



THE UNSAVORY SIDE OF 'FOOD WITH INTEGRITY'

How Chipotle management practices
lead to worker abuses and may create
food safety risks for consumers

JOINTLY ISSUED BY NATIONAL CONSUMERS LEAGUE AND SEIU LOCAL 32BJ
FEBRUARY 2020



EXECUTIVE SUMMARY

Chipotle Mexican Grill (Chipotle), a Fortune 500 fast-casual restaurant company, appeals to a higher price point fast food consumer segment by marketing fresh ingredients prepared largely on-site. Preservatives and frozen ingredients, however, inhibit pathogens; if restaurants choose to use predominantly fresh ingredients, maintaining food safety requires a greater level of dedication, constant vigilance, training, skill and food safety knowledge from Chipotle's workforce.

In 2015 and 2016, Chipotle was rocked by a series of food safety crises that sickened hundreds of customers across the country and included exposure to virulent pathogens like *E. coli*, salmonella, and norovirus. Despite a declaration of food safety reforms instituted to recapture consumer confidence, the company continued to have food-borne illness problems in 2017 and 2018, including an Ohio outbreak in which 647 people were sickened.¹ In addition to food safety issues, Chipotle's record has also been marred by allegations and findings of worker abuses,

IN 2015 AND 2016, CHIPOTLE WAS ROCKED BY A SERIES OF FOOD SAFETY CRISES THAT SICKENED HUNDREDS OF CUSTOMERS ACROSS THE COUNTRY AND INCLUDED EXPOSURE TO VIRULENT PATHOGENS LIKE *E. COLI*, SALMONELLA, AND NOROVIRUS

sexual harassment lawsuits,² and a lawsuit brought by New York City seeking a million dollars in restitution to workers over violations of the city's Fair Workweek Law.³

The National Consumers League worked with Service Employees International Union Local 32BJ (SEIU 32BJ) to assess how issues workers face on the job may be affecting food safety. Interviews with 47 workers at 25 stores in New York City form the basis of this report, along with analysis of corporate filings, press reports, and other publicly available documents. These materials suggest that Chipotle's management and workplace practices are at war with the company's own branding of "food with integrity" and its stated goals of customer safety.

FINDINGS

- ★ **From trailblazing “fast casual” to a reputation for food-borne illness:**
 - Chipotle grew quickly as a fast food restaurant that appealed to higher-income consumers through its use of fresh food prepared in-store, expanding from a single restaurant in 1993 to a \$2.3 billion company with 2,500 stores, all of which are corporately owned and operated.
 - In 2015, news media publicized six outbreaks at restaurants across the country that resulted in waves of illness and involved vomiting, pain, and in some cases hospitalizations among customers.⁴ Facing a crisis, the company rolled out an enhanced food safety program that included third-party restaurant inspections, paid sick days, enhanced internal training, and a Food Safety Advisory Council charged with evaluating the food safety programs. Despite these efforts, food-borne illness outbreaks continued to occur through 2018. The effective implementation of several measures of the enhanced food safety program are directly called into question by findings below.
- ★ **Fresh food model requires experienced and skilled workforce:** Chipotle acknowledges the company’s business model puts the company at a relatively high risk for food-borne illness occurrences due to their emphasis on “fresh, unprocessed produce and meats, our reliance on employees cooking with traditional methods rather than automation, and our avoidance of frozen ingredients.”⁵ While there is clearly a market for freshly prepared unprocessed food, this business model requires a particularly experienced and skilled workforce to avoid food-borne illness outbreaks.
- ★ **Managerial pay bonus program incentivizes cutting corners:** The managerial pay bonus program, in which managers can earn up to an additional 25% of base pay by meeting performance goals that include minimizing labor costs, creates a highly pressurized environment. This program may incentivize managers to meet productivity goals by cutting corners on food safety or by violating worker protection laws. It may also contribute to manager burnout and the annual restaurant-level salaried staff turnover of 49%⁶.
- ★ **Ineffective store audits:** Worker interviews revealed that general managers frequently know when audits are coming because they are tipped off by other managers in their region who are inspected or even field leaders. Workers reported that managers have relaxed rule following outside of inspection periods and tightened up adherence to food safety protocols when an audit is imminent.

THE EFFECTIVE IMPLEMENTATION OF SEVERAL MEASURES OF THE ENHANCED FOOD SAFETY PROGRAM ARE DIRECTLY CALLED INTO QUESTION BY FINDINGS BELOW

- ★ **Insufficient sick leave and pressure to work sick:**
 - Nationally, outside of jurisdictions with local paid sick leave laws, Chipotle offers only three days’ worth of paid sick leave per year,⁷ but prevents crew members from working within three days of experiencing certain symptoms such as vomiting.⁸ A single illness can use up a worker’s allotment of paid sick days and create an incentive for the rest of the year to secretly work sick to avoid losing needed pay.
 - New York-based workers reported that managers have pressured crew members to work while sick or retaliated against workers for taking paid sick leave.
- ★ **Minimal training:** Despite the substantial skills needed to safely prepare Chipotle’s fresh food menu, many new hires receive minimal training and “learn as they go” from co-workers who may not have received much training themselves.
- ★ **Dangers of understaffing:** Pressure to understaff can undermine the capacity of stores to comply with food safety rules, particularly during rush periods when hand washing and glove change protocols can be sacrificed to keep up line speed. Understaffing of the grill position is especially problematic as the grill worker may not be able to keep up with line speed while checking that every piece of chicken is cooked to a safe temperature.
- ★ **Lack of investment in equipment:** Workers report that Chipotle managers pinch pennies by refusing to fix broken equipment or buy necessary safety materials, putting workers at risk of injury and consumers at risk of contamination.
- ★ **Issues such as unpredictable scheduling, short hours, time pressure, safety hazards, sexual harassment and violations of workplace laws lead to high turnover and an inexperienced, unskilled workforce:**
 - In 2018, turnover among hourly workers at Chipotle restaurants was 145%⁹ – meaning that a Chipotle restaurant employing 20 crew members at the start of 2018 had to hire 29 replacement workers through the year to stay fully staffed.
 - Workers reported a widespread pattern of part-time and erratic work schedules. In September 2019, the NYC Department of Worker and Consumer Protection announced a lawsuit against Chipotle, seeking over \$1 million for violations filed at just five restaurants where workers have filed complaints over violations of

a New York City law that protects fast food workers' schedules.

- Understaffing and unrealistic productivity goals pressurize the work environment and put crew members at risk of injury as they rush to complete tasks surrounded by sharp and hot objects in a kitchen.
- Chipotle workers have alleged sexual harassment and failure by management to appropriately address the harassment. Workers have limited recourse due to arbitration agreements they must sign as a condition of employment.
- The National Labor Relations Board has accused Chipotle management in New York City of illegally retaliating against workers for standing up for their rights.

RECOMMENDATIONS

Given the findings of this report, we recommend that Chipotle's board of directors and management foster a healthy culture of integrity for its workers and customers, and invest in a stable workforce that can support their families by adopting the following reforms:

- ★ Revise management incentive structures, so they support:
 - ensuring that workers are encouraged to use paid sick leave when ill,
 - ensuring that workers receive adequate food safety training before working on their own,
 - staffing levels that meet appropriate standards,
 - reduction of turnover.

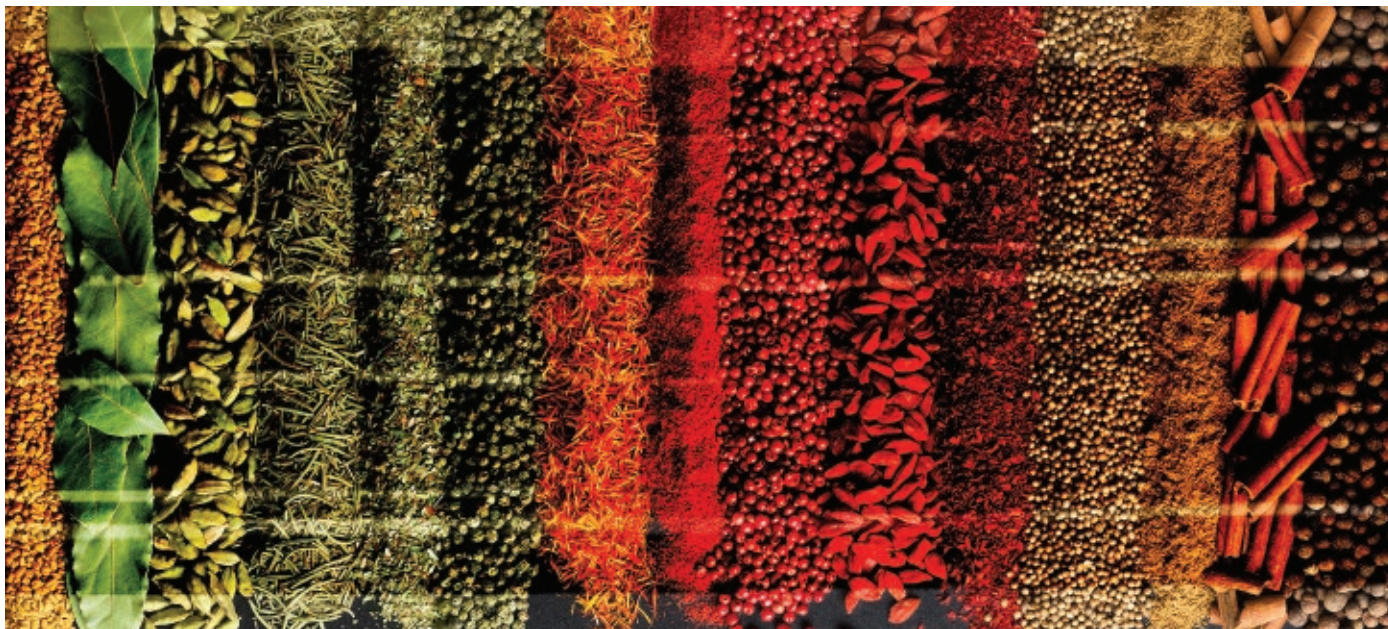
- ★ Ensure the inspection system is truly impartial and managers are not given advance warning of inspections.
- ★ Institute a companywide policy of eight paid sick days and encourage sick employees to use them.
- ★ Institute a companywide fair workweek policy that allows workers to predict their schedules and transitions the workforce to full-time work.
- ★ Use auditors to monitor and score staff training levels as well as compliance with fair-workweek policies, then integrate the scoring into managerial incentives.
- ★ Stop the practice of requiring workers to sign forced-arbitration agreements, which act to stifle whistleblowers and hinder staff from addressing workplace concerns.
- ★ Adopt a zero tolerance policy for sexual harassment and institute a strong companywide policy in which outside trainers implement sexual harassment trainings for all employees on an annual basis.
- ★ Aim to reduce overall annual turnover of hourly staff to below the restaurant industry national average of 75%¹⁰ within two years before moving on to more ambitious goals.

We also recommend that community stakeholders and elected officials work to pass a fair-workweek law and mandated paid sick days at the federal level.



TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
INTRODUCTION	7
ABOUT THIS REPORT	8
FROM TRAILBLAZING “FAST CASUAL” TO A REPUTATION FOR FOOD-BORNE ILLNESS	9
FRESH FOOD MODEL REQUIRES EXPERIENCED AND SKILLED WORKFORCE	11
MANAGERIAL PAY BONUS PROGRAM INCENTIVIZES CUTTING CORNERS	12
STORE-LEVEL MANAGERS FACE CONSTANT PRESSURE TO CONTROL LABOR COSTS	12
INEFFECTIVE INSPECTIONS	14
MANAGERS SEEM TO KNOW WHEN INTERNAL AUDITS WILL OCCUR	14
LAX RULE-FOLLOWING OUTSIDE OF INSPECTION PERIODS	14
INSUFFICIENT SICK LEAVE AND PRESSURE TO WORK SICK	16
CREW MEMBERS ARE PRESSURED TO WORK WHILE SICK ...	16
... OR EXPERIENCE RETALIATION FOR TAKING SICK LEAVE	17
★ <i>NEW YORK CITY HEALTH INSPECTOR DATA IS CONSISTENT WITH REPORT FINDINGS</i>	18
MINIMAL TRAINING	20
PRESSURE TO UNDERSTAFF WORKERS, LEADING TO INABILITY TO FOLLOW BEST FOOD SAFETY PRACTICES	22
UNDERSTAFFING OF GRILL POSITION UNDERMINES FOOD SAFETY	22
UNDERSTAFFING DURING RUSH PERIODS	23
LACK OF INVESTMENT IN EQUIPMENT	24
ISSUES SUCH AS UNPREDICTABLE SCHEDULING, SHORT HOURS, FORCED OVERTIME, SEXUAL HARASSMENT, AND VIOLATIONS OF WORKPLACE LAWS LEAD TO HIGH TURNOVER AND AN INEXPERIENCED, UNSKILLED WORKFORCE	25
ENDEMIC TURNOVER DESKILLS WORKFORCE	25
UNFAIR SCHEDULING	26
Part-time and erratic work schedules	26
IMPACT OF UNDERSTAFFING AND TIME PRESSURE ON WORKER SAFETY	27
Worker Injury	27
SEXUAL HARASSMENT AND MANDATORY ARBITRATION AGREEMENTS	28
RETALIATION AGAINST WORKERS FOR STANDING UP FOR THEIR RIGHTS	29
CONCLUSION AND RECOMMENDATIONS	30
ENDNOTES	31
WORKER PROFILE: AL DIAZ-LARUI	14
WORKER PROFILE: ADRIANNA VIDAL	24
WORKER PROFILE: JEREMY ESPINAL	26



INTRODUCTION

One Sunday night near closing in late September 2019, a Chipotle in a busy section of Manhattan ran out of cooked chicken. The grill cook, who was new to the job, had not cooked enough chicken. When a couple came in and ordered a burrito, line workers asked them to wait while the cook rushed to grill more chicken.

