

Independent Verification

Conducted at Underground Printing

Commissioned by Fair Labor Association (FLA)

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Background

In August 2013, the FLA received a communication from a third party (who has asked the FLA to keep its identity confidential) alleging a range of violations of the FLA Workplace Code of Conduct and Compliance Benchmarks in the facility of Underground Printing (UGP), a Category C Licensee of the FLA. The FLA informed the Licensee about the complaint and its allegations. In response, the facility carried out its own assessment and developed a remediation plan.

FLA engaged an independent consultant to verify the actions items implemented by UGP through the remediation plan and to corroborate the comprehensiveness of the plan.

The independent verification was conducted during the period March 31st to April 3rd 2014, at the UGP facility, located in the city of Ann Arbor, Michigan, through interviews with key stakeholders and document review. At the end of the three-day verification visit, a closing meeting was held with the managing partner and human resources lead at UGP to review outcomes of the verification visit and to identify areas of improvement.

Methodology

1. Interviews

| Number of interviews | Interviewees | Date of interview |
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| 2 | Co-Founder and Manager (2 individuals), UGP | March 31, April 1, April 2 |
| 3 | Human Resources Lead, UGP | March 31, April 1, April 2 |
| 1 | Complainant | March 31 |
| 1 | Regional manager, local temporary employment agency (External) (telephone interview) | April 1 |
| 1 | Environmental Quality Analyst, Washtenaw County (local state agency) (External) | April 1 |
| 1 | Production Manager, UGP | April 1 |
| 10 | UGP factory workers (randomly chosen from shift 1 and shift 2) | April 1, 2, 3 |
| TOTAL INTERVIEWS: 19 | | |

2. Document Review

Management provided the following documents for review:

1. Documents referenced in UGP's internal assessment provided to the FLA:
 - a. hiring and orientation process and documents;
 - b. training program for new hires and established employees;
 - c. current list of active employees at the Ann Arbor facility;
 - d. internal documents related to payroll and compensation;
 - e. clock in/out records, earned time off policy and actual accruals.

2. UGP's Hourly Handbook, to review current policies or procedures regarding "at will employment" hiring, compensation, health & safety policies and procedures, holiday and vacation practices, disciplinary procedures, and termination policies and procedures.
3. Hiring procedures and documents, internal and through employment agency
4. Orientation program for new employees, Hazardous Communication Training document, Personal Protective Equipment Policy, UGP Code of Conduct, Corporate Social Responsibility Policy, Code of Business Ethic, Health and Safety Policy
5. Payrolls of salaries, bonuses and vacation, copies of pay stubs, salary questionnaire, on line reports to track hours of work.
6. Training Plan outline for each job function.
7. UGP's training test and materials (under development at the time of the visit).
8. Performance Review document (under development at the time of the visit).
9. Skill Tracker (for active production workers).
10. Material used for training process on health and safety, including MSDS binder.
11. Michigan Occupational Health and Safety Administration (MIOHSA) correspondence and citations.
12. Inspection Reports (past and current) issued by Washtenaw County Environmental Health.

3. Physical Inspection of the Facility

On the first day of the verification, UGP management provided unrestricted access to the facility allowing the independent verifier to document, via photos, the physical conditions of the facility. Throughout the verification visit, the verifier was able to review all of the areas to document or review any improvements made by the facility management. The areas reviewed were: production area, the dark room, chemical and ink staging or preparation area, break room, print shop, embroidery area, and conference room.

