FOUNDATION FOR FAIR CONTRACTING
OF CONNECTICUT, INC.

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Commerce Committee March 7, 2013

Re: HB 759 *"An Act Concerning the Waiver of Fines and Penalties for Certain Business Regulation Violations"*

The Foundation for Fair Contracting (FFC) is a non-profit organization created by labor and management in order to monitor public works construction projects. We focus on licensing, proper payment of wages and benefits, proper classification of workers, and properly administered state apprenticeship standards.

The FFC opposes HB 759 "An Act Concerning the Waiver of Fines and Penalties for Certain Business Regulation Violations".

It is our understanding that this bill, in its current form, would apply to those businesses that get contracted out for services by an entity receiving financial assistance from the Department of Economic and Community Development, specifically construction services. The concern is that this bill would apply to contractors who violate certain statutes.

The FFC recognizes that many of the statutory violations we investigate are criminal resulting in anywhere from a class B misdemeanor to a class D felony. However, the Department of Labor may also institute administrative debarment, which may preclude any firm, corporation or partnership from being awarded a contract for up to 3 years. Additionally, the DOL can assess civil penalties of $300 per violation upon an employer.

This bill does not specify which "regulations" would be captured and allowable by a contractor or other business entity. Without fully understanding the scope of regulations or civil penalties this bill is looking to identify, we cannot allow fines to be waived even if this is the contractor's first violation, and even if the violation is rectified within 30 days.

Most construction workers are too scared to even come forward to report a violation for fear of being fired, blacklisted or retaliated against. Our Connecticut based responsible contractors are competing against a race to the bottom perpetuated by many out-of-state, fly-by-night contracting companies. The FFC has to be able to build a case against these businesses. We do that by working productively with our state agencies to identify genuine and conclusive violations. And we applaud our state for assessing and collecting the fines imposed for that violation.

If we remove the fine, what will deter a company from committing a violation? If I get caught speeding, the police officer doesn't say, 'oh well it's your first time so we'll waive the fine'. No, I'm given a ticket. But when an employer exploits a worker, we're going to abate the penalty?

Now it's also our understanding that if a contractor has made a "willfull" violation, than the fine would not be waived. But how do we define willful? And if a contractor alleges that it's truly their first offense, would they admit willful transgression?

Let's also not forget that civil penalties are a form of revenue for the state of Connecticut. Fines and penalties make up a substantial share of the funding for many of our state agencies, which are already short staffed and forced to cut resources and services from their operating budgets.

Statutes and regulations are imposed for a reason. Fees, fines, tickets are all part of the enforcement mechanism, which helps to deter those from violating our rules. HB 759 takes us down a slippery path and is simply bad policy. I urge this committee to oppose this bill. We do not want to send a message to unscrupulous contractors, or to any business, that Connecticut is soft on cheaters.

Sincerely,

Kimberly Glassman
Director