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Vienna, Sept. 5<sup>th</sup>, 2002

**National Contact Point, Austria**

c/o Dr. Peter Theurer  
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***OECD Guidelines for Multinational Enterprises: National Contact Point complaint regarding Gucci (Brylane Inc. and Pinault-Printemps-Redoute) put forth by the Clean Clothes Campaign Austria***

This complaint is directed towards Gucci representations in Austria as well as towards their headquarters in Germany (As far as we know Gucci is the only label under which PPR/Brylane is operating in Austria). Being a campaign which not only represents the interest of workers in the host countries but also of consumers in Austria, we believe that the OECD-complaint mechanism should enable consumers or organizations acting on their behalf to file a complaint in their respective countries.

**Austrian units:**

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Kohlmarkt 5  
1010 Vienna  
Tel. +43 1 532 40 88  
Fax +43 1 532 40 88 1

**International Headquarters:**

**Gucci Group N.V.**

Rembrandt Tower  
1 Amstelplein  
1096 HA Amsterdam  
The Netherlands

and

Via Don Lorenzo Perosi  
6 Casellina di Scandicci  
50018 Florence  
Italy

**Pinault Printemps Redoute**

Direction de la Communication Groupe  
18, place Henri Bergson  
75381 Paris Cedex 8  
France

Oct, 8 2002

Mr. Peter Theurer,  
National Contact Point  
Export and Investment Policy Division  
Federal Ministry of Economic Affairs and Labour  
Department C2/5  
Stubenring 1, A-1011 Vienna, Austria

**RE: Violations of OECD Guidelines for Multinational Enterprises by  
Brylane Inc. and Pinault-Printemps-Redoute**

Dear Mr. Theurer,

We are writing to you in your capacity as National Contact Point for Austria to advise you of serious violations of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises by Brylane Inc. (hereinafter Brylane) and its parent company Pinault-Printemps-Redoute (hereinafter PPR). Brylane is a specialty catalog retailer with nine catalogs and e-commerce websites. It markets and distributes retail apparel and home furnishings under the brand names Chadwick's of Boston, Lerner, Lane Bryant, Roaman's, Jessica London, King Size, Brylane Home and Brylane Home Kitchen and has an exclusive licensing agreement with Sears Shop at Home Services, Inc. Brylane is headquartered in New York with facilities in Indiana, Massachusetts and Texas.

PPR is a multinational retailing conglomerate headquartered in Paris, France with facilities in 55 countries. PPR subsidiaries include: Gucci, Conforma and Enzemata in Italy; Guilbert, Boucheron and Rexel in the United Kingdom; Redcats, FNAC and Printemps in France; Ellos and Enjoy in Sweden and many other subsidiaries functioning throughout OECD member countries.

As we will summarize below, PPR's conduct regarding its treatment of its employees constitutes a systematic attempt to deny their employees' rights to freedom of association and to deprive them of their right to collective bargaining. PPR's subsidiary Brylane has refused to respect its employees' request for representation by the Union of Needletrades, Industrial and Textile Employees, AFL-CIO, CLC (hereinafter UNITE!).

Because of the serious nature of the breaches of OECD Guidelines by PPR, we respectfully request that your office meet with representatives from UNITE!, the International Textile, Garment & Leather Workers Federation (ITGWLF) and the Union Network International (UNI) and the AFL-CIO, as well as raise this issue with representatives of PPR, for the purpose of achieving a resolution to this dispute within the context of OECD Guidelines.

**An Overview of Brylane and PPR's anti-union campaign**

Brylane markets and distributes retail apparel and home furnishings. Brylane is a subsidiary of the Redcats division of PPR. Brylane has warehouse operations in Taunton,

MA, West Bridgewater, MA, Indianapolis, IN and Plainfield, IN. These facilities warehouse inventory, as well as receive and fulfill purchasing orders from individual consumers. There are approximately 1000 employees at the two Indiana distribution centers and 1000 employees at the Massachusetts distribution centers.

Employees at the two Massachusetts distribution centers distribute goods under the label Chadwick's of Boston. The Massachusetts distribution centers are represented by Local 2001, New England Joint Board, Union of Needletrades, Industrial and Textile Employees, AFL-CIO, CLC (UNITE!). The collective bargaining agreement with employees in Massachusetts is set to expire June 30, 2003.

