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REPORT TO THE WAGE AND HOUR DIVISION

WHD'S INTER-AGENCY COLLABORATION, TARGETING, AND STATE MONITORING PROCEDURES COULD BE ENHANCED AND STRENGTHENED TO BETTER PROTECT MINOR WORKERS

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BRIEFLY...

WHD's Inter-Agency Collaboration, Targeting, and State Monitoring Procedures Could Be Enhanced and Strengthened to Better Protect Minor Workers

Why We Did the Audit

The Wage and Hour Division (WHD) enforces child labor provisions of the Fair Labor Standards Act (FLSA). These provisions are designed to protect children's educational opportunities and prohibit their employment under conditions detrimental to their health and well-being. Young workers are considered a vulnerable population and are at greater risk of exploitation in the workplace.

On September 30, 2025, the OIG issued an Advisory Report that found WHD faced challenges enforcing child labor laws. These challenges included limited resources, communication barriers, and employer confusion between state and federal laws. The report also raised concerns about WHD's handling of possible labor trafficking of minors when encountered in the field. This audit is a follow-on to that advisory review.

Given the challenges and concerns identified through our prior work, we conducted a performance audit to answer the following question:

> To what extent did WHD's enforcement actions protect minor workers—a vulnerable population at risk of exploitation by employers?

What We Found

We found WHD's inter-agency collaboration, targeting, and state monitoring procedures could be strengthened to better protect minor workers—a vulnerable population at risk of exploitation. Specifically, WHD faced challenges related to collaborating with anti-trafficking partners, targeting child labor investigations, and maintaining complete state child labor law information on its website.

In coordinating with other federal agencies, WHD lacked reasonable assurance that potential child labor trafficking cases were promptly referred to required federal partners and it could not verify participation in active anti-trafficking coordination efforts. Instead, referrals were routed through another federal agency in violation of statutory requirements, and WHD did not have a process to verify whether action was taken on those referrals. The agency also did not have a process to verify the status of active anti-trafficking task forces to identify and refer potential trafficking cases.

In addition, the agency could not fully demonstrate that it consistently identified and utilized available key information to target its child labor enforcement efforts. Further, WHD's public website did not consistently: provide complete state child labor laws and clearly delineate which state laws were less restrictive than the FLSA. Variations between state laws and the FLSA can create confusion for employers over which law to follow and may have prevented WHD from using these variances to help target areas for non-compliance.

This occurred because the agency lacked comprehensive written policies and procedures to: (1) govern referral requirements, (2) monitor the operational status of active anti-trafficking task forces, (3) use and collect information for targeting investigations, and (4) monitor state child labor law changes and regularly update its website.

These weaknesses reduced WHD's ability to use its limited resources to better protect minor workers from unlawful employment practices and exploitation.

What We Recommended

We made six recommendations for WHD to strengthen its policies, procedures, collaboration with anti-trafficking partners, targeting of child labor investigations, and monitoring of state child labor law changes. WHD agreed with our recommendations and indicated it will take steps to address them.

Read the Full Report

For more information, go to: https://www.oig.dol.gov/public/reports/oa/2027/09-27-001-15-001.pdf.

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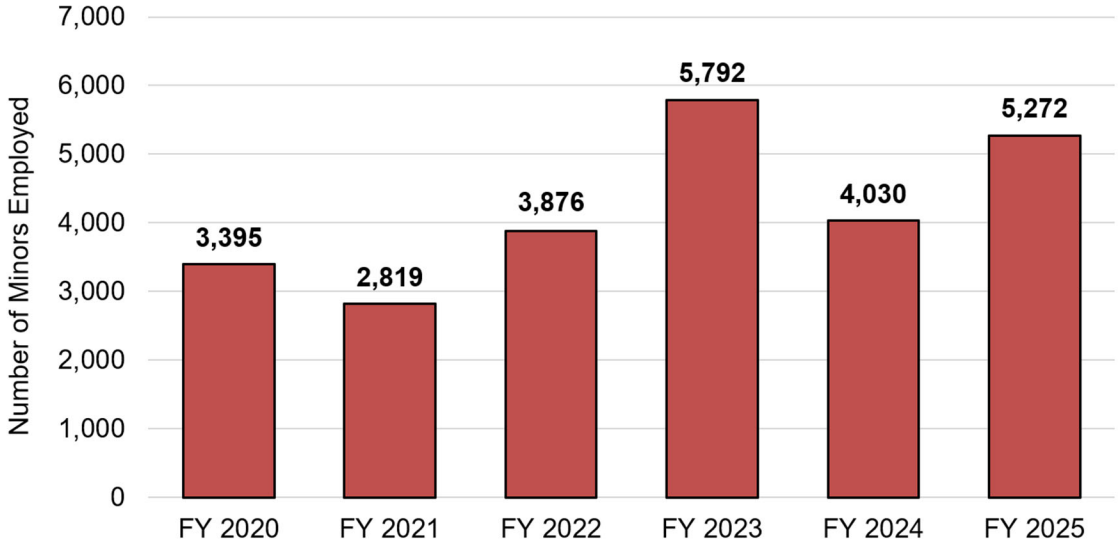
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This report presents the results of the U.S. Department of Labor (Department or DOL) Office of Inspector General's (OIG) audit of the extent the Wage and Hour Division's (WHD) enforcement actions protected minor workers—a vulnerable population at risk of exploitation by employers. WHD enforces child labor provisions of the Fair Labor Standards Act (FLSA), which are designed to protect children's educational opportunities by limiting the hours and times of day that minors may work, including restricting work during school hours. The FLSA also establishes minimum age requirements for employment and prohibits minors from working in occupations or under conditions determined to be hazardous or detrimental to their health, safety, or well-being. In addition, the FLSA places greater restrictions on younger workers, limiting the types of jobs they may perform and the number of hours they may work, while allowing older minors to perform a broader range of nonhazardous work. Employers[1] are required to comply with federal child labor provisions unless state law provides stronger protections for minors, in which case the more protective standard applies.

