



Cleaning up the New York City Carwash Industry

THE ISSUE: RAMPANT ABUSE

The Car Wash Industry is in urgent need of reform. Approximately 200 car washes operate within New York City – employing about 5,000 workers. These are NOT small, mom and pop businesses struggling to survive. This is an industry that requires substantial capital investment; and many owners control several locations or chains. But the industry has a poor record when it comes to protecting workers and communities.

Wage theft from workers in the NYC industry has been routine. A 2008 New York State Department of Labor investigation revealed that almost 80% of city carwashes were in violation of minimum wage and overtime laws; and a 2012 study conducted by the WASH NY campaign found insufficient meaningful improvement. In 2009, the U.S. Department of Labor reached a \$3.4 million back wage settlement with Lage Management, the city's largest chain operator. And in March of this year, the state attorney general's office reached another settlement with Lage Management forcing the owners to pay another \$3.9 million in back wages, Unemployment Insurance and Workers Compensation penalties, and other damages.

Injury & unsafe conditions on the job seem to be too often the rule at particular car washes. Workers report routine exposure to strong chemicals, including harsh detergents and solvents, and serious injuries on some jobs. Employers often provide *none of the legally mandated* protective equipment or training on proper handling of chemicals.

Environmental & community health risks can exist as well, with little oversight to make sure every car wash is properly disposing of its waste.. A survey of car wash workers revealed that some car washes allow wastewater to run off into the street, and others throw sludge from their filters into the trash. City law prohibits the discharge of wastewater containing toxic substances of certain quantities, and federal law requires that hazardous waste be disposed of at specialized facilities. If these laws are not complied with, harmful wastes could end up in our city's waterways, potentially presenting a threat to plant and animal life. Currently, the city does not typically verify whether car washes meet standards on wastewater runoff or handling of sludge.

Responsible car wash owners cannot compete with other companies that skirt the law.

THE SOLUTION: ORGANIZING FOR RESPECT

Make the Road New York and **New York Communities for Change**, with the support of the **Retail, Wholesale and Department Store Union (RWDSU/UFCW)**, have created WASH NY - a diverse coalition of community-based organizations, labor, the faith community, environmental justice groups, and immigrants' rights organizations to demand that the car wash industry respect its workers and our neighborhoods. Car wash workers from across the city, representing dozens of car washes, are leading the charge, exposing abuse on the job, and demanding respect, safe working conditions, and decent wages. Critical allies include **the New York Taxiworkers Alliance** and **International Association of Machinists District 15**, which represents black car drivers in the city. Both have endorsed the campaign and promised to support any boycotts or actions called by the WASH NY workers' steering committee.

CAMPAIGN TRAJECTORY

The WASH NY campaign launched on March 6, 2012 and quickly gained momentum. To date, the RWDSU has won eight National Labor Relations Board (NLRB) car wash elections to unionize in New York City, the campaign has won successful strikes at the Sunny Day Car Wash in the Bronx and at Off-Broadway in Queens, saved the jobs of workers at the Soho Car Wash, secured seven union contracts for workers and has brought about significant change in how workers are treated, even at carwashes the union hasn't yet organized. A few key highlights:

- March 6, 2012 – Campaign launches with release of Wash New York: The Dirty Business of Cleaning NYC's Cars, a report finding poor conditions and low pay throughout the industry.
- April 30, 2012 – To address the rampant violations in the industry, Councilmember Melissa Mark-Viverito introduces The Car Wash Accountability Act in the New York City Council.
- May 2, 2012 – The New York City Council holds oversight hearing on conditions in the car wash industry.
- March 26, 2012 – The New York Daily News breaks the story that Attorney General Eric Schneiderman “is investigating whether New York City’s car-wash kingpin [John Lage] has financed a life of luxury by cheating workers out of wages.”
- June 27, 2012 - WASH NY announces wage and hour lawsuits against Hi-Tek car washes in East Elmhurst and Brighton Beach, alleging nonpayment of overtime and numerous other violations.
- June, 2012 – Dozens of New York City Council members and staff gather to meet worker leaders of the WASH NY campaign, committing ongoing support to the workers.
- July, 2012 - United New York releases report naming John Lage one of the city’s worst employers.
- July 24, 2012 – Wash NY co-organizes citywide protest of thousands of low-wage workers who march from Herald Square to Union Square and then deploy busloads to car washes and other low- wage worksites to demand accountability from employers.
- September 8, 2012 – Car wash workers at Hi-Tek Astoria become first on the east coast to vote to unionize, selecting representation by the RWDSU in a secret-ballot election.
- October 20, 2012 – Car wash workers vote to unionize at LMC Webster in the Bronx, owned by John Lage.
- November 11, 2012 – Car wash workers at Sunny Day Car Wash in the Bronx hold a work stoppage to protest nonpayment of several weeks of pay; management fires 12 workers in retaliation for exercising their legally protected rights. An Unfair Labor Practice strike begins.
- November 21, 2012 – Car wash workers at Sutphin Car Wash (Queens) and Soho Car Wash (Manhattan) – both washes controlled by John Lage or his associate – vote to unionize with the RWDSU.
- December 11, 2012 – Workers at Sunny Day Car Wash become the fifth group to vote for unionization.
- February 1, 2012 – Car Wash King John Lage and his associates announce that they have sold the Soho Car Wash and that all of the workers will lose their jobs within a month.
- February 12, 2013 – After a three month unfair labor practice strike, workers at Sunny Day Car Wash are rehired in an agreement negotiated with the NLRB. The company is paying the workers’ back pay.
- February 20, 2013 – After workers at the sold Soho Car Wash protest, strike, and file official complaints with the Attorney General’s office, Lage and his associates announce that all of the workers will be given comparable jobs at other car washes.
- March 27, 2013 – Workers at all five unionized car washes throughout the city gathered together for a historic car wash worker’s assembly to celebrate everything we have won and show that this campaign is a broad movement supported by the community, faith leaders, and elected officials. The WASH NY campaign, along with the Center for Popular Democracy released a report on John Lage as the NYC car wash kingpin.
- April 24, 2013 -- Workers at Jomar Car Wash in Flushing Queens, owned by an associate of Car Wash King John Lage, vote to unionize with the RWDSU.
- May 28, 2013 -- Workers at the Hi-Tek Car Wash & Lube in Queens voted to ratify the first union contract of any car wash in New York City. This is the first car wash contract in the United States east of Los Angeles.
- June 1, 2013 -- Unionized workers at the Jomar Car Wash in Queens stage a one-day strike to protest assault and termination of car wash employee Guillermo Anzures. It was the latest incident in what workers say is a campaign of harassment that began before employees voted to join the RWDSU.
- June 4, 2013 – The workers at Sunny Day Car Wash in the Bronx became the second New York City car wash to sign a contract with the Retail, Wholesale and Department Store Union (RWDSU), capping a struggle that included a 13-week strike by workers because carwash owners failed to pay them in a timely manner.
- October 2013 – In a span of 24 hours, four more car washes – two each owned by two of the largest car wash owners in the city -- sign contracts with the RWDSU. Workers at the Webster Car Wash and WCA/Rico Pobre Car Wash in

The Bronx, owned by reputed car wash kingpin John Lage, and the Jomar Car Wash and Sutphin Car Wash in Queens, owned by Fernando Magalhaes ratify a three-year contract similar to two other union carwashes ratified within the last few months.

- November 2013 -- Workers at Off-Broadway/Five Star Car Wash in Queens vote 15-1 to join the RWDSU, ending months of efforts to get the owner to recognize the union as the bargaining agent.
- January 2014 -- Newly unionized workers at Off Broadway/Five Star Car Wash in Elmhurst walk off the job to protest the owner's refusal to negotiate a contract. The 15 carwashers idle the business, chanting and handing out flyers near an inflatable rat for an hour. The demonstration works: just after 12:30 p.m., the store owner sent word that he would agree to discuss their wage and schedule concerns.
- February 2014 -- Workers who walked off the job at Off Broadway/Five Star Car Wash for the third time in as many months are treated to an offensive display by the business's owner. A video provided by the workers' union shows David Amar kicking snow at the "carwashers." The angry car wash owner then noticed workers filming him in front of the carwash and simulated masturbation in their direction.
- March 2014 -- 16 long-suffering workers at Off-Broadway/Five Star Car Wash in Elmhurst, Queens finally received their back wages from David Amar, who had not paid some of his employees for two weeks. Amar agrees to pay them what they are owed, stop retaliating against them for having joined a union and, after months of refusing to comply with the law, also agrees to sit down to negotiate a contract.
- March 6, 2014 – Attorney General Eric Schneiderman announces \$3.9 million settlement with John Lage and associates covering 21 car washes and comprised of wage theft damages, back wages, Unemployment Insurance and Workers Compensation penalties.
- March 12, 2014 – New York City Council Speaker Melissa Mark-Viverito reintroduces the Car Wash Accountability Act before the new city council, to implement oversight in the industry.
- April 16, 2014 – Workers from all unionized car washes throughout the city gathered together for the 2nd annual historic car wash worker's assembly. Top elected officials, including Mayor Bill de Blasio, Attorney General Eric Schneiderman, and City Council Speaker Melissa Mark-Viverito told some 200 'carwashers' and their advocates they support their fight for economic justice and the right to unionize.
- May 9, 2014 – Workers at Off Broadway/Five Star Car Wash sign contracts with the RWDSU, making them the seventh car wash to reach a contract since the Wash New York campaign launched in early 2012.

THE CAR WASH ACCOUNTABILITY ACT

The **Car Wash Accountability Act**, with City Council Speaker Melissa Mark-Viverito as lead sponsor, for the first time will give the city *real* power to ensure legal compliance in this industry. The Act addresses the many consumer and environmental issues that car washes pose. The main provisions of the bill require that car washes: obtain licenses from the Department of Consumer Affairs (DCA); post surety bonds as insurance against claims from those who do business with them; provide basic information about their businesses to the city; and comply with basic regulations concerning their wastewater discharge and public water usage.

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