Independent verification results

The following table summarizes the remediation plan developed by UGP to improve the findings of the allegations in the third party complaint; the table also presents the compliance or level of advancement for each of the mentioned recommendations as assessed by the independent verifier.

| Actions | Responsible | Due Date | Compliance/Level of Progress |
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| <p>ER 8 Recruitment and Hiring/ Conditions of Hiring Contract or Temporary Workers: UGP conducted a review of current practices, and deemed that the usage of contract workers fits the definition of contract worker as provided by FLA.</p> | <p>Managing Partner and Human Resources Lead</p> | <p>January 2014</p> | <p><u>STATUS: COMPLETED</u> UGP's production is seasonal, especially for collegiate or licensed products. The peak periods are spring and fall. UGP has used three labor agencies from 2008 to 2013. The last agency used was Employment Plus. In an interview with Employment Plus' regional manager, she confirmed that UGP ended the contract in November 2013.</p> <p>The agency's contract allowed for UGP, after 480 hours of agency employment, to offer permanent employment to a temporary worker. During the summer/fall 2013, the agency provided nine employees of which only 1 worker became a permanent UGP employee.</p> <p>Since 2014, UGP has hired directly 25 employees, of which 12 (48%) are production-related workers.</p> |
| <p>ER 9 Recruitment and Hiring/Invalid Use of Contract, Contingent or Temporary Workers: UGP will review and a Remediation Plan (if necessary) will be determined in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p><u>STATUS: COMPLETED</u> In an interview with Employment Plus' regional manager, she confirmed that UGP ended the contract in November 2013.</p> <p>All temporary workers paid by the agency received an entry salary of \$8.00 per hour which is higher than the federal or state minimum wages. Through interviews with current employees, none cited any evidence of poor treatment of temporary workers. Through worker testimony, a worker advised that she was hired as a temporary worker in July 2013, and became a permanent employee in January 2014, receiving a raise from \$8.00 per hour to \$9.00 per hour. Currently, this worker is earning \$10.00 per hour. Michigan minimum wage is \$7.40 per hour.</p> |

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| <p>ER 11 Terms and Conditions/Contract, Contingent or Temporary Workers. UGP reviewed its current practice and deem the use of Contract workers to be compliant with FLA Benchmark.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED Through an interview with the regional manager at the temporary agency, all temporary workers were paid \$8.00 per hour. Michigan minimum wage is set at \$7.40 per hour. The entry hourly salary was based on skill level and would be reviewed after 480 hours of work.</p> <p>UGP has not hired temporary workers since November 2013.</p> |
| <p>ER 24 Administration of Hours/Production and Incentive Schemes: UGP will investigate and develop a Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED UGP has not hired temporary workers since November 2013.</p> <p>Under Michigan Labor law, an employer is not required to provide vacation benefits, whether paid or unpaid. Michigan law does not require employers to provide employees with holiday leave, whether paid or unpaid. In Michigan, an employer can require an employee to work holidays.</p> |
| <p>ER 25 Industrial Relations: UGP will ensure that all employees are aware of the grievance procedures and confidential reporting methods. To expand our means of confidential reporting, UGP will look into suggestion box programs so employees have yet another way to report grievances anonymously.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS UGP reviewed its current practice and decided to place a “suggestion box” near the time clock for workers to utilize. For any suggestion received, UGP plans to communicate the appropriate response during employee meetings. In respect to anonymous reporting, UGP feels the employee line (a dedicated telephone number reviewed by HR) currently used to report attendance issues may also be used to report anonymously any grievance. The UGP handbook advises that an employee may report any grievance or harassment through a confidential channel. However, there is a lack of clarity on how to proceed if the employee has a grievance with a direct supervisor.</p> <p>The UGP handbook (Section 4, page 5) states that there is a disciplinary policy program with progressive steps. UGP management provided the verifier with blank forms to be used for disciplinary actions, but did not provide any evidence of the actual use of the forms or implementation of disciplinary actions.</p> |
| <p>ER 28 Skills Development/Training: UGP will review and develop Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS OSHA’s Hazardous Communication (29CFR1910.1200e) and Michigan’s Worker Right to Know (WRTK) Law requires formalized and documented training, with documentation of new employee training at time of hire and yearly refresher classes for all employees to be maintained.</p> <p>UGP maintains a “skill tracker” to review a worker’s development on the job. The training document is a listing of skills or tasks/functions which should be learned. However, the evidence provided</p> |