Young workers are considered a vulnerable population and are at greater risk of exploitation in the workplace. These workers are less likely to report labor law violations because they may: (1) fear retaliation, (2) be unaware of their rights or how to exercise them, or (3) mistrust government agencies responsible for enforcing those rights. Publicly available data indicate that the number of minors employed in violation of the FLSA increased 55 percent from Fiscal Year (FY) 2020 to FY 2025[2] as seen in Figure 1.

[1] The FLSA's child labor provisions cover children under the age of 18 who are employed by businesses or organizations that have an annual dollar volume of sales or business done at $500,000, or who are individually engaged in commerce or in the production of goods for commerce as part of their employment.
[2] WHD attributed increases to heightened awareness and more effective enforcement.

Figure 1: Minors Employed in Violation of the FLSA
FY 2020 – FY 2025



Source: WHD[3]

As child labor violations increased, WHD's enforcement capacity declined. A decade ago, the agency employed more than 1,000 investigators. By April 2026, staffing had fallen to 618 investigators, representing an average annual decrease of 3.5 percent. These staffing reductions occurred alongside relatively flat funding, declining budget requests, and reductions in full-time positions. As a result, investigator staffing has reached some of the lowest levels in the agency's history, even as child labor law violations have continued to increase.

When examining risks faced by minor workers, labor trafficking is an important consideration. Federal law recognizes labor trafficking as a serious form of labor exploitation,[4] and minors who experience trafficking may also be exposed to violations of the FLSA, including hazardous work, excessive hours, or unsafe conditions. Although WHD does not have the authority to investigate trafficking itself, its investigators are uniquely positioned to identify potential indicators of trafficking during routine enforcement activities. These indicators can serve as signals of severe exploitation and can help inform broader efforts to protect minors in the workplace.

WHD's child labor enforcement responsibilities include taking enforcement actions against employers that violate child labor laws and referring potential

[3] WHD webpage on Fiscal Year Data for WHD, Child Labor, available at: https://www.dol.gov/agencies/whd/data/charts/child-labor
[4] Trafficking Victims Protection Act of 2000, Section 103(8)(b)

violations involving criminal conduct to the appropriate federal law enforcement agencies for further investigation or enforcement. To deter violations and protect minor workers, WHD may:

- assess civil monetary penalties,
- invoke the "hot goods" provision, which prohibits the shipment of goods produced in violation of the FLSA, and
- seek remedies such as disgorgement of profits, which requires employers to surrender profits obtained through unlawful child labor practices.[5]

As both federal and state law establish child labor restrictions, varying requirements between laws can create confusion among employers. In states with child labor laws that are less restrictive than FLSA, it is the employer's responsibility to ensure they adhere to the more restrictive child labor law provisions.[6] Employer confusion with regard to which child labor law provisions to follow may have been exacerbated by recent state child labor law changes. Since 2021, 17 states have enacted changes, including rollbacks of their state child labor laws to make them less protective. Additionally, there are 25 states that have at least one child labor provision that is less restrictive than the FLSA child labor provisions. States may be weakening child labor laws to compensate for youth labor participation that has been declining over the past 20 years. It is WHD's responsibility to ensure FLSA compliance in all states, including those states with differing requirements.

On September 30, 2025, the OIG reported WHD faced challenges enforcing child labor laws.[7] These challenges included limited resources, communication barriers, and employer confusion between state and federal child labor laws. We also raised concerns with the handling of instances of possible labor trafficking of minors when encountered by WHD investigators in the field. This audit is a follow-on to that advisory review. Based on issues previously identified, this audit focused on three areas critical to WHD's efforts to protect minor workers: (1) collaboration with federal partners to address potential labor trafficking,

[5] According to WHD's 2024 *Child Labor Report to Congress*, the agency's enforcement authorities include: the hot goods provision; search warrants; temporary restraining orders; preliminary injunctions; subpoenas; civil money penalties; disgorgement of profits earned from the sale of goods produced in violation of child labor requirements; and enhanced compliance agreements.

[6] Employers are generally subject to both state child labor laws and FLSA child labor provisions. Per the FLSA, for instances in which a state's child labor law is less restrictive than the federal law, the federal law applies. Conversely, if the federal law is less restrictive than the state law, the state law applies.

[7] Advisory Report: Review of WHD Efforts to Address Child Labor Law Violation Challenges, 17-25-001-15-001 (September 30, 2025), available at: https://www.oig.dol.gov/public/reports/oa/2025/17-25-001-15-001.pdf

(2) investigation targeting practices, and (3) monitoring of state child labor law requirements.

Given these challenges and concerns identified through prior OIG work, we conducted a performance audit to answer the following question:

> To what extent did WHD's enforcement actions protect minor workers—a vulnerable population at risk of exploitation by employers?

To answer our objective, we interviewed WHD personnel, reviewed WHD guidance and processes, and analyzed WHD data for FY 2020 through FY 2025.[8] See Appendix A for additional details on scope and methodology.

RESULTS

WHD's inter-agency collaboration, targeting, and state monitoring procedures could be strengthened to better protect minor workers—a vulnerable population at risk of exploitation. First, WHD did not effectively utilize its collaborative partnerships to refer potential child labor trafficking cases. Specifically, WHD lacked reasonable assurance that potential cases were promptly referred as statutorily required to appropriate federal law enforcement partners and it did not monitor anti-trafficking coordination efforts to ensure active and sustained participation. Further, while WHD considers a range of information to target its investigations, the agency could not demonstrate that it consistently identified and utilized available key information to target child labor investigations. Lastly, the agency's public website did not consistently: provide complete state child labor requirements and clearly delineate which state standards were less protective than FLSA. This may increase the risk of employer confusion over which law to follow and may have prevented WHD from using these variances to help target areas with a greater risk of non-compliance.

