ACT**

**Selected Enforcement
Activities**



132993

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Human Resources Division

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April 16, 1987

The Honorable Austin J. Murphy, Chairman
Subcommittee on Labor Standards
Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

In May 1981 and September 1985, we reported¹ that noncompliance with the Fair Labor Standards Act's (FLSA) minimum wage, overtime, and recordkeeping provisions was a serious and continuing problem; that employers who violated these provisions were often not penalized, and that there were weaknesses with the Department of Labor's enforcement of the act. By letters dated August 18, 1986, and January 12, 1987, you expressed the Subcommittee's concern that weaknesses continue in Labor's Wage and Hour Division's (WHD) enforcement of the FLSA.

In discussions with your office we agreed to provide, for fiscal years 1984 through 1986, the Subcommittee with information on the (1) WHD compliance officer resources spent on FLSA enforcement, (2) number of FLSA compliance actions (investigations and conciliations²) completed, (3) findings concerning back wages due employees because of employers' violations of FLSA and the amount of back wages employers actually agreed to pay, and (4) number of complaints in the inventory nationally and in each of Labor's 10 regional offices.

In addition, we agreed to provide the Subcommittee with information on

- the current status of the regulations implementing the 1985 FLSA amendments, which apply to state and local government employees;

¹Changes Needed to Deter Violations of Fair Labor Standards Act (HRD-81-60, May 28, 1981) and The Department of Labor's Enforcement of the Fair Labor Standards Act (GAO/HRD-85-77, Sept. 30, 1985).

²Conciliations generally are initiated as a result of one employee's complaint and take only a few hours to complete. Investigations are more detailed and take longer to complete.

- the proposed regulations repealing the restrictions in six industries, which would allow employers to employ people to work in their own homes (i.e., industrial homeworkers); and
- the number of WHD area offices and field stations that were closed since 1981 and reasons for the closings.

Information on the above matters is presented in the attached fact sheet.

Your January 12, 1987, letter requested that we perform an in-depth review of WHD's administrative and enforcement efforts under FLSA. We have begun this review and will present the results in a separate report at a later date.

We did our current review primarily at WHD's Washington national office, where we discussed FLSA enforcement activities and other matters with knowledgeable WHD officials. We also visited the WHD Baltimore area office. The fact sheet details information on FLSA enforcement and the following is a summary of the information in the fact sheet:

- The full-time equivalent staff years that WHD compliance officers spent on FLSA enforcement increased from 474 in fiscal year 1984 to 499 in fiscal year 1986.
- The number of FLSA compliance actions also increased, from 64,093 in fiscal year 1984 to 72,617 in fiscal year 1986. Almost all of the increase was due to a growth in conciliations, not investigations.
- Labor's findings show that the back wages due employees have increased from \$107 million in fiscal year 1984 to \$122 million in fiscal year 1986; the amount employers actually agreed to pay increased from about \$78.5 million to \$93 million for the same period.
- Labor's findings show that most of the back wages due employees resulted from investigations rather than from conciliations. For example, in fiscal year 1986, the amount of back wages found due for conciliations was \$8 million and for investigations, \$114 million.
- The number of FLSA complaints in the national inventory increased by 3,892 between fiscal years 1984 and 1985, but decreased by 1,646 between fiscal years 1985 and 1986. The number of complaints in the regional

inventories in fiscal year 1986 ranged from a low of 548 in Boston and Seattle to a high of 6,229 in Atlanta.

- The final implementing regulations concerning state and local government employees now covered by FLSA were published in the Federal Register on January 16, 1987, and became effective on February 17, 1987.
- On August 21, 1986, Labor issued a notice of proposed rulemaking in the Federal Register; it would revise the restrictions on six restricted homemaker industries and permit the employers to legally employ homeworkers under a certification system. The comment period on the proposed rules closed December 4, 1986. Labor had received 19,101 comments; 7,995 were in favor and 11,106 were against lifting the ban. As of February 1987, WHD was still analyzing the comments received.
- Since 1981, one WHD subregional office, in Puerto Rico, has been closed because of a change in workload. Also since 1981, four area offices became field stations, and one area office was closed. In addition, 14 field stations have closed. According to WHD national office officials, the area offices were closed to strengthen WHD's personnel management and operations. The field stations were generally located in remote locations and were difficult to staff.