Employees at the Indiana distribution centers distribute goods under the labels Chadwick's of Boston, Lerner, Lane Bryant, Roaman's, Jessica London, King Size, Brylane Home and Brylane Home Kitchen. They are not protected by a collective bargaining agreement. In October 2001, workers employed by Brylane in Indiana initiated an effort to form a union for the purposes of collective bargaining. These workers have sought the assistance of the Midwest Regional Joint Board, Union of Needletrades, Industrial and Textile Employees, AFL-CIO, CLC (UNITE!).

UNITE! represents employees and has constructive labor relations at several other Indiana employers including the TJ Maxx Distribution Center in Indianapolis, Indiana, the Homegoods Distribution Center in Evansville, Indiana and Autoliv in Indianapolis, Indiana.

Since learning of organizing efforts in Indiana, Brylane and its parent PPR have responded with a campaign of harassment and intimidation that continues to date. Examples of the company's tactics in this campaign include:

1. *The establishment of Brylane Associates Against UNITE!, (hereinafter BAAU) a company-created, financed and controlled employee committee*

Brylane has provided assistance and preferential treatment to employees who voice opposition to unionization. Brylane management has actively created and distributed anti-union materials from BAAU. Supervisors have been instructed to support BAAU by copying materials, allowing BAAU members to distribute the material during work time and by transporting materials between the Indianapolis and Plainfield distribution centers.

In a sworn affidavit, Shelly Fugate, a former supervisor from Brylane testified that she was told that, if she supported the union, she would be fired. Moreover, Ms. Fugate details how Brylane management retained the services of an outside management firm that specialized in training supervisors on how to dissuade employees from joining the union. Ms. Fugate was instructed to monitor employees attitudes towards unionization on a daily basis and to relate any financial, marital or other problems that employees may be having to management. Moreover she was instructed to support BAAU and to feed employees information that was negative about unions. She also details how she was recruited to assist in the dissemination of anti-union literature to Brylane employees.

2. *The pervasive and relentless distribution of anti-union literature.*

Brylane and PPR has sent a flurry of letters, publications and newsletters to the homes of Brlyane's Indiana employees. All of the communications contain a strong anti-union message and are aimed at dissuading employees from joining UNITE!. Letters have come from the management of Brylane in Indianapolis, as well as from Jacques Brun the VP of Human Resources for Redcats in Paris, France. The result is that the barrage of communications have overwhelmed Brylane employees' freedom of association, and has misrepresented National Labor Relations Board (NLRB) procedures regarding certification of union representation. In its October 15<sup>th</sup>, 2001 letter to its employees, the company makes clear its opposition to its employees exercising their right to freedom of association and the practice of collective bargaining. Brylane states "The Company does not believe that the UNITE union or any other union is in the best interest of either the Company or our associates."

In addition, Brylane and PPR have disseminated literature alleging "union lies" and implying that UNITE! is responsible for over 800 lay-offs at the Massachusetts distribution centers. Copies of these materials are attached to this correspondence.

3. *Regularly subjecting employees to mandatory anti-union meetings during which many of the aforementioned statements intended to alarm employees are continuously reiterated.*

Company management has required employees to attend meetings during work-time where the company has presented anti-union messages. During these meetings, employees are required to watch anti-union videos, read anti-union literature or listen to anti-union speeches that contain gross misconceptions about unions. The union is not afforded a chance to respond. During these meetings Brylane employees have been shown videos, had anti-union literature distributed to them and had supervisors from Massachusetts testify that the union is responsible for lay-offs at those facilities.

4. *Providing explicit instructions as to how employees may revoke the union card they signed freely of their own accord thereby denying the exercising of freedom of association.*

Brylane and PPR have provided text by which employees can cancel or revoke their authorization and recommend it be sent certified mail. Employees have reported that company management uses intimidating tactics by distributing in person information on how to revoke an authorization card and also indicating they will mail the card for them. The company has even offered the services of an attorney to assist employees who wish to revoke their authorization card from UNITE!. A copy of the company's communication in this regard is also attached.