This occurred because WHD had not established comprehensive written policies and procedures to: (1) govern referral requirements, (2) monitor the operational status of active anti-trafficking task forces, (3) collect and use information for targeting investigations, or (4) monitor state child labor law changes and regularly updating its website. These weaknesses reduced WHD's ability to use its limited resources to better protect minor workers from unlawful employment practices and exploitation.

[8] In some instances, we analyzed data for the period of October 1, 2019, through May 31, 2025.

WHD Did Not Effectively Utilize Collaborative Partnerships to Address Child Labor Trafficking

WHD did not effectively utilize its collaborative partnerships with other law enforcement agencies to refer potential instances of child labor trafficking. Specifically, WHD did not consistently make or document timely referrals to law enforcement agencies with jurisdiction to investigate trafficking—as required by statute, regulation, and policy[9]—and it lacked internal oversight measures to ensure meaningful and sustained collaboration with anti-trafficking partners. These weaknesses occurred because according to WHD it relied on another federal agency[10] to forward referrals to the appropriate law enforcement agencies and did not confirm timely referrals were made. Additionally, WHD did not monitor the status of collaborations with anti-trafficking partners, reducing assurance that it remained appropriately engaged in key enforcement efforts.

As a result, potential labor trafficking may have gone unidentified or unaddressed, and reduced coordination with partners may have limited opportunities to identify and address trafficking. Together, these deficiencies increased the risk that minors remained in exploitive or dangerous working conditions longer than necessary.

WHD Did Not Consistently Make Required Labor Trafficking Referrals to Law Enforcement Agencies

WHD's referral process did not provide reasonable assurance that potential child labor trafficking was sufficiently referred to required law enforcement agencies for investigation. Specifically, WHD officials told us it relied on another federal agency to forward referrals to law enforcement agencies and lacked a process to verify that referrals were made. As a result, opportunities for law enforcement agencies to initiate trafficking investigations and coordinate enforcement actions may have been missed. This led to an increased risk that minors experienced prolonged exploitation and unsafe working conditions.

WHD does not have explicit authority to investigate labor trafficking. However, in instances when the agency learns of possible trafficking during an investigation,

[9] Trafficking Victims Protection Act of 2000, 28 CFR 1100.29, and WHD policies
[10] Department of Justice's Human Rights and Special Prosecution section. The section pursues investigations and prosecutions targeting those involved in domestic human trafficking and forced labor.

WHD is required[11] to notify federal law enforcement officials who are responsible for enforcing trafficking laws, including the Department of Justice's (DOJ) Federal Bureau of Investigation (FBI)[12] or the Department of Homeland Security's (DHS) Homeland Security Investigations (HSI).[13] WHD officials told us the agency will also make referrals to DOL OIG investigators and law enforcement officials that participate in Human Trafficking Task Forces or Anti-Trafficking Coordination Teams (ACTeams).[14] Additionally, WHD requires its staff to make referrals to DOJ's Human Rights and Special Prosecution (HRSP) section.

Further, the Trafficking Victims Protection Act (TVPA) and its subsequent reauthorizations were created to combat trafficking and to protect victims. When a person under the age of 18 years old is identified as a possible victim of trafficking, the TVPA requires WHD to notify the Department of Health and Human Services (HHS) Administration for Children and Families' Office of Trafficking in Persons (OTIP)[15] within 24 hours. In addition to the referrals mentioned above, WHD may also choose to refer suspected trafficking to state and local agencies, prosecutors, or law enforcement. These referrals are made where the state law protects the worker the most, or in situations where federal law enforcement has indicated they will not pursue the referral provided by WHD.

To determine if WHD worked effectively with other federal agencies to refer suspected child trafficking, we reviewed WHD referrals for all instances where WHD investigators identified potential child labor trafficking from October 1, 2019, through May 31, 2025. WHD's referral data did not clearly identify those employers where potential child labor trafficking was suspected. As such, we relied on instructions provided by WHD to identify the employers where potential child labor trafficking may have occurred. During this time, WHD identified 37 employers suspected of trafficking, 8 of which WHD later clarified involved potential child labor trafficking. For the 37 total employers, we found WHD did not make referrals to all required law enforcement officials. This occurred because WHD's referral procedures did not specify that direct referrals must be made to specified federal partners and only broadly mentioned making

