

Executive Summary: An Industry Leader Dragging Standards Down

Cintas is the biggest and most profitable uniform and laundry company in North America. Last year, Cintas had sales of \$2.7 billion and profits of \$249 million, marking the 34th consecutive year of growth for Cintas. Rather than sharing this success with its employees, Cintas drags down industry standards for all uniform and laundry workers.

Cintas employees don't share in the company's success:

- While profits have soared, Cintas has a stated policy of pushing increases in insurance costs onto its workers. Employees have to spend as much as 17% of their wages on health insurance.
- In Chicago, IL, Cintas, employees with 20 years seniority are paid \$6.15 an hour, below the federal poverty line, to mend and embroider uniforms.
- Cintas uses overseas factories in Haiti - where workers are paid below the legal minimum wage, work forced overtime, and have no access to clean drinking water - to cheaply manufacture uniforms that are sold in the United States.

In the name of profit, Cintas cuts corners and breaks the law:

- In March 2003, Cintas drivers filed a national class action lawsuit alleging that for years Cintas had failed to pay them for overtime work. In 2001, Cintas paid \$10 million to settle a similar lawsuit with drivers in California.
- In Hayward, CA, employees are currently suing Cintas for paying them as much as \$2 per hour less than the city's living wage law requires.
- Unsafe and illegal working conditions have resulted in Cintas employees being hurt and even killed on the job.

Systemic discrimination against women and minorities pervades Cintas Corp.:

- In November 2003, Cintas employees filed a class-action complaint with the

federal Equal Employment Opportunity Commission (EEOC) charging that Cintas discriminates against women and minority employees by denying them promotions and shunting them into lower-paying, less desirable jobs.

- A former Cintas manager was explicitly told by his supervisors to avoid hiring Mexicans. At his plant, 95% of all applicants were Latino, but only 1/3 of the available jobs were filled by Latinos.
- When Nicholas Brooks, an African-American driver in Houston, was fired for complaining that his commission had been given to a white driver, he was told, "it doesn't look good to have blacks and Hispanics on the trucks."

When Cintas employees try to exercise their rights, the company responds by violating those rights:

- When Cintas employees started organizing a union with UNITE and the Teamsters in January 2003, the company reacted by hiring anti-union attorneys, industrial psychologists, and security guards to intimidate employees.
- As a result, the General Counsel of the National Labor Relations Board (NLRB) has found merit in dozens of unfair labor practice charges against Cintas, including three illegal firings.
- In response to a previous union-busting effort by Cintas, an Administrative Law Judge ruled that in one of the company's few union shops, Cintas had "embarked upon an extensive campaign of unlawful conduct plainly calculated to get rid of the union."

Cintas: An Industry Leader Dragging Standards Down

“I have a 9 year old and an 11 year old. When one of them is sick I have to stay home. The company says we need to make up every minute of lost time, no matter what the reason—even if it means working through lunches and breaks. They say if I don’t work 40 hours—I’m fired.”

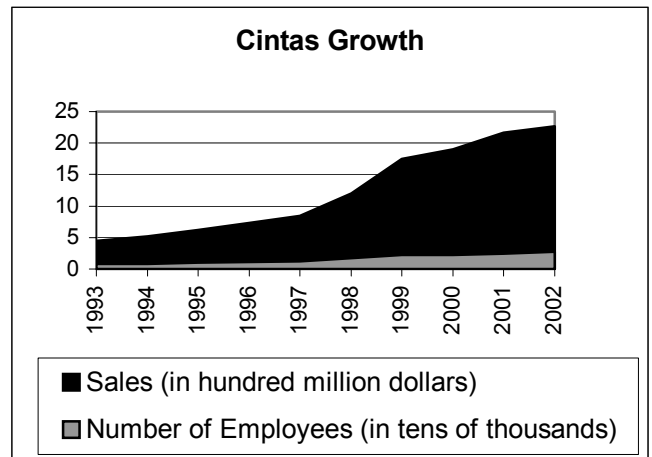
Maria Colón
Branford, CT

An Industry Leader, Dragging Standards Down

Cincinnati, Ohio-based Cintas Corporation is in many ways a success story. From its roots as a small rag-cleaning business founded in 1929, Cintas has grown into a Fortune 500 company that provides uniforms for 5 million people every day. Thousands of employees at companies like Ford, Delta, General Motors, Exxon, Chevron, Northwest Airlines, Hershey and UPS go to work wearing Cintas uniforms. Dubbing themselves “the Uniform People,” Cintas employs 27,000 workers and boasts 34 years of consecutive growth in both revenues and profits, a record that is surpassed only by Wal-Mart and ADP. Last year alone, Cintas reported net profits of \$249 million on \$2.7 billion in sales.¹ Cintas is the largest, most profitable company in the uniform and industrial laundry business.

