



June 29, 2016

The Honorable Robert A. DeLeo
Speaker
Massachusetts House of Representatives
State House, Room 356
Boston, MA 02133

RE: Concerns and recommendations regarding Senate 2207, the “Wage Theft” bill

Dear Speaker DeLeo,

We are writing to you today as a coalition of 14 business organizations representing over 15,000 employers in the Commonwealth, to express our strong concerns about Senate 2207, the so-called “Wage Theft” bill, and to offer our recommendations to address the problem of wage theft.

Last week, we communicated our concerns in detail to all Senate Members; a copy of our joint letter is attached. As we explain, the bill is overly broad and harsh in its impact, and is so ambiguous throughout that it does not lend itself to a quick, simple or piecemeal fix.

The radical approach in Senate 2207 goes far beyond what any other state in the nation has done; NO state imposes vicarious liability for wage violations. Not only is this approach unreasonable, but unnecessary, and harmful to the Commonwealth.

Massachusetts already takes the lead in protecting worker rights, with some of the most stringent wage laws (and independent contractor law) in the nation – as even supporters of Senate 2207 have acknowledged. There is very little that is done elsewhere to combat wage theft, that we do not already do here. **As examples, Massachusetts has:**

- strict liability for wage violations, with treble damages;
- a 3-year statute of limitations to bring claims;
- potential debarment, and suspension of licenses;
- joint-employer laws; bonding requirements; and personal liability of business owners;
- private right of action and anti-retaliation provisions;
- stop work provisions and more

In short, Massachusetts has a comprehensive scheme to enforce the payment of wages in the Commonwealth. **Furthermore, our current laws have been effective.** We have an active plaintiff’s bar that is aggressive in pursuing claims. And a review of press releases from the Attorney General over the past year (see attached list) indicates a robust enforcement effort that has recovered over \$5 million in wages and penalties, according to her Office.

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Perhaps, as the proponents of Senate 2207 say, current enforcement does not go far enough, and too many companies that violate the law still evade punishment. If that is the case, **the solution is not more laws, but better enforcement.** We agree with recommendations that have been made to enhance enforcement efforts in the Commonwealth, including:

- Publicize information about businesses that misclassify workers and violate wage laws, as a deterrent to wage theft;
- Increase inter-agency co-operation and provide new or increased funding Council on the Underground Economy and to individual agencies to fight wage theft;
- Increase workplace monitoring and the frequency of direct enforcement efforts (raids).

In short, stronger enforcement against those who violate the laws should be the first course of action. We would also recommend a **strong public education campaign** to advise workers of their rights.

Senate 2207 is not the solution, and will not speed payments to workers. Not only will it hurt responsible, law-abiding businesses of the Commonwealth – who are in the vast majority – it will increase costly stop work orders, encourage litigation, and create an anti-business climate that will discourage new businesses from coming to our state and deal a blow to the Massachusetts economy.

Thank you for your consideration of our concerns and recommendations. We would appreciate the opportunity to meet to explain further why Senate 2207 is not in the best interest of the Commonwealth, and to discuss more appropriate ways to address wage theft.

Respectfully,


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