YET CHIPOTLE'S EXPRESSED IDEALS — CONTAINED IN ITS "FOOD WITH INTEGRITY" BRANDING — APPEAR TO BE AT WAR WITH PRACTICES FOUND IN CHIPOTLE RESTAURANTS

But the chicken in the burrito was undercooked when the customers received it. Apparently, while scrambling to make the chicken, the grill cook failed to cook it for a sufficient amount of time. One of the customers returned the food and, aware of past incidents at Chipotle involving food-borne illness, told the restaurant workers not to let it happen again because he didn't want there to be another outbreak at Chipotle.

This anecdote is emblematic of problems that workers in this report say undergird many of the issues that increase risks to the public. Interviews with Chipotle workers in New York, conducted over the course of 2019, reveal a wide gap between the policies put in place following a series of outbreaks in 2015 and 2016 and the company's actual attention to food safety practices. Employee accounts suggest that the company's concerning employment practices and cost-cutting business model have created an environment that exposes both workers and consumers to risk.

Chipotle workers describe a corporate culture that drives high employee turnover, including violations of worker protection laws, understaffing, inconsistent training, and sexual harassment. Chipotle's managerial incentive structure, which places food safety in direct tension with productivity measures, appears to exacerbate these issues and encourages managers to cut corners on safe food handling practices. Workers also raised alarms about the company's internal audit system, reporting that managers seem to have advance notice of restaurant inspections and relax food safety standards outside of those periods. Understaffing and time pressures mean that even experienced workers are forced to compromise on basic food safety practices to keep the line moving, particularly during rush periods. Finally, the company's sick leave policy and practices compound turnover issues and, even more disturbingly, pressure employees to report to work sick. Together, the conditions described by company employees depict a work environment that has the potential to put Chipotle customers at risk.

Chipotle promises its customers a healthful experience, using high-quality fresh ingredients and preparing meals on site and by hand.¹¹ This model requires the prioritization of safe food handling practices through the training and retention of an experienced and skilled workforce. Yet Chipotle's expressed ideals — contained in its "food with integrity" branding — appear to be at war with practices found in Chipotle restaurants. The first-hand reports below show that Chipotle has not made the workforce investments to give consumers the confidence that a visit to Chipotle won't leave them sick.

ABOUT THIS REPORT

This report was issued by the National Consumers League (NCL) in partnership with the Service Employees International Union Local 32BJ (SEIU 32BJ). It is based on formal interviews with 47 Chipotle employees, working in 25 New York City locations under the supervision of seven Field Leaders (as the company calls managers who oversee multiple stores). The stories told by these workers are consistent with what we have heard during informal conversations with hundreds of Chipotle employees across New York City. It also relies on numerous publicly available materials to document Chipotle's history of food safety violations, and the working conditions at the company. Among other sources, these include Chipotle's Securities and Exchange Commission (SEC) disclosures; Chipotle's 2018 sustainability report; restaurant inspections from New York City's Department of Health and Mental Hygiene (DOHMH); local health departments and Center for Disease Control (CDC) press releases; and several legal cases brought against Chipotle by the Equal Employment Opportunity Commission, thousands of current and former employees, and the Massachusetts Attorney General.

Interviews were conducted from February to December 2019, many through focus groups in which workers from different stores could share their stories and better understand and describe their common experiences. The report anonymizes worker identities to prevent retaliation from management, with the exception of Jeremy Espinal, Adrianna Vidal, and Al Diaz-Larui, who have already spoken out publicly regarding Chipotle working conditions. Other worker names are replaced by numbers, and their stores are replaced by letters.

NCL is the pioneering consumer advocacy organization in the United States, representing consumers and workers on marketplace and workplace issues since its founding in 1899. Headquartered in Washington, D.C., NCL provides government, businesses, and other organizations with the consumer's perspective on concerns including child labor, privacy, food safety, and medication information.¹² The organization has a long history of ensuring the safety of our food supply system, from its promotion of the Pure Food and Drugs Act of 1906 and the Federal Meat Inspection Act of 1906, to its advocacy today for effective meat and poultry inspections and clear food labeling,¹³ and strong support for the landmark Food Safety Modernization Act of 2011.

SEIU 32BJ is the largest property service workers union in the country, with 175,000 members in eleven states and Washington, D.C. In New York, the union has stood with fast food workers through its support for the \$15 minimum wage and fair scheduling laws. As of early 2020, SEIU 32BJ is advocating for the New York City Council to pass the Just Cause Law, which would require fast food chains to demonstrate a legitimate reason for terminating a worker or reducing their hours.





FROM TRAILBLAZING “FAST CASUAL” TO A REPUTATION FOR FOOD-BORNE ILLNESS

Chipotle, founded in 1993 as a single restaurant in Denver, has grown to a \$2.3 billion company¹⁴ with 2,500 stores across the United States¹⁵ and close to 68,000 hourly employees.¹⁶ All Chipotle stores are corporately owned and operated. The company has come to exemplify the “fast casual” restaurant¹⁷ sector through its use of fresh ingredients and on-site preparation. This very business model — appealing to higher-income consumers through its use of fresh food prepared in-store — makes Chipotle particularly vulnerable to food safety issues. Unlike most of its national competitors, Chipotle largely avoids the use of preservatives or frozen ingredients to ensure food safety, and on-site food preparation requires a higher degree of skill and food safety knowledge on the part of employees.

Chipotle has a history of food-borne illness outbreaks. The problem reached crisis proportions in 2015, when

news media publicized six outbreaks at restaurants across the country that resulted in waves of illness and involved vomiting, pain, and in some cases hospitalizations among customers.¹⁸ During late October and early November 2015, scores¹⁹ of consumers were sickened by E. coli bacteria linked to Chipotle restaurants in Washington and Oregon, and subsequently as many as 12 other states. The original source of the contamination was not definitively proven, but the cause was reportedly linked to improper food handling.²⁰

The company’s public health emergency continued during the week of December 7, 2015, when 136 students were sickened by food contaminated with the highly contagious norovirus at a restaurant in Brighton, Massachusetts.²¹ City inspectors cited Chipotle with violations, including allowing a sick employee to work a few days prior to the outbreak and cooking meat below the required temperature of 140 degrees.²² This second contagion worsened the adverse financial and operating impacts of the E. coli incident, severely affecting profitability throughout the next year. Average annual restaurant sales fell to \$1.87 million, down from \$2.53 million the year prior.²³

CITY INSPECTORS CITED CHIPOTLE WITH VIOLATIONS, INCLUDING ALLOWING A SICK EMPLOYEE TO WORK A FEW DAYS PRIOR TO THE OUTBREAK AND COOKING MEAT BELOW THE REQUIRED TEMPERATURE OF 140 DEGREES²²

**IN AUGUST 2018, DELAWARE COUNTY, OHIO,
DEPARTMENT OF HEALTH STAFF IDENTIFIED 647
PEOPLE WHO REPORTED GASTROINTESTINAL ILLNESS
AFTER EATING AT A CHIPOTLE IN POWELL, OHIO²⁹**

By early 2016, Chipotle announced a companywide rollout of an enhanced food safety program, which included in-store measures such as third-party restaurant inspections, enhanced internal training, paid sick leave, and enhanced restaurant procedures.²⁴ Later announcements included creation of a food safety advisory council charged with evaluating Chipotle food safety programs and their implementation.²⁵

Yet problems persisted. In July 2017, the Loudoun County, Virginia, Health Department reported that more than 135 people were sickened with norovirus after eating food from a Chipotle restaurant in Sterling, Virginia.²⁶ Chipotle attributed the incident to an ill food handler. The company later acknowledged that a store manager had failed to follow policy related to sick employees.²⁷ Further, the company's failure to issue a statement on the matter in a timely fashion led to perceptions that management was trying to hide the incident rather than informing the public.²⁸

In August 2018, Delaware County, Ohio, Department of Health staff identified 647 people who reported gastrointestinal illness after eating at a Chipotle in Powell, Ohio.²⁹ The Centers for Disease Control and Prevention

found that the illnesses were caused by *c. perfringens* bacteria, a type that forms when food is left out at unsafe temperatures.³⁰ Responding to a complaint made several days before the outbreak began, health officials visited the store on the first day of the outbreak and cited the restaurant for two critical health code violations related to holding food at dangerous temperatures that allowed for pathogen growth.³¹ Following the outbreak, and in contrast to the findings of this report, CEO Brian Niccol stated, "Chipotle has a zero-tolerance policy for any violations of our stringent food safety standards and we are committed to doing all we can to ensure it does not happen again."³²

**CHIPOTLE'S BUSINESS MODEL, COMBINED WITH WORKPLACE PRACTICES
THAT UNDERMINE THE COMPANY'S OWN FOOD SAFETY PROTOCOLS, HAS
LED TO AN ENVIRONMENT THAT LEAVES CONSUMERS BEARING THE RISK**

The significant media coverage regarding these incidents, as well as the impact of social media, increased awareness and negatively affected perceptions of the brand.³³ Chipotle struggled to recover through early 2018 as its share price dropped from a mid-2015 high of \$750 to \$255 in February 2018.³⁴ As recently as April 2019, markets responded to news of a federal subpoena into the 2018 Ohio outbreak, temporarily dropping the share price by 7%.³⁵ Chipotle's customer base remains sensitive to food safety concerns. UBS investor research after the 2018 outbreak in Ohio shows that food safety concerns "remain the top reason consumers eat at Chipotle less" and that consumers are more worried about food safety at Chipotle than at fast food and fast casual competitors.³⁶

As detailed in the following pages, employee accounts suggest that Chipotle's entrenched corporate and workplace practices create a disconnect between the supposedly improved protocols implemented in 2016 and the persistent problems with food-borne contamination at Chipotle restaurants. The fact that serious outbreaks occurred in 2017 and 2018 — after new "safeguards" were put in place — reinforces this reality. High turnover and an aggressive management incentive structure that, in practice, prioritizes the minimization of labor costs over food safety lead to understaffing, high turnover, and a workforce that receives only minimal training and lacks needed experience. Productivity pressures often prevent even skilled workers from adhering to food safety policies. Moreover, store managers can learn when to expect surprise internal audits, which represents a lapse in oversight by Chipotle's executive-level management as well as Chipotle's Food Safety Advisory Council. Chipotle's business model, combined with workplace practices that undermine the company's own food safety protocols, has led to an environment that leaves consumers bearing the risk.





FRESH FOOD MODEL REQUIRES EXPERIENCED AND SKILLED WORKFORCE

Chipotle has built its brand by meeting demand from consumers who are willing to pay a relatively high price point for freshly prepared, minimally processed food. In 2017, the company claimed it was the only national restaurant brand with no added colors, flavors, or preservatives in any of its ingredients.^{37,38} Chipotle brings fresh meat into its restaurant kitchens, unlike national chains such as McDonald's, which uses frozen burger patties for most of its hamburger menu^{39,40,41} and Chick-fil-A, which freezes its fried chicken offerings before sending them to restaurants.⁴² Chipotle's website also trumpets the company's practice of preparing much of its food on-site, boasting, "we actually cook in our kitchens."⁴³

While there is clearly a market for freshly prepared unprocessed food, the way Chipotle executes this business model makes the company particularly vulnerable to food safety problems. The company's national fast food competitors rely on centralized food processing kitchens and the use of preservatives and frozen ingredients, for cost-saving purposes and as safeguards against food contamination and illness. Centralized kitchens allow for greater control and standardization of food processing, and for safety-testing food in the form it will be served to customers. Freezing food and applying

preservatives to ingredients inhibit bacterial growth, allowing for additional time to safely ship food across national distribution networks. Chipotle, in contrast, brings fresh food into its restaurants, where it is largely prepared on-site. Here it may be exposed to additional contaminants without consistently well-executed food safety protocols.