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| | | | <p>lacked details related to the agenda and content of the training materials, who conducts the training, the qualification of the trainer, the period or length of the training, what are the training tools utilized, and the performance of the trainee in successfully passing a “test” to determine if the training was effective.</p> <p>The facility presented to the verifier several documents related to training of workers on basic health and safety requirements, but in the verifier’s judgment the facility lacks a cohesive system of documentation. During the orientation process, the HR lead provides a document to all new hires on Hazardous Communication and Personal Protection Equipment. The new hires are asked to sign the document without receiving any formalized training (such as focused and specific instruction, discussion or training videos). When the new worker is at the production floor, the production training manual highlights the production and quality aspect of the task, but there is a lack of instruction or discussion of H&S materials and no mention of MSDS training/usage.</p> <p>Management feels that the “on the job” training prepares and educates the worker on critical or basic H&S safeguards. UGP management feels that they have fulfilled their obligation by providing MSDS, and it is the worker’s responsibility to read or understand MSDS information if they wish.</p> |
| <p>ER 29. Skills Development/Management of Performance Reviews: UGP conducted a review, and deemed they have clear policies and procedures regarding performance reviews. UGP will continue to educate employees on the performance review policies.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS</p> <p>The UGP handbook (Section 2, page 3) states that annual performance reviews will occur once a year on or about the service anniversary date. Management contends that performance reviews do not necessarily mean that the worker will receive a raise in hourly wage or salary.</p> <p>Nonetheless, worker interviews indicate that performance reviews are infrequent, and do not coincide with anniversary dates. None of the workers interviewed over a three day period could recall signing or receiving an annual performance review document.</p> <p>Through worker testimony, a worker advised that he has been employed by UGP since September 2008, and recently received his first formal review. According to him, the review conversation began in January 2014 by the production manager but the review discussion has not concluded. In reviewing employment records, it was determined that the worker did receive a wage increase in March 2014, which is reflected in his most current paycheck. In this case, UGP emphasizes the wage increase is due to the worker’s new job functions and that UGP does not grant retroactive pay to the anniversary date.</p> <p>UGP provided a copy of the new performance review document to be utilized in 2014. The document outlines performance metrics, performance rating, comments, and signature block for HR, reviewer (Manager) and the reviewed (employee). This new document was not used for the worker interviewed by the FLA verifier.</p> |

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| <p>ER 30: Skills Development/Promotion, Demotion and Job Reassignment: UGP will review and develop Remediation Plan (if necessary) in a 30-day time period</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS UGP fosters a philosophy of “on the job” training, which is mentioned in the employee handbook. All new workers enter the company as press assistants and progressively work up to the next level. However, the company is lax in documenting the individuals’ progress, whether in training updates or performance reviews.</p> <p>UGP maintains a “skill tracker” to review a worker’s development on the job. The training document is a listing of skills or tasks/functions which should be learned. However, no evidence was provided as to who conducts the training, the qualification of the trainer, the period or length of the training, the training tools utilized, and the performance of the trainee in successfully passing a “test” to determine if the training was effective.</p> <p>The company provided many examples of training outlines, but the actual content of training provided is not documented. Through worker testimony, a worker explained that she received her training from a previous employee for a few days before he left the company.</p> |
| <p>ER 31: Health, Safety, and Environmental Management System/Policies and Procedures: UGP will review and develop Remediation Plan (if necessary) in a 30-day time period</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: PENDING UGP has not developed clear policies and procedures in managing systems related to health safety and environment. The UGP employee handbook has a statement on page 21 in reference to recycling.</p> <p>OSHA’s Hazardous Communication (29CFR1910.1200e) and Michigan’s Worker Right to Know (WRTK) Law require formalized and documented training, and maintenance of documentation of employee training at time of hire and yearly refresher classes for all employees.</p> <p>Through worker testimony, a worker advised that on 3/25/14, he was instructed by the production manager to pour used chemicals down the drain. Another worker advises of removing empty containers of chemicals from UGP to dispose elsewhere as the worker is concerned the facility does not do a good job of disposal. UGP current practices (i.e., no clear policies or procedures in handling waste) may not meet EPA guidelines in Subtitle C of the Resource Conservation Recovery Act (RCRA).</p> |
| <p>HSE. 1 General Health, Safety and Compliance: UGP advises that all production employees are educated on Haz Com, PPE, and FLA workplace Code of conduct upon hire, and updated once annually. UGP further investigated the claim regarding emulsions disposal down the</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: PENDING OSHA’s Hazardous Communication (29CFR1910.1200e) and Michigan’s Worker Right to Know (WRTK) Law require formalized and documented training, and maintenance of documentation of employee training at time of hire and yearly refresher classes for all employees.</p> <p>UGP maintains a “skill tracker” to review a worker’s development on the job. The training document is a listing of skills or tasks/functions which should be learned. However, the evidence provided lacked details related to the agenda and content of the training materials, who conducts the training,</p> |

