

March 5, 2025

The Honorable Pamela Beidle, Chair The Honorable Antonio Hayes, Vice Chair Senate Finance Committee 3 East Miller Senate Office Building Annapolis, Maryland 21401

Testimony of Greg Akerman, President, Baltimore DC Metro Building Trades Council on SB 938: Fraud Prevention and Worker Protections - Prohibitions, Penalties, and Enforcement Position: FAVORABLE

Thank you Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee for the opportunity to offer testimony on SB 938. My name is Greg Akerman. I am the President of the Baltimore-DC Building Trades (BDCBT). The BDCBT's 28 affiliates represent more than 30,000 union construction workers across Maryland, Virginia, and the District of Columbia.

The BDCBT supports SB 938. This bill strengthens worker protections in Maryland. It will help combat wage theft and create a climate of accountability among construction contractors, and it is very much needed. A recent study found Maryland leads US States in wage theft violations. The study analyzed US Department of Labor data and calculated that companies in Maryland committed 12,639 wage theft violations over the past three years, with an average of \$2,221 in back wages owed per employee.

We especially appreciate that the bill creates a Worker Protection Unit within the Office of the Attorney General. The legislation provides the OAG with the power to conduct investigations to determine compliance with workers' rights laws. It will give the OAG the resources it needs to go after bad actors.

The construction industry has been rocked by the prevalence of wage theft in the market. In addition to the human toll, responsible companies struggle to stay afloat in a competitive environment when competing against bad actors. Wage theft complaints have emerged on projects across the state of Maryland, including hospitals, schools, critical infrastructure, and others. The Office of the Attorney General should have all the resources and tools at its disposal to be able to directly address complaints of wage theft and punish bad actors.

We also recognize that the Department of Labor and Industry has made great strides in addressing the issue of wage theft. The necessity of this legislation serves as a reminder that partnership between state agencies and the Office of the Attorney General is more important than ever in addressing the wage theft epidemic. The collaboration of state agencies and the Office of the Attorney General is vital to combat wage theft, ensure good contractors are positively rewarded, and perhaps most important to legislators in this trying time, ensure Maryland is tapping every available revenue resource. This legislation promises to do so without inconveniencing working people or responsible businesses.

The BDCBT urges a favorable report on SB 938.

Greg Akerman President, BDCBT