In its 2018 annual financial report, Chipotle acknowledges the company's "higher risk for food-borne illness occurrences than some competitors due to our greater use of fresh, unprocessed produce and meats, our reliance on employees cooking with traditional methods rather than automation, and our avoidance of frozen ingredients."⁴⁴ Chipotle's model, therefore, requires a relatively skilled workforce,

well-trained in safe food handling techniques and led by experienced and responsible managers. Adequate staffing levels also must be maintained in order to ensure that food is properly handled and prepared. The employee accounts below suggest, however,

that Chipotle's own corporate practices create working conditions that increase the risk of food contamination. While the low-road employment practices that workers report at Chipotle may be found in other parts of the fast food industry, Chipotle is more vulnerable to food-borne illness because of its reliance on fresh food.

WHILE THERE IS CLEARLY A MARKET FOR FRESHLY PREPARED UNPROCESSED FOOD, THE WAY CHIPOTLE EXECUTES THIS BUSINESS MODEL MAKES THE COMPANY PARTICULARLY VULNERABLE TO FOOD SAFETY PROBLEMS



MANAGERIAL PAY BONUS PROGRAM INCENTIVIZES CUTTING CORNERS

“THROUGHPUT” IS THE TERM CHIPOTLE USES TO MEASURE SERVICE SPEED, OR THE TIME IT TAKES FROM WHEN CUSTOMERS ENTER A STORE TO THE POINT WHEN THEY LEAVE WITH THEIR MEAL

Worker interviews reveal that Chipotle’s incentive pay structure for managers contributes to a high-pressure environment that prioritizes short-term performance goals above food safety. A general manager (GM) can earn up to an additional 25% of base pay by meeting performance goals.⁴⁵ Hourly managers report that the bonus formula is based on a combination of metrics that include keeping labor and food costs down as a percentage of revenues, and internal store inspection grades, which include appearance and food safety evaluations.

A store-level GM can also achieve “Restaurateur” status, for which a significant raise⁴⁶ and a potentially lucrative stock award⁴⁷ are given. A recent Chipotle press release emphasized that bonuses are based on financial performance goals such as predetermined sales, cash flow and throughput.⁴⁸ “Throughput” is the term Chipotle uses to measure service speed, or the time it takes from when customers enter a store to the point when they leave with their meal.

Workers report that managers’ relentless drive to cut costs directly affects food safety because of understaffing; cutting corners on basic food safety procedures; penny-pinching on broken equipment; and pushing crew members to work sick. According to front-line employees, managers often meet performance benchmarks by compromising on food handling procedures, and, in New York City, by repeatedly violating a local law governing worker scheduling.

It should also be noted that the pressurized work environment that is created by this incentive program may also contribute to manager burnout. Chipotle has a turnover rate for salaried staff at the restaurant level of 49%,⁴⁹ which means that on average Chipotle is replacing half of its in-store management team each year.

STORE-LEVEL MANAGERS FACE CONSTANT PRESSURE TO CONTROL LABOR COSTS

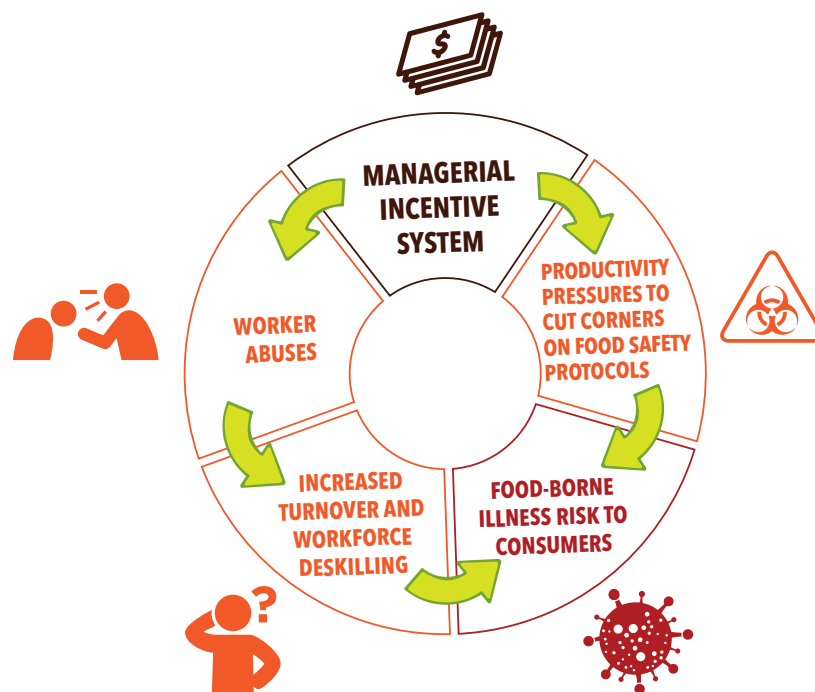
Employees across multiple restaurants describe store managers aggressively cutting labor costs in order to improve their performance on Chipotle benchmarks, sometimes at the direct instruction of upper management.

- ★ Adrianna Vidal, until recently a service manager, has helped operate multiple Chipotle restaurants such as 347 Flatbush and 1400 Broadway, the former in the absence of a regular GM. According to Adrianna, “Each restaurant gets a business report card that compares budgeted costs to actual... the report card looks at cash audits, labor costs, and EcoSure⁵⁰ inspections. Your ranking from this card determines whether you get to keep your job as a GM.”
- ★ When Worker 34 was a service manager at Restaurant Q, his GM would “constantly call or text me to tell someone to go home or speed up,” even monitoring the store through cameras while off-duty. Once, the off-duty GM called Worker 34 “and asked me to hand the phone to a crew member who he then proceeded to curse out for not working fast enough.”
- ★ Workers say that Chipotle budgets its labor and food costs based on daily projections of expected sales. Worker 42 (Restaurant V) says that sometimes her store goes over its allotted labor budget when a day is slower than expected, resulting in a high number of workers relative to sales. Whenever this occurs, the field leader and GMs make up the difference by intentionally under-scheduling workers for the rest of the month. According to Worker 42, “There have been weeks, especially at the end of the month, where every shift I work [my GM and Apprentice GM] order me to send crew members home early or tell them not to come in at all.”

“THERE HAVE BEEN WEEKS, ESPECIALLY AT THE END OF THE MONTH, WHERE EVERY SHIFT I WORK [MY GM AND APPRENTICE GM] ORDER ME TO SEND CREW MEMBERS HOME EARLY OR TELL THEM NOT TO COME IN AT ALL.”

- ★ At Restaurant Q, Worker 34 saw the GM “intentionally understaff the restaurant to make himself look better... At [Restaurant Q], the [daily sales projections] were consistently too low so we were always running out of food and totally overwhelmed.” Worker 34’s GM “knew this but refused to fix the projections in order to save labor costs.”
- ★ Several apprentice GMs who testified as part of an ongoing class-action lawsuit against Chipotle describe similar pressures at their restaurants, stating that their work responsibilities included sending workers home when the store was slow.⁵¹ One apprentice says she was responsible for checking the labor budget relative to sales every hour and if actual labor was “getting very close to the allowed amount [and] you figured you would go over, then it [was] time to send someone home.”⁵² Another apprentice states that if the store went over its allotted labor budget, a representative from Chipotle’s corporate office would call the very next day asking why.⁵³

Worker interviews revealed that risk of food-borne illness for consumers is connected to Chipotle’s managerial incentive program, which puts managers in a place where they may achieve performance goals tied to productivity by cutting corners on food safety protocol or violating worker protection laws.





INEFFECTIVE INSPECTIONS

Food safety compliance factors into manager bonuses and the company's "Restaurateur" status evaluation, but can only be assessed during intermittent audits. EcoSure, a third-party company contracted by Chipotle as part of the 2016 enhanced food safety program, conducts surprise food safety audits at Chipotle restaurants on a quarterly basis and reports results to executive-level management.⁵⁴ New York City workers report that managers have a rough idea of when these audits will occur and adjust standards during inspection periods to improve their evaluations. Workers say that rules are relaxed outside of audits in order to focus on throughput.

MANAGERS SEEM TO KNOW WHEN INTERNAL AUDITS WILL OCCUR

According to workers in several New York City restaurants, managers seem to know when EcoSure audits are likely to occur. EcoSure inspects an entire region during a single period, making it easier for managers to anticipate audits. Managers share information with each other about audits, or hear about inspections in nearby restaurants and know their own store will be inspected soon.

- ★ Worker 8 (Restaurant B) says, "Because [EcoSure] audits all of New York City at once, the GMs tell each other and so my store generally knows then the inspection is coming."

- ★ Worker 37 (Restaurant S) has seen managers regularly "text each other when an EcoSure investigator is around. ... The other week my manager told us to watch out for an investigator wearing a blue shirt and khakis who has just left a nearby Chipotle." Her store ultimately received a day's notice in which to prepare for inspection as the next day a different investigator visited the store.
- ★ At Restaurant F, Worker 48 says that his "manager knows when [EcoSure inspections] are going to happen based on when they've happened at nearby stores." Whenever the GM or apprentice anticipate an inspection, they start quizzing workers about Chipotle's five pillars.
- ★ Chipotle field leaders may also be alerting store managers to imminent inspections. According to Worker 49 (Restaurant P), "You don't know exactly when they'll visit any particular store, but if they are at a store close by, your field leader will give you the heads up to be prepared because they are in your area. [Then] they want you to complete an 'Owners Path and Food Safety 30', which is like a mock audit. Basically everything EcoSure will be inspecting."

"THE OTHER WEEK MY MANAGER TOLD US TO WATCH OUT FOR AN INVESTIGATOR WEARING A BLUE SHIRT AND KHAKIS WHO HAS JUST LEFT A NEARBY CHIPOTLE."

- ★ According to Jeremy Espinal (234 Fifth Ave., 504 Sixth Ave., and 117 E. 14th St.), Chipotle inspects its restaurants regionally so that "whenever the company inspects and grades a single store in New York City, the GMs tell each other and everyone else knows they will be inspected within the next few weeks."

LAX RULE-FOLLOWING OUTSIDE OF INSPECTION PERIODS

Workers report that once managers know an inspection is imminent, they appear to adjust standards at their store to improve their evaluated performance. Workers say managers staff restaurants with more experienced employees during these periods and enforce food safety rules more stringently. After the audit passes, managers reportedly relax standards to focus on throughput (serving speed) again.

- ★ Jeremy Espinal (234 Fifth Ave.) reports that his GM has "cut hours for new workers who aren't as familiar with food safety and given more hours to experienced workers" in anticipation of EcoSure audits. This "stacks" the restaurant with employees who better understand food safety rules to generate a higher score than the store would normally receive.

CHIPOTLE'S OFFICIAL POLICY IS THAT CREW MEMBERS MUST WASH THEIR HANDS EVERY HOUR ON THE HOUR ... MANAGERS STRICTLY ENFORCE THIS POLICY DURING "ECOSURE SEASON" WHEN THEY ANTICIPATE AN INSPECTION. OTHERWISE, "EVERYONE RELAXES" AND MANAGERS PAY LESS ATTENTION TO THIS RULE

- ★ Worker 10 (Restaurant D) says that whenever managers start "badgering us to actually follow all the [food safety] rules... we know that EcoSure will audit us soon."
- ★ Chipotle's official policy is that crew members must wash their hands every hour on the hour, in addition to 18 other triggers after which they must wash hands. Workers at several different stores – Worker 11 (Restaurant E), Jeremy Espinal (234 Fifth Ave., 504 Sixth Ave., and 117 E. 14th St.), Worker 48 (Restaurant F), Worker 49 (Restaurant P), and Worker 10 (Restaurant D) – say that managers strictly enforce this policy during "EcoSure season" when they anticipate an inspection. Otherwise, "everyone relaxes" and managers pay less attention to this rule, which can slow down the line as workers leave to wash their hands and diminish throughput metrics.
- ★ For the first five months after Chipotle hired her, Worker 11 (Restaurant E) thought it was fine to scoop ice out of the ice machine without wearing a glove. It was not until her apprentice GM was expecting the EcoSure audit that he told her she had to wear a glove to do this work. Since then, Worker 11 has seen many of her co-workers scoop ice without a glove on a daily basis. Apparently, when there was no pending audit, managers said nothing.
- ★ According to Worker 39 (Restaurant S), cilantro should be mixed with lime juice to kill bacteria before the mixture is added to rice. Worker 39 says the store's kitchen manager follows this protocol only during EcoSure inspections.
- ★ At Restaurant X, Worker 50 says that managers normally allow workers to use their cellphones in the kitchen, despite this being against food safety protocol, and do not make workers wash the machine they use to clean lettuce. But when managers are anticipating an EcoSure inspection, workers cannot use their phones and must wash the lettuce machine daily. According to Worker 50, "Whenever my GM tells us to prepare for an EcoSure inspection, I know that it is coming soon. Sometimes we will get inspected that same week. Normally, it happens within a month at most."