While Cintas may be the leader in this \$12 billion dollar industry, Cintas’ employees have not shared in the company’s success. Moreover Cintas’ treatment of its employees has dragged down standards for the entire 150,000-worker uniform and industrial laundry industry. Cintas has undercut standards for wages, benefits and working conditions that have been secured by uniform and laundry workers at Cintas competitors.

Sales have increased exponentially at Cintas, and the size of the workforce keeps growing.



Cintas Employees Don’t Share in the Company’s Success

Through its employees’ ceaseless hard work, Cintas has become the largest and most profitable uniform and industrial launderer in North America. While Cintas calls its employees “partners” most have not shared in the company’s success. Even though profits have soared, Cintas continues to pay low wages and push increased insurance costs onto the workers. Francisca Amaral has sorted laundry at the San Leandro, California Cintas plant for the last 13 years. She makes only \$8.20 an hour, and cannot afford health insurance for herself or her two children.

“After paying for minimal benefits for me and my family, I only bring home \$135 per week. After working at Cintas for 9 years, I deserve more.”

Emperatriz Reyna,
Chicago, IL

“Our raises ranged from 0 cents for some to 23 cents for others. When I complained about my 13 cent raise, they gave me 5 cents more and told me I was fortunate because I got more than most people. That is not right! For a company with profits like Cintas, the *partners* deserve better.”

Carol Farel
Aston, PA

Last year, as the company announced a 22% increase in revenue, it increased the cost of employee health insurance. Cintas has a policy of pushing the cost of insurance onto employees as much as possible. William Gale, Cintas Chief Financial Officer, reported to investors that partners “need to share in the additional costs of health insurance.”²

Macrina Orozco has worked at the Cintas Bedford Park, IL plant for 20 years and earns only \$8.65 an hour. She pays \$40 a week for minimal health insurance, and over this past year she has had an additional \$42 per pay period withheld by Cintas in order to pay for medical bills that her insurance would not cover. As a result, Macrina’s take home pay ends up being less than \$215 a week.

“I make \$6.75 per hour and if I wanted to go to [Cintas’] doctor, I would have to pay over \$60 a month and a \$400 deductible.”

Alma Hernandez
Las Vegas, NV

At unionized laundry companies smaller than Cintas, employees have health insurance policies with coverage that costs a quarter of what Cintas workers pay—often less. This means that *every week* a Cintas worker is paying for insurance what a union-member pays in a month. In Nevada, laundry employees that are members of the union have free medical, dental, and vision coverage for themselves and their children. In New York, members have secured similar benefits and can add their spouse for under \$7 a week.

“I have to choose between paying the rent and having health insurance for my daughters. My paycheck just doesn’t make it.”

Teresa Moreno
Branford, CT

While health insurance costs are rising everywhere, other laundries have kept costs manageable for their employees. Cintas, a company that can afford to do the same, pays poverty wages and pushes so much of the cost

of health insurance onto employees that most cannot afford basic coverage. Cintas employees are trying to unionize in order to improve their working and living conditions with affordable health insurance, a livable wage, and secure pension. Cintas is going to great lengths to prevent its employees from unionizing, even though significantly improving the lives of these workers could cost Cintas less than 1% of its sales.

According to calculations done by JP Morgan analysts in September 2003, the total cost of unionization for Cintas would be less than 1% of its projected sales for fiscal year 2004. These figures are matched by other analysts, including analysts at Lehman Brothers. Analysts reached their conclusions by looking at wages and health and pension benefits at the Cintas laundry in Detroit, and applying those same figures to all 17,000 Cintas employees that are eligible to be union members. The Detroit facility is one of the few Cintas locations where the employees have union representation. Through their union contract, employees at this facility enjoy free individual insurance that includes dental and vision benefits, and a secure pension, and they also have guaranteed raises. If Cintas were to extend these benefits and wage increases to all 17,000 Cintas employees, the total cost would be less than 1% of its expected sales for fiscal year 2004.

