State of Delaware
The Official Website of the First State

July 31, 2009

Landmark Workforce Fraud Legislation Signed Into Law
Rep. Gilligan: Law will level the playing field for all construction businesses

DOVER – Governor Jack A. Markell signed landmark legislation on Friday that will prevent workforce fraud in the construction services industry.

House Substitute 1 for House Bill 230, sponsored by House Speaker Rep. Robert F. Gilligan, D-Sherwood Park, will allow the state Department of Labor to hold construction businesses accountable and ensure that they are following the letter of the law and contributing to the state's unemployment insurance, workers' compensation and state withholding funds.

Rep. Gilligan said the legislation will level the playing field for all construction businesses in the state and will protect law-abiding companies.

"This is a landmark piece of legislation that will protect everyone involved and affected by the construction services industry – workers, employers and taxpayers – from workforce fraud," Rep. Gilligan said. "The bill will level the playing field for construction businesses by preventing companies from circumventing the law by paying workers under the table. Ensuring that all companies are following the rules will have a positive impact on our economy."

"As we work to grow Delaware's economy, it is important that companies are not at a disadvantage because they play by the rules and treat their workers fairly," Gov. Markell said.

Delaware Building Trades Council president Harry Gravell said that construction businesses sometimes come to Delaware to do work and depart "without leaving a footprint," not paying any unemployment insurance, workers' compensation or contributing to state withholdings. That ends with the signing of HS 1 for HB 230, he said.

"I have been thinking about this issue for some time, and we finally have the law that levels the playing field," Mr. Gravell said. "This will hold businesses that used to skirt the law accountable. It's a good bill for people who are and always have been fair and followed the rules."

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