

# The State of Maryland

## Executive Department

### EXECUTIVE ORDER 01.01.2024.04

(Rescinds Executive Order 01.01.2009.09)

#### **Re-establishing the Joint Enforcement Task Force on Workplace Fraud**

- WHEREAS Workplace fraud, a business practice where employers fail to properly classify individuals as employees in violation of applicable law, is an ongoing problem in the State of Maryland;
- WHEREAS, Employers failing to classify workers at all, such as by paying them entirely in cash, is another business practice that raises serious concerns in the State;
- WHEREAS, Businesses engaging in these and other unlawful business practices avoid their obligations under federal and State labor, employment and tax laws, including laws requiring workers to be paid minimum wage, prevailing wage, and overtime, and to be offered and receive benefits such as health insurance coverage and unemployment workers' compensation benefits; and laws requiring employers to pay or withhold their fair share of employment taxes, income taxes, workers' compensation contributions and contributions to the unemployment insurance fund;
- WHEREAS Recent studies show that young workers, workers of color, and individuals who work multiple jobs at low wages are most at risk of being victimized by these unlawful business practices;
- WHEREAS, Combating these practices effectively requires a whole of government approach, involving multiple different agencies and authorities within State government; and

WHEREAS, The State's enforcement efforts can be enhanced further and made more efficient through interagency cooperation, information sharing and joint prosecution of serious violators.

NOW THEREFORE, I, WES MOORE, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND THE LAWS OF MARYLAND, HEREBY RESCIND EXECUTIVE ORDER 01.01.2009.09 AND PROCLAIM THE FOLLOWING EXECUTIVE ORDER, EFFECTIVE IMMEDIATELY:

- A. Establishment. There is a Joint Enforcement Task Force on Workplace Fraud ("Task Force").
- B. Definition. For purposes of this Executive Order, "workplace fraud" means an employer's failure to properly classify an individual as an employee in violation of applicable law.
- C. Membership. The Task Force shall consist of:
  - (1) The Secretary of Labor or the Secretary's designee;
  - (2) The Comptroller or the Comptroller's designee;
  - (3) The Attorney General or the Attorney General's designee;
  - (4) The Chair of the Workers' Compensation Commission or the Chair's designee;
  - (5) The Insurance Commissioner or the Commissioner's designee;
  - (6) The Director of Department of Assessments and Taxation, or the Director's designee;
  - (7) The Commissioner of the Division of Occupational and Professional Licensing, or the Commissioner's designee;
  - (8) The Commissioner of Labor and Industry, or the Commissioner's designee; and

- (9) The Assistant Secretary for the Division of Unemployment Insurance or the Assistant Secretary's designee.

D. Procedures.

- (1) The Secretary of Labor, or the Secretary's designee shall serve as the Chair of the Task Force.
- (2) Members of the Task Force may not receive any compensation for their services, but may be reimbursed for reasonable expenses incurred in the performance of their duties, in accordance with the Standard State Travel Regulations, and as provided in the State budget.
- (3) The Department of Labor shall provide publication, operational, and other support as needed to the Task Force.
- (4) The Task Force may identify and add members from governmental units whose participation would further its mission.
- (5) Consistent with the law, the Task Force may obtain information and cooperation from other governmental units.

E. Duties. The Task Force shall coordinate the investigation and enforcement of workplace fraud. In fulfilling this mission, the Task Force shall have the following powers and duties:

- (1) To facilitate among Task Force members, and obtain from other governmental units, the timely sharing of information related to suspected workplace fraud to the maximum extent permitted by law, including maintaining an inter-agency online platform to share such information;
- (2) To pool, focus, and target investigative and enforcement resources;
- (3) To assess existing methods and best practices, in both Maryland and other jurisdictions, with respect

to workplace fraud prevention and enforcement, and to recommend that participating agencies adopt appropriate measures to improve their prevention and enforcement efforts;

