



THE COMMONWEALTH OF MASSACHUSETTS
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October 5, 2011

The Honorable Cynthia Stone Creem
Senate Chair – Joint Committee on the Judiciary
State House, Room 405
Boston, MA 02133

The Honorable Eugene L. O’Flaherty
House Chair – Joint Committee on the Judiciary
State House, Room 136
Boston, MA 02133

RE: H.B. 468, *An Act Relative to Workers’ Compensation Insurance*

Dear Chairman O’Flaherty and Chairwoman Creem:

I am writing to express my strong support for House Bill 468, *An Act Relative to Workers’ Compensation Insurance*, which would make the failure to obtain workers’ compensation insurance a felony and thus be consistent with the current felony of workers’ compensation insurance fraud. I have filed this legislation with House Majority Leader Ronald Mariano, as well as Senators Katherine Clark and Thomas M. McGee.

This legislation seeks to redress a discrepancy in our laws concerning workers’ compensation insurance. Currently, an employer that does not carry workers’ compensation insurance faces a misdemeanor charge under G.L. c. 152, §25C. At the same time, an individual that commits workers’ compensation fraud faces a criminal felony charge under G.L. c. 152, §14. The legislation we propose would align these two statutes so that both a fraud perpetrated on the workers’ compensation system and a failure to carry this insurance would be met with the same punishment.

If the legislation were to pass, individuals convicted of not carrying workers’ compensation insurance and those attempting to defraud the system would face the same penalty—a fine of up to \$10,000 and/or a sentence of up to 5 years in prison.

Currently, employers who fail to obtain workers’ compensation insurance could face both a fine of not more than one thousand five hundred dollars and/or up to a year in prison. By enhancing this penalty, we will provide a more effective deterrent to those employers that consider operating outside of the law.



Workers' compensation insurance is a crucial element of our social safety net, and passage of this legislation will actually benefit our business climate. Employers who fail to carry this insurance compete unfairly and exert an unfair advantage over those companies that do the right thing and follow the law. At the same time, when a worker is injured and no workers' compensation insurance is in place, it falls on society, and not the employer who profited from the labor of