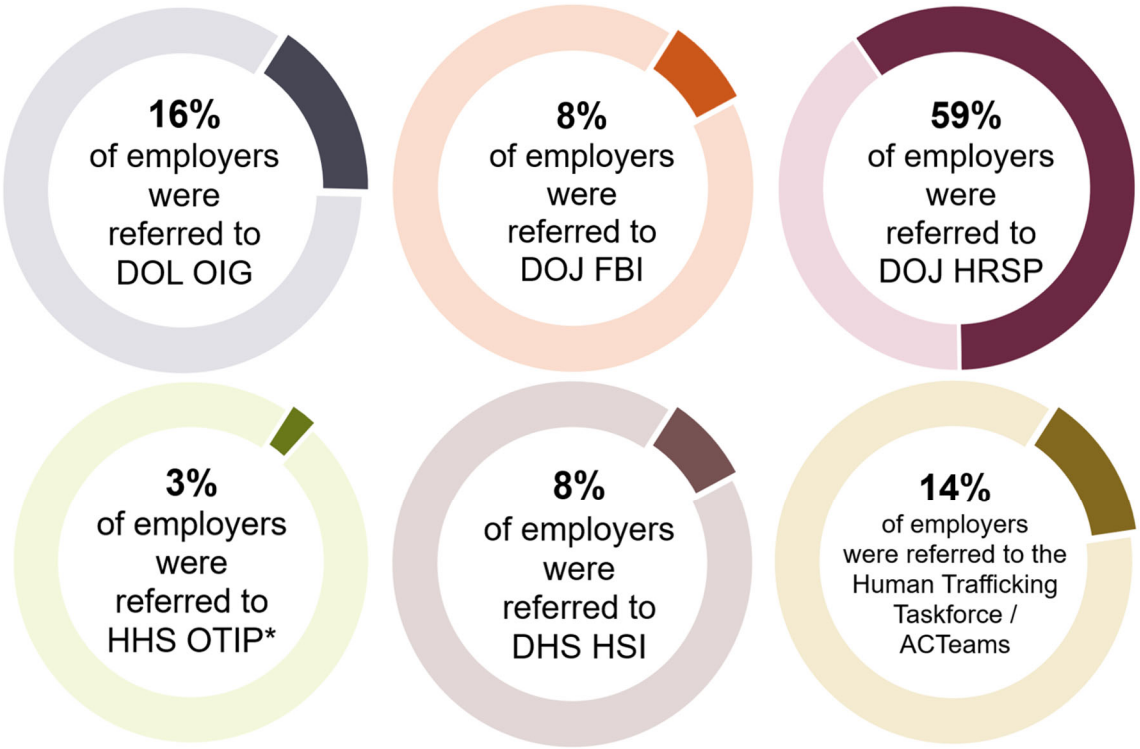
[11] 28 CFR 1100.29
[12] The FBI is DOJ's investigative agency and works on human trafficking cases under its Crimes Against Children and Human Trafficking program. The FBI investigates labor trafficking, which is when individuals are compelled by force, threats, or fraud to perform labor or services.
[13] HSI is the principal investigative component within DHS and is responsible for investigating, disrupting, and dismantling criminal networks. HSI has broad legal authority to conduct federal criminal investigations including, but not limited to, human smuggling and trafficking.
[14] ACTeams bring federal agents from multiple federal agencies together—including U.S. Immigration and Customs Enforcement, HSI, FBI, WHD, and DOL OIG—with federal prosecutors from U.S. Attorney's Offices and DOJ HRSP to develop high-impact federal investigations and prosecutions involving, among other crimes, forced labor.
[15] OTIP is responsible for developing and implementing programs that assist both foreign and domestic victims of human trafficking.

referrals to the appropriate criminal authorities. In addition, WHD officials told us it relied on providing referrals to HRSP and indicated HRSP would make the referrals to the other agencies. However, federal regulation[16] requires WHD to make direct referrals to all required federal law enforcement officials.

Although WHD told us it relied on HRSP to forward referrals, WHD did not always make the initial referral to HRSP. We found that referrals to HRSP only occurred for 22 of the 37 employers we reviewed. In addition, WHD did not verify whether HRSP forwarded its referrals to the other federal law enforcement agencies. Without making timely referrals to all required entities that have jurisdiction to investigate trafficking, children in dangerous situations could remain at risk. See Figure 2 below for our analysis of WHD's referrals to federal law enforcement partners for the 37 employers we reviewed.

[16] 28 CFR 1100.29

Figure 2: All WHD Trafficking Referrals
October 1, 2019 – May 31, 2025
(Not Limited to Suspected Child Labor)



* The TVPA requires WHD to notify OTIP of minors that may be potential victims of trafficking. However, WHD's referral data only specified the employer and not when minors may have been potential victims.

Source: OIG analysis of WHD referral data for all WHD trafficking referrals from October 1, 2019, through May 31, 2025 (not limited to suspected child labor).

After we completed our fieldwork and in response to our preliminary conclusions, WHD officials told us the instructions its staff initially provided the OIG to identify employers suspected of child labor trafficking were incorrect and offered explanations for why some of the employers were not referred. However, WHD's original referral data used for our analysis did not clearly show whether those employers suspected of trafficking involved minors. This lack of clarity limited how potential child labor trafficking cases were identified, evaluated, tracked, and referred.

WHD officials told us it may become aware of potential trafficking through multiple avenues such as phone calls, mail, its website, and investigations. However, WHD noted its ability to make referrals may be limited when the information received is insufficient. Our review of WHD's referral data could not

confirm this was the reason referrals were not made. Clearly documenting such determinations would support WHD's decisions and provide a reason why a referral was not made.

WHD's Referral Process Did Not Ensure Timely Referral of Potential Labor Trafficking Cases

WHD did not ensure referrals to federal law enforcement agencies were made timely. WHD's internal referral procedures require referrals to be made within 3 business days from when the District Director is informed of the suspected trafficking. However, WHD did not track the date the District Director was informed of suspected trafficking. As a result, WHD could not demonstrate it met its own internal 3-day requirement.

The TVPA also requires federal officials that identify potential trafficking victims under the age of 18 to notify HHS OTIP within 24 hours. WHD's referral procedures require the District Director, or Assistant District Director, to notify HHS OTIP no later than 24 hours from when the suspected trafficking of a child is detected. As previously mentioned, WHD did not track the date the District Director was informed of the suspected trafficking. Therefore, we also could not determine if WHD's referrals to HHS OTIP were made within 24 hours. As a result, potential victims of trafficking could have been left in dangerous situations for a longer period of time and may not have received the necessary assistance and care.

WHD Could Not Verify Collaboration with Task Forces to Address Trafficking

WHD could not consistently verify the extent to which the agency is collaborating with ACTeams and human trafficking task forces to address child labor trafficking. This occurred because WHD did not have a process to consistently verify which anti-trafficking task forces were still active to ensure ongoing participation in those efforts. As a result, the agency may not be fully leveraging partnerships intended to strengthen the identification and referral of labor trafficking cases involving vulnerable workers, including children. These partnerships are critical to enhancing coordination among federal, state, and local agencies in order to facilitate information sharing and support enforcement efforts.