Overseas sweatshops: The race to the bottom doesn’t end at the border

Cintas’ abuse of workers’ rights in the pursuit of profit is not limited to just the United States – 1500 workers at the Haitian American Apparel Co. S.A. (HAACOSA) in Haiti make uniforms for Cintas, and work under conditions that include forced overtime, firings without due process and loan-sharking by the general manager and supervisors. They work under these conditions for wages of less than the legal minimum of 22 cents per hour (US). Workers also report dangerous health and safety conditions like no ventilation, no access to purified drinking

water, and frequent puncture wounds because sewing machines lack the necessary guard piece.

Jacqueline, a 42 year old mother of four who works at the plant, says, “HAACOSA does not have any purified water for us to drink. Instead there is a tub of water that, I think, is rainwater or something because it is smelly and dirty. I think supervisors pee in the water because it smells bad.” When asked if she drinks the water, she responded, “I have to. I don’t have money to buy water.”

Other workers describe similar wretched conditions. Patrick, a 26 year old HAACOSA worker said, “The heat and dust and noise become so overwhelming, workers just faint at their machines. I don’t know if its out of exhaustion, heat, or dehydration. All the supervisors do is throw water on them until the worker gets up and then the supervisors tell them to get back to work.”

When the conditions at HAACOSA were publicized, Cintas responded by denying any relationship with the subcontractor. However, business documents, workers’ testimonies, and the Cintas labels provided by workers all show that Cintas uniforms are made at the plant. The Haiti factory is not the only overseas sweatshop that Cintas has been caught utilizing. In Cintas’ efforts to reduce costs and maximize profit, the company has shown a disregard for the rights of workers both in the United States and abroad.

In the Name of Profit, Cintas Cuts Corners and Breaks the Law

Cintas has a history of breaking the law, including failing to pay workers overtime, neglecting vital health and safety standards, and allowing race and sex discrimination to grow throughout the company. Cintas has also violated labor laws repeatedly, denying employees the right to choose whether or not they want union representation.

Cheating workers: Pay checks come up short

Paychecks at Cintas often come up short. Workers have to fight to make sure they are paid for the time they work. Since 1995, Cintas has been cited and fined 8 times for failure to pay minimum wage and overtime. Tade Wasmer, a former Cintas driver from Romeoville, IL, used to work longer than 18 hours a day on some occasions. He regularly worked over 60 hours per week and was not paid overtime. In March 2003, Cintas drivers across the country filed a national class action lawsuit alleging that Cintas had not paid them up to \$100 million in overtime. The lawsuit says that Cintas has been violating federal and state laws since at least 1998 by routinely requiring drivers to work unpaid overtime. In 2001, when a similar case was filed against the company by drivers in California, Cintas agreed to pay a \$10 million settlement.³

In Hayward, CA, Cintas employees are paid below the threshold for a living wage established by the city. The city of Hayward has a law dating from 1999 that requires companies doing business with the city to pay their employees a minimum of \$9.26 an hour, plus health insurance, or \$10.71 an hour without health benefits. Cintas had a contract for approximately \$100,000 a year with the City of Hayward to provide uniforms for municipal employees. The employees at the San Leandro facility doing the laundry for the contract were paid as much as \$2 per hour less than the rates required by the city’s living wage law. In June of 2003, employees filed a lawsuit against Cintas for violating the living wage law for the last two years. In November 2003, the city of Hayward joined the lawsuit.⁴ Cintas’ reaction to the lawsuit, and to an investigation by the city as to whether Cintas was in compliance with the law, was to abruptly drop the city contract. This action left municipal workers without uniforms until a new supplier could be found, creating a safety problem for those employees.

