



## MARYLAND STATE & D.C. AFL-CIO

*Affiliated with the National AFL-CIO*

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### **SB 60 - Fraud Prevention, Prevailing Wage, and Living Wage - Prohibitions, Penalties, and Enforcement**

#### **Senate Finance Committee**

**January 28, 2026**

#### **SUPPORT**

**Donna S. Edwards**

**President**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 60. On behalf of our 700 affiliated unions, I offer the following comments.

Workplace fraud is a widespread and growing issue across all sectors in Maryland. According to a report by Maryland's Joint Enforcement Task Force on Workplace Fraud (JETF), the Task Force agencies discovered over 5,500 misclassified workers and over \$36 million in unreported taxable wages.<sup>1</sup> 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. They strip workers of basic protections, shift costs onto taxpayers, and undercut employers who abide by the law.

SB 60 addresses this problem in the construction and landscaping industries by expanding powers of the Commissioner of Labor and Industry so investigations move faster, decisions are made in a timely fashion, and employers can no longer drag out cases until workers give up. It sets clear expectations for when citations must be issued, when cases must be referred, and how evidence should be shared, allowing for a transparent process with limited delays where workers know what to expect.

It requires coordination between the Department of Labor and the Attorney General's office to enhance accountability and encourage streamlined communication and collaboration. SB 60 creates a formal structure for information-sharing, monthly meetings, and case referrals. This prevents cases from dying and ensures enforcement takes place.

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<sup>1</sup> "New Report on Workplace Fraud in Maryland Finds Thousands of Misclassified Workers in Maryland." Maryland Department of Labor. February 20, 2025.



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The bill also strengthens oversight on public works projects by imposing stronger penalties on prevailing wage jobsites and requiring public bodies to withhold funds if any violations occur. It closes a loophole by extending liability to general contractors when their subcontractors commit workplace fraud, ensuring accountability to the law. Additionally, the bill creates significant consequences for repeat violators by tying workplace fraud violations to licensing actions and debarment. Employers who repeatedly break the law should not continue receiving public contracts or operating with state-issued licenses if they disregard the law.

SB 60 takes the necessary steps to create a stronger enforcement system that workers can rely on.

For these reasons, we urge a favorable vote on SB 60.



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