



Electrical Workers

Insulators

Boilermakers

United Association

Plumbers & Gas Fitters

Sprinkler Fitters

Steam Fitters

Roofers

Cement Masons

Teamsters

Laborers

Bricklayers

Ironworkers

Sheet Metal Workers

Elevator Constructors

Painters

Operating Engineers

Carpenters

February 15, 2024

The Honorable , Pam Beidle, Chair
The Honorable Kathy Klausmeier, Vice Chair
Senate Finance Committee
3 East - Miller Senate Office Building
Annapolis, Maryland 21401

**SB 436: Workplace Fraud and Prevailing Wage - Violations –
Penalties and Referrals
Position - Support**

Thank you Chair Beidle and Vice Chair Klausmeier and members of the Senate Finance Committee for the opportunity to submit written testimony in support of SB 436.

The BDCBT represents 28 construction trade unions across Maryland, Northern Virginia, and the District of Columbia. Combined, our trade unions represent more than 30,000 skilled craft professionals in the construction industry.

The BDCBT supports SB 436. 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. SB 436 also requires, when there is clear and convincing evidence that a violation has occurred, that the Commissioner of Labor and Industry refer allegations of tax law violations to the Comptroller, State's Attorneys with jurisdiction over the alleged violation, the U.S. Department of Justice, the U.S. Department of Labor, and the U.S. Department of the Treasury.

Wage theft is a massive problem, and Maryland needs stronger laws to address it. 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.

With SB 436, 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 Jersey. The BDCBT urges the Committee to issue a favorable report on SB 436.

Greg Akerman
President

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