

AUTOMOTIVE

Tesla responds to unfair labor practices detailed in newspaper report

May 16, 2016



Tesla Model 3

By STAFF REPORTS

U.S. automaker Tesla is reinforcing its commitment to fair labor practices following a story in a newspaper about cheap laborers from overseas working at one of its manufacturing facilities.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246** ▶

A Bay Area News Group story broke May 15 on The Mercury News, focusing on the contractors who falsified visa applications to bring unskilled laborers to Silicon Valley from Eastern Europe, where at least one man profited only earned about \$5 an hour to paint the automaker's vehicles. Following the report, Tesla issued a statement on its blog, saying that it was looking into the claims, and stating its plans to "do right" by the workers and "take action" to ensure something like this does not happen again.

Watchdog report

The [article](#) published focuses primarily on Gregor Lesnik, an unemployed electrician from Slovenia who was recruited by ISM Vuzem, a subcontractor of Eisenmann, the company hired to build Tesla's paint shop. In the visa application, Mr. Lesnik was said to be a skilled supervisor that would be employed by a South Carolina plant, but instead he ended up at Tesla doing menial labor.

In total, the news organization says 140 workers total were brought overseas in a similar manner to work on the brand's hotly anticipated Model 3 ([see story](#)).



Consumers around the globe lined up to get on the waiting list for the Model 3

Tesla's statement admits that the standards surrounding Mr. Lesnik's employment did not meet its usual benchmark, mentioning its "additional oversight" to ensure that its subcontractors keep to its policies on fairness. The subcontractors signed a contract to obey laws in hiring.

The automaker also reiterates that as a company that prides itself on high wages, it feels it needs to take Mr. Lesnik at his word and take care of him and his coworkers.

"Creating a new car company is extremely difficult and fraught with risk, but we will never be a company that by our action does, or by our inaction allows, the wrong thing to happen just to save money," the [statement](#) read.

Other brands have been called out by watchdog reports surrounding unfair labor.

Global consumer watchdog SumOfUs has drafted a petition calling out German fashion label Hugo Boss for unethical labor practices in Turkey.

As of press time, the SumOfUs petition had approximately 75,000 signatures, and gaining, as the watchdog group works to bring attention to what it calls a violation of Turkish labor laws by Hugo Boss. As brands up their transparency efforts in relation to environmental impact, closer attention is likely to be given to its labor practices as well ([see story](#)).

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.