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| <p>drain beyond the state compliance and found an effective solution.</p> | | | <p>the qualification of the trainer, the period or length of the training, the training tools utilized, and the performance of the trainee in successfully passing a “test” to determine if the training was effective. UGP management believes that they have fulfilled their obligation by providing MSDS, and it is the worker’s responsibility to read or understand MSDS information if they wish.</p> <p>Due to the nature of its production (screen printing and curing of screen printed fabrics, use of embroidery equipment), UGP has not conducted base line surveys for noise and air quality. Under OSHA Occupational Noise Exposure - Hearing Conservation (29CFR1910.95), base line noise survey should be conducted if noise level exceeds 85 decibels. A noise survey should be conducted to determine if the UGP’s embroidery room meets the OSHA requirements.</p> <p>During the recent three-day verification visit, the verifier noticed UGP has staged on-site waste materials that have not been disposed of properly. The waste is stored in 5 gallon buckets, shrink-wrapped and placed on pallets, near one of the building’s exits. This storage of such waste may not meet the requirement of EPA guidelines in Subtitle C of the Resource Conservation Recovery Act (RCRA). The inspection report (May 2013) issued by Washtenaw County also advised UGP to work with a local waste hauler for the proper disposal of the stored waste.</p> <p>The UGP handbook states (Section 5, page 2) that emergency drills for fire or weather will be scheduled throughout the year. The facility does not have an active safety committee comprised of management and workers to plan or prepare for any such event. The facility has never conducted a fire drill. Currently, UGP is not meeting OSHA’s requirements for Emergency Action Plan (29CFR1910.38), Safety Committee Plan (29CFR 1903.01), Fire Prevention Plan (29CFR1910.39), and Portable Fire Extinguishers (29CFR1910.157).</p> <p>The verifier also noticed a packet of cigarettes, placed on the storage rack, next to containers of flammable liquids. Employees have a habit to take smoke breaks near the building exit, by the area of inks and solvents.</p> |
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| <p>HSE 8: Use of Personal Protective Equipment: UGP will investigate and develop a Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS The facility does not follow OSHA's Personal Protective Equipment (29CFR1910.132) requirement. During the orientation process, the HR lead provides a document to all new hires in reference to the following topic, Hazardous Communication and Personal Protection Equipment. The new hires are asked to sign the document without receiving any formalized training (such as focused and specific instruction, discussion or training videos). During the three-day verification visit, the verifier noticed that only the workers in the reclaim area wore any type of PPE. Through worker testimony, a worker confirmed receiving a replacement water proof suit on a monthly basis, replacement gloves every 2 weeks, and replacement protective eyewear, as needed. The worker advised that he had bought his own work boots, as he prefers them to the work boots provided by UGP.</p> <p>In the embroidery department, the UGP supervisor did confirm the availability of hearing protection. However, the employees did not wear PPE while working the embroidery heads. This is a shared workspace with another department and these workers are impacted as well. The work area lacks the signage to indicate the requirement for usage of hearing protection.</p> |
| <p>HSE.9 Chemical Management and Training: UGP conducted a review and deemed its policy on Hazardous Communication to be compliant.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS The facility is not fully compliant with OSHA's Hazardous Communication (29CFR1910.1200e) requirement and Michigan Occupational Safety and Health Act (MIOSHA) Worker Right to Know (WRTK) Law, particularly with respect to training, including spill minimization and control which have been recommended to UGP by Washtenaw County's inspector.</p> <p>During the orientation process, the HR lead provides a document to all new hires in reference to the following topic, Hazardous Communication and Personal Protection Equipment. The new hires are asked to sign the document without receiving any formalized training (such as focused and specific instruction, discussion or training videos).</p> <p>Through interviews, it became evident that workers have a vague knowledge of MSDS information and its purpose. Workers recall signing the statements as the total extent of the training received from UGP. Workers are aware of the MSDS manual but have not been instructed in the use of the information especially in reference to handling and use of chemicals, the correct use and storage of personal protective equipment, and procedures to handle chemical spills.</p> |
| <p>HSE. 13 Ventilation/Electrical/Facility Installation and Maintenance Investigation of the ventilation claim prompted Underground Printing to review manufacturer's safety standards and UGP's history of</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: IN PROGRESS Due to the nature of UGP's production (screen printing and curing of screen printed fabrics); UGP has not conducted a base line survey for air quality.</p> <p>During the three days of verification, the production doors were open, and the interior air quality (IAQ) was not perceived as hazing or offensive.</p> |