AL DIAZ-LARUI



Al Diaz-Larui works as a certified trainer on the grill at the 1379 Sixth Ave. Chipotle. He trains new hires who are assigned to the grill.

This is a lot of work because Chipotle has different foods with complicated food safety rules.

Chipotle managers put a lot of pressure on us grill cooks to get up to speed and work fast. They expect new hires to perform at my level by the end of their first week on the job and I've been doing this job for more than a year. It's a lot of stress, which causes new grill cooks to quit all the time. Some don't even last the week.

It feels like every week, I'm training a new grill cook who then leaves shortly thereafter. Not only is this personally frustrating, it also affects the customers. New grill cooks try their best, but managers pressure them to work so fast that they make mistakes with the food, which are then passed on to the customer.

Although there are supposed to be surprise store inspections by EcoSure to make sure that food safety protocols are being followed, my manager often knows more or less when EcoSure is coming. For example, my former GM got a call from another store and they told us of EcoSure going on nearby. We knew to be prepared. Cleaning operation changes a lot when EcoSure is around. We start changing sanitation buckets, sweep more and they send people to wash their hands more often. Once the inspection is over, we go back to business as usual.

I got a burn on my forearm flipping chicken. This happens regularly. In the past, we have run out of burn cream, and then in substitute I put sour cream on my burn instead.

It is common to run out of first aid equipment like burn cream, finger cots and Band-Aids. Chipotle managers know this happens because they also get burned on the grill.



INSUFFICIENT SICK LEAVE AND PRESSURE TO WORK SICK

As mentioned earlier, Chipotle's paid sick policy was announced as part of the 2016 enhanced food safety program in response to the string of outbreaks. Nationally, outside of jurisdictions with local paid sick leave laws, Chipotle offers only 24 hours or three days' worth of paid sick leave per year.⁵⁵ However, companywide policy prevents crew members from working within three days of vomiting or experiencing "uncontrolled diarrhea" and within five days of receiving a diagnosis for specific infectious diseases such as norovirus.⁵⁶ A single illness can easily use up a worker's paid sick days for the year, an incentive to secretly work sick to avoid losing needed pay.

CREW MEMBERS ARE PRESSURED TO WORK WHILE SICK ...

Workers report that managers have prevented sick crew members from calling out of work, in violation of the NYC Paid Sick Leave Law and/or Chipotle policy.

- ★ After attempting to call out and being told by a manager that he wasn't sick enough to do so, Worker 13 (Restaurant F) says he "started throwing up half an hour into the shift." Chipotle fired him without explanation, after which Worker 13 struggled to pay his college and cellphone bills.

- ★ Worker 20's (Restaurant I) GM has forced her to work sick multiple times. In early February, she threw up on a Sunday and was still sick two days later, a Tuesday, when she was scheduled to work. Worker 20 told her GM, who "was upset so I still came in. The GM told me don't tell anyone that I was coming in... because [Chipotle's] policy is usually three days off." In March, Worker 20 felt like she "was about to pass out" while at work but since several co-workers had already called out, the GM told her, "I can't go home because no one could fill my position." The worker finished her shift while sick.

- ★ Worker 3 (Restaurant B) tried to call out of work in January 2019 while experiencing symptoms such as sneezing and a sore throat. However, management told him such symptoms did not allow an excusable absence and "they made me come into work. I felt so bad I eventually lied and said I had nausea – which is included on their list of contagious symptoms – so the manager would send me home. It eventually turned out that I had a throat infection."

AFTER ATTEMPTING TO CALL OUT AND BEING TOLD BY A MANAGER THAT HE WASN'T SICK ENOUGH TO DO SO, WORKER 13 (RESTAURANT F) SAYS HE "STARTED THROWING UP HALF AN HOUR INTO THE SHIFT."

- ★ Worker 8 (Restaurant B) has seen two different co-workers – her service manager and a fellow crew member – work sick with cold or flu symptoms because they could not find anyone to cover their shifts, due to understaffing.
- ★ In 2016, Chipotle created a centralized Safety, Security and Risk (SSR) entity where managers must immediately report worker illness. Worker 38 (Restaurant U), a service manager, reports that SSR has cleared crew members to work “away from food” while clearly sick – coughing and sneezing or with flu-like symptoms – because the employee did not have a food-borne illness. Keeping sick workers away from food is challenging in a restaurant; Worker 38 reports seeing crew members “sneezing and dropping snot on food” while working sick and has himself been told to clock in despite having a runny nose.
- ★ As reported by Worker 20, above, managers may not be consistently complying with Chipotle’s policy of keeping sick crew members out of work for three days. Worker 3 (Restaurant B) says he has “never heard of anyone” being kept from work for the full three days and gave the example that his GM asked him to work in April of 2019 even though the GM knew he had vomited two days earlier. Worker 3 asked if he was OK to work and “[the GM] said yes, I should come in. ... Generally managers [make] you work if you feel fine, even if you should be technically excluded.”

... OR EXPERIENCE RETALIATION FOR TAKING SICK LEAVE

“[THEY SAID I WAS] TAKING TOO MANY SICK DAYS SO THEY NEED TO PUNISH ME. MY HOURS WERE CUT FROM 34 TO 27 HOURS A WEEK.”

Workers report that managers have discouraged them from taking sick days or retaliated against them when they do so.

- ★ Worker 15’s GM (Restaurant G) and service manager retaliated against her for taking sick days. Worker 15 stated “[They said I was] taking too many sick days so they need to punish me. My hours were cut from 34 to 27 hours a week.”
- ★ Worker 18 (Restaurant H) recounts how “if I came to work sick it was a problem and if I called out it was a problem; [the managers] told me they would fire me if I came to work sick.” After she used a sick day and called out, however, Worker 18’s hours were cut from 30 to 12 per week, drastically reducing her income while she was living at a shelter.
- ★ Several crew members (Workers 15, 20, 11) report managers verbally warning them against calling out sick or chastising them for doing so.
- ★ Under New York City law an employer may demand a doctor’s note only for absences lasting more than three consecutive days. However, after needing to take multiple (and non-consecutive) paid sick days that she had legally accumulated, Worker 20 was told by Chipotle’s food safety hotline that she would not be allowed to return to work until she produced a doctor’s note to prove that she had been sick. Afterwards, Worker 20 said, “I don’t want to take any more sick days because I don’t want to have to pay \$40 again [to see a doctor].” Worker 14, a worker at Restaurant F, also states that a service manager requested he provide a doctor’s note for a single day’s absence.
- ★ Several crew members – Worker 9 at Restaurant C; Jeremy Espinal at 234 Fifth Ave., 504 Sixth Ave., 117 E. 14th St.; and Worker 39 at Restaurant S – also recount that Chipotle never provided training on how their paid sick leave accumulates or how to access it. As a result, they say many of their co-workers are unaware they even have paid sick leave.
- ★ Worker 38, a service manager at Restaurant U, says that his GM recently called a manager meeting where she instructed everyone “to make the lives of people who call out [sick] as hard as possible.” The GM also told all managers to mark workers as a “no-call, no-show” if they call out sick the day of their shift. Worker 38 recently took his first sick day in two years and, when he returned to work, someone had spread rumors that he faked his illness.



CONTINUE REPORT ON PAGE 21 →



NEW YORK CITY HEALTH INSPECTOR DATA IS CONSISTENT WITH REPORT FINDINGS

Chipotle initiated their “enhanced food safety program” in 2016. From 2017 through 2019, the New York City health department issued 260 citations at 74 Chipotle restaurants for critical violations of the City’s health code.^{a b} This includes 75 violations at 44 restaurants in 2019 during the period when interviews were conducted for this report. Chipotle currently only has 84 restaurants within New York City. According to the New York City Department of Health and Mental Hygiene (DOHMH), critical violations are those most likely to contribute to food-borne illnesses **“because they may be a substantial risk to the public’s health.”**

Critical violations included food left at dangerous temperatures that allow for the growth of pathogens, practices that allow for the contamination of ready-to-eat foods, evidence of pests including rodents and roaches in the store, and stores supervised by managers without a certificate in food protection. In January 2020, inspectors even found an instance of a crewmember working while **“ill with a disease transmissible by food or [an] exposed infected cut or burn on [their] hand.”** Chipotle did not always correct issues cited by the City: 52 of the 260 critical violations were found during re-inspections, when health department investigators return to stores shortly after citing them during an initial inspection.

^a Under New York City restaurant inspection system, critical violations are more representative of a restaurant’s impact on food safety than their assigned letter grade. The City does not assign deficient letter grades – anything less than an A – until restaurants have had an opportunity to correct violations and still gives owners an opportunity to contest a grade of B or C at a City administrative hearing. Critical violations, however, stay on the restaurant’s record.

^b Data pulled from NYC Open Data, Department of Health and Mental Hygiene New York City Restaurant Inspection Results for all Chipotle Mexican Grill locations from 2017 through 2019. Dataset available at <https://data.cityofnewyork.us/Health/DOHMH-New-York-City-Restaurant-Inspection-Results/43nn-pn8j>

Description of Critical Violation	Instances Found by Inspectors, 2017 to 2019
Filth flies or food/refuse/sewage-associated (FRSA) flies present in facility's food and/or non-food areas. Filth flies include house flies, little house flies, blow flies, bottle flies and flesh flies. Food/refuse/sewage-associated flies include fruit flies, drain flies and Phorid flies.	96
Hot food item not held at or above 140° F.	42
Food contact surface not properly washed, rinsed and sanitized after each use and following any activity when contamination may have occurred.	34
Cold food item held above 41° F (smoked fish and reduced oxygen packaged foods above 38 °F) except during necessary preparation.	19
Food not protected from potential source of contamination during storage, preparation, transportation, display or service.	17
Evidence of mice or live mice present in facility's food and/or non-food areas.	15
Sanitized equipment or utensil, including in-use food dispensing utensil, improperly used or stored.	10
Personal cleanliness inadequate. Outer garment soiled with possible contaminant. Effective hair restraint not worn in an area where food is prepared.	7
Raw, cooked or prepared food is adulterated, contaminated, cross-contaminated, or not discarded in accordance with HACCP plan.	5
Wiping cloths soiled or not stored in sanitizing solution.	3
Tobacco use, eating, or drinking from open container in food preparation, food storage or dishwashing area observed.	2
Live roaches present in facility's food and/or non-food areas.	2
Food Protection Certificate not held by supervisor of food operations.	2
Insufficient or no refrigerated or hot holding equipment to keep potentially hazardous foods at required temperatures.	1
Food not cooked to required minimum temperature.	1
Live animals other than fish in tank or service animal present in facility's food and/or non-food areas.	1
Appropriately scaled metal stem-type thermometer or thermocouple not provided or used to evaluate temperatures of potentially hazardous foods during cooking, cooling, reheating and holding.	1
Food prepared from ingredients at ambient temperature not cooled to 41° F or below within 4 hours.	1
Food worker does not wash hands thoroughly after using the toilet, coughing, sneezing, smoking, eating, preparing raw foods or otherwise contaminating hands.	1
Grand Total	260



MINIMAL TRAINING

Chipotle relies on thousands of workers to sanitize, chop, and prepare its food, which entails following stringent safety protocols. The company's handbook, for example, contains 18 separate triggers after which crew members are required to wash their hands. Workers need time, instruction and experience to learn to balance these requirements with efficient food preparation and delivery. Workers at Chipotle locations across New York City report that employees receive haphazard training. Many new hires receive minimal training and "learn as they go" from co-workers who may not have received much training themselves.

★ According to several crew members – Worker 4 (Restaurant B), Worker 9 (Restaurant C), Worker 3 (Restaurant B), Worker 10 (Restaurant D), and Jeremy Espinal (234 Fifth Ave., 504 Sixth Ave., and 117 E. 14th St.) – Chipotle commonly gives new hires very little training before directing them to work unsupervised. Worker 4 (Restaurant B) started working at Chipotle in December 2018, and says "there are videos the managers are supposed to show you... but I never saw them" during the first three "training days." Instead, she learned the job while working the different stations. When Jeremy started at 234 Fifth

Ave., he received a comprehensive week-long training on the grill. He later learned this "was only because the store had a record of failing multiple food safety inspections... At [my] other stores, new hires to the grill did not receive the same quality of training I did."