The DOJ launched, and its own HRSP chaired, the ACTeam Initiative in 2011 to enhance coordination among federal agencies, including DHS HSI, DOJ FBI, DOL WHD, DOL OIG, and U.S. Attorneys' Offices to develop high-impact

investigations and prosecutions involving forced labor and other forms of human trafficking. ACTeams also coordinate with existing human trafficking task forces and working groups. DOJ established six pilot ACTeams in 2011 and announced six additional ACTeams in 2014. According to WHD officials, funding for the national ACTeam Initiative has since been exhausted; yet some ACTeams continue to operate. WHD indicated they currently participate in two ACTeams and believe the remaining teams are inactive. However, WHD did not have a process to consistently verify which ACTeams it remained active on.

Human trafficking task forces similarly provide WHD regional and district offices with opportunities to collaborate with federal, state, and local law enforcement agencies, criminal investigative organizations, prosecutors, and other stakeholders to identify labor trafficking and coordinate enforcement efforts. In response to the President's 2020 National Action Plan to Combat Human Trafficking,[17] WHD compiled a list of 105 human trafficking task forces it participated in to identify geographical areas where DOL did not have a presence on such task forces. However, the list has not been updated since 2022 and task forces may have been added or some may no longer be active. Our review found that 33 of the 105 task forces (31 percent) either no longer identified themselves as active or did not have an established meeting schedule, indicating the list no longer accurately reflects active collaborative groups. The agency stated that district offices are responsible for participating in local task forces and fostering relationships with federal, state, and local partners.

However, without a process to consistently monitor the operational status of ACTeams and human trafficking task forces, WHD may have missed opportunities to identify gaps in coverage. Additionally, the agency cannot ensure it is collaborating with active task forces pertinent to addressing instances of child labor trafficking identified by the agency. These federal, state, and local collaborations are critical to: (1) facilitate information sharing, (2) strengthen coordination with law enforcement partners, and (3) enhance the identification, investigation, and referral of labor trafficking involving vulnerable workers, including children.

In response to our audit, WHD officials indicated they recently requested an update from DOJ on the ACTeam Initiative and learned that some U.S. Attorneys' Offices still convene these partnerships as task forces, rather than under the ACTeam name. WHD confirmed it participates in four of these task forces, not the two it initially told us about. WHD last updated its task force

[17] The 2020 National Action Plan to Combat Human Trafficking aimed to fully leverage United States authorities and resources to eradicate human trafficking by: (1) preventing trafficking from occurring, (2) supporting and empowering survivors, (3) prosecuting traffickers, (4) coordinating the U.S. government response, and (5) strengthening federal anti-trafficking efforts through external partnerships.

participation list in 2022 and did not request updates until this audit, which might have resulted in missed opportunities to join additional task forces and strengthen partnerships. Moving forward, WHD should regularly verify its participation in task forces and other partnerships and pursue opportunities to join new ones.

WHD Could Not Demonstrate It Consistently Identified or Utilized Key Information to Target High-Risk Child Labor Cases

WHD could not fully demonstrate that it consistently identified or utilized available key information to target its child labor enforcement efforts. Office of Management and Budget Circular A-123 requires agencies to identify, communicate, and use relevant information to support program decisions and monitor risks. While the agency may use a range of information for targeting, it did not document its use of available internal information sources (e.g., information from local partners) or external information (e.g., state work permit data) that could have strengthened its targeting decisions. This occurred because the agency lacked written policies and procedures requiring staff to consistently collect, document, share, and use relevant information when selecting investigations. This resulted in inconsistent practices and limited opportunities for trend analysis.

According to WHD guidance, a number of sources may be considered when targeting child labor investigations. These can include:

- WHD's own child labor case data;
- local conditions identified by district and regional offices;
- complaint, referral, and lead information;
- seasonal and economic shifts; and
- publicly available information such as industry employment data and youth demographics, along with state-level information like work permits and injury or incident reports, when available.

WHD indicated that it considers this information to help focus its limited investigative resources on employers and industries where potential child labor violations appear more likely.

However, WHD did not have policies and procedures to require staff to document and utilize available key information when targeting and selecting agency-initiated investigations. For example, WHD received child labor

complaints, referrals, and leads but did not retain and document them unless the agency determined it could act on them. By only retaining those complaints, referrals, and leads that the agency acted on, WHD missed an opportunity to identify emerging patterns and trends which could inform future enforcement efforts. Below we outline two additional examples of internal information sources WHD did not require staff to document or utilize to assist in its enforcement efforts.

Internal Information Sources Not Always Documented or Utilized

Internal Case Data Available in Dashboards – WHD maintained nationwide dashboard data but did not require staff to utilize, or document the use of, these tools when identifying high-risk employers or industries for child labor investigations.

Information Received from Schools, Worker Advocates, Consulates, and Community Groups – WHD received information from these local partners but did not require staff to utilize, or document the use of, this information for targeting investigations.

WHD did not consistently seek additional external sources of information that could have strengthened its child labor targeting decisions. District and regional offices did not consistently obtain or document information from state agencies, such as work permits or injury or accident reports,[18] which can provide indicators of child labor risks. Although this information was obtainable, the agency did not establish a process to systematically utilize these sources to target high-risk child labor violations. As a result, WHD may not have identified or prioritized high-risk child labor cases for enforcement, reducing its ability to direct enforcement resources to violators with the greatest potential to harm. Below we outline two examples of external information sources WHD did not consistently obtain, document, or use to assist in its enforcement efforts.

External Information Sources Not Documented or Utilized

Federal Workforce and Industry Datasets – WHD provided staff with publicly available census data, labor statistics, foreign labor data, and agricultural datasets. However, WHD officials told us it encouraged, but did not require, staff to utilize, or document the use of, this data[19] to make its targeting decisions.

