



# MARYLAND STATE & D.C. AFL-CIO

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**HB 632 - Labor and Employment - Workplace Fraud - Application  
(Maryland Workplace Fraud Act of 2025)  
House Economic Matters Committee  
February 13, 2025**

**SUPPORT**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 632. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Workplace fraud does not only occur in the construction and landscaping fields—it is a widespread and growing issue across all sectors in Maryland. In fact, a recent analysis by the U.S. Department of Labor found that Maryland leads the nation in the average wages stolen from workers.<sup>1</sup> By illegally misclassifying workers as independent contractors, employers cheat the federal, state, and local governments of taxes and revenues.

In 2009, Maryland took a significant step in combating the problem posed by employers who commit workplace fraud by passing the Maryland Workplace Fraud Act of 2009 in order to protect employees and honest businesses that follow the law. HB 632 expands this progress to ensure fair treatment of workers across *all* industries. By expanding provisions of law that prohibit an employer from misclassifying employees, this legislation will prevent workers from being denied access to fair wages, benefits, and workplace rights.

Wage theft and misclassification robs our state unemployment and workers compensation systems of thousands of dollars annually. Current law fails to dissuade many contractors from committing this crime. HB 632 is common-sense legislation that protects Maryland workers, holds employers accountable, enhances fair business practices and reinforces our labor laws.

For these reasons, we urge a favorable vote on HB 632.

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<sup>1</sup> Zamone Perez, "Maryland worst state for wage theft , study finds." Public News Service. January 2025.