



**Summary Report:  
THIRD PARTY COMPLAINT – JOEANNE DOMINICANA  
(DOMINICAN REPUBLIC)**

On March 20, 2013, the labor union federation “Federación Dominicana de Trabajadores de Zonas Francas, Industrias Diversas y de Servicios” (FEDOTRAZONAS) in the Dominican Republic filed a Third Party Complaint with the Fair Labor Association (FLA) regarding the factory JoeAnne Dominicana, located in Santiago de los Caballeros, Dominican Republic. The Complainant alleged violation of the freedom of association of workers, who began to meet in January 2013 with the intention of forming a union at JoeAnne Dominicana. According to the complaint, workers who participated in organizing meetings held outside of the factory in January were identified and singled out by management for dismissal. On March 22, 2013, the FLA accepted the complaint for review at Step 2 of the Third Party Complaint process. FLA requested that brands sourcing from the factory – FLA-affiliated brands Franklin Sports and Fruit of the Loom, and Dick’s Sporting Goods (an adidas-group licensee) – investigate the allegations and their remediation status, and report to the FLA within 45 days. On April 2, the three companies agreed to waive the 45-day internal investigation period and to support the engagement of an independent third-party expert to assess the situation and make recommendations.

**Independent Investigation**

On April 3, 2013, the FLA engaged Comisión para la Verificación de Códigos de Conducta (COVERCO) to conduct an independent investigation at JoeAnne Dominicana focusing on the following:

1. Whether the environment within the factory allows workers to freely organize a union of their own choosing.
2. The allegations that workers who attended a meeting at FEDOTRAZONAS’ offices on January 24, 2013, were terminated for their alleged sympathy toward unionization.
3. Alleged statements by management to the effect that worker terminations were related to their participation in the organization of a union.

COVERCO conducted fieldwork for its investigation between April 9 and 12, 2013. In the first phase of the investigation, COVERCO conducted 48 interviews of workers, managers (including the General Manager, Human Resources Manager and President and CEO of the company), the workers dismissed between January 28 and February 8, 2013,

leaders of FEDOTRAZONAS, the factory's legal counsel, and civil society organizations in the area. In the second phase, COVERCO reviewed personnel records of active workers and of former workers dismissed during October 2012 and January and February 2013. The factory was fully cooperative in terms of interviews and access to records.

### **Findings<sup>1</sup>**

1. A meeting was held on January 24, 2013 at the headquarters of FEDOTRAZONAS attended by 6-7 workers of JoeAnne Dominicana; the objective of the meeting was organizing a union at JoeAnne Dominicana.
2. The effort to establish a union became known to supervisors and managers at JoeAnne Dominicana between January 25 and 28, 2013.
3. Between January 28 and 31, 2013, at least 6 workers involved in the union meetings were dismissed; according to worker testimony, the dismissed workers were identified as "union members."

### **Recommendations**

1. JoeAnne Dominicana should compensate for lost wages and reinstate dismissed workers involved in the formation of the union.
2. Ensure that JoeAnne Dominicana will not discriminate against workers involved in future efforts to form a union.
3. Include in JoeAnne Dominicana's worker induction program, policies and procedures respecting the right of freedom of association and banning anti-union discrimination; implement through an institution or an expert a continuous program and objective evaluation of the knowledge acquired through training regarding policies and procedures respecting the right of freedom of association and banning anti-union discrimination.
4. JoeAnne Dominicana should provide training on human relations to all employees and on conflict resolution to all managers, including middle management and supervisors.
5. JoeAnne Dominicana should develop a policy and procedure to deal with seasonal employment adjustments that would include, in addition to seniority, other measureable and objective indicators.
6. FLA-affiliated brands, through JoeAnne Dominicana, should communicate to all workers their commitment to respect freedom of association and collective bargaining.
7. FLA-affiliated brands to ensure JoeAnne Dominicana's compliance with the remediation plan and commitments.

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<sup>1</sup> The COVERCO assessment report is available in English and Spanish at [www.fairlabor.org/reports/joannedominicana](http://www.fairlabor.org/reports/joannedominicana).

## Remediation Plan

JoeAnne Dominicana and the FLA-affiliated brands have developed the following remediation plan:

Action items	Responsible	Due Date
Take steps to ensure that there will be no discrimination against workers involved in future efforts to form a union.	CEO and Company President/ General Manager/ Human Resources Manager	June 10, 2013
Include in its orientation program, policies and procedures, the prohibition of acts of anti-union discrimination and the recognition of employees' freedom of association.	General Manager/ Human Resources Manager	June 10, 2013
Implement training programs to ensure that these policies and procedures are known at JoeAnne Dominicana.	General Manager/ Human Resources Manager	July 31, 2013
Implement human resources training concerning conflict resolution techniques for managers, middle managers and supervisors.	General Manager/ Human Resources Manager	July 31, 2013
Develop a policy describing the procedures for evaluating which employees should be terminated as a result of fluctuations in workload at the JoeAnne Dominicana facility.	General Manager/ Human Resources Manager	June 12, 2013
Offer a comparable position and pay lost wages to the six dismissed workers identified in the COVERCO report.	Human Resources Manager	June 15, 2013

In addition to the remedial actions above, the FLA staff recommends the following actions in order to help strengthen the implementation of the remediation plan and contribute to the improvement of the industrial relations environment at JoeAnne Dominicana:

- Develop and implement disciplinary procedures that respect the right to due process of workers, especially in cases of dismissals. Workers should be properly informed of the procedures;
- Develop and implement a grievance system that would ensure confidentiality. Workers should be properly informed of the system;
- Consider establishing a temporary ombudsperson position to help mediate between workers and management, assess the industrial relations climate in the factory, and recommend appropriate training based on needs. The ombudsperson should provide FLA-affiliated companies with monthly updates of the implementation of the remediation plan.

## **Next Steps**

The FLA will monitor the implementation of the above remediation plan, particularly the reinstatement of workers, and will commission an independent verification of progress in the last quarter of 2013.