Health & safety violations: Cintas negligence puts workers' lives at risk

Cintas has been cited over 100 times by the Occupational Safety and Health Administration (OSHA) for violating federal health and safety laws. Two Cintas workers have died because of unsafe and illegal working conditions. In San Antonio, Texas on February 19th, 2003, Cintas assigned a 55 year old employee to remove a part from a boiler that was 7'7" high. But the ladder was both defective and too short for the job. The employee fell, and died from the injuries. The death at plant prompted an OSHA inspection, which revealed several serious violations of OSHA's standards on construction and demolition.⁵

Several years earlier, on April 27th, 1999 in Philadelphia, PA, Willie Johnson, a 20 year old unloader at Cintas' Philadelphia laundry, died when a fork-lift truck he was driving fell over and crushed him to death. Johnson had worked at Cintas less than two months, and according to OSHA's investigation, Cintas managers were aware that Johnson had failed to maintain his forklift operator license. OSHA also noted that there was high turnover in the safety coordinator manager job.⁶ It is clear that these conditions, and many other health and safety violations, would not exist if Cintas invested in training and safety education for its employees.

Along with these fatalities, OSHA has cited Cintas plants several times for "serious" violations. (A "serious" violation is one defined by OSHA as "capable of causing death or serious physical harm.") In the Branford CT plant, during an inspection on May 28, 2003, OSHA found multiple serious violations, including blocked fire exits, no training for workers doing maintenance on hazardous machinery, and electrical hazards. Other serious violations included no safety showers for workers handling sulfuric acid, and no vaccines for workers exposed to blood.⁷ Employers are legally required to provide Hepatitis B vaccinations to all employees with occupational exposure to

blood. Cintas did not provide Hepatitis B vaccinations to the workers at the Branford plant.

In San Leandro, in an August 2003 citation, OSHA found 3 serious violations (and 30 violations total) including machines that were missing the guards that prevent workers from having their fingers smashed. The San Leandro plant was also found in violation of not providing Hepatitis B vaccinations to workers who pick up, transport and launder cloth materials from hospitals, medical clinics and laboratories, which "include items impregnated with blood and other potentially infectious materials" according to the OSHA citation.⁸ Employees at the San Leandro plant suffer disabling injuries at a rate 8 times higher than the industry average.

"I worked 5 years at Cintas doing all different jobs. My last job was in wash loading. I was hit in the back with 700 pounds of clothes and machinery. Before this happened, I tried going to management and showing them the problem with safety."
Shane Sullivan
Newmarket, Canada

Some Cintas workers who suffer disabling injuries do not receive the full level of benefits to which they are entitled. The company sends others to physicians selected by Cintas, even though workers have the legal right to choose their own physician. Some workers are even fired after reporting their injuries or filing worker's compensation claims.

"After I developed severe fungal infections from handling shop towels, Cintas denied my worker's compensation claims. I've had two surgeries and owe a lot of money to specialists for medical bills that Cintas won't cover. Cintas never fixed the conditions on my truck to protect me from the shop towels. I had to quit to protect my health."

Mark Fragola
Cintas Driver,
Branford, CT

Systemic Discrimination Against Women and Minorities Pervades Cintas

In November 2003, Cintas employees filed a class-action complaint with the federal Equal Employment Opportunity Commission (EEOC) claiming a pattern of discrimination at Cintas against women and minority employees, in which Cintas denies them promotions and shunts them into lower-paying, less desirable jobs. The disturbing examples of discrimination described below illustrate that at Cintas, even in this day and age, women and people of color are denigrated because of their gender or race.

Cintas' demographics show a startling imbalance in job placement, a result of the widespread discrimination at the company. Although women typically account for more than 50% of the workforce at laundry facilities, women hold very few of the driver jobs, which are better paying. Cintas employs roughly 5,000 drivers, only about 5% of which are women. Latinos, African-Americans, and immigrants make up a large portion of the production workforce, but hold a much lower share of the driver jobs. There are about 270 general managers and branch managers at Cintas, and only 5 of them, or 2%, are women. Almost all of the plant managers at Cintas are men. Most of the production supervisors and stock room managers are men, even though most of the employees they supervise are women, and 480 of 519 service managers are men.

This imbalance is no accident, in fact Cintas expects these kinds of results. When Cintas was developing a new facility in Hammond, Indiana, it reported to the City Council that it expected women and people of color would fill 95% of the low wage production positions, but less than 20% of the management and high paying sales jobs.

Many workers have experienced the frustration of Cintas' discriminatory job placement. Robert Harris, an African American man who is a military veteran and has worked as a truck driver before, was

assigned to learn the loading dock for a week prior to being assigned a delivery route of his own. He watched as 12 white men were hired after him, all of whom were immediately assigned routes while Robert continued on the docks. All his loading dock coworkers were black. All delivery drivers, except for one Hispanic, were white. When he protested, Cintas fired him for not fitting in.

