



**Vital Statistics:**

Annual sales: \$1.8 billion

Estimated net profits: \$57.6 million  
(based on parent company Spiegel Group's 3.2% profit margin in 2000)

No. of Eddie Bauer stores: 532



Eddie Bauer CEO Richard T. Fersch's annual compensation, 1999: \$2.3 million, plus \$140,000 in stock options

U.S. prison worker's take-home pay: \$1.50 per hour<sup>6</sup>

**Company Profile:**

Eddie Bauer's 1999 sales were \$1.8 billion, 86 percent of which came from apparel sales through its catalog and over 500 stores. Eddie Bauer also licenses its name to other products, such as Eddie Bauer Blend coffee and Eddie Bauer Edition SUVs for Ford. Eddie Bauer's parent company, the Spiegel Group, had sales of \$3.7 billion in 2000, enough to rank number 8 among the largest U.S. 50 apparel companies. The Spiegel Group is controlled by Michael Otto, whose Otto Group is the world's largest catalog retail company, with over \$18 billion in sales. Eddie Bauer is a member of the Fair Labor Association, which has been criticized by labor rights groups for allowing companies to hide sweatshop conditions.



**Sweatshop Files**

**Worker dies of exhaustion after week of overnight shifts**

**Factory Profile:**  
VT Fashions

**Location:** Cavite Export Processing Zone, Philippines



An overcrowded garment shop

At this Eddie Bauer contractor, a seamstress named Carmelita Alonzo, exhausted from a week of overnight shifts, asked her manager for time off to recover. She was denied. She was later admitted to the hospital and treated for pneumonia, where she died on March 8, 1997—International Women's Day. "Carmelita died because of working overtime. It is possible to happen to any one of us," said Salvador, a worker in the same industrial zone as VT Fashions.<sup>7</sup>

<sup>6</sup> Paul Wright, "Profiting from Punishment," Prison Labor News March 1997.  
<sup>7</sup> Naomi Klein, No Logo (New York: Picador USA, 2000).  
<sup>8</sup> Email from Eddie Bauer Customer Specialist Vicki Kostenbauder, December

**Sweatshop Files**

**Eddie Bauer's prison sweatshops in the U.S.**

**Factory Profile:**  
Washington State Reformatory

**Location:**  
Monroe, Washington state

**Factory Profile:**  
Unknown correctional facility

**Location:** Tennessee



A bird's eye view of the Washington State Reformatory

Despite Eddie Bauer Customer Specialist Vicki Kostenbauder's assurances that "Eddie Bauer does not use, condone, or allow our vendors to use child labor, prison labor, or to use manufacturers that run 'sweatshops,'"<sup>8</sup> inmates with take-home pay less than the minimum wage produced Eddie Bauer apparel and wooden chairs in Washington state and Tennessee prisons, according to 1996 and 1997 reports in The Nation and Prison Labor News.<sup>9</sup>

<sup>9</sup> 1999 (<http://www.happen.net/ephemerts/archives/feedback3.html>).  
<sup>9</sup> Christian Parenti, "Making Prison Pay," The Nation, January 29, 1996; Paul Wright, "Profiting from Punishment," Prison Labor News March 1997.

# J. CREW

## THE SWEATSHOP FILES

### Vital Statistics:

Annual sales:	\$826 million
Net profits:	\$21 million
No. of stores:	112
Chairman Emily Woods' annual compensation:	\$2 million
Unregistered garment shop worker's wage in Los Angeles:	\$2.00-\$3.00 per hour <sup>13</sup>

### Company Profile:

J. Crew ranks number 21 among the largest U.S. apparel companies, and number 273 on the Forbes' Private 500 list. J. Crew has over 100 stores in the U.S. and Japan and sends out 80 million copies of its catalog each year. J. Crew apparel is produced in over 20 countries, with 70 percent of its products produced in Asian locations such as Hong Kong, Thailand and the Philippines. The wholesale value of J. Crew apparel produced from 1995 to 1998 in Saipan, a US territory that was exposed as a haven for sweatshop companies, was \$19.3 million, according to Sweatshop Watch.<sup>14</sup>



### Sweatshop Files

J. Crew illegally shields Los Angeles sweatshops

Factory Profile:  
various unregistered garment shops

Location:  
Los Angeles, California

According to a 1997 lawsuit, J. Crew, despite relying on numerous garment shops in California for production of its apparel, was not a registered apparel manufacturer in the state, allowing it to avoid responsibility for labor conditions under California's labor code and anti-sweatshop legislation. Sweatshop Watch, UNITE and the Asia Law Caucus filed suit against J. Crew for using its status as an unregistered manufacturer to duck responsibility for conditions in Los Angeles sweatshops.<sup>15</sup> The U.S. Department of Labor has found that 61 percent of Los Angeles garment shops violate wage and hour regulations, and 96 percent violate health and safety regulations.<sup>16</sup>



Unregistered garment shop in Los Angeles.

### Sweatshop Files

Bounced paychecks at San Francisco factory

Factory Profile:  
G.R. Garment Limited

Location: San Francisco, California

This J. Crew contractor in San Francisco was investigated and penalized by the Department of Labor in 1998 for wage violations, according to Sweatshop Watch. Nonetheless, the company continued to violate labor laws, issuing paychecks that bounced and even telling workers not to cash their paychecks. Rather than support the factory and its workers, J. Crew allowed the factory to go out of business in 2000, leaving the back wages of numerous workers unpaid.<sup>17</sup>

<sup>13</sup> Edna Bonacich and Richard Appelbaum, Behind the Label: Inequality in the Los Angeles Apparel Industry (Berkeley, CA: University of California, 2000).

<sup>14</sup> Sweatshop Watch, "First-ever Lawsuits Filed Charging Sweatshop Conspiracy," January 13, 1999.

<sup>15</sup> "UNITE sues Calif. on store exemption from anti-sweatshop requirements,"

Women's Wear Daily February 5, 1997.

<sup>16</sup> Edna Bonacich and Richard Appelbaum, Behind the Label: Inequality in the Los Angeles Apparel Industry (Berkeley, CA: University of California, 2000).

<sup>17</sup> ABC News, 20/20, March 13, 1998; Sweatshop Watch, "First-ever Lawsuits Filed Charging Sweatshop Conspiracy," January 13, 1999.