



Re: SB 838 / HB 1261 - WORKPLACE FRAUD AND PREVAILING WAGE - VIOLATIONS - PENALTIES AND REFERRALS - FAVORABLE

Dear Chair Griffith and honorable members of the Senate Finance Committee:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), I write today to express our strong support for SB 838 and to request a favorable committee report. The MCAMW represents approximately 200 construction contractors, some 10,000 workers, and 1,000 working apprentices. Our economic footprint throughout the region is substantial, generating some \$2 billion in annual revenue, and some \$500 million in state, federal and local taxes each and every year.

For the last 96 years, we have worked to expand the circle of construction and workforce training excellence throughout Maryland. Our success has never been guaranteed, and we take nothing for granted. As long as our contractors can compete on a level playing field, free from unscrupulous actors who cheat workers, government, and the taxpayers, we believe that our core values of hard work and attention to details will serve our members and the residents of Maryland for many years to come.

SB838 addresses the vile practices of wage theft and misclassification, which rob workers of their wages, dignity and upward mobility. The legislation also addresses these practices from the perspective of underlying frauds – tax fraud, payroll fraud, workers compensation fraud, and insurance fraud. These frauds are existing crimes in Maryland but are not fully investigated and prosecuted because wage violations are “siloes” at the Department of Labor, in many cases, never to be investigated and prosecuted by the respected branches of government with that specific jurisdiction: the Comptroller and the Department of Justice. While, as drafted, this legislation does not specifically call for referrals to the Department of Justice, it does require some referrals to the Comptroller, in particularly clear and egregious cases.

For those reasons, MCAMW supports this legislation as a necessary and important first step in addressing the broader issues related to wage theft and the myriad of underlying criminal frauds against workers, state government, and the taxpayers. We ask for a favorable committee report.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Bello", is written in a cursive style.

Thomas L. Bello
Executive Vice President