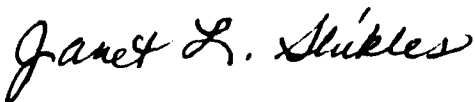
Knowledgeable Labor program officials were given an opportunity to review a draft of this fact sheet and provide oral comments, which we considered in completing it.

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As arranged with your office, unless its contents are announced earlier, we plan no further distribution of this fact sheet until 30 days from its issue date. At that time, we will send copies to the Secretary of Labor and other interested parties and make copies available to others on request.

Should you need additional information on the contents of this document, please call me on 275-5451.

Sincerely yours,



Janet L. Shikles
Associate Director

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ABBREVIATIONS

GAO	General Accounting Office
FLSA	Fair Labor Standards Act
WHD	Wage and Hour Division

THE FAIR LABOR STANDARDS ACT:
SELECTED ENFORCEMENT ACTIVITIES

BACKGROUND

The Department of Labor administers the Fair Labor Standards Act (FLSA), enacted in 1938 and amended several times, for workers of firms engaged in interstate and foreign commerce. The act sets standards for minimum wage and overtime pay and requirements for recordkeeping (the Garcia decision extended the act's applicability).¹

From 1938 to 1985, the number of employees covered under FLSA rose from 11 million to about 65 million. In addition, after the 1985 Supreme Court decision, the Congress passed the Fair Labor Standards Act Amendments of 1985 to allow covered state and local employees to receive compensatory time off with certain conditions in lieu of cash compensation for overtime. Labor issued a regulatory impact study in July 1986; it stated that the immediate impact of the Garcia decision would be to bring an estimated 13.8 million state and local government employees under FLSA. However, FLSA provides exemptions from the minimum wage and overtime provisions for certain administrative, executive, and professional employees such as teachers. Thus, Labor estimates about 6.1 million state and local government employees are exempt from FLSA's minimum wage and overtime provisions.

Since 1984, Labor has allowed employers to hire industrial homeworkers (i.e., people who work in their homes) in the formerly restricted knitted outerwear industry. However, a current proposal by Labor would revise the ban against industrial homework for six other restricted industries and allow employers in these industries to legally employ homeworkers under a certification system. The Bureau of Labor Statistics estimated, in November 1986, that the maximum number of persons working at home in the restricted industries could not exceed 125,000.

Enforcement of FLSA

Labor's Wage and Hour Division (WHD), in its Employment Standards Administration, is responsible for administering and

¹A February 19, 1985, Supreme Court decision, Garcia v. San Antonio Metropolitan Transit Authority, held that the minimum wage, overtime, and other provisions of FLSA were applicable to state and local government employees, overruling a 1976 Supreme Court decision, National League of Cities v. Usery. The 1976 decision held that FLSA coverage could not be applied, according to the Constitution, to the traditional governmental functions of state and local governments.

enforcing FLSA. Labor's administrative and enforcement officials are located in Washington, D.C., and in regional offices, area offices, and field stations throughout the United States.

There are two types of actions undertaken by WHD's compliance officers: (1) conciliations and (2) investigations. Conciliations typically are initiated as a result of an employee complaint, involve only one employee, and generally take only a few hours to complete. When conducting a conciliation, the compliance officers do not visit the employer's premises or review the employer's records. Investigations are more detailed, involve more than one employee, and take an average of 20 hours to complete. Investigations are either the result of an employee complaint or are part of WHD's annual plan. According to this plan, WHD conducts directed investigations, which are self-initiated by WHD rather than initiated by an employee complaint.

For employers found violating FLSA, Labor may (1) sue for back wages and liquidated damages under section 16(c) of FLSA, (2) seek recovery of back wages and interest and an injunction against future FLSA violations under section 17, or (3) file a combination suit under both sections. Labor also has the authority to assess civil (as opposed to criminal) money penalties under section 12(c), the child labor provisions of FLSA.

Labor's Office of the Solicitor is responsible for initiating legal action against employers. Criminal actions may be brought against employers by the Department of Justice, on the recommendation of Labor's solicitor, for willful violations of the act, including those related to minimum wage, overtime, and recordkeeping provisions.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our review were to obtain information and data as requested in discussions with the Subcommittee's office and the Chairman's letters of August 18, 1986, and January 12, 1987. This includes obtaining information and data for fiscal years 1984 through 1986 on the (1) WHD compliance officer resources spent on FLSA enforcement; (2) number of FLSA compliance actions (investigations and conciliations) completed, (3) findings concerning back wages due employees because of employers' violations of FLSA and the amount of back wages employers actually agreed to pay, and (4) number of complaints in the inventory nationally and in each of Labor's 10 regional offices.

