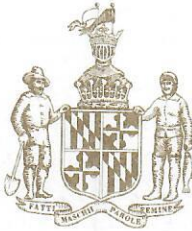


STEPHEN S. HERSHEY, JR.
Legislative District 36
Caroline, Cecil, Kent, and
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—
Finance Committee
Executive Nominations Committee

—
Legislative Policy Committee



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The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

March 16, 2022

The Honorable Delores Kelley
Finance Committee

Senate Bill 985 – Labor and Employment – Unemployment Insurance Violations - Penalties

Dear Chairwoman 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 retains the existing incarceration penalty but increases the fine to at least \$600 but no more than \$2,300.

I have an amendment in file for Senate Bill 985 to bring this language more in line with 13 other states and are the federal recommendations from the US Department of Labor. Also another amendment saying that The Department shall report to the General Assembly each year on the implementation and enforcement of these recommendations.

I ask for a favorable consideration for Senate Bill 985.