★ Even when Chipotle does offer initial training, workers say managers often transfer them to new positions without additional instruction. Worker 9 (Restaurant C) says that after training her to work the cash register, her managers assigned her to work multiple food stations. Her training to work the grill consisted of "watching [the other cooks] for a few minutes before I had to start working. ... The other grill cooks were so busy they did not have time to show me how to take the temperature of the food I was cooking until after I had been working for forty minutes." Similarly, Worker 37 (Restaurant S) says that she received no training on how to prep food,

HER TRAINING TO WORK THE GRILL CONSISTED OF "WATCHING [THE OTHER COOKS] FOR A FEW MINUTES BEFORE I HAD TO START WORKING. ... THE OTHER GRILL COOKS WERE SO BUSY THEY DID NOT HAVE TIME TO SHOW ME HOW TO TAKE THE TEMPERATURE OF THE FOOD I WAS COOKING UNTIL AFTER I HAD BEEN WORKING FOR FORTY MINUTES."

open the store, manage the cash register or handle dishes before being transferred to those positions. Another employee who has worked at three stores also reports that Chipotle does not train workers when transferring them to new positions.

- ★ Jeremy Espinal (234 Fifth Ave., 504 Sixth Ave., and 117 E. 14th St.) says “most of the time we are understaffed and ... we are asked to train someone on top [of our regular work].” Jeremy says this leads to new workers “being undertrained... they aren’t shown the training videos that are meant to help them and they get scolded and punished when they do their jobs poorly.”
- ★ Worker 5’s (Restaurant B) GM has assigned her to train multiple new hires even though she is not a certified trainer.
- ★ Worker 11 (Restaurant E) has worked at another fast-casual chain where she received a full week of hands-on training before the company cleared her to work unsupervised. In contrast, Chipotle showed her two days of videos.
- ★ Worker 8 (Restaurant B) has worked at Chipotle for many years and says that she has “seen many workers come and go. I believe that insufficient training is responsible for this.” She reports that new workers receive only a fraction of the comprehensive week-long hands-on training she received when her store opened over ten years ago.
- ★ Worker 6’s (Restaurant B) store was often chaotic “because new people without thorough training would be thrown onto the grill or line by themselves, so I would help them out.” Because Worker 6 was busy helping other workers, he did not have time to pre-close his station and would often leave work late.

WORKERS DESCRIBE SITUATIONS IN WHICH BASIC HEALTH PROTOCOLS HAVE NEVER BEEN TAUGHT TO EMPLOYEES OR ARE DISREGARDED BY MANAGERS, WITH DIRECT IMPACTS ON FOOD SAFETY ...

Workers describe situations in which basic health protocols have never been taught to employees or are disregarded by managers, with direct impacts on food safety:

- ★ Chipotle’s official policy is that food should be kept at a safe temperature unless it is actively being cooked or prepared. At 117 E. 14th St., Jeremy Espinal says, “not all workers were trained to know” this policy. As a result, workers “leave rice in the pot and it cools down,” creating a risk of bacterial growth.
- ★ In November 2018, a manager from another store visited 117 E. 14th St., where Jeremy Espinal was employed. This manager showed him how to clean the nozzle for the iced tea dispenser. Jeremy had not known this nozzle needed to be cleaned and says, “I had never seen anyone clean the nozzle before during my six months at the store... the manager took it apart and the nozzle was filled with disgusting black gunk, through which the iced tea had been filtering.”

JEREMY HAD NOT KNOWN THIS NOZZLE NEEDED TO BE CLEANED AND SAYS, “I HAD NEVER SEEN ANYONE CLEAN THE NOZZLE BEFORE DURING MY SIX MONTHS AT THE STORE... THE MANAGER TOOK IT APART AND THE NOZZLE WAS FILLED WITH DISGUSTING BLACK GUNK, THROUGH WHICH THE ICED TEA HAD BEEN FILTERING.”

- ★ In early March, Worker 24 (Restaurant K) discovered that his restaurant was grilling food using oil from a repurposed cleaning chemical bottle because the service manager “couldn’t find any cooking bottles.”
- ★ Although Worker 37 (Restaurant S) knows that there is a “right way” to food prep, she says that her managers have only taught her the “quick way.” For example, she has seen workers at other restaurants put lettuce and salsa in ice-baths to bring the food back down to a safe temperature after prep. Worker 37 herself has “never done this because I don’t know how, I don’t even know if my store has the right equipment, and my managers have never told me.” This worker says that in many situations, “food safety is second to throughput.”
- ★ Worker 40 (Restaurant D) says that an undertrained grill cook at his restaurant accidentally served undercooked chicken to a customer. He says the store “ran out of chicken ... because the new griller didn’t know we still needed to cook chicken that late at night.” The new cook rushed to grill more chicken for a couple of customers who came into the store, and one was served raw chicken.
- ★ While working at Chipotle, Worker 4 (Restaurant B) has been tasked to clean feces and needles out of the restroom without proper gloves or established procedures. Worker 37 (Restaurant S) says that although her store is supposed to have a hazmat suit, workers have been forced to clean feces from “the floor or ceiling of the bathroom” multiple times without the proper equipment or training.



PRESSURE TO UNDERSTAFF STORES UNDERMINES CAPACITY TO FOLLOW BEST FOOD SAFETY PRACTICES

UNDERSTAFFING OF GRILL POSITION UNDERMINES FOOD SAFETY

Workers report that at least two employees are needed to safely staff the grill at restaurants with significant volume — ensuring that meat is cooked to a temperature sufficient to kill harmful pathogens — yet the position suffers from particularly high turnover and frequent understaffing.

- ★ Worker 1 (Restaurants A, B, and C) reports multiple instances of busy grill cooks skipping steps to save time. For example, when the kitchen runs out of clean metal serving pans, cooks have served ready-to-eat food in pans over which chicken was unpacked, which are possibly contaminated with raw chicken marinade. Worker 1 has also seen cooks save time while chopping meat by flipping a dirty cutting board over and placing a towel underneath to soak up the meat juice — these towels often turn yellow from the concentrated juices. To keep up with throughput demands when the store is especially busy, Worker 1 has had to use a timer and visual inspection to determine whether chicken is fully cooked, rather than taking the temperature of each piece.

AN AUDITOR INFORM[ED] THE STORE GM THAT A CUSTOMER BECAME ILL AFTER EATING CHICKEN AT THAT LOCATION, AND THAT HE HAD FOUND AN ISSUE WITH THE TEMPERATURE OF THE CHICKEN

- ★ At Worker 11's store (Restaurant E), the GM often does not schedule a grill cook, meaning that potentially untrained workers from other positions have to fill in. Worker 11 overheard an auditor inform the store GM that a customer became ill after eating chicken at that location, and that he had found an issue with the temperature of the chicken, which may have referred to the temperature to which it was cooked or at which it was held.
- ★ Worker 8 (Restaurant B) has worked at her store for many years. She says that “the grill is the most demanding and challenging position in the restaurant” because it requires attention to detail and following sometimes complicated step-by-step directions. When a cook is improperly trained, she says “the most common mistake they make on grill is not cooking [food] to the correct temperature for enough time.”

- ★ At 1379 Sixth Ave., Al Diaz-Larui trains new hires on the grill. He says “managers put a lot of pressure on grill cooks – after a week, they expect new hires to perform at the same level as I do” after 14 months on the job. He speculates that the stress “causes new grill cooks to quit all the time—some don’t last a week.” The constant churn of new cooks joining and leaving is not only “personally frustrating, it also affects the customer... new grill cooks try their best, but managers pressure them to work so fast that they make mistakes with the food that are then passed on to the customer.”

UNDERSTAFFING DURING RUSH PERIODS

Workers report that managers push them to cut corners on food safety during rush periods, which may last two to three hours around lunch and dinner. Employees say that moving customers through the line takes priority over food safety practices including changing gloves with tears, washing hands, and properly washing dishes and utensils. Turnover and understaffing exacerbate these problems; short-staffed managers, for example, aren’t able to sub out line workers to wash their hands as needed.

[DURING RUSH PERIODS] EMPLOYEES SAY THAT MOVING CUSTOMERS THROUGH THE LINE TAKES PRIORITY OVER FOOD SAFETY PRACTICES INCLUDING CHANGING GLOVES WITH TEARS, WASHING HANDS, AND PROPERLY WASHING DISHES AND UTENSILS

- ★ Some workers – Worker 11 (Restaurant E), Worker 37 (Restaurant S), and Worker 2 (Restaurant B) – report that managers have actively prevented them from washing their hands during the daily lunch rush. They say that managers yell at any individual who steps off the line, regardless of the reason. Worker 11 reports that she has gone up to four hours working the line during rush periods without washing her hands and that Chipotle “managers are always yelling... to move the line faster and increase throughput.”
- ★ According to Worker 38 (Restaurant U), a service manager, workers are not allowed to step off the line unless there is someone available to replace them; widespread understaffing means that it is hard to find replacements unless the store is empty. In one instance, Worker 38 allowed a line worker to use the restroom and received a text message from his off-duty GM, who was monitoring the cameras, asking “why is there only one person on the line.”

- ★ Worker 1 (Restaurants A, B, and C) often works the grill and says that there are some shifts where he does not have time to wash his hands, other than when he clocks in and uses the restroom. Worker 7 (Restaurant B), Worker 6 (Restaurant B), and Adrianna Vidal (347 Flatbush and 1400 Broadway) say that in general, managers do not care whether workers wash their hands and at best loosely enforce those rules.
- ★ One line worker and one grill worker – Worker 1 (Restaurants A, B, and C) and Worker 11 (Restaurant E) – both report going through dozens of gloves each shift due to rips and contamination. The local health code requires that they wash their hands each time gloves are replaced, but the workers report that frequently they do not get the opportunity to do so.
- ★ Worker 2 (Restaurant B) and Jeremy Espinal (234 Fifth Ave., 504 Sixth Ave., and 117 E. 14th St.) both say that during busy periods, managers direct workers to skip washing the red plastic baskets and silver metal trays in which workers serve food, and to merely sanitize them instead.
- ★ Adrianna Vidal says that under one of the GMs at 1400 Broadway, managers would regularly delegate the work of logging the temperature of grill and line food to workers. Logging these temperatures is a key part of Chipotle’s Hazard Analysis and Critical Control Point plan. But according to Adrianna, “crew members were [often] too busy cooking, preparing, and serving the food to take temps” and as a result, the food would sit for up to eight hours without the temperature being recorded. In one instance, Adrianna says other managers entered temperatures in the log for entries that had previously been left empty after a customer complained about getting sick from undercooked chicken. Worker 26 (Restaurant N) says managers often delegated the same tasks at her store and that when the service manager did fill the book out himself, “he would wait days or even weeks.”

WORKER 11 REPORTS THAT SHE HAS GONE UP TO FOUR HOURS WORKING THE LINE DURING RUSH PERIODS WITHOUT WASHING HER HANDS AND THAT CHIPOTLE “MANAGERS ARE ALWAYS YELLING... TO MOVE THE LINE FASTER AND INCREASE THROUGHPUT.”

LACK OF INVESTMENT IN EQUIPMENT

Workers report that Chipotle managers pinch pennies by refusing to fix broken equipment or buy necessary safety materials, putting workers at risk of injury and consumers at risk of contamination.

- ★ During Worker 6's (Restaurant B) time at Chipotle, "We did not have all the equipment needed to do our job... the stove was broken when I got there – knobs are falling off, half of it does not turn on." Worker 6 also recounts how he had to chip through cement when the company redid the floors and "cemented over the drain." On another instance, one of the store's hot boxes – used to keep food at a safe temperature – broke when the door would not close.
- ★ Jeremy Espinal (117 E. 14th St.) reports "often one of the gas lines in the store leaks and can cause a fire to come out at the [grill] knobs." When he has asked managers to fix this, they have refused, saying that it "comes out of quarterly bonuses."
- ★ While flipping chicken on the grill, Al Diaz-Larui (1379 Sixth Ave.) regularly burns himself. He says "It's common we run out of first-aid equipment like burn cream... and Band-Aids" so he has used sour cream to treat his burns.
- ★ At Worker 23's (Restaurant I) store, he says, "I have burns on my hands and forearms" from handling hot pots because the store's insulators and mittens are inadequate and "cuts on my hand... [from] doing dishes as the sharp edges of food pans cut [my] hands when [I] clean them."

... CREW MEMBERS WERE SOPPING WITH SWEAT FOR THEIR ENTIRE SHIFT. ACCORDING TO WORKER 31, "THE SWEAT THAT DRIPS OFF OUR BODIES GOES EVERYWHERE: ON THE PREP TABLE, ON THE UTENSILS, IT EVEN GOT INTO THE FOOD THAT WE PREP AND SERVE... ON THE WORST DAYS I WOULD FEEL FAINT FROM THE BLAZING HEAT."