In addition, we agreed to provide the Subcommittee with information on

- the current status of the regulations implementing the 1985 FLSA amendments, which apply to state and local government employees;
- the proposed regulations repealing the restrictions in six industries, which would allow employers to employ people to work in their own homes (i.e., industrial homeworkers); and
- the number of WHD area offices and field stations that were closed since 1981 and the reasons for the closings.

Primarily, we reviewed FLSA enforcement policies and procedures at WHD's Washington national office; we discussed their implementation with WHD officials, including the deputy administrator, and officials in the Office of Program Operations and the Office of Policy, Planning, and Review. We also visited WHD's Baltimore area office and discussed its enforcement activities with the area director.

We obtained and analyzed various reports produced by WHD, for fiscal years 1984 through 1986, to obtain information and data on (1) to (4) above. Because we did not visit and review the activities of the WHD field offices during this review, we were unable to verify the data in WHD's reports.

We talked to knowledgeable WHD officials at the national office and reviewed applicable data they provided to us, in order to ascertain the status of WHD's regulations and obtain background on the closing of offices and field stations mentioned above. Our audit work was done primarily from October 1986 to December 1986.

USE OF WHD ENFORCEMENT RESOURCES

WHD compliance officers spend time on (1) the enforcement of FLSA; (2) the enforcement of other laws administered by WHD, such as the Davis-Bacon and Service Contract Acts, which regulate the wages paid to construction and service contract employees on federal or federally funded construction and service projects; and (3) nonenforcement activities, such as technical assistance, training, and leave.

Based on reports prepared by WHD, the number and percentage of full-time equivalent staff years that compliance officers spent on each of the above three activities for fiscal years 1984 through 1986 is presented in table 1.1.

Table 1.1: WHD Compliance Officer Activity

<u>Compliance officer staff years</u>	<u>Fiscal years</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
FLSA enforcement	474	479	499
Other enforcement	<u>124</u>	<u>131</u>	<u>134</u>
Total enforcement	598	610	633
Nonenforcement	<u>297</u>	<u>318</u>	<u>304</u>
Total compliance officer staff years	<u>895</u>	<u>928</u>	<u>937</u>
<u>Percentage of compliance officer time^a</u>			
FLSA enforcement	53.0	51.6	53.3
Other enforcement	<u>13.9</u>	<u>14.1</u>	<u>14.3</u>
Total enforcement	66.8 ^b	65.7	67.6
Nonenforcement	<u>33.2</u>	<u>34.3</u>	<u>32.4</u>
Total compliance officer time	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

^aPercentages are rounded to the nearest tenth.

^bTotal does not add due to rounding.

As seen in table 1.1, WHD's total compliance officer staff years have increased from 895 in fiscal year 1984 to 937 in fiscal year 1986. The time spent on FLSA enforcement has also increased. For example, the time spent on FLSA enforcement increased from the full-time equivalent of 474 staff years in fiscal year 1984 to 499 in fiscal year 1986.

NUMBER OF COMPLIANCE ACTIONS
AND RESULTS

Based on reports prepared by WHD, the following information for fiscal years 1984 through 1986 is presented in table 1.2: (1) the number of FLSA compliance actions broken down by conciliations and investigations, (2) the number of hours spent on the two types of compliance actions, (3) Labor's findings of back wages due employees for each of the two types of actions, and (4) Labor's findings of the amount of back wages employers agreed to pay for the two types of actions.

Table 1.2: Compliance Actions and Back Wages

Dollars in millions

	Fiscal years		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>Number of FLSA compliance actions</u>			
Conciliations	20,198	24,406	28,095
Investigations	<u>43,895</u>	<u>42,492</u>	<u>44,522</u>
Total	<u>64,093</u>	<u>66,898</u>	<u>72,617</u>
<u>Number of case hours</u>			
Conciliations	46,808	57,518	65,026
Investigations	<u>896,127</u>	<u>858,952</u>	<u>916,437</u>
Total	<u>942,935</u>	<u>916,470</u>	<u>981,463</u>
<u>FLSA back wages found due</u>			
Conciliations	\$ 5.0	\$ 6.5	\$ 8.0
Investigations	<u>102.0</u>	<u>103.5</u>	<u>114.0</u>
Total	<u>\$ 107.0</u>	<u>\$ 110.0</u>	<u>\$ 122.0</u>
<u>FLSA back wages agreed to pay</u>			
Conciliations	\$ 4.5	\$ 5.5	\$ 7.0
Investigations	<u>74.0</u>	<u>74.5</u>	<u>86.0</u>
Total	<u>\$ 78.5</u>	<u>\$ 80.0</u>	<u>\$ 93.0</u>