[18] WHD officials told us the data is only used if it is required by state law and is available.
[19] Federal datasets identified by WHD include sources maintained by the U.S. Census Bureau (census and demographic data), the Bureau of Labor Statistics (employment and industry data), and the U.S. Department of Agriculture (agricultural data).

> *External Stakeholder Information* – WHD identified cross-agency data, media reports, child protective data, community groups, worker advocates, migrant centers, and faith-based organizations as potential sources for targeting child labor investigations. However, WHD officials told us it encouraged, but did not require, staff to use stakeholder information to inform its targeting decisions.

WHD did not have written policies and procedures requiring staff to collect, document, and use key information when making targeting decisions. Although WHD provided general guidance, it gave districts and regions broad autonomy in selecting agency-initiated investigations and did not require them to retain the information they considered in making their decisions. This autonomy—combined with the absence of formal procedures requiring the collection and use of complaints, referrals, leads, and other external data—resulted in inconsistent practices and limited oversight. As a result, WHD may not have pursued the highest risk investigations and potentially missed patterns, trends, or anomalies that could better inform future targeting decisions.

As WHD's enforcement resources have declined, the need for complete, consistent, and documented information has become increasingly important. Limited staff and increased workloads heighten the importance of reliable information to identify high-risk child labor cases and direct limited enforcement resources effectively. However, gaps in documentation and data management may have limited the agency's ability to identify emerging patterns, compare risks across regions, and prioritize investigations. As a result, WHD lacked important information needed to make fully informed decisions to target employers and industries with the highest likelihood of child labor violations.

WHD Did Not Maintain Complete Information on State Child Labor Requirements on its Website

WHD does not administer state child labor laws but provides state child labor information on its website as a compliance assistance resource. However, we found WHD's website, in some instances, contained incomplete state child labor requirements and did not clearly identify state laws that were more restrictive or less restrictive than the FLSA. According to Office of Management and Budget Circular A-123, agency management should monitor the organization's external environment to identify any changes in risk and to ensure that relevant information is identified and communicated to program stakeholders. WHD generally monitors changes in state child labor laws but did not update its website on a regular basis. State child labor laws can periodically change, and

WHD's website did not consistently reflect current state requirements at the time of our review. As a result, employers may not have been aware of applicable requirements and may have relied on less restrictive standards, increasing the risk that minors were exposed to unsafe working conditions and other prohibited employment practices.

The FLSA sets federal minimum child labor standards. Some state child labor laws are more or less restrictive than federal requirements. Employers must comply with both federal and state law; however, when state requirements are less restrictive than the FLSA, employers are required to follow federal standards. WHD is responsible for enforcing the FLSA because state enforcement activities only enforce compliance with state law and will not identify FLSA violations, including where the federal requirements are more protective than the state requirements. If WHD does not maintain complete information on state child labor laws, it will not be aware of risks for FLSA non-compliance in states with less restrictive laws. As a result, violations of FLSA provisions may go undetected, increasing the risk that minors are employed in violation of federal protections.

This risk is heightened by recent changes to state child labor laws. Since 2021, 17 states enacted rollbacks of child labor protections and, as of May 2025, 8 additional states have proposed legislation that would weaken existing child labor requirements. In our September 2025 Advisory Report, we reported that employers were unclear about which requirements to follow when state and federal child labor laws differed. As a result, employers may have complied with less restrictive state requirements while inadvertently violating the more protective federal child labor provisions. Recent enforcement actions illustrate how these differences can contribute to child labor violations when employers fail to understand or apply federal requirements, including a case involving a franchise owner who permitted minors to perform prohibited work under the FLSA.

Employers Following Less Restrictive State Laws

An Iowa fast food franchise owner was violating federal law by employing 14- and 15-year-olds past 7:00 pm on school nights. This occurred because Iowa state child labor laws were changed in 2023 to allow children to work until 9 pm. The employer believed it was complying with child labor requirements because it followed the less restrictive state standards. However, the employer was still required to follow the more protective FLSA requirements. As a result, the employer was fined $73,000 for violating FLSA child labor requirements.

In an effort to mitigate employer confusion, WHD publishes state and FLSA requirements on its website,[20] along with an alert to employers that federal law requires FLSA requirements to be followed. We tested the accuracy of the state child labor laws published on WHD's website[21] and assessed the extent to which those laws were less restrictive than the FLSA. We found that the website contained incomplete child labor law information. For example, for the state of Illinois, WHD's website specifies minors under 16 may work between 7:00 am and 9:00 pm, up to 3 hours per school day, and 18 hours per week during the school year. However, the website did not include the exception for minors under 16 that attend year-round school. This exception states that those students may work between 7:00 am and 9:00 pm up to 24 hours per week. In addition, we identified 25 states that had at least one provision that was less restrictive than the FLSA. However, WHD's website did not clearly identify which states had child labor laws that were less restrictive, making it more difficult for employers to determine when the federal requirements provide greater protection and therefore applied.

Given employer confusion, WHD could establish a process to: (1) monitor changes to state child labor laws and update its website on a regular basis, (2) determine whether those changes differ from federal child labor requirements, and (3) update its website to clearly indicate which requirements are more or less restrictive than federal law. Instead, WHD generally became aware of changes through external sources such as media reports, state websites, or enforcement actions.

In July 2023, WHD also sent a letter to states to help address differences between state and federal child labor requirements. The letter recommended that states notify employers that FLSA requirements apply when state laws are less restrictive. While WHD does not have authority to mandate that states communicate this information to employers, the agency also did not follow up with states to verify whether they followed through on the recommendation. As a result, WHD could not ensure that employers received consistent information about their obligation to comply with the more protective federal child labor requirements.