- ★ Sometimes broken equipment can pose a risk to food safety. Worker 29 and Worker 31 both say that from early May to late August of 2019, the back of the house air-conditioning at their store (Restaurant O) was broken. Worker 31 says that "temporary AC [was] available in the front of the house where the customers eat" but not in the workspace where the lack of air flow, stifling New York summer, and active grill heat meant crew members were sopping with sweat for their entire shift. According to Worker 31, "the sweat that drips off our bodies goes everywhere: on the prep table, on the utensils, it even got into the food that we prep and serve... on the worst days I would feel faint from the blazing heat." Managers did not fix the broken AC until after workers approached them together demanding the fix.
- ★ Worker 39 (Restaurant S) says that although grill cooks are supposed to clean the grill-top until it's "silver," the scraper Chipotle provides to accomplish this task is often broken and cooks are unable to fully clean the grill.

ADRIANNA VIDAL



Adrianna worked at two of the company's restaurants, 347 Flatbush Ave., Brooklyn, and 1400 Broadway, Manhattan. She was a service manager, a position that is given some responsibilities to facilitate work but is paid as an hourly worker.

As a service manager, I have helped run two Chipotle restaurants. At 347 Flatbush, the store did not have a GM during a one-month period,

and as service manager I did the work of a GM. Each Chipotle gets a business report card that compares budgeted costs to actual cost. The report card looks at cash audits, labor costs, and EcoSure inspections (a third-party auditor that reports back to

Chipotle corporate). Your ranking from this business report determines whether you get to keep your job as a GM.

Under one of the GMs at 1400 Broadway, managers regularly delegated the work of logging the temperature of grill and line food to workers. Logging these temperatures is a key part of Chipotle's Hazard Analysis and Critical Control Point plan (HACCP). But crew members were often too busy cooking, preparing and serving the food to take the temperature. As a result, on many shifts I had to toss food because it went more than four hours without the temperature being recorded.

The HACCP temperature log tracks the temperature of the grill surface, food on the line, and food while it cooks. After a customer complained of getting sick from undercooked chicken at 1400 Broadway, Chipotle investigated the location. I had checked the log earlier on the day that Chipotle sent us an email about the complaint. The form was blank. By the time I left that day, the GM had filled out the form.



ISSUES SUCH AS UNPREDICTABLE SCHEDULING, SHORT HOURS, FORCED OVERTIME, SEXUAL HARASSMENT, AND VIOLATIONS OF WORKPLACE LAWS LEAD TO HIGH TURNOVER AND AN INEXPERIENCED, UNSKILLED WORKFORCE

ENDEMIC TURNOVER DESKILLS WORKFORCE

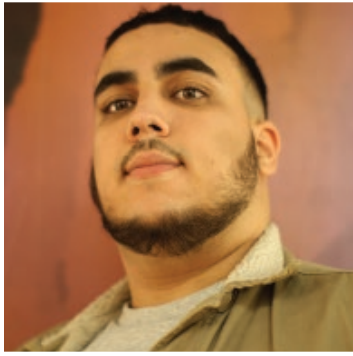
Chipotle's model of freshly prepared, minimally processed food requires adequate staffing and a well-trained, experienced workforce, but working conditions at Chipotle drive away thousands of employees each year. In 2018, turnover among hourly workers at Chipotle restaurants was 145%⁵⁷ – meaning that a Chipotle restaurant employing 20 crew members at the start of 2018 had to hire 29 replacement workers through the year to stay fully staffed. Turnover lowers the level of skill and experience among crew members handling food and contributes to chronic understaffing, a situation that undermines the company's own food safety protocols. Chipotle cannot adequately ensure food safety without addressing the underlying issue of staff turnover.

The worker stories to follow paint a picture of high turnover driven by a host of workplace issues including part-time and erratic hours, lack of safety equipment, understaffing, intense time pressures, and verbal abuse and sexual harassment from management.

145%
**CHIPOTLE'S 2018 TURNOVER
RATE FOR HOURLY STAFF**

**THAT MEANS THAT A CHIPOTLE
RESTAURANT EMPLOYING
20 CREW MEMBERS AT THE
START OF 2018 HAD TO HIRE
29 REPLACEMENT WORKERS
THROUGH THE YEAR
TO STAY FULLY STAFFED.**

JEREMY ESPINAL



Jeremy Espinal, 20, has worked at a number of Chipotle restaurants in New York City, including currently at 504 Sixth Ave.

I love the work that I do and I love the ideals of ‘Food with Integrity’ that Chipotle stands for. I just wish Chipotle would be a better employer and live up to those ideals. Chipotle restaurants are often so understaffed to keep overhead low that managers cut corners and overlook practices that often are not conducive to maintaining proper food safety.

I have seen many instances of busy Chipotle grill cooks skipping steps to save time. For instance, when the kitchen runs out of clean metal serving pans, as it does because there’s not enough time to wash, cooks have served ready-to-eat food in pans possibly contaminated with raw chicken marinade because raw chicken was unpacked over the pan.

When I worked the grill and the store was busy, when I stopped to take the temperature of every chicken on the grill, I was not able to move the food out quickly enough and my manager would yell at me to speed up so the line doesn’t run out of food.

Chipotle eventually shifted me to working line shifts, which involves making sure food served to customers is at a safe temperature and protecting against cross-contamination. I did not receive any training on how to work the line before I was transferred to work there unsupervised.

All of us who work at Chipotle want to do the right thing. We want to cook food safely so that everyone — customers and workers alike — is protected. But there is so much work to do in such a short span of time that we cannot physically complete the tasks Chipotle gives to us. It is impossible for a store to operate at the standards Chipotle sets with the staff Chipotle schedules without cutting corners.

ALMOST 600 CHIPOTLE WORKERS AT MORE THAN 60 NEW YORK CITY RESTAURANTS HAVE SIGNED A PETITION STATING THAT CHIPOTLE’S VIOLATIONS OF THE FAIR WORKWEEK LAW DESTABILIZE THEIR LIVES AND DEMANDING THAT CHIPOTLE FOLLOW THE LAW.

UNFAIR SCHEDULING

PART-TIME AND ERRATIC WORK SCHEDULES

In May 2017, New York City fast food workers moved the City Council to pass the groundbreaking Fair Workweek legislation, a package of laws that aims to change work in the fast food industry from erratic part-time hours to stable full-time schedules. Since the law became effective, in November 2017, Chipotle restaurants have pervasively violated provisions of the legislation, leaving workers struggling with chaotic and part-time schedules.

Ironically, Chipotle faces understaffing and turnover problems while many workers report that they want more regular hours. Since the beginning of 2018, dozens of workers at 38 Chipotle restaurants across New York City have filed complaints with the Department of Consumer and Worker Protection (DCWP), documenting widespread violations of the City’s Fair Workweek Law. In September 2019, DCWP announced a lawsuit against Chipotle, seeking over \$1 million for violations filed at five of the restaurants where workers filed complaints in early 2018. Almost 600 Chipotle workers at more than 60 New York City restaurants have signed a petition stating that Chipotle’s violations of the Fair Workweek Law destabilize their lives and demanding that Chipotle follow the law.

Scheduling issues were also implicated in the nearly \$2 million settlement Chipotle and the Massachusetts Attorney General reached in January 2020. An investigation revealed an estimated 13,253 child labor violations at 50 Chipotle stores in Massachusetts, including minors working too late into the evening, and too many hours per day and per week.⁵⁸

In interviews, Chipotle workers reported persistent scheduling issues and violations of the Fair Workweek Law:

- ★ Crew members such as Worker 22 (Restaurant I), Worker 21 (Restaurant I), Worker 29 (Restaurant O), and Worker 19 (Restaurant H) have all watched their weekly hours and take-home pay dwindle as managers hire new workers without offering those hours to existing workers, a practice that is illegal under the Fair Workweek Law. Worker 20 (Restaurant I & J) and Worker 16 (Restaurant G) say managers commonly give hours to their favorites, also a violation of the law.

- ★ Worker 33 (Restaurant P) has struggled to balance his volatile hours at Chipotle with his second job: “I’m a home health aide, so I need to know my schedule for my second job. If I had my schedule two weeks in advance [as the law requires], I would be able to coordinate the two jobs a lot better.”
- ★ Worker 17 (Restaurant G) never received a good faith estimate of a stable weekly schedule. She says her manager “constantly cuts my hours and makes me work Sundays which I can’t work because I have a son with special needs. When I tell him ‘no’ he yells at me to find another job.”
- ★ Worker 41 (Restaurant G) has struggled with erratic hours at Chipotle. When he finished classes in May 2019, he told his manager “that I was completely available – I wanted to receive full time [hours] to save up for college in the fall.” Chipotle started scheduling Worker 41 for 35-plus hour weeks and he budgeted \$5,000 in earnings for the summer to go toward tuition. But in early August, management cut his hours to 28 without any explanation, leaving Worker 41 \$500 short of his goal. He was forced to take out an unsubsidized loan “to pay for an MTA [subway] pass and textbooks.”

SHE SAYS HER MANAGER “CONSTANTLY CUTS MY HOURS AND MAKES ME WORK SUNDAYS WHICH I CAN’T WORK BECAUSE I HAVE A SON WITH SPECIAL NEEDS. WHEN I TELL HIM ‘NO’ HE YELLS AT ME TO FIND ANOTHER JOB.”



IMPACT OF UNDERSTAFFING AND TIME PRESSURE ON WORKER SAFETY

Endemic turnover and incentives to keep labor costs down contribute to chronic understaffing at Chipotle stores. Understaffing and unrealistic throughput goals in turn pressurize the work environment and put crew members at risk of injury as they rush to complete tasks.

WORKER INJURY

- ★ Sometimes Worker 27 (Restaurant N) has to stay late when closing because “there’s so much work we can’t finish it during our scheduled shift.” One night while rushing to wrap food, her hand slipped and the serrated edge for the plastic wrap cut “a large gash on my wrist.” Worker 27 says, “I was starting to get dizzy and... [the gash] kept bleeding even though I was applying pressure.” After repeatedly requesting that Worker 27 walk herself to the hospital, the manager on shift ultimately called her an ambulance.
- ★ Worker 1 (Restaurant B) cut off the tip of his thumb while chopping steak: “I was cutting without the [protective] cut glove because of the pressure put on me to have food out as quick as possible.”

“I FELT PRESSED FOR TIME... AND RUSHED TO PICK UP THE EQUIPMENT” WHEN SHE CUT HERSELF.

- ★ While opening the store, Worker 28 (Restaurant N) cut her finger on a knife and ultimately took an ambulance to get medical attention. She says, “I felt pressed for time... and rushed to pick up the equipment” when she cut herself.
- ★ In June 2019, Worker 31 (Restaurant O) says that her doctor diagnosed her with a repetitive stress injury in her right arm and shoulder from prepping chips, work that involves “lifting 30-pound boxes and dumping several pounds at a time into hot, 150 degrees oil.” According to Worker 31, Chipotle managers disregarded her doctor’s notes and forced her to continue prepping chips. Eventually, nearly a month after the initial diagnosis, she was reassigned to vegetable prep, another repetitive task that puts Worker 31 at risk of further injury.
- ★ Worker 10’s (Restaurant D) GM told her that the fry oil was at a safe temperature to prepare chips. When Worker 10 poured the chips in, “the oil was too hot and splattered everywhere... burning my right hand.” The GM simply said “my bad” without checking on Worker 10’s condition or offering any first aid.

- ★ Worker 32's (Restaurant O) manager told her that "I can only use the bathroom and drink water during my break."
- ★ One evening, Worker 38 (Restaurant U) cut his finger while scrubbing the floor. According to Worker 38, "I was rushing because we were understaffed and there is a lot of pressure to leave on time." Even though he recognized that the cut was deep, Worker 38 still "felt like I ha[d] to close the store." After discovering that the store's first aid kit was empty, Worker 38 ultimately went to the hospital.
- ★ At Restaurant S, Worker 37's apprentice GM asked that she "learn how to multitask" by cutting lettuce and deep-frying taco shells at the same time. When Worker 37 raised the concern of burning herself, the apprentice GM yelled, "I'm the manager here!"