WHD has increased the number of FLSA compliance actions from 64,093 (in fiscal year 1984) to 66,898 (in fiscal year 1985) to 72,617 (in fiscal year 1986), as shown in table 1.2. The increase resulted primarily from a rise in conciliations -- from 20,198 (in fiscal year 1984) to 24,406 (in fiscal year 1985) to 28,095 (in fiscal year 1986). As a result, conciliations as a percentage of compliance actions rose from 31.5² percent (in fiscal year 1984) to 36.5 percent (in fiscal year 1985) to 38.7 percent (in fiscal year 1986). On the other hand, investigations decreased from 43,895 (68.5 percent in fiscal year 1984) to 42,492 (63.5 percent in fiscal year 1985), and then increased to 44,522 (61.3 percent in fiscal year 1986).

Labor's findings show that the back wages due employees have increased from \$107 million (in fiscal year 1984) to \$110 million (in fiscal year 1985) to \$122 million (in fiscal year 1986); the amount employers agreed to pay has increased from \$78.5 million (in fiscal year 1984) to \$80 million (in fiscal year 1985) to \$93 million (in fiscal year 1986).³ However, investigations accounted for 95.3 percent of the back wages due in fiscal year 1984, 94.1 percent in 1985, and 93.4 percent in 1986.

The percentage of back wages attributed to conciliations is almost equivalent to the percentage of total hours needed to complete the conciliations. The percentage of back wages due from conciliations was 4.7 percent in fiscal year 1984, 5.9 percent in 1985, and 6.6 percent in 1986. The percentage of total case hours spent on conciliations was 5 percent in fiscal year 1984, 6.3 percent in 1985, and 6.6 percent in 1986.

WHD officials attributed the increases in the compliance actions and the back wages identified to the following: (1) the current compliance officers are more experienced than those in the past, thereby increasing productivity; (2) hiring of new compliance officers was minimal; thus, less time was spent on training activities; (3) improved performance standards were issued for the compliance officers and supervisors; (4) an automated wage-hour management information system was implemented to assist supervisors and managers in assessing compliance officer performance and productivity; and (5) increased investigations for overtime violations resulted in findings of larger amounts of back wages due.

²All percentages hereafter are rounded to the nearest tenth.

³Back wages repaid to employees may be less than those reported as agreed to pay; Labor considers wages as agreed to pay if the employer makes a valid effort to restore them, even if the employee did not receive the wages. For example, an employer may be unable to restore wages because a former employee due back wages cannot be located.

INVENTORY OF FLSA COMPLAINTS

Information for fiscal years 1984 through 1986 on the number of FLSA complaints in WHD's inventory in each of the 10 regional offices, based on reports prepared by WHD, is presented in table 1.3.

Table 1.3: FLSA Complaints in Inventory at the End of the Year

<u>Region</u>	<u>Fiscal years</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
Boston	628	657	548
New York	1,297	1,387	1,444
Philadelphia	2,489	3,255	3,247
Atlanta	6,812	7,152	6,229
Chicago	3,262	4,072	3,999
Dallas	3,245	4,106	3,251
Kansas City	1,378	1,521	1,810
Denver	765	830	731
San Francisco	1,365	1,916	2,114
Seattle	<u>434</u>	<u>671</u>	<u>548</u>
Total	<u>21,675</u>	<u>25,567</u>	<u>23,921</u>

As seen in table 1.3, from fiscal year 1984 to 1985, the number of FLSA complaints in WHD's inventory increased by 3,892. However, from fiscal year 1985 to 1986, the inventory decreased by 1,646 cases. WHD's fiscal year 1987 objective is to reduce the nationwide FLSA complaint inventory by about 3,400 cases.

WHD officials stated that they believe they are managing the inventory and do not view the current number as a problem, considering that WHD receives over 1,000 complaints a week. The officials explained that the inventory includes those cases that are both under action and awaiting action. For example, WHD's deputy administrator estimated that over half of the cases in the inventory are being investigated.