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| <p>inspections/maintenance/compliance In regards to the claim of standing water on the shop floor, UGP acknowledged that there was a hose that sprung a leak, and quickly fixed the hose.</p> | | | <p>UGP receives inspections from the Washtenaw County Environmental Health agency. Since UGP has not declared a chemical inventory in excess of 500 pounds, the county inspections are scheduled every four years. During the inspection of May 2013, the inspector noted “no indoor air concerns” but this inspection occurred during the month of May and the bay doors were opened. UGP should conduct base line air quality survey and monitor throughout the year especially during winter months when the bay doors are closed.</p> <p>There was no evidence of frayed electrical cords in the reclaim area (the area to wash down screens). The workers place the screen inside the basin, and the water drains into the sewer.</p> <p>UGP advised that the company has received a 5-year inspection exemption from OSHA, however this statement is incorrect. OSHA has not granted such exemption. In May 2006, MIOSHA, in response to a complaint, conducted an inspection of the facility. The MIOSHA inspector identified that the screen cleaning machine released chemicals and mechanical ventilation was required but was not supplied, as required by Part 520, Rule 8 (1). A citation was issued, however, prior to the end of the investigation UGP provided local exhaust ventilation and the citation was abated. The MIOSHA investigation resulted in the issuance of 2 serious citations and \$800 in monetary fines against UGP.</p> <p>In January 2013, MIOSHA advised UGP of another complaint registered against the facility. MIOSHA opted not to conduct a physical inspection but asked UGP to conduct an investigation and provide corrections or modifications to MIOSHA. UGP responded in 3 weeks, and MIOSHA considered the matter closed.</p> |
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| <p>HOW 1. General Compliance Hours of Work: UGP will investigate and develop a Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p><u>STATUS: COMPLETED</u></p> <p>The UGP Handbook outlines common workplace practices for work hours that are consistent with federal and state requirements. The Handbook was created by a third party provider, Dynamic HR based in Auburn Hills, MI.</p> <p>Currently, UGP meets the Michigan labor law requirements in respect to hours of work, vacation and holidays, and lunch or breaks requirements. Michigan labor laws do not require an employer to provide vacation or holidays.</p> <p>In the UGP Handbook, the company advises worker of a 30 minute unpaid lunch period which must be scheduled with the supervisor. The UGP Handbook also states that the company will pay for seven public holidays. In reviewing UGP payroll records, the last holiday paid by the company was New Year's Day 2014.</p> <p>UGP management did confirm they were unaware of FLA's guidance or expectation of a maximum 60 hour work week. Since the notification of the complaint, UGP has set the regular work week at 40 hours per week, and overtime hours are voluntary and not to exceed 20 hours a week. If overtime hours are worked, the employee will receive 1.5 times the pay. During worker interviews, all workers did confirm that the company policy is a 40 hour work week, and they should not exceed 60 hours a week. Non exempt employees are paid the overtime hours as per federal and state overtime pay requirements.</p> |
| <p>HOW 2: Rest Day UGP will continue to educate employees on voluntary overtime policy, and make sure everyone is aware that weekend shifts are not mandatory.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p><u>STATUS: COMPLETED</u></p> <p>UGP Handbook (Section 2, page 4) advises that the work hours are based on client's needs and requirements. Employees are advised that there may be occasions when they will be required to work out of the normal work schedule. All workers at the Ann Arbor facility are scheduled 40 hours per week. Through worker interviews, the verifier was able to corroborate that workers have a regular 40 hour week, with Saturday and Sunday as normal days of rest. There are occasional periods of overtime but the hours are voluntary. Non-exempt employees are paid the overtime hours as per federal and state overtime pay requirements.</p> |
| <p>HOW 6: Maintenance of Reasonable Levels of Staff: UGP will look back on production fluxes, and attempt to start staffing for the busy season. Further remediation will be determined in a 30-45 day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p><u>STATUS: COMPLETED</u></p> <p>UGP's production is seasonal, especially for collegiate or licensed products. The peak periods are spring and fall. Since 2014, UGP has directly hired 25 employees of which 12 (48%) are production-related workers.</p> |

