



MARYLAND STATE & D.C. AFL-CIO

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**SB 938 - Fraud Prevention and Worker Protections - Prohibitions, Penalties, and
Enforcement
Senate Finance Committee
March 5, 2025**

SUPPORT

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

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 938. 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.

SB 938 adds another tool in the legal toolbox to prevent illegal actions of employers and ensure that Maryland's workers receive the wages and protections they deserve. This legislation addresses the impacts of wage theft by further clarifying the enforcement duties of the Commissioner of Labor and Industry while establishing the Worker Protection Unit within the Office of the Attorney General to enhance enforcement efforts and provide a stronger emphasis on identifying bad actors and holding them accountable. These measures serve as a strong deterrent while prioritizing protections for workers.

Workplace fraud is a widespread and growing issue across all sectors in Maryland. By committing workplace fraud, employers undermine fair labor practices and cheat the federal, state, and local governments of millions of dollars in taxes and revenues. SB 938 combats this by strengthening our standards in expanding the provisions laid out in the Workplace Fraud Act (WFA) to apply to all industries and hold all employers, general contractors, higher-tiered contractors and successors liable for the wage theft of workers while also prohibiting waivers via private agreements. This protects employees and holds employers accountable to the law by clarifying licensing consequences and the threat of disbarment if violated.

Additionally, this legislation establishes the Worker Protection Unit within the Office of the Attorney General to enforce and ensure compliance of the Wage and Hour Law, the WFA, the

Wage Payment and Collection Law and prevailing wage law. By centralizing additional enforcement efforts, the Worker Protection Unit will contribute to the coordination between agencies, streamline investigations, and ensure that violations are addressed in a timely and efficient manner.

SB 938 protects Maryland workers from being exploited, holds employers accountable, enhances fair business practices, and reinforces our labor laws. For these reasons, we strongly urge a favorable vote on SB 938.