In addition, WHD officials, including the director of the WHD Baltimore area office, told us that the inventory includes cases that are closed by the compliance officers but remain in the inventory because WHD is monitoring the payment of back wages. The director explained that a case cannot be closed until at least half of the money is collected, and he estimated that about 25 percent of the cases in the Baltimore office's inventory are open only because WHD is monitoring the payment of back wages.

STATUS OF REGULATIONS ON IMPLEMENTING THE
1985 FLSA AMENDMENTS APPLYING THE ACT
TO STATE AND LOCAL GOVERNMENTS

Before 1974, most state and local employees were exempted from the minimum wage, overtime, and other provisions of the FLSA. In 1974, FLSA was amended to make the act applicable to state and local government employees, with a special overtime exemption for firefighters and law enforcement personnel. However, in late December 1974, the Supreme Court issued an injunction staying the expanded coverage provisions and, in its 1976 decision,⁴ held that it was unconstitutional to apply FLSA's minimum wage and overtime provisions to state and local government employees working in traditional functions.

In November 1979, employees of the San Antonio Texas Metropolitan Transit Authority brought suit against the authority (Garcia v. San Antonio Metropolitan Transit Authority), claiming they were entitled to receive overtime pay under the requirements of FLSA. The suit was appealed to the Supreme Court, and, in its February 1985 decision, the Court overturned its 1976 decision; the Court held that the Congress does have the authority to apply the FLSA minimum wage and overtime requirements to employees of state and local governments.

The Garcia decision brought strong and immediate opposition from state and local government officials, and many bills were introduced in the 99th Congress to soften or negate the effect of the decision. In October 1985, state and local employer groups reached a compromise agreement with public employee unions on legislation dealing with the extension of FLSA to most state and local government employees. As a result, the Congress passed the FLSA amendments of 1985 (Public Law 99-150) on November 13, 1985.

In summary, the amendments allow for covered state and local workers to receive compensatory time off in lieu of overtime as long as two conditions are met: compensatory time (1) is at the rate of 1 and 1/2 hours for each FLSA overtime hour worked, and (2) conforms to applicable provisions of a collective bargaining agreement, a memorandum of understanding, or any other agreement between the public agency and representatives of its employees made before any overtime work was done. The amendments, which took effect April 15, 1986, also outline other conditions and exceptions.

Labor issued a regulatory impact study in July 1986, which stated that the immediate impact of the Garcia decision would be to bring approximately 13.8 million state and local employees under FLSA. However, Section 13(a)(1) of FLSA provides

⁴See footnote 1 (p. 5).

exemptions from the minimum wage and overtime provisions for certain administrative, executive, and professional employees such as teachers. As a result, about 6.1 million state and local government employees are exempt from FLSA's minimum wage and overtime provisions.

On April 18, 1986, Labor published proposed regulations to implement the 1985 amendments. After receiving and analyzing 165 comments, including many from public employee unions and state and local government associations, Labor made revisions. The final regulations were issued in the Federal Register (52 Fed. Reg. 2012) on January 16, 1987, and became effective on February 17, 1987. Labor estimates the annual fiscal impact of the Garcia decision and the 1985 FLSA amendments on state and local governments would be an increase in wages of about \$612 million.

WHD data show that in fiscal year 1986 its field offices completed 583 state and local government compliance actions. At the end of fiscal year 1986, WHD had 168 state and local government complaints in its inventory.

STATUS OF PROPOSED REGULATIONS
REVISING RESTRICTIONS ON
INDUSTRIAL HOMEWORK INDUSTRIES

Over 40 years ago, Labor issued regulations restricting the employment of homeworkers in the seven industries where it was most prevalent and in which violations of FLSA were a serious problem. These were jewelry, knitted outerwear, gloves and mittens, buttons and buckles, embroideries, handkerchiefs, and women's apparel industries. It should be noted that homework is permitted in all industries other than these seven.

In January and February 1981, Labor held public hearings to obtain views of interested parties as to whether restrictions on homeworkers should be continued, modified, or eliminated. In October 1981, a final rule (which became effective on November 9, 1981) lifted the restrictions on the knitted outerwear industry and retained the restrictions on the other six industries. However, the U.S. Court of Appeals for the District of Columbia Circuit held that the final rule had been promulgated in violation of the Administrative Procedure Act.

Following the Court's decision, in March 1984, Labor published a proposal to repromulgate a final rule. In November 1984, Labor published the final rule, which lifts the restrictions on homework in the knitted outerwear industry, provided the employer first obtains a certificate from Labor and adheres to the minimum wage, overtime, and other requirements of FLSA. Labor believes that its experience with the knitted outerwear industry warrants extending the procedures to the remaining restricted industries.

