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To: Members of Senate Finance Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Oppose Senate Bill (SB) 436 – Workplace Fraud and Prevailing Wage – Violations, Penalties, and Referrals

Independent Electrical Contractors (IEC) Chesapeake represents more than 200 electrical and low voltage businesses who employ approximately 15,000 workers in the mid-Atlantic region. In addition, IEC Chesapeake has more than 1,000 electrical apprentices.

IEC Chesapeake opposes Senate Bill 436 because it proposes to create criminal penalties for employers who knowingly misclassify employees and contractors who knowingly violate state prevailing wage laws. The current civil penalties for worker misclassification and prevailing wage violations are sufficient. Creating a scheme to criminalize actions against employers is unwise public policy. The state of Maryland has recently sought to reduce criminal violations in a number of areas. Maryland policymakers should not add criminal offenses against employers who currently face sufficient civil charges. Employers face many challenges in operating their businesses.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 1-301-621-9545, extension 114 or at gshmelzer@iec-chesapeake.com or Kevin O’Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