SEXUAL HARASSMENT AND MANDATORY ARBITRATION AGREEMENTS

Chipotle managers in New York and California have been subject to lawsuits alleging incidents of assault, violence and sexual harassment. In December 2019, the company settled a sexual harassment and retaliation lawsuit brought by the Equal Employment Opportunity Commission (EEOC).⁵⁹ The complaint states that the GM at a Chipotle restaurant in San Jose, California, subjected former crew member Austin Melton to verbal and physical sexual harassment, including slapping, groping, and grabbing his buttocks and groin; making sexually charged comments; using vegetables to simulate sex acts; and asking crew members daily "whether they had intercourse the previous evening."⁶⁰ Further, according to the complaint, the GM was prone to violent outbursts such as punching the walls until her hands bled. The EEOC states that Melton complained about this harassment at least twice to the team leader, who failed to act; afterwards employees at the store locked Melton in the walk-in freezer and barred the door with a steel rod, leading him to quit. The EEOC found "reasonable cause to believe" that Chipotle had violated the law "by subjecting Mr. Melton to sexual harassment and retaliation, and by constructively terminating his employment." Chipotle's settlement requires the company to pay \$95,000 in damages to Melton, and to develop and implement anti-sexual-harassment trainings at 27 stores in the San Jose area.⁶¹

In October 2019, a worker previously employed at the 604 Second Ave. restaurant in New York City filed a lawsuit against Chipotle, alleging sexual harassment and assault. The suit charges that the company "knowingly retained a sexual predator," her former GM Odilon Rojas, "who retaliated against female employees who refused to submit to his sexual advances." According to the lawsuit, Rojas "tormented female employees... with repeated breast and buttock gropes, forced kisses, hugs, and sexual assault." The suit states that Rojas intentionally scheduled the plaintiff for a 6 a.m. shift and raped her when they were alone in the store together. The lawsuit adds that female workers had previously made multiple complaints to Chipotle management about Rojas' sexual harassment, "including complaints concerning... sexual advances made to an underaged 17-year old female employee," and the company failed to correct Rojas' behavior, allowing him to use the store "as a sexual hunting ground." Ironically, according to the complaint, the same GM even harassed the plaintiff while showing videos on sexual harassment as he conducted a training on the issue. The plaintiff further states that Chipotle fired her after she filed a complaint with the Equal Employment Opportunity Commission. After transferring her to a new store, the GM there allegedly "stated his disapproval of her having 'sued' GM Rojas and Chipotle, alluding to her EEOC complaint," before firing her.

FEMALE WORKERS HAD PREVIOUSLY MADE MULTIPLE COMPLAINTS TO CHIPOTLE MANAGEMENT ABOUT ROJAS' SEXUAL HARASSMENT, "INCLUDING COMPLAINTS CONCERNING... SEXUAL ADVANCES MADE TO AN UNDERAGED 17-YEAR OLD FEMALE EMPLOYEE," AND THE COMPANY FAILED TO CORRECT ROJAS' BEHAVIOR, ALLOWING HIM TO USE THE STORE "AS A SEXUAL HUNTING GROUND."

When Worker 44 started working at Restaurant L in September 2018, she felt an initial bond with the kitchen manager-in-training (KMIT) as they were both single parents. Worker 44 got the sense that the KMIT "wanted to be more than friends" when he began asking to go out

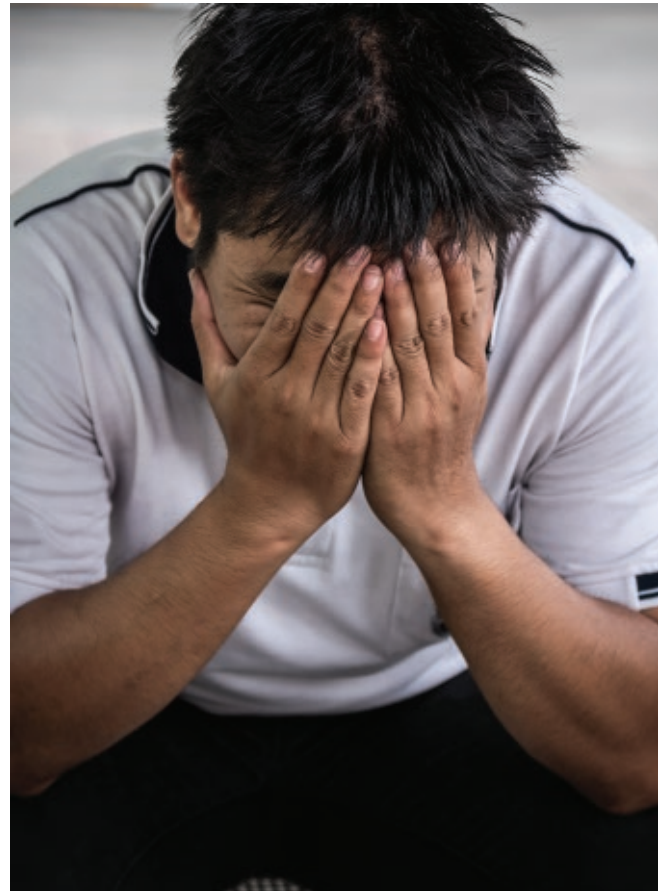
"just the two of us." In early December 2018, while Worker



44 was finishing her shift, the KMIT “put one arm around my neck and used the other to pull back my head a force a kiss on my lips.” Worker 44 immediately reported this to the service manager and requested a transfer. The service manager “discouraged me from filing a report.” After this, “my hours kept dropping and [the KMIT’s] hours kept going up.” In late January, the KMIT confronted Worker 44 and told her that the service manager had told all the managers at Restaurant L about Worker 44’s complaint. Afterwards, managers began sexually and racially harassing Worker 44. Managers mocked Mexican slang in front of Worker 44, gave her less favorable work assignments, and would say “I’m glad I’m not Mexican.” One manager even elbowed Worker 44 in the chest and began mocking her breasts as small, after which other co-workers began referring to Worker 44 as “little boy” or “young man.” At one point, Worker 44 requested a transfer from the field leader supervising her GM, who told her “Chipotle doesn’t transfer trouble... I can’t worry about little things like this.” Although Worker 44 considered quitting, she says “I felt trapped. I relied on the job to pay my bills and take care of my son.”

From January to March 2018, a crew member at this same store, Worker 47, was in a relationship with a service manager, until she found out that he was married and broke off the relationship. The service manager proceeded to harass Worker 47, calling her a bitch, repeatedly offering “birthday sex,” and instigating confrontations with her. At one point, the GM was preparing to fire Worker 47 when Worker 25, who was also a service manager, told the GM the entire story. Worker 25 told the GM that the service manager, not Worker 47, was the problem in the store. Although Worker 47 was not fired, Worker 25 for weeks continuously asked the GM to speak with Worker 47 but the GM kept “brushing it off” and scheduling Worker 47 to work with the harassing service manager. At one point, the GM offered to transfer Worker 47 but Worker 25 objected as this was punishing the survivor, not the harasser. According to Worker 25, “[the GM] didn’t want to punish [the harassing service manager] because he was one of her favorite workers... [the GM] also did not like [Worker 47] because [the GM] would insult other crew members in Spanish and [Worker 47] would tell the other [English-speaking crew members] what she would say.”

It is important to note that workers have limited recourse for such abuses: as a condition of employment, Chipotle forces all employees to sign agreements that prevent them from seeking damages against the company except through an arbitration process.⁶² Issues of “discrimination or harassment based on... sex” are specifically included in this agreement.⁶³ Advocates have criticized private arbitration for hiding misconduct that would otherwise receive public scrutiny in a court of law and favoring corporations over employees; workers at Google recently pushed the company to end all use of mandatory arbitration agreements.⁶⁴



RETALIATION AGAINST WORKERS FOR STANDING UP FOR THEIR RIGHTS

According to a December 12, 2019, complaint issued by the General Counsel of the National Labor Relations Board,⁶⁵ Chipotle has violated crew members’ rights to a union and collective action under the National Labor Relations Act at two Manhattan restaurants. The complaint states that a service manager at the 464 Park Ave. South store violated the law by interrogating crew members as to whether they supported the union, threatening to fire workers for organizing a union, “impliedly threaten[ing] employees with physical violence if they engaged in Union... activity,” and promising “a promotion to employees for revealing” their union activity. Further, the complaint claims the GM and apprentice GM at 117 E. 14th St. retaliated against pro-union employees by threatening workers with worse work assignments for supporting the union, telling workers that supporting the union is “incompatible with working for [Chipotle],” and firing a worker who asked for better scheduling practices. Retaliation against employees demanding sustainable labor practices only encourages additional turnover and potentially undermines consumer food safety.



CONCLUSION AND RECOMMENDATIONS

Chipotle's reliance on fresh, unprocessed food distinguishes it from many fast food competitors and draws a health-conscious consumer base willing to pay more for fresh ingredients prepared on-site. Yet this very business model places it at a higher risk of outbreaks of food-borne illness. Chipotle's leadership must recognize that it can't have it both ways: profiting from a healthful image while refusing to invest in the workplace practices that would ensure consumer safety. Unfortunately, Chipotle's endemic turnover, driven by low-road employer practices, regularly deprives stores of experienced crew members able to balance food safety with speed. The company's own incentive structure drives managers to push down labor costs by cutting corners, exacerbating turnover as managers chase bonuses by burning out workers.

Chipotle has experienced seven major outbreaks in recent years.⁶⁶ We are concerned that, so long as the company maintains low-road employment practices that prevent a well-trained long-term workforce from forming, these outbreaks may continue to occur, potentially endangering consumers' health. The company must foster a healthy culture of integrity for its workers and customers and invest in a stable workforce that can support their families.

We recommend Chipotle's board of directors and management adopt the following reforms:

- ★ Revise management incentive structures, so they support:
 - ensuring that workers are encouraged to use paid sick leave when ill,
 - ensuring that workers receive adequate food safety training before working on their own,
 - staffing levels that meet appropriate standards,
 - reduction of turnover.

- ★ Ensure the inspection system is truly impartial and managers are not given advance warning of inspections.
- ★ Institute a companywide policy of eight paid sick days and encourage sick employees to use them.
- ★ Institute a companywide fair workweek policy that allows workers to predict their schedules and transitions the workforce to full-time work.
- ★ Use auditors to monitor and score staff training levels as well as compliance with fair-workweek policies, then integrate the scoring into managerial incentives.
- ★ Stop the practice of requiring workers to sign forced arbitration agreements, which act to stifle whistleblowers and hinder staff from addressing workplace concerns.
- ★ Adopt a zero tolerance policy for sexual harassment and institute a strong companywide policy in which outside trainers implement sexual harassment trainings for all employees on an annual basis.
- ★ Aim to reduce overall annual turnover of hourly staff to below the restaurant industry national average of 75%⁶⁷ within two years before moving on to more ambitious goals.

We also recommend that community stakeholders work for and elected officials adopt a fair-workweek law and mandate paid sick days at the federal level. Doing so would improve Chipotle worker lives across the country by stabilizing their workweek and promote food safety for consumers by decreasing turnover and the likelihood of food preparers working while sick.