According to reports provided to us by WHD (for fiscal years 1984, 1985, and 10 months of 1986), its field offices have completed about 1,000 compliance actions concerning employers of homeworkers. Three hundred and seventy-five compliance actions were conducted in fiscal year 1984, 332 in fiscal year 1985, and 283 in the first 10 months of fiscal year 1986. In total, almost 400 of these actions resulted in violations, amounting to about \$1.9 million in minimum and overtime wages due the homeworkers. WHD officials did homeworkeer investigations as part of their annual program plans (directed investigations) as well as in response to complaints. Of the 1,000 compliance actions, about 56 percent were directed investigations, and about 44 percent were a result of complaints.

On August 21, 1986, Labor issued a notice of proposed rulemaking in the Federal Register (51 Fed. Reg. 30036), which would revise the restrictions on the six restricted industries and permit the employers to legally employ people in their homes, provided they do the following: first obtain certificates from Labor, pay their homeworkers proper minimum wage and overtime pay, and keep all records required under FLSA. The Bureau of Labor Statistics estimated, in November 1986, that the maximum number of persons working at home in the restricted industries could not exceed 125,000.

The initial comment period was to end on October 20, 1986; however, in response to requests, it was extended to December 4, 1986. When the comment period closed, Labor had received 19,101 comments: 7,995 comments were in favor of lifting the ban against homework, and 11,106 were against lifting the ban. As of February 17, 1987, WHD was still analyzing the comments and planning to prepare a summary of them. Only then will WHD decide whether to go forward with the proposal or revise it. WHD has not established a firm completion date and, as of February 17, 1987, could not estimate one.

WHD AREA OFFICES AND FIELD STATIONS CLOSED SINCE 1981

The Employment Standards Administration has 10 regional offices nationwide, 64 WHD area offices and 263 WHD field stations. These area and regional offices and field stations are responsible for administering and enforcing FLSA and other Labor standard laws and worker protection programs for which Labor has responsibility.

Since 1981, the Caribbean subregional office, located in Hato-Rey, Puerto Rico, has been closed. This office was closed because its primary workload -- collecting prevailing wage data and conducting industry committee hearings to set minimum wage rates in Puerto Rico -- was phased out by the 1977 amendments to

FLSA. In addition, since 1981, various WHD area offices have been changed to field stations, and one area office and several field stations have been closed. In total, four WHD area offices have become field stations: Hyattsville, Maryland; Knoxville, Tennessee; Detroit, Michigan; and North Chicago, Illinois. Additionally, the Brooklyn area office has closed.⁵ Fourteen field stations have also been closed: Missoula, Montana; Salina, Kansas; Scottsbluff, Nebraska; Spartanburg, South Carolina; Elizabethtown, Kentucky; Union City, Tennessee; St. Petersburg, Florida; Laguna Niguel, California; Pontiac, Michigan; Canton, Ohio; Racine, Wisconsin; Washington, Pennsylvania; Middlesboro, Kentucky, and Uniontown, Pennsylvania.

The director of WHD's Division of Planning and Review stated that the field stations that have been closed since 1981 were generally located in remote locations. When the compliance officer who worked in these offices retired or left, WHD found it difficult to fill the positions. The director stated, however, that compliance officers who are assigned to other field stations and who travel still conduct compliance actions in these areas.

According to WHD national office officials, the area offices were generally closed to strengthen personnel management. One official stated that it is sometimes better to consolidate two offices under one supervisor than to have an office with too few compliance officers. For example, before 1981, there were three area offices in the Chicago area, but since that time they have all been consolidated into one area office serving Chicago.

⁵In a 1984 report, Closing the Department of Labor's Brooklyn Wage and Hour Area Office (GAO/HRD-84-85, Aug. 21, 1984), we assessed the effect the closing of the Brooklyn office would have on worker protection in the boroughs of Brooklyn, Queens, and Staten Island (Brooklyn catchment area) in New York City. We reported that, in our opinion, Labor overstated the cost savings that would result from the closing. Additionally, we found that there would be a loss of two compliance officers. We determined that it was unclear how the reduction would affect enforcement activities for the Brooklyn catchment area. However, Labor officials stated that the transfer of compliance officers from Brooklyn to Manhattan would improve personnel management and enhance enforcement activities (because of greater flexibility and a greater mix of skills in one office) in the Manhattan and Brooklyn areas.

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