



**SB0938 / HB1096 – FRAUD PREVENTION AND WORKER PROTECTIONS -
PROHIBITIONS, PENALTIES, AND ENFORCEMENT**

**BEFORE THE SENATE FINANCE COMMITTEE AND HOUSE ECONOMIC MATTERS
COMMITTEE**

FAVORABLE

Chairs Beidle and Wilson, and Members of the Senate Finance and House Economic Matters committees,

My name is Thomas Bello, and I have the privilege of serving as the Executive Vice President of the Mechanical Contractors Association of Metropolitan Washington (MCAMW). Our organization represents 200 construction contractors employing over 10,000 skilled tradespeople and 1,000 apprentices across the DMV region. Our reach extends through local unions, hiring halls, and apprenticeship programs of the Mid-Atlantic Pipe Trades Association in Maryland, in addition to affiliates within the Building Trades that maintain additional hiring halls and workforce training centers. The impact of our industry is profound, contributing approximately \$2 billion in annual revenue and generating \$500 million in state, federal, and local taxes each year.

The success of our industry depends on fair competition, adherence to labor laws, and respect for the hardworking men and women who build and maintain Maryland's infrastructure. However, our ability to operate on a level playing field is continuously undermined by unscrupulous employers who engage in wage theft, worker misclassification, and various forms of fraud. These practices allow dishonest businesses to bypass the obligations that lawful employers meet—undercutting wages, evading taxes, and denying workers the benefits they rightfully earn.

Maryland's existing enforcement mechanisms do not go far enough to curb these abuses. As it stands, the Attorney General lacks the statutory authority to directly enforce wage laws, leaving enforcement largely in the hands of already overburdened agencies. This gap in enforcement allows bad actors to continue exploiting workers and defrauding the system with little fear of meaningful consequences. Beyond wage theft, these violations frequently extend into tax fraud, unemployment insurance fraud, workers' compensation fraud, and payroll fraud—further burdening Maryland's economy and shortchanging public services.

SB0938 / HB1096 is a critical step toward addressing these systemic issues by granting the Attorney General concurrent jurisdiction alongside the Department of Labor and other relevant agencies. This will create a stronger enforcement network, ensuring that



wage laws are upheld, workers are protected, and honest businesses are no longer disadvantaged by those who break the rules.

Maryland should not lag behind other states that have already strengthened their enforcement frameworks. California, Illinois, Massachusetts, New York, Washington, and the District of Columbia have empowered their Attorneys General with statutory authority to pursue wage violations, while other states, such as North Carolina, have granted similar powers through constitutional provisions. It is time for Maryland to adopt these best practices to ensure fairness and accountability within our labor market.

On behalf of MCAMW and our member contractors, I urge this committee to pass SB0938 / HB1096. This legislation is not just about labor rights, it is about protecting the integrity of our economy and ensuring that Maryland's construction industry remains strong, fair, and competitive.

Thank you for your time, and I welcome any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Bello", is positioned above the printed name.

Thomas L. Bello
Executive Vice President
Mechanical Contractors Association of Metropolitan Washington