Ultimately, we found WHD may not be positioned to promptly adjust its enforcement efforts and website information without a process to: (1) identify changes in state child labor laws on a regular basis, (2) clearly distinguish between state requirements that are more or less restrictive than federal requirements, and (3) ensure information provided to employers is complete. As

[20] WHD webpage on State Labor Laws, available at: https://www.dol.gov/agencies/whd/state
[21] We limited our testing to Non-Farm Employment. See WHD webpage on State Labor Laws, "Selected State Child Labor Standards Affecting Minors Under 18 in Non-farm Employment as of July 15, 2025," available at: https://www.dol.gov/agencies/whd/state/child-labor

a result, WHD's ability to promote employer awareness and compliance with applicable child labor laws is reduced. As states continue to modify their child labor laws, employers may unintentionally rely on less restrictive state requirements and fail to comply with applicable FLSA provisions. This increases the risk that minors are subjected to unlawful employment practices and exploitation.

CONCLUSION

Overall, WHD's ability to protect minor workers depends on effective oversight, timely collaboration with partner agencies, and the use of reliable information to direct enforcement efforts. Enhanced procedures for WHD's labor trafficking referrals, coordination with anti-trafficking partners, targeting of child labor investigations, and monitoring of state child labor law changes would improve its ability to consistently identify and respond to the greatest risks facing children in the workplace. As a result, minors would be at less risk of being permitted to perform prohibited work or work under conditions that may negatively affect their health, safety, and overall well-being. By strengthening these processes, WHD would improve the agency's use of its limited enforcement resources, enhance coordination with partners, and better position WHD to fulfill its responsibility to protect vulnerable minors from unlawful employment practices and exploitation.

OIG'S RECOMMENDATIONS

We recommend the Administrator for the Wage and Hour Division:

1. Update procedures to ensure all required referrals are made directly to the federal office responsible for child labor trafficking and within required timeframes. Updated procedures should include clearly identifying employers suspected of child trafficking and documenting the reasons when referrals are not made.

2. Establish a schedule for updating the status of Anti-Trafficking Coordination Team and human trafficking task forces with WHD participation to ensure WHD is participating in active collaborative efforts, as appropriate.

3. Strengthen practices and procedures, including the use of emerging technology, for systematically analyzing data sources that could further inform case selection and strategies for detecting violations of child labor.

4. Aggregate data to identify trends and emerging compliance issues around child labor.

5. Establish procedures to regularly identify and assess revisions to state child labor laws.

6. Regularly update state child labor laws on WHD webpages to clearly delineate state and federal requirements.

Analysis of Agency's Comments

In response to a draft of this report, WHD agreed with our six recommendations and indicated it will take steps to strengthen its policies, procedures, and practices in the identified areas. We look forward to working with WHD personnel to ensure the intent of the recommendations is addressed. The agency's response to the draft report is included in its entirety in Appendix B. We appreciate the cooperation and courtesies WHD extended to us during this audit.



Sean Gilkerson
Acting Assistant Inspector General for Audit

APPENDIX A: SCOPE AND METHODOLOGY

Scope

We reviewed WHD's enforcement of the FLSA child labor provisions from October 1, 2019, through September 30, 2025. Within this audit scope, we specifically reviewed the following data:

- WHD child labor complaints, investigations, violations, and cases from October 1, 2019, through September 30, 2025.
- WHD child labor trafficking referrals from October 1, 2019, through May 31, 2025.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To answer our audit objectives, we obtained an understanding of applicable FLSA child labor requirements, WHD policies, procedures, guidance, and requirements related to WHD's oversight of FLSA child labor provisions and WHD's referral process for potential child labor trafficking. We also interviewed WHD national, regional, and district office staff and sent questions to WHD's national office staff.

Further, we analyzed WHD's data from October 1, 2019, through September 30, 2025, to determine:

- How many child labor complaints WHD received, how many complaints resulted in investigations, and how long WHD took to address the complaints.
- How many child labor investigations WHD conducted, the number of violations cited, and the types of violations cited.
- What enforcement activities WHD used when it identified child labor violations.
- The number of child labor violations and cases by state and U.S. territory.

We also analyzed WHD's child labor trafficking referrals from October 1, 2019, through May 31, 2025, to determine the number of child labor trafficking referrals WHD made to required entities.

Further, we compared the child labor laws of 53 U.S. states and territories to WHD's "Non-Farm Employment" website to determine if WHD published accurate and current state laws on its website and the extent to which state child labor laws were less restrictive than FLSA child labor provisions.

Internal Controls

In planning and performing our audit, we considered WHD's internal controls relevant to the audit objective by obtaining an understanding of those controls and assessing control risks relevant to our objective. During our planning and substantive phases, we considered the internal control elements of control environment, risk assessment, control activities, information and communication, and monitoring and evaluated relevant controls. The objective of our audit was not to provide assurance of WHD's internal controls; therefore, we did not express an opinion on the agency's internal controls. Our consideration of internal controls for WHD's enforcement of FLSA child labor provisions would not necessarily disclose all matters that might be significant deficiencies. Because of the potential for misstatements and the inherent limitations of internal controls, non-compliance may occur and not be detected.

Data Reliability

We assessed the reliability of WHD's child labor complaints, investigations, violations, enforcement activity, and case data from the Wage and Hour Investigative Support and Reporting Database (WHISARD). We conducted our assessment by reviewing WHD's data extracts and documentation, checking key fields for completeness and consistency, and seeking clarification from WHD when we identified missing or inconsistent information. Based on these procedures, we determined the WHISARD data were sufficiently reliable for describing complaints, investigations, violations, and enforcement actions for the audit period.

Separately, we reviewed WHD's child labor trafficking referral data, which WHD maintains outside of WHISARD. We examined the referral information for completeness and consistency and asked WHD to clarify referral details when needed. We determined the trafficking referral data were sufficiently reliable to determine the number and timeliness of child labor trafficking referrals for the period of October 1, 2019, through May 31, 2025.

