



International Brotherhood of Electrical Workers

JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President
CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • WILLIAM T. NG: Treasurer



TESTIMONY IN SUPPORT OF HB 632 LABOR & EMPLOYMENT-WORKPLACE FRAUD-APPLICATION 2025 February 13, 2025

TO: Chair Wilson, Vice Chair Crosby and Members of the Economic Matters Committee
From: Tom Clark, Political Director, International Brotherhood of Electrical Workers 26

Mr. Chair, Mr. Vice Chair, members of the Committee, Workplace fraud is rampant in Maryland, and I applaud the sponsors of this legislation that want to combat the theft of Maryland workers. I ask you to **join me in full support of HB 632.**

Worker misclassification and wage theft is a crime against the citizens of this state and the state itself. Let me explain. When an employer, pays an employee below the prevailing wage or what the employer claims to pay the individual, he is committing perjury, stealing from the individual and stealing from the state. Yes, the employer is stealing from Maryland coffers, by committing tax fraud. Not only is this wrong, but wage theft (tax fraud) is one of the reason our state is in a budget crisis. This unpaid tax bill from unscrupulous, often out-of-state contractors can be the difference between a healthy state economy and one on the brink economic disaster. In fact, there is one company, Power Design of St. Petersburg Florida, has built a business model based on Maryland's lack of enforcement of any kind of wage theft. They pay some employees below Maryland's prevailing wage, knowing that they can make millions without consequences. Power Design has been sued by the District of Columbia for wage theft several times. Power Design is usually settling with employees and paying a fine, before having to admit guilt. Their response to the District's fine and enforcement is simply to do more projects in Maryland, continue to steal wages and continue to commit tax fraud in our fair state.

There are 3 victims of wage theft in Maryland: The employee, commonly a first generation American, the Maryland tax system, and the honest Maryland Contractor that pays their employees properly and pays their taxes. Many Maryland businesses go under because of they cannot compete with fraudulent out-of-state contractors like Power Design. Please protect your citizens, your local businesses and fill the states coffers by **supporting HB 632.** Thank you





International Brotherhood of Electrical Workers

JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President
CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • WILLIAM T. NG: Treasurer

