

FEDERAL NEWS WEEKLY SUMMARY CONTINUED



Inc., and Guess, Inc. as having received merchandise made in sweatshops. The companies received apparel goods manufactured by Chums Casual (a/k/a Steven K. Corporation) of Los Angeles, Calif.

A Labor Department investigation of Chums revealed that its cutters, sewers and trimmers were paid \$170 for working 50 to 55 hours a week. The hourly wage averaged as low as \$3.10 in some cases. The firm paid \$80,000 in back wages to 72 workers and was assessed \$12,240 in fines for repeat violations of the Fair Labor Standards Act. After the department cited and fined Chums, the company hired an outside firm to monitor its own cutting and sewing practices and ensure FLSA compliance.

Labor Department officials contacted Sears, Macy's West (a division of Federated Stores, Inc.), Hub Distributing and Guess over a three-week period in late September following the manufacturer's submission of additional sales records forced by a Department of Labor subpoena. The records helped the Labor Department trace the merchandise to these retailers so that the labor department could inform them of the investigation of Chums.

Previously, on May 20, the department announced that J.C. Penney, Macy's East and Specialty Retailers, Inc., had also received illegally made goods from Chums.

Reich also noted that one of the retailers, Guess, Inc. is included among the department's "Trendsetters"—a list of retailers and manufacturers who have pledged to go above and beyond the law to insure that their merchandise is not made in sweatshops. Reich stated that, "Guess has provided the department with a copy of its monitoring program and we are reviewing their efforts. After a thorough review, we will make a decision on whether Guess will remain on the Trendsetter list."

—US DEPT. OF LABOR
10/08/96

"Chaos and ineptitude are anti-human; but so too is a superlatively efficient government equipped with all the products of a highly developed technology."

Aldous Huxley
'Tomorrow and Tomorrow and Tomorrow'
1956

GRANTS TO PROMOTE WOMEN IN NONTRADITIONAL OCCUPATIONS

■(WASHINGTON) Women seeking to enter and move up in apprenticeship and non-traditional occupations will benefit directly from \$610,000 in technical assistance grants announced Tuesday by Secretary of Labor Robert B. Reich.

The funds come through the Women in Apprenticeship and Nontraditional Occupations (WANTO) Act. Under the initiative, four community based organizations are receiving grants both to provide on-site technical assistance to employers and labor unions to help develop strategies to increase the employment of women in apprenticeship and nontraditional occupations; and to develop an ongoing off-site technical assistance through computer-based telecommunication service and network, including a 1-800 dial-up system.

The grantees are: (1) Chicago Women in Trades, Chicago; (2) Wider Opportunities for Women, Washington, DC; (3) Women in Non-Traditional Employment Roles, Long Beach, Calif.; and (4) YWCA's Women in Trades, Memphis Tenn.

—US DEPT. OF LABOR
10/10/96

CRIME & JUDICIARY

CORPORATION PAYS \$13 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

■(WASHINGTON) The Chicago-based FMC Corp. will pay the United States \$13 million to settle claims it falsely inflated the cost of military contracts to produce the Bradley Fighting Vehicle and the M113 tank, the Department of Justice announced Tuesday.

Assistant Attorney General Frank W. Hunger of the Civil Division and U.S. Attorney Michael J. Yamaguchi of San Francisco said the settlement resolves allegations in a complaint filed by Robert F. Neargarder, a former manager at FMC's Ground Systems Division (GSD) in San Jose, California, under the quiet provisions of the False Claims Act.

In his complaint, Neargarder alleged GSD, in various documents submitted to the Department of the Army, falsely inflated the amount it intended to spend on independent research and development (IR&D) and bid and proposal (B&P) projects during 1991 and 1992. The complaint further alleged that the Army, in relying on those false state-

ments, agreed to reimburse GSD for a higher amount of IR&D and B&P expenditures than it would have if the Army had known GSD's true spending plans.

A portion of FMC's inflated IR&D and B&P costs were included in the prices of its contracts for the Bradley Vehicle and tanks.

—US DEPT. OF JUSTICE
10/09/96

ENERGY

DOE PLANS TO SELL ELK HILLS OIL FIELD IN SEGMENTS

■(WASHINGTON) Taking the next step in one of the largest U.S. government divestitures ever, Secretary of Energy Hazel R. O'Leary on Tuesday announced the Department of Energy's (DOE) strategy to sell the government's portion of the Elk Hills Naval Petroleum Reserve. Rather than marketing the field as a single asset, DOE will offer it in segments. Bids will be solicited for an "operating working interest," where the buyer will become the field's operator, and for multiple, "non-operating working interests," where purchasers will bid for smaller interests in the field.

The Elk Hills field, near Bakersfield, CA, is the 11th largest oil field and 10th largest operating gas field in the lower 48 states.

DOE also announced that it will begin outlining the key components of the strategy for prospective bidders at two public meetings next week, in Houston, TX, and Bakersfield, CA. The Houston meeting will be Oct. 15 at the Hyatt Regency in downtown Houston. The Bakersfield meeting will be on Oct. 16 at the Red Lion Inn. Both meetings will begin at 2 p.m.

DOE plans to offer an "operatorship interest" made up of a significant portion of the government's approximate 78 percent share of the field. Currently, ownership of the field is divided between DOE and Chevron USA Production Company, and the field is operated on a unitized basis. The buyer of the "operatorship interest" would take over operations of the field.

In addition, DOE will offer undivided, non-operating working interests to allow smaller companies, alone or in consortia, the opportunity to obtain interests in the field. DOE might also consider selling some of the field's surface facilities separately to attract

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