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| <p>HOW. 8: Forced Overtime/Exceptional Circumstances: UGP will investigate and develop a Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED The UGP Handbook outlines that overtime will be paid at 1.5 times the regular wage after working a 40 hour work week, which complies with Fair Labor Standards Act (FLSA).</p> <p>UGP management did confirm that they were unaware of FLA's guidance or expectation of a maximum of 60 hours of work per week. Since the notification of the complaint, UGP has set the regular work week at 40 hours per week, and overtime hours are voluntary and not to exceed 20 hours a week.</p> <p>During worker interviews, all workers did confirm that there is a 40-hour work week, and they cannot exceed 60 hours a week. Non exempt employees are paid the overtime hours as per federal and state overtime pay requirements.</p> |
| <p>HOW. 9 Exceptional Circumstances/Overtime Explanation: UGP will investigate and develop a Remediation Plan (if necessary) in a 30-day time period.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED UGP management confirms that they were unclear on FLA's guidance or expectation of "exceptional circumstances". Since the notification of the complaint, UGP has set the regular work week to 40 hours per week, and overtime hours are voluntary and not to exceed 20 hours a week. Supervisors have been advised to plan according to a 40-hour work schedule and overtime hours must be approved by management.</p> <p>During worker interviews, all workers did confirm that there is a 40-hour work week, and they cannot exceed 60 hours a week. Non exempt employees are paid the overtime hours as per federal and state overtime pay requirements.</p> |
| <p>C.1 General Compliance Compensation: UGP deems that they abide by the Fair Labor Standards Act (FLSA) and State of Michigan labor laws, as well as abide by all FLA Compensation compliance Benchmarks.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED Currently, UGP meets or exceeds the federal and state minimum wage. In reviewing the payroll records of workers at the Ann Arbor facility, the entry-level salary is \$9.00 per hour. Since 2014, the company has hired 12 new production related employees, with the entry hourly wage at \$10.00 per hour. In reviewing payroll records, pay of production workers ranges from \$10.00 to \$16.50 per hour. The mean average hourly wage of employees is approximately \$12.40 per hour. The average work week is 40 hours per week. There is voluntary overtime as well.</p> <p>UGP uses a third party to process payroll. The payroll statement given to workers provides information on earnings by regular hour and overtime hours, total amount for the pay period and year-to-date. The respective withholdings are recorded (federal and state taxes, and social security and Medicare deductions). If the employee has additional benefits and deductions, these are highlighted on the payroll statement. All employees at the Ann Arbor facility are paid bi-weekly and by check on Thursday of the pay week. The payroll checks are issued under UGP's legal name of A-1 Screen Printing, as Underground Printing is the "dba" (doing business as) commercial name.</p> <p>NOTE: The third party service provider for payroll declined an interview with the verifier.</p> |