ENDNOTES

- 1 August 16, 2018. CNBC. "Chipotle confirms cause of foodborne illness at Ohio restaurant." <https://www.cnn.com/2018/08/16/chipotle-confirms-cause-of-foodborne-illness-at-ohio-restaurant.html>
- 2 December 4, 2019. U.S. Equal Employment Opportunity Commission. "Chipotle to Pay \$95,000 to Settle EEOC Sexual Harassment and Retaliation Lawsuit." <https://www.eeoc.gov/eeoc/newsroom/release/12-3-19a.cfm>
- 3 November 5, 2019. Vox. "The movement to make workers' schedules more humane." <https://www.vox.com/future-perfect/2019/10/15/20910297/fair-workweek-laws-unpredictable-scheduling-retail-restaurants>
- 4 July 18, 2017. CNBC. "Chipotle shares plummet following report of norovirus at Virginia restaurant." <https://www.cnn.com/2017/07/18/chipotle-shares-plummet-following-report-of-norovirus-at-virginia-restaurant.html>
- 5 CMG 2018 10-K, p.12. <https://www.sec.gov/Archives/edgar/data/1058090/000105809019000007/cmg-20181231x10k.htm>
- 6 Chipotle Mexican Grill, 2018 Sustainability Report, p 59. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 7 March 13, 2019. Chipotle Mexican Grill. "2019 Benefits Guide: Crew, KM, & SM." See page 15.
- 8 June 2016. Chipotle Mexican Grill. "Crew Handbook." See pages 15 & 16
- 9 Chipotle Mexican Grill, 2018 Sustainability Report, p 59. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 10 May 9, 2019. National Restaurant Association. "Hospitality industry turnover rate ticked higher in 2018." <https://restaurant.org/Articles/News/Hospitality-industry-turnover-rate-ticked-higher>
- 11 Pulled January 16, 2020. Chipotle Mexican Grill. "Values." <https://www.chipotle.com/values>
- 12 Pulled January 16, 2020. National Consumers League. "About NCL." https://www.nclnet.org/about_ncl
- 13 Pulled January 16, 2020. National Consumers League. "History." <https://www.nclnet.org/history>
- 14 Total Assets, as of 12/31/2018. CMG 2018 10-K, p.43; See <https://www.sec.gov/Archives/edgar/data/1058090/000105809019000007/cmg-20181231x10k.htm>
- 15 February 8, 2019. Chipotle Mexican Grill, Investor Relations. "Chipotle Opens 2,500th Restaurant, Highlighting Continued Growth." <https://ir.chipotle.com/2019-02-08-Chipotle-Opens-2-500th-Restaurant-Highlighting-Continued-Growth>
- 16 CMG 2018 10-K, p.7; See <https://www.sec.gov/Archives/edgar/data/1058090/000105809019000007/cmg-20181231x10k.htm>
- 17 February 2, 2015. Washington Post. "The Chipotle effect: Why America is obsessed with fast casual food." <https://www.washingtonpost.com/news/wonk/wp/2015/02/02/the-chipotle-effect-why-america-is-obsessed-with-fast-casual-food/>
- 18 July 18, 2017. CNBC. "Chipotle shares plummet following report of norovirus at Virginia restaurant." <https://www.cnn.com/2017/07/18/chipotle-shares-plummet-following-report-of-norovirus-at-virginia-restaurant.html>
- 19 February 1, 2016. CDC Profile. "Multistate Outbreaks of Shiga toxin-producing Escherichia Coli O26 Infections Linked to Chipotle Mexican Grill Restaurants (Final Update)." <https://www.cdc.gov/ecoli/2015/o26-11-15/index.html>
- 20 February 2, 2016. Wall Street Journal. "Fresh Ingredients Came Back to Haunt Chipotle." <https://www.wsj.com/articles/fresh-ingredients-came-back-to-haunt-chipotle-1454463065?mg=id-wsj&cb=logged0.10848548170179129>
- 21 December 11, 2015. Boston Public Health Commission. "Statement Addressing Complaints of Illness After Eating at Chipotle." <https://www.bphc.org/onlinenewsroom/Blog/Lists/Posts/Post.aspx?ID=878>
- 22 Data pulled from Analyze Boston, Food Establishment Inspections for the Chipotle Mexican Grill at 1924 Beacon St on December 7, 2015, and December 23, 2015. Dataset available at <https://data.boston.gov/dataset/food-establishment-inspections>
- 23 February 7, 2017. Chipotle 10-K for 2016. See Item 1A, page 9. <https://www.sec.gov/Archives/edgar/data/1058090/000105809017000009/cmg-20161231x10k.htm>
- 24 January 19, 2016. Chipotle Mexican Grill. "New Chipotle Food Safety Procedures Largely in Place; Company Will Share Learnings from 2015 Outbreaks at All-Team Meeting." <https://newsroom.chipotle.com/2016-01-19-mew-chipotle-food-safety-procedures-largely-in-place-company-will-share-learnings-from-2015-outbreaks-in-all-team-meeting>
- 25 Chipotle Mexican Grill. "2018 Sustainability Report." See pages 34-44. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 26 July 24, 2017. Office of the County Administrator, Public Affairs and Communications; Loudoun County, Virginia. "Loudoun County Health Department Updates Investigation of Reports of Illness at Chipotle Mexican Grill in Sterling." <https://www.loudoun.gov/Archive/ViewFile/Item/6885>
- 27 July 25, 2017. FD (Fair Disclosure) Wire. "Q2 2017 Chipotle Mexican Grill Inc Earnings Call – Final." Pulled from Lexis Nexis on December 5th, 2018.
- 28 July 19, 2017. The Motley Fool. "The Biggest Problem With Chipotle's Latest Outbreak Isn't What You Think." <https://www.fool.com/investing/2017/07/19/the-biggest-problem-with-chipotles-latest-outbreak.aspx>
- 29 August 16, 2018. Delaware General Health District. "Chipotle Update: Stool Sample Results Returned by CDC Test Positive for Clostridium Perfringens." <https://delawarehealth.org/2018/08/16/stool-sample-results-returned-by-cdc-test-positive-for-clostridium-perfringens/>
- 30 August 16, 2018. Delaware General Health District. "Chipotle Update: Stool Sample Results Returned by CDC Test Positive for Clostridium Perfringens." <https://delawarehealth.org/2018/08/16/stool-sample-results-returned-by-cdc-test-positive-for-clostridium-perfringens/>

- 31** July 26, 2018. Delaware County, Ohio Restaurant Inspections. Standard and Complaint Inspection for Chipotle Mexican Grill #1123, 9733 Sawmill PKWY STE G, Powell. <https://healthspace.com/Clients/Ohio/Delaware/web.nsf/FacilityHistory?OpenView&RestrictToCategory=618CD75A77E9B22A88257C2E006BA4FC> & <https://healthspace.com/Clients/Ohio/Delaware/web.nsf/Food-InspectionDetails?OpenView&RestrictToCategory=C7AF26C429538A2F852582D70052E7DE>
- 32** August 16, 2018. USA Today. "Chipotle to retrain all workers on food safety after hundreds fall ill in Ohio". <https://www.usatoday.com/story/money/2018/08/16/chipotle-mexican-grill-food-safety-retraining/1008398002/>
- 33** CMG 2018 10-K, Item 1A, page 11; See <https://www.sec.gov/Archives/edgar/data/1058090/000105809019000007/cm-g-20181231x10k.htm>
- 34** Analysis of New York Stock Exchange data
- 35** April 25, 2019. Seeking Alpha. "Chipotle -7% after new subpoena draws notice." <https://seekingalpha.com/news/3454282-chipotle-minus-7-percent-new-subpoena-draws-notice>
- 36** August 15, 2018. UBS Investment Research. "Chipotle Mexican Grill: Impact of Foodborne Illness Reports Appears Muted." See pages 2 and 3.
- 37** The company notes that it does use lemons and limes, which can be preservatives
- 38** March 28, 2017. Chipotle Mexican Grill, Investor Relations. "Chipotle Becomes Only National Restaurant Brand to Use No Added Colors, Flavors or Preservatives in Its Food." <https://ir.chipotle.com/news-releases?item=122411>
- 39** Note that in December 2019, McDonald's introduced fresh patties for its quarter pounders, although not for other menu options.
- 40** February 2, 2016. Wall Street Journal. "Fresh Ingredients Came Back to Haunt Chipotle." <https://www.wsj.com/articles/fresh-ingredients-came-back-to-haunt-chipotle-1454463065?mg=id-wsj&b=logged0.10848548170179129>
- 41** Pulled January 16, 2020. Supply Chain Game Changer. "McDonald's Supply Chain Challenge: Switching from Frozen to Fresh Burgers!" <https://supplychaingamechanger.com/mcdonalds-supply-chain-challenge-switching-from-frozen-to-fresh-burgers/>
- 42** January 22, 2019. Business Insider. "I went behind the scenes at Chick-fil-A to see how its famous chicken sandwich is made — and I learned the whole process is really a race against the clock." <https://www.businessinsider.com/how-chick-fil-a-chicken-sandwich-is-made-2019-1>
- 43** Pulled January 1, 2020. Chipotle Mexican Grill. "Food With Integrity." <https://www.chipotle.com/food-with-integrity>
- 44** CMG 2018 10-K, p.12. <https://www.sec.gov/Archives/edgar/data/1058090/000105809019000007/cm-g-20181231x10k.htm>
- 45** January 1, 2018. Chipotle Mexican Grill, prepared by Wynkoop compensation as an informative estimate for General Managers. "Benefits Offered as of January 1st, 2018."
- 46** April 11, 2014. Chipotle Mexican Grill. "A Brilliant Management Insight Helps Chipotle Retain Its Best Employees." <https://www.businessinsider.com/chipotle-internal-promotion-program-2014-4>
- 47** December 12, 2016. Chipotle Mexican Grill. "Chipotle Founder Steve Ells Returns to Sole CEO Role; Outlines Plans for Company's Future." <https://newsroom.chipotle.com/2016-12-12-chipotle-founder-steve-ells-returns-to-sole-ceo-role-outlines-plans-for-company-s-future>
- 48** August 13, 2019. Chipotle Mexican Grill. "Over 2,600 Chipotle Crew Members Receive New Quarterly Bonus." <https://newsroom.chipotle.com/2019-08-13-Over-2-600-Chipotle-Crew-Members-Receive-New-Quarterly-Bonus>
- 49** Chipotle Mexican Grill, 2018 Sustainability Report, p 59. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 50** EcoSure is a company that is contracted by Chipotle to perform food safety inspections internally for Chipotle
- 51** September 22, 2016. Case 1:12-cv-08333-ALC-SN. Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, and Stacy Higgs v. Chipotle Mexican Grill, Inc; filed in US District Court, Southern District of NY. "Declaration of Brian D. Murphy, Exhibit 90, Deposition of Amy Tullis." See pages 167-168 &
- September 22, 2016. Case 1:12-cv-08333-ALC-SN. Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, and Stacy Higgs v. Chipotle Mexican Grill, Inc; filed in US District Court, Southern District of NY. "Declaration of Brian D. Murphy, Exhibit 32, Deposition of Brandon Doran." See page 218. &
- September 22, 2016. Case 1:12-cv-08333-ALC-SN. Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, and Stacy Higgs v. Chipotle Mexican Grill, Inc; filed in US District Court, Southern District of NY. "Declaration of Brian D. Murphy, Exhibit 71, Video Teleconference Deposition, Angelica Ortega." See pages 156-157.
- 52** September 22, 2016. Case 1:12-cv-08333-ALC-SN. Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, and Stacy Higgs v. Chipotle Mexican Grill, Inc; filed in US District Court, Southern District of NY. "Declaration of Brian D. Murphy, Exhibit 90, Deposition of Amy Tullis." See pages 167-168
- 53** September 22, 2016. Case 1:12-cv-08333-ALC-SN. Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, and Stacy Higgs v. Chipotle Mexican Grill, Inc; filed in US District Court, Southern District of NY. "Declaration of Brian D. Murphy, Exhibit 71, Video Teleconference Deposition, Angelica Ortega." See pages 156-157.
- 54** Chipotle Mexican Grill, 2018 Sustainability Report, p 42. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 55** March 13, 2019. Chipotle Mexican Grill. "2019 Benefits Guide: Crew, KM, & SM." See page 15.
- 56** June 2016. Chipotle Mexican Grill. "Crew Handbook." See pages 15 & 16
- 57** Chipotle Mexican Grill, 2018 Sustainability Report, p 59. https://chipotle.com/content/dam/chipotle/global-site-design/en/documents/sustainability/20190516_Chipotle_2018_SustainabilityReport.pdf
- 58** <https://www.mass.gov/news/ag-healey-chipotle-reach-nearly-2-million-settlement-to-resolve-child-labor-and-earned-sick>
- 59** December 4, 2019. U.S. Equal Employment Opportunity Commission. "Chipotle to Pay \$95,000 to Settle EEOC Sexual Harassment and Retaliation Lawsuit." <https://www.eeoc.gov/eeoc/newsroom/release/12-3-19a.cfm>

60 September 18, 2017. Case 5:17-cv-05382-BLF. U.S. Equal Employment Opportunity Commission v. Chipotle Mexican Grill, Inc; filed in US District Court, Northern District of CA. “Complaint: Civil Rights – Employment Discrimination.”

61 December 2, 2019. Case 5:17-cv-05382-BLF. U.S. Equal Employment Opportunity Commission v. Chipotle Mexican Grill, Inc; filed in US District Court, Northern District of CA. “Consent Decree.” &

December 4, 2019. U.S. Equal Employment Opportunity Commission. “Chipotle to Pay \$95,000 to Settle EEOC Sexual Harassment and Retaliation Lawsuit.” <https://www.eeoc.gov/eeoc/newsroom/release/12-3-19a.cfm>

62 May 28, 2015. Case 1:14-cv-02612-JLK. Leah Turner, Araceli Gutierrez, Markeitta Forrd, Jolessa Wade, Danya Granado, Brett Charles, and Ruby Tsao v. Chipotle Mexican Grill, Inc; filed in US District Court, District of CO. “DEFENDANT CHIPOTLE MEXICAN GRILL, INC.’S MEMORANDUM OF LAW IN OPPOSITION TO PLAINTIFF’S MOTION FOR CONDITIONAL COLLECTIVE ACTION CERTIFICATION.” See page 9.

63 August 17, 2014. Chipotle Mexican Grill. “Review and E-Sign Agreement to Arbitrate.”

64 February 22, 2019. Vox. “Google employees fought for their right to sue the company — and won.” <https://www.vox.com/technology/2019/2/22/18236172/mandatory-forced-arbitration-google-employees>

65 December 12, 2019. Case 02-CA-242907, 02-CA-242909, and 02-CA-246229. National Labor Relations Board. Chipotle Mexican Grill, Inc. and Service Employees International Union, Local 32BJ. “Order Consolidating Cases, Consolidated Complaint, and Notice of Hearing.”

66 April 7, 2017. Case 1:16-cv-00141-KPF. Susie Ong v. Chipotle Mexican Grill Inc, M. Steven Ells, Montgomery F. Moran, and John R. Hartung; filed in US District Court, Southern District of NY. “Second Amended Complaint for Violations of the Federal Securities Laws.” See pages 28-30.

67 May 9, 2019. National Restaurant Association. “Hospitality industry turnover rate ticked higher in 2018.” <https://restaurant.org/Articles/News/Hospitality-industry-turnover-rate-ticked-higher>

