



US Senate Committee on Health, Education, Labor & Pensions  
428 Senate Dirksen Office Building  
Washington, DC 20510  
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January 11, 2017

Dear Members of the Senate Committee on Health, Education, Labor, and Pensions:

**Dēmos strongly opposes the appointment of Andrew Puzder as Secretary of Labor and urges the members of the Senate Committee on Health, Education, Labor and Pensions to vote against his confirmation.** Mr. Puzder’s company, fast food chain CKE Restaurants, Inc., is a serial violator of the very workplace laws the Department of Labor is responsible for applying and enforcing. This lack of respect for the Department’s core mission, coupled with Mr. Puzder’s hostility to working people and lack of public service experience, render the nominee an unacceptable choice to lead the United States Department of Labor.

Dēmos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy. The work of the Department of Labor is critical to the ability of all Americans to benefit from equitable economic opportunity: its vital mission must not be undermined by poor leadership of the type Mr. Puzder would offer.

The Department of Labor was established in 1913 with a mandate to “foster, promote and develop the welfare of working people, to improve their working conditions, and to advance their opportunities for profitable employment.” Yet Mr. Puzder has no experience or demonstrated interest in improving the conditions of American workers. In fact, under his leadership, Mr. Puzder’s company has been repeatedly investigated and found in violation of core worker protection laws.<sup>1</sup>

Mr. Puzder’s company, CKE Restaurants, Inc., is the parent of Hardee's, Carl's Jr., and Green Burrito fast food restaurant chains. Since Puzder assumed control in 2000, CKE and its franchisees have reportedly:

- Been charged with 98 safety violations under state and federal law, including 36 serious violations with the potential to kill or seriously harm workers.<sup>2</sup> These include multiple cases where workers who were not provided proper safety equipment or training were hospitalized with severe burns.

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<sup>1</sup> U.S. Department of Labor Wage and Hour Compliance Action Database

<sup>2</sup> [http://www.huffingtonpost.com/entry/andrew-puzder-workplace-safety\\_us\\_584f1709e4b04c8e2bb14947](http://www.huffingtonpost.com/entry/andrew-puzder-workplace-safety_us_584f1709e4b04c8e2bb14947)



- Violated the Fair Labor Standards Act at more than half of Hardee's and Carl's Jr. restaurants, failing to pay workers the minimum wage and overtime.<sup>3</sup>
- Been successfully sued for sexual harassment and discrimination in hiring, including violations of the Americans with Disabilities Act and state human rights laws.<sup>4</sup>

Mr. Puzder's company is typical of the fast food industry in the extreme inequality between the compensation of corporate executives like Mr. Puzder and the poverty-level pay offered to front-line fast food employees. Puzder himself was reportedly paid \$4.485 million in 2012, a number which may substantially understate his overall compensation. Attached please find a summary of Dēmos' recent research concluding that fast food is one of the most unequal industries in the United States. **In 2012, the compensation of fast food CEOs was more than 1,200 times the earnings of the average fast food worker**, a measure far out of line with the rest of the economy. Yet because fast food and other service industry jobs make up a growing share of the economy, American jobs landscape will increasingly resemble the fast food industry unless the United States takes action to strengthen and more effectively enforce our labor and employment laws. Under Mr. Puzder, we fear the Department of Labor will take the nation in exactly the wrong direction.

Mr. Puzder has frequently spoken against the interests and welfare of working Americans, opposing basic labor protections like rest and meal breaks, increases in the minimum wage, and the Department of Labor's modernization of the overtime pay rule.<sup>5</sup> He has argued that "a national minimum wage would be ineffective," despite the success of federal minimum wage statutes since 1938 and the strong public support for an increase.<sup>6</sup> Ignoring the growing body of empirical economic evidence finding that raising the minimum wage does not result in job losses, Puzder insists that minimum wage increases "kill jobs."<sup>7</sup> Puzder has publicly extolled the virtues of machines over American workers, arguing that unlike working people, machines are "always polite, they always upsell, they never take a vacation, they never show up late, there's never a slip-and-fall, or an age, sex, or race discrimination case."<sup>8</sup> By both his words and his actions, Mr. Puzder has demonstrated that he is unfit to lead the United States Department of Labor.

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<sup>3</sup> <https://www.bna.com/franchise-model-recipe-n57982076930/>

<sup>4</sup> <http://www.thedailybeast.com/articles/2016/12/09/trump-s-labor-secretary-pick-andrew-puzder-is-swamped-in-his-own-workplace-lawsuits.html>

<sup>5</sup> See for example <http://www.oregister.com/articles/puzder-641468-california-carl.html> and <http://www.forbes.com/sites/realspin/2016/05/18/the-harsh-reality-of-regulating-overtime-pay/#77fafa872321>

<sup>6</sup> <http://www.foxnews.com/transcript/2014/11/10/cke-restaurants-ceo-natl-minimum-wage-would-be-ineffective/>

<sup>7</sup> <http://www.foxbusiness.com/politics/2016/11/06/andy-puzder-minimum-wage-hikes-can-kill-jobs.html>

<sup>8</sup> <http://www.businessinsider.com/carls-jr-wants-open-automated-location-2016-3>



We urge you to vote against confirming Andrew Puzder as Secretary of Labor.

Sincerely,

Tamara Draut  
Vice President, Policy and Research  
Demos