



OFFICE OF THE STATE'S ATTORNEY FOR BALTIMORE CITY

February 15, 2024

The Honorable Pamela Beidle, Chairwoman  
Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

RE: Support of SB436 – Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals

Dear Chairwoman Beidle and Members of the Finance Committee,

I am writing to express my strong support for Senate Bill 436 which is an essential piece of legislation aimed at addressing fraudulent classification of workers in violation of prevailing wage laws in our state. As Baltimore City State's Attorney and a concerned citizen, I will always advocate for fair labor practices. I believe enacting this bill is crucial for protecting the rights and well-being of workers across Maryland.

Senate Bill 436 establishes significant penalties for employers who knowingly misclassify individuals in violation of applicable labor laws. Enactment of this bill will expose violators to criminal liability by making such actions a misdemeanor subject to penalty of sixty (60) days or \$5,000 thereby sending a clear message that such acts will not be tolerated.

Furthermore, the provisions outlined in the bill ensure that penalties are assessed based on the gravity of the violation, the size of the employer's business, their history of violations, and whether they have previously been found to have deprived employees of their rights under state labor laws. This comprehensive enforcement approach serve as a deterrent for employers from engaging in unlawful practices while holding them accountable.

Additionally, Senate Bill 436 mandates cooperation and information sharing among various state agencies, including the Department of Labor, the Department of Budget and Management, the Comptroller, and the Maryland Insurance Administration, to investigate and address suspected violations. This collaborative effort enhances the effectiveness of enforcement efforts and ensures that complaints alleging violations of both labor and tax laws are appropriately referred to relevant enforcement agencies at both the state and federal levels.



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The bill also extends penalties to contractors and subcontractors found to have knowingly violated prevailing wage laws, further safeguarding workers' rights and promoting fair compensation practices.

In conclusion, Senate Bill 436 represents a significant step forward in protecting workers from fraudulent labor practices in our state. I urge you to support this critical legislation and work towards its swift passage to benefit all Maryland residents.

Sincerely,

Yours in service,

*Ivan J. Bates*

Ivan J. Bates  
State's Attorney for Baltimore City

By: Hassan Giordano  
Chief, External Affairs