5. *Discriminating against and denying advancement to employees who voice support for unionization.*

Previous to the beginning of the organizing campaign in Indiana, Greta Casey an employee at the Indianapolis distribution center routinely assisted with paperwork in the department and was told that she was "unit leader material" by supervisor Debbie Davis and Human Resources Director Brenda Holloway. On February 7, 2002 Ms. Casey asked Tyna Cox, unit leader for her department if she could help with the paperwork for the department. Ms. Cox responded that Ms. Casey should be quiet and quit questioning management on their decisions if she wanted to do that

work. On February 10, 2002, Kathy White, a unit leader for the department asked Ms. Casey if she could make copies of some paperwork. Ms. White then changed her directive and told Ms. Casey that she was not to do any paperwork as long as she supported the union.

6. *Threatening employees who speak out in favor of unionization.*

On December 5, 2001, Doug Rhoton addressed his co-workers in the Indianapolis, IN distribution center concerning the union campaign and why he supported UNITE. He spoke for ten minutes and was enthusiastically received by his co-workers. While Mr. Rhoton was speaking, Louise Whorley, a unit leader for Brylane, said to Dorian McDaniel, another supervisor, within earshot of others that she would like to get a gun and “shut him (Doug Rhoton) up.” A co-worker of Mr. Rhoton told him that she had heard Ms. Whorley threaten him during the meeting. Later that same day, Karen Talley, another co-worker also told Mr. Rhoton that she heard Ms. Whorley threaten him during the meeting.

That same day, Pat Cross, Director of Human Resources, and Karen Davis, Human Resources Associate, met with Doug Rhoton in company offices and told him that they had investigated the incident and concluded that it was not Louise Whorley but another unnamed associate who had threatened Mr. Rhoton. They refused to tell Mr. Rhoton who that associate was or what action the company was taking. No action was taken against Ms. Whorley and she continues to work today. The threat against Mr. Rhoton and the company’s inaction in protecting Mr. Rhoton’s safety is particularly chilling considering that on December 6, 2001 in nearby Goshen, Indiana an employee at Nu-Wood Decorative Millwork went on a shooting rampage, killing one co-worker and injuring twenty others. More recently, on March 23, 2002 an employee of Bertrand Products in South Bend, Indiana shot and killed four coworkers.

We believe that this conduct by Brylane and PPR violates the OECD Guidelines as demonstrated in the following section. We also believe that Brylane and PPR’s actions violate ILO Conventions Nos. 87 and 98, the Universal Declaration of Human Rights guaranteeing everyone the right to form and join trade unions, the International Covenant on Civil and Political Rights adopted by the United States in 1992 as well as numerous regional human rights instruments. Brylane and PPR’s actions also clearly contravene the Employment and Industrial Relations section of the OECD Guidelines for Multinational Enterprises.

### **Brylane and PPR’s Violations of the OECD Guidelines**

Brylane and PPR’s conduct with respect to its Indiana employees represents a serious breach of the principles stated in Section IV of the OECD Employment and Industrial Relations Guidelines. Specifically, the company is in violation of the following principles:

“Enterprises should, within the framework of applicable law, regulations and prevailing labor relations and employment practices:

- 1.a) Respect the right of their employees to be represented by trade unions and other bona fide organizations of employees, and engage in constructive negotiations...with such representatives with a view to reaching agreements on employment conditions;
- 4.) Observe standards of employment and industrial relations not less favorable than those observed by comparable employers in the host country;

At the time of this submission, Brylane and PPR continue to threaten and coerce employees attempting to exercise their right to organize for mutual aid and protection as guaranteed by national laws and international regulations through the aforementioned methods.

The OECD Guidelines are designed to promote responsible conduct by multinational enterprises and to facilitate resolution of disputes arising from their operations. In June 2000, moreover, the OECD Ministerial Council agreed that adhering countries shall set up National Contact Points for, “handling enquiries and for discussions with the parties concerned on all matters covered by the Guidelines so that they can contribute to the solution of problems which may arise in connection, taking due account of the attached procedural guidance.” On this last point we hope that you will fully use, and in a timely manner, the mechanisms available to you within the procedural guidance.

Given the serious nature of the violations committed by Brylane and PPR, we request that your office meet with representatives of our organizations, and raise the matter with representatives of Brylane and PPR, in order to facilitate resolution of this dispute in a manner consistent with the Guidelines. We further request that this be taken up by the French National Contact Point to help expedite this matter.

Thank you for your time and prompt attention to this matter.

Sincerely,

Stefan Kerl  
for the Clean Clothes Campaign Austria