



MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:

Favorable

Senate Bill 985

Labor and Employment – Unemployment Insurance Violations – Penalties

House Economic Matters Committee

Tuesday, March 29, 2022

Dear Chairman Wilson and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

The COVID-19 pandemic has been an extremely sensitive and challenging time for Maryland's employer community and the Department of Labor, due to a record number of unemployment insurance claims. According to the Department's estimates, most of the claims filed during this time were fraudulent.

SB 985 seeks to strengthen the criminal penalties for unemployment insurance related offenses, which have not been updated since 1986. Since this time the dollar has experienced inflation of almost 138% and this inflation continues to rise.

Penalties are known to be highly effective at deterring fraudulent behavior. This will decrease the number of fraudulent claims filed, thus allowing the Department to focus its efforts on verifying and paying legitimate claims. Such a change would have incredible benefits for both employers and employees within the State by ensuring that those struggling get their money faster.

With these comments in mind, The Maryland Chamber of Commerce respectfully requests a **favorable report on SB 985.**

MDCHAMBER.ORG

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642