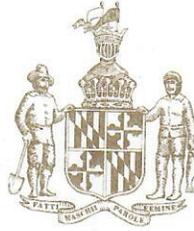


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—
Finance Committee
Executive Nominations Committee
—
Legislative Policy Committee



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The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

March 24, 2022

The Honorable C.T. Wilson
Economic Matters Committee
Senate Bill 985 – Labor and Employment – Unemployment Insurance Violations – Penalties

Dear Chairman and Members of the Committee:

One of the recommendations made by the Department of Labor to the General Assembly in their Final Report required under HB 907 was to update the Unemployment Insurance Fraud penalties. Senate Bill 985 does just that and increases the penalties for unemployment insurance violations.

The goal is to deter unemployment insurance fraud and this portion of Maryland's law has not been updated since 1986. Maryland has flagged nearly 1.8 million claimants and 2.3 million total claims as potential fraud. Currently, Maryland has no mandatory minimum fine in place for Unemployment Insurance Fraud and its maximum fine is \$1,000 (One of the lowest in the country). SB 985 increases the fine penalties to at least \$600 but no more than \$2,300. The Division of Unemployment Insurance will include this content in its annual report to the General Assembly.

Amendment no 1 is technical, Amendment no 2 adds provisions related to memorandums of understanding, program integrity activities, the required contents of the mandated report, and the requirements to perform a full review of certain claims.

Senate Bill 985 has no opposition and I ask for a favorable consideration.