

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council — AFL-CIO
Baltimore Port Council
Baltimore Metro Council — AFL-CIO
Central MD Labor Council — AFL-CIO
Del-Mar-Va Labor Council — AFL-CIO
Maryland State - D.C. — AFL-CIO
National Safety Council



AFL-CIO-CLC

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Written Testimony of

Rico Albacarys, Assistant Business Agent, IBEW LOCAL 24

Before the Senate Finance Committee On

SB 436 Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals

Support

February 14, 2023

Madame Chair Beidle and Committee Members,

I am writing to express my **support** for **SB 436**, which seeks to address the extensive underground economy in the construction industry. This issue occurs when employees are misclassified as independent contractors or paid off the books, resulting in a shortfall of tax revenue for the government and inadequate labor protections for workers.

The scope of this issue has expanded beyond individual residential projects to encompass major commercial construction endeavors, including publicly funded projects. This presents a challenge to ethical businesses that adhere to proper employment practices, leading to lost work opportunities for law-abiding firms or the pressure to consider evading the law to compete on an uneven playing field. Additionally, taxpayers bear the burden of subsidizing the losses incurred by those who exploit this system.

It is time to combat this labor shadow market and ensure that all workers are properly classified and paid, while promoting fair competition in the industry.

I ask you vote **favorably** on **SB 436**, addressing this issue and protecting both workers and taxpayers.

Sincerely,

Rico Albacarys

Assistant Business Agent IBEW Local 24