



Highlights of [GAO-08-962T](#), a testimony to the Chairman, Committee on Education and Labor, House of Representatives

Why GAO Did This Study

Over 130 million workers are protected from substandard wages and working conditions by the Fair Labor Standards Act (FLSA). This act contains specific provisions to ensure that workers are paid the federal minimum wage and for overtime, and that youth are protected from working too many hours and from hazardous conditions. The Department of Labor's Wage and Hour Division (WHD) is responsible for enforcing employer compliance with FLSA.

To secure compliance, WHD uses enforcement actions, partnerships with external groups, and outreach activities.

In response to a congressional request, we examined (1) the trends in FLSA compliance activities from fiscal years 1997 to 2007, (2) the effectiveness of WHD's efforts to plan and conduct these activities, and (3) the extent to which these activities have improved FLSA compliance.

What GAO Recommends

To better plan and conduct FLSA compliance activities, GAO recommends that WHD evaluate complaint data, obtain and use input from external stakeholders, incorporate data from its studies, and leverage existing tools. GAO also recommends that WHD establish, consistently maintain, and report on its performance.

GAO provided a draft of this statement to WHD but it declined to officially comment prior to the hearing.

To view the full product, including the scope and methodology, click on [GAO-08-962T](#). For more information, contact Anne-Marie Lasowski at (202) 512-7215 or lasowskia@gao.gov.

FAIR LABOR STANDARDS ACT

Better Use of Available Resources and Consistent Reporting Could Improve Compliance

What GAO Found

From fiscal years 1997 to 2007, the number of WHD's enforcement actions decreased by more than a third, from approximately 47,000 in 1997 to just under 30,000 in 2007. According to WHD, the total number of actions decreased over this period because of three factors: the increased use of more time-consuming comprehensive investigations, a decrease in the number of investigators, and screening of complaints to eliminate those that may not result in violations. Most of these actions (72 percent) were initiated from 1997 to 2007 in response to complaints from workers. The remaining enforcement actions, which were initiated by WHD, were concentrated in four industry groups: agriculture, accommodation and food services, manufacturing, and health care and social services. WHD's other two types of compliance activities—partnerships and outreach—constituted about 19 percent of WHD's staff time based on available data from 2000 to 2007.

WHD did not effectively take advantage of available information and tools in planning and conducting its compliance activities. In planning these activities, WHD did not use available information, including key data on complaints and input from external groups such as employer and worker advocacy organizations, to inform its planning process. Also, in targeting businesses for investigation, WHD focused on the same industries from 1997 to 2007 despite information from its commissioned studies on low wage industries in which FLSA violations are likely to occur. As a result, WHD may not be addressing the needs of workers most vulnerable to FLSA violations. Finally, the agency does not sufficiently leverage its existing tools, such as tracking the use and collection of penalties and back wages, or using its hotlines and partnerships, to encourage employers to comply with FLSA and reach potential complainants.

The extent to which WHD's activities have improved FLSA compliance is unknown because WHD frequently changes both how it measures and how it reports on its performance. When agencies provide trend data in their performance reports, decision makers can compare current and past progress in meeting long-term goals. While WHD's long-term goals and strategies generally remained the same from 1997 to 2007, WHD often changed how it measured its progress, keeping about 90 percent of its measures for 2 years or less. Moreover, WHD established a total of 131 performance measures throughout this period, but reported on 6 of these measures for more than 1 year. This lack of consistent information on WHD's progress in meeting its goals makes it difficult to assess how well WHD's efforts are improving compliance with FLSA.