Nicholas Brooks, an African-American driver in Houston, Texas complained after his commission was given to another driver, who was white. In response, Nicholas was fired, after being told, "it doesn't look good to have blacks and Hispanics on the trucks."

For women and people of color, problems often begin during the job application process. Rocio Avila, who was born in Mexico but grew up in the United States and speaks English fluently, talked to Painesville, OH company representatives and employees over the phone, and was told there were job openings. After coming in to fill out an application, she was suddenly told there were no job openings. The EEOC is currently investigating her complaint of race, color and national origin discrimination at Cintas.

A former Cintas manager backs up claims by applicants who believe they were turned away because of their national origin. When he worked at Cintas, this manager was explicitly told by his superiors to avoid hiring Mexicans. The manager reports that although 95% of all applications received by the plant were submitted by Latinos, only one-third of jobs were awarded to Latinos.

Stacey Stern worked as manager of National Account Services and was responsible for hiring and firing national account executives and national sales and service coordinators. In that job, she says she was instructed not to interview or hire women for sales positions.

In addition to keeping women and minorities in lower-paying jobs, Cintas allows a highly hostile and demeaning work environment for women and minorities. Yolanda Williams claimed that her supervisor made a practice of

using racial slurs to refer to African Americans. Although she complained to upper management, her supervisor was never disciplined. In fact, the name calling increased and the supervisor began to exclude Yolanda from company meetings.

Another woman reported her general manager continually called women “sluts,” used the “N word” in reference to blacks, and made statements such as “I’m black from the waist down.” She also reported constant inter-office emails containing pornographic images of women.

Many workers have had to bear the brunt of Cintas’ widespread discriminatory and illegal employment practices. While Cintas claims to be “committed to focusing on diversity and looking for more ways to be a truly inclusive organization,” Cintas’ demographics and the shocking stories of its employees reveal a company that consistently devalues and hurts women and people of color.

When Cintas employees try to exercise their rights, the company responds by violating those rights

Since January 2003, workers at Cintas facilities across North America, with the help of UNITE and the Teamsters, have been trying to organize a union to improve their working and living conditions and fight discrimination and other unfair company practices. The company reacted immediately with an aggressive campaign to stop employees from having a voice at work. Managers, backed by hired guns, are waging psychological warfare on the Cintas workforce. Anti-union attorneys, industrial psychologists, and a regiment of security guards have been deployed to watch over union activity and intimidate employees using a myriad of underhanded methods.

Cintas uses surveillance, “captive audience meetings”, and one-on-one tactics to coerce employees. Mandatory “captive audience meetings” are used to force anti-union messages onto workers every day and on

every shift. Managers see employees one at a time, delivering a private message tailored to that individual’s fears and insecurities, preventing employees from making their own decision about whether or not to join a union.

As a result of Cintas’ tactics, the General Counsel of the National Labor Relations Board has found merit in dozens of unfair labor practice charges against Cintas, including for surveillance, intimidation, and three illegal firings. Clorinda Valdivia, a sewer at the Cintas plant in Long Island for 6 years, stood up for her rights and encouraged her co-workers to join the union. After publicly supporting the union, Clorinda was illegally fired, as was Victor Hidalgo, who worked at the Cintas plant in Branford Connecticut, and Miguel Campos, who worked at the Chicago Cintas facility.

In San Jose CA, plant managers made many threats about what would happen if employees joined a union, including that there would be no more raises. Workers were also told that if they unionized, management would shut down the laundry facility. These sorts of threats make it impossible for employees of Cintas to decide, free from fear, whether or not they want to join a union.

Even before the current effort to join a union, Cintas had a long and sordid history of obstructing the right of employees to choose for themselves whether to join a union. This includes both crushing new organizing attempts and undermining already established unions. Through a process known as decertification, Cintas has effectively rid itself of unions. At an NLRB hearing Joseph Detzel, an Executive Vice President at Cintas, testified that it was Cintas’s procedure to decertify employee unions following acquisitions and that he himself had been “involved” in numerous campaigns and was “experienced” at decertifying unions.⁹

