



Greater Boston
Chamber of Commerce



Construction Industries
of Massachusetts, Inc.



June 20, 2017

The Honorable Paul Brodeur, House Chair
Joint Committee on Labor and Workforce Development
State House, Room 356
Boston, MA 02133

The Honorable Jason Lewis, Senate Chair
Joint Committee on Labor and Workforce Development
State House, Room 511-B
Boston, MA 02133

Re: Testimony regarding S.999, An Act to Prevent Wage Theft and Promote Employer Accountability and H.1033, An Act to Prevent Wage Theft and Promote Employer Accountability

Dear Chairman Brodeur, Chairman Lewis and members of the Committee,

On behalf of a broad, multi-industry coalition of employer associations and their 15,000 members, we thank you for the opportunity to express our thoughts regarding identical bills **S.999 and H.1033 An Act to Prevent Wage Theft and Promote Employer Accountability**.

We agree that wage theft has absolutely no place in any business in Massachusetts. The members of our organizations take this issue very seriously. In today's challenging business climate, relationships and partnerships are critical to success. Profit margins continue to become slimmer and slimmer, as the cost of doing business continues to grow. In any sector, successful business relationships and partnerships feed profits and accountability. There are tremendous benefits, both monetarily and operationally, to working with the best companies possible. Therefore, it is in our members' best interest to contract with legitimate, law abiding businesses. Our industries believe the solution to wage theft violations is not in adopting additional laws, but rather in enhanced enforcement efforts and additional funding for the Attorney General's office to enable her staff to use the tools currently in place. These tools have proven effective, as the Attorney General's office has cited more than \$6 million in wage theft violations since last summer.

Massachusetts presently has the most comprehensive wage laws and enforcement scheme in the nation. The vast majority of Massachusetts employers comply with these laws. This bill, in its current form, will unfairly punish legitimate and law-abiding companies in all industries across Massachusetts who contract with other businesses for services, but have no control over the operations of those independent businesses. If a company violates the current laws, the company in violation should be penalized through existing statutes and regulations which ensure fair and

timely payment of wages. We strongly encourage the state to publicize information about businesses that misclassify workers and violate wage laws. It is essential that companies know who the bad actors are. In addition, we recommend increasing inter-agency co-operation and providing new or increased funding to the Council on the Underground Economy and to individual agencies to pursue and punish violators. We also suggest increasing workplace monitoring and the frequency of direct enforcement actions.

In short, stronger enforcement against those who directly violate the laws should be the first course of action. We also commend the Attorney General for launching a strong public education campaign to advise workers of their rights, as this also bolsters enforcement efforts and assures those who violate the law are caught and punished.


These are the steps we believe will most effectively tackle wage theft issues across the Commonwealth. S.999 and H.1033, in their current format, present many unintended consequences by targeting legitimate and law-abiding businesses who operate in full compliance with the laws. These unintended consequences will have devastating impacts on daily operations and the success of good businesses large and small.


Please find attached a few examples of our concerns with the current language of the wage theft legislation. We are happy to work with the Committee to continue to address wage theft issues and enforcement in all business sectors. We appreciate the sponsors' and Committee's interest in ensuring that hard working individuals are paid in a timely and fair manner. Should you have any questions or would like additional information, please do not hesitate to contact Miranda Jones at mjones@ogglaw.com or any member of the Coalition.

Respectfully,


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