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| <p>C.3 Training and Probation: UGP does not require probationary period for any position, at any location within the company structure. All employee wages are in compliance with local, federal and state laws.</p> | <p>Managing Partner; Human Resources Lead</p> | <p>January 2014</p> | <p>STATUS: COMPLETED UGP does not hire probationary workers. UGP used three temporary labor agencies from 2008 to 2013. The last agency used was Employment Plus. In an interview with Employment Plus' regional manager, she confirmed the UGP ended the contract in November 2013.</p> <p>All temporary workers paid by the agency received an entry salary of \$8.00 per hour, which was higher than the federal or state minimum wages. The agency's contract allowed for UGP, after 480 hours of agency employment, to offer permanent employment to a temporary worker. During the summer/fall 2013, the agency provided nine employees of which 1 worker became a permanent UGP employee.</p> <p>Currently, UGP meets or exceeds the federal and state minimum wage. In reviewing the payroll records of workers located at the Ann Arbor facility, the entry salary is \$9.00 per hour. Since 2014, the company has hired 12 new production related employees, with the entry hourly wage at \$10.00 per hour. In reviewing payroll records, the production workers range from \$10.00 per hour to \$16.50 per hour. The mean average hourly wage of employees is approximately \$12.40 per hour.</p> |
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Conclusions

1. UGP has aligned its work schedule with the FLA's Hours of Work compliance benchmarks by establishing a 40-hour work week and not exceeding 60 hours per week. If there is a need for overtime hours, workers have been advised that overtime is voluntary and paid at a premium rate.
2. UGP uses a third-party service provider to manage and process timely payroll payments for all workers. Workers received bi-weekly their pay and a pay slip that shows their payments and withholdings.
3. UGP has developed an employee Handbook to communicate policies and procedures to all employees. The Handbook is sent via email to all workers and new hires.
4. UGP has managed its seasonal work needs through a third-party labor agency; UGP has on occasion converted workers provided by the labor agency to full time workers. UGP has not hired temporary workers since November 2013.
5. UGP has not formalized and documented safety and health training for all employees, as required, at hire and during annual refreshers for all employees.
6. UGP should identify a dedicated full time manager with the skill and knowledge to develop a strategic Health, Safety and Environment Program that will meet federal, state and FLA requirements.
 - a. Coordinate and document activities related to noise and air quality surveys,
 - b. Oversee the hazardous communication training,
 - c. Oversee training on MSDS and chemical management,
 - d. Oversee the waste disposal program,
 - e. Oversee the Safety and Health Committee.
7. As a priority matter, UGP should contact the Washtenaw County Environmental Health agency to seek their support and guidance in working with local waste haulers to arrange for the removal and proper disposal of waste materials.
8. Also as a priority matter, UGP should establish a safety and health committee comprised of management and workers to review and improve health and safety-related issues, such as proper usage of PPE, planning and execution of fire drills, and minimization of recordable injuries.
9. UGP should ensure that workers qualified under the Americans with Disabilities Act (ADA) perform adequate functions to their condition and that the individuals understand and applies health and safety measures relevant to their specific tasks or functions.
10. UGP should, through its human resources department, coordinate and schedule annual performance reviews, and oversee the training and development of employees.