Cintas acquired Metropolitan Uniform Services in Hopewell VA, where employees had long been unionized. Cintas immediately set upon a decertification campaign by

promising better benefits and wages if workers gave up their union, ultimately leading Administrative Law Judge Frank Itkin to throw out the decertification petition, ruling that Cintas had “embarked upon an extensive campaign of unlawful conduct plainly calculated to get rid of the union.”¹⁰

When Cintas is unable to decertify the union at one of its laundries, it will often simply close that plant. In 1999, Cintas acquired a heavily unionized competitor, Unitog, and 65 of its facilities. After the acquisition, Cintas closed 30 of the locations, putting thousands of union employees out of work. It then moved the work from the closed locations into other, non-union plants. In the past year, and the past decade, Cintas has consistently done whatever it takes, including breaking the law, to prevent its employees from exercising the right to have a union.

An ideologically anti-union company

This extensive program to prevent employees from having a right to organize should come as no surprise. Cintas has both a non-union philosophy and a long history of going against its employees’ will in order to keep the company union-free. Cintas currently claims that in regards to unionization, it wants its employees to have “The right to say yes. The freedom to say no.” The company handbooks tell a different story - in *The Spirit Is The Difference* and the *Cintas Partner Reference Guide*, handbooks that introduce Cintas corporate culture to employees, Cintas describes the company as “principally non-union.”¹¹ Cintas states that unions make “teamwork difficult” by “standing between the company and employees”, and sums up its anti-union philosophy by stating it will not allow unions to “destroy” its relationship with its employees.¹² In explaining Cintas’ “principal objective” the handbook states that unlike other companies, Cintas will not “sign a union contract...to avoid the work and grief of battling the union.”¹³

The truth behind Cintas’ rhetoric about unions has been made quite clear to employees. Cintas Rental Division President Robert Buck has told Cintas workers that there “never will be a union to represent its employees.”¹⁴ Employees at Cintas never have the freedom to openly discuss issues and make their own decision about joining a union, because the company has already made the decision for them. Cintas harasses and intimidates employees to create an environment that denies workers their basic right to choose a union, allowing Cintas to continue to maximize profits by exploiting its workforce.

Cintas Profits at Employees’ Expense

The company’s war on employee freedoms has violated the rights of thousands of its “partners” and has entrenched conditions that are dragging down the laundry industry.

“Without a union, we will never have a fair contract with decent insurance and wages, a fair policy on absences, and an end to the extreme pressure we are under at work.”

Maria Villalta
Central Islip, NY

In an industry where the mostly female and immigrant workforce struggles with low pay, costly health insurance and safety issues, many companies have made great progress. Cintas however continues to be the worst offender despite its enormous profitability. Cintas has grown to be the largest company in the industry because of the hard work of its employees. It repays them by continuing to profit at their expense, rather than sharing the wealth in the form of raises, affordable health coverage and investments in training and education to make the workplace safe. Cintas ensures its continued ability to cheat its workers and keep down labor costs by discriminating against women and minorities, and by denying its employees the freedom to make a real choice to improve working conditions by joining a union.

¹ Cintas annual report 2003

² Quoted from transcript of Q1 2004 Cintas Corporation Earnings Conference Call, 9/18/03.

³ Philip Vaca v. Cintas Corporation; Superior Court of the State of California County of Los Angeles; BC250459. Also see Fernando Barajas v. Cintas Corporation; Superior Court of the State of California County of Los Angeles; BC261276.

⁴ Hayward Daily Review, 11/4/03 “City joins suit defending living wage” by Michelle Meyers

⁵ OSHA citation #306061185

⁶ OSHA citation #109649236, case file on Philadelphia inspection

⁷ OSHA citations #305930182 and 123152977

⁸ OSHA citation #301136651

⁹ Cintas Corporation and Local 212, Laundry and Dry Cleaning International Union, AFL-CIO; National Labor Relations Board; 5-CA-21849; Administrative Law Judge Decision.

¹⁰ Ibid

¹¹ Cintas Corporation, *Cintas Partner Reference Guide*, 1996, page 22. Cintas Corporation, *The Spirit Is The Difference*, 1996.

¹² Cintas Corporation, *The Spirit Is The Difference*, 1996, page 26.

¹³ Ibid., page 13.

¹⁴ Cintas Corporation and Local 26, United Food & Commercial Workers International Union, AFL-CIO; National Labor Relations Seventh Region; 7-CA-40803; Complaint and Notice of Hearing.