- (4) To enter into partnerships and agreements with other jurisdictions to facilitate cross-jurisdictional investigations and enforcement activities;
- (5) To work with academics and experts to study the issues of workplace fraud and develop models to quantify the true costs of these practices to workers, to law-abiding employers and businesses and to the State;
- (6) To develop strategies for systematic investigations of workplace fraud, including within those industries and worker demographics in which workplace fraud is most common;
- (7) To identify and facilitate enforcement actions against potential violators, including but not limited to actions to seek all appropriate remedies under applicable employment, business, tax, licensing and consumer protection laws;
- (8) To identify significant cases of workplace fraud that should be investigated and addressed collaboratively, and to form joint enforcement teams to utilize the collective investigative and enforcement capabilities of the Task Force members;
- (9) To establish protocols, consistent with applicable law, through which individual Task Force participating agencies investigating workplace fraud matters under their own statutory or administrative schemes will refer appropriate matters to other agencies for assessment of potential liability under all relevant statutory or administrative schemes;
- (10) To establish referral procedures and solicit the cooperation and participation of local state's

attorneys and other law enforcement related agencies, where appropriate;

- (11) To coordinate efforts with federal agencies and agencies of other states or jurisdictions involved in combating workplace fraud;
- (12) To work cooperatively with business, organized labor, and community groups interested in reducing workplace fraud by:
  - (a) Coordinating effective outreach to businesses, and small businesses in particular, including preparing notices and educational materials relating to the business's legal obligations under employment, business, tax and consumer protection laws; and
  - (b) Enhancing mechanisms to identify and report workplace fraud; and
  - (c) Increasing public awareness that workplace fraud is illegal and causes harm;
- (13) To work cooperatively with federal, State, and local social service agencies to provide assistance to individuals who have been harmed by workplace fraud; and
- (14) To consult with representatives of business, organized labor, and other agencies to improve and expand the operation and effectiveness of the Task Force and its members.

F. Reporting. The Task Force shall issue a report to the Governor by December 31 of each year which shall:

- (1) Describe the record and accomplishments of the participating agencies of the Task Force, including the amounts of wages, premiums, taxes, and other payments or penalties collected, as well as the number of employers cited for legal violations

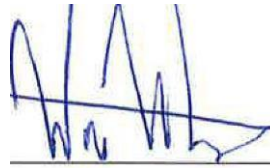
related to workplace fraud and the approximate number of employees affected;

- (2) Identify any administrative or legal barriers impeding the more effective operation of the Task Force, including any barriers to information sharing or joint action;
- (3) Propose, after consultation with representatives of business, organized labor, members of the General Assembly, and other affected agencies, appropriate administrative, legislative, or regulatory changes to:
  - (a) Reduce or eliminate any barriers to the Task Force's operations;
  - (b) Enhance the investigation, enforcement, and prevention of workplace fraud; and
- (4) Identify successful strategies for preventing workplace fraud that reduce the need for greater enforcement.

- G. Every agency, department, office, division, or public authority of the State shall cooperate with the Task Force and, to the fullest extent permitted by law, shall furnish such information and assistance as the Task Force determines is reasonably necessary to accomplish its purpose.
- H. This Executive Order shall be implemented in a manner that is consistent with all applicable statutes and regulations. Nothing in this Executive Order shall operate to contravene any State or federal law or to affect the State's receipt of federal funding.
- I. If a State entity is subject to a federal law or regulation that conflicts with this Executive Order, the federal law or regulation shall take precedence.

- J. If any provision of this Executive Order or its application to any person, entity, or circumstance is held invalid by any court of competent jurisdiction, all other provisions or applications of the Executive Order shall remain in effect to the extent possible without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are severable.

GIVEN Under My Hand and the Great Seal of the State of Maryland, in the City of Annapolis, this 9<sup>th</sup> Day of January 2024.



Wes Moore  
Governor



ATTEST:



Susan C. Lee  
Secretary of State