Criteria

- Fair Labor Standards Act of 1938
- 29 Code of Federal Regulations, Part 570, Child Labor Regulations
- Trafficking Victims Protection Act of 2000 and its subsequent revisions
- National Child Labor Strategic Initiative Plan
- WHD Memorandum 2015-5, Wage and Hour Division's Role in Recognizing and Referring Indicators of Trafficking Persons
- WHD Memorandum 2023-6, Required Notification of Suspected Trafficking of Children to the U.S. Department of Health and Human Services (HHS) – Office on Trafficking in Persons (OTIP)
- WHD Memorandum 2024-8, Complaint-Based and Agency-Initiated Compliance Actions
- WHD Field Assistance Bulletin No. 2023-3, Prohibitions Against the Shipment of "Hot Goods" under the Child Labor Provisions of the Fair Labor Standards Act
- WHD Field Assistance Bulletin No. 2023-4, Child Labor Civil Monetary Penalty Assessments for Nonserious Injury and Noninjury Violations
- WHD Field Operations Handbook, Chapter 33, Child Labor: FLSA
- WHD Field Operations Handbook, Chapter 73, Child Labor: Investigative Procedures
- WHD Field Operations Handbook, Chapter 52, Compliance Status
- WHD Field Operations Handbook, Chapter 51a01, Complaint Policy

Prior Relevant Coverage

During the last 5 years, the OIG has issued one report of significant relevance to the subject of this report, as follows:

1. Advisory Report: Review of WHD Efforts to Address Child Labor Law Violation Challenges, Report No. 17-25-001-15-01, (September 30, 2025), available at: https://www.oig.dol.gov/public/reports/oa/2025/17-25-001-15-001.pdf

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

The agency's response to our draft report follows.

U.S. Department of Labor

Wage and Hour Division
Washington, DC 20210

October 30, 2026

MEMORANDUM FOR: Sean Gilkerson
Assistant Inspector General for Audit (Acting)

FROM: Andrew B. Rogers
Administrator, Wage and Hour Division

Andrew B. Rogers Digitally signed by Andrew B. Rogers
Date: 2026.10.30 13:20:08 -04'00'

SUBJECT: Response to the Office of the Inspector General's Draft Report: WHD's Inter-Agency Collaboration, Targeting, and State Monitoring Procedures Could be Enhanced and Strengthened to Better Protect Minor Workers

The Wage and Hour Division ("WHD") appreciates the opportunity to respond to the draft report of the Office of Inspector General ("OIG") titled *WHD's Inter-Agency Collaboration, Targeting, and State Monitoring Procedures Could be Enhanced and Strengthened to Better Protect Minor Workers*. The report provides six recommendations, and WHD's responses to these recommendations are set forth below.

Combating egregious and exploitative violations of federal child labor laws is one of the highest priorities for WHD. WHD investigates all claims of illegal child labor brought to its attention and will continue to take seriously its responsibility to protect children from exploitation and harm. WHD values the role of the OIG in identifying internal controls that could maximize the agency's limited resources and positively impact overall program performance. The Division agrees with the recommendations presented in this report and will take steps to strengthen procedures in the identified areas.

Recommendation 1: Update procedures to ensure all required referrals are made directly to the federal office responsible for child labor trafficking and within required timeframes. Updated procedures should include clearly identifying employers suspected of child trafficking and documenting the reasons when referrals are not made.

Response: WHD agrees with the recommendation. WHD will take additional steps to ensure that legally required referrals are made within required timeframes. Where WHD has received enough information to identify employers suspected of child trafficking and has sufficient information to identify the potential minors who may be a victim of child trafficking, it will document the referral made or the reasons why a referral is not made.

Recommendation 2: Establish a schedule for updating the status of Anti-Trafficking Coordination Team and human trafficking task forces with WHD participation to ensure WHD is participating in active collaborative efforts, as appropriate.

Response: WHD agrees with the recommendation. WHD will establish a schedule for updating the status of active human trafficking task forces with WHD participation, as appropriate.

Recommendation 3: Strengthen practices and procedures, including the use of emerging technology, for systematically analyzing data sources that could further inform case selection and strategies for detecting violations of child labor.

Response: WHD agrees with the recommendation. WHD has a longstanding practice of identifying and using multiple data sources to plan and prioritize investigations. WHD will determine how those practices can be strengthened through technology and procedures.

Recommendation 4: Aggregate data to identify trends and emerging compliance issues around child labor.

Response: WHD agrees with the recommendation. WHD will review and strengthen current practices and procedures for systematically reviewing and analyzing information to identify emerging compliance issues around child labor.

Recommendation 5: Establish procedures to regularly identify and assess revisions to state child labor laws.

Response: WHD agrees with the recommendation. Although WHD does not have the authority to administer or enforce state child labor laws, WHD researches, tracks, and monitors state child labor laws, and strives to update its webpages accordingly when it becomes aware of updates to these laws. WHD will review its existing processes and identify specific areas of improvement.

Recommendation 6: Regularly update state child labor laws on WHD webpages to clearly delineate state and federal requirements.

Response: WHD agrees with the recommendation. Although WHD does not have the authority to administer or enforce state child labor laws, it provides information regarding state child labor laws on its website as a general compliance assistance resource for the public. However, these webpages are not designed to provide a comprehensive or detailed analysis or interpretation of state law. WHD advises the public to consult with applicable state government sources for questions or details about a particular state's laws. WHD will review its webpages and identify specific areas of improvement.

Thank you again for the opportunity to comment on this report.

Cc: Dieera Fitzgerald
Deputy Administrator

Michael Kravitz
Deputy Administrator

Edwin Nieves
Acting Associate Administrator, Office of Performance and Communications

Karen Livingston
Director, Division of Strategic Planning and Performance

Jason Coker
Audit Program Manager

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