



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

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Media Contacts:
press@oag.state.md.us
410-576-7009

New Report on Workplace Fraud in Maryland Finds Thousands of Misclassified Workers in Maryland

BALTIMORE, MD (February 20, 2025) — Maryland’s Joint Enforcement Task Force on Workplace Fraud (JETF) has released a new annual report, revealing the magnitude of worker misclassification in Maryland. Misclassified workers lose out on critical workplace protections, including access to unemployment benefits, workers’ compensation, health insurance coverage, minimum wage, and overtime pay, and workplace fraud also causes significant harm to employers and the state.

Collectively, in 2024, Task Force agencies discovered over 5,500 misclassified workers through their enforcement actions. Over \$36 million in unreported taxable wages were uncovered through 2024 Unemployment Insurance audits. The report dives into specific occupations to reveal the scale of the problem.

“Hardworking Marylanders should be paid what they are owed and given the benefits to which they are entitled,” **said Attorney General Brown**. “When they’re not, it hurts not just the victims of workplace fraud and the businesses that follow the rules, but the entire State of Maryland, which loses out on valuable tax dollars.”

Through the voices of workers and business owners, the report details how workplace fraud not only deprives workers of basic protections, but can also put law-abiding businesses at a disadvantage. This happens when competitors reduce their labor costs through misclassification, which shifts those costs to workers, to taxpayers, and to society at large. Required taxes may also go unpaid, which lowers state revenue and impacts funding to pay for critical public services.

“Workplace fraud hurts Maryland’s ability to create quality jobs and grow the middle class,” **said Maryland Secretary of Labor and Taskforce Chair Portia Wu**. “Combatting workplace fraud is critical to ensuring that pathways to work, wages, and wealth are available to all Marylanders.”

The JETF is dedicated to strengthening investigations and enforcement of laws regarding workplace fraud through coordinating data sharing and enforcement work across multiple Maryland state agencies. Restarted by Governor Wes Moore in January 2024, the nine-member

group is chaired by Secretary Wu and includes **Attorney General Brown** and **Comptroller Brooke E. Lierman**.

“Misclassifying workers is not an acceptable business practice, and it is alarming to see the rate at which some employers are engaged in this egregious behavior,” **Comptroller Lierman said**.

“I am committed to protecting workers and supporting an ethical and prosperous business environment in Maryland. The Office of the Comptroller will continue to partner with other agencies, unions, and anyone interested to aggressively pursue lawbreakers robbing workers and the state of much needed resources.”

The report is available on the Maryland Department of Labor [website](#).

Workers who have questions about their status—or believe they have been misclassified—can contact the Division of Labor & Industry at workrights@maryland.gov. Employers found to have committed workplace fraud can be investigated and cited by Task Force agencies, and will be required to come into compliance with their legal obligations, including payment of restitution, back taxes, and contributions to the unemployment insurance fund.

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