



January 31, 2024

The Honorable CT Wilson, Chair
The Honorable Brian Crosby, Vice Chair
House Economic Matters Committee
House Office Building Room 231
Annapolis, Maryland 21401

**HB 465: Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals
Position - Support**

Thank you Chair Wilson and Vice Chair Crosby and members of the House Economic Matters Committee for the opportunity to submit written testimony in support of HB 465.

My name is Victoria Leonard, Political and Legislative Director for the Baltimore-Washington area of the Philadelphia/Baltimore/Washington Laborers' District Council (PBWLDC), an affiliate of the Laborers' International Union of North America (LiUNA). The PBWLDC represents more than 13,000 members. Our members are proudly employed on many infrastructure construction projects across the region. Nationwide, LiUNA represents more than 500,000 members.

LiUNA supports HB 465. It establishes criminal penalties for employers who knowingly fail to properly classify individuals as employees, and contractors and subcontractors who knowingly violate State prevailing wage laws. HB 465 also requires the Commissioner of Labor and Industry to refer to the Comptroller, certain State's Attorneys, the U.S. Department of Justice, the U.S. Department of Labor, and the U.S. Department of the Treasury complaints that allege a violation of certain tax laws under certain circumstances.

With HB 465, Maryland would be joining the ranks of several other states that treat wage theft as a crime. These states include California, Colorado, Illinois, New Jersey, Minnesota, and New York.

Wage theft is a massive problem. According to a 2021 report from the Economic Policy Institute, workers are deprived of an estimated \$15 billion per year through minimum wage violations *alone*, but state and federal enforcement only recovered \$1.7 billion in unlawfully withheld wages between 2017 and 2020 — only 2.8 percent of the estimated \$60 billion stolen over that four-year period. Workers of color, immigrants, and women in low-wage sectors are especially likely to be victims of wage theft.

We urge the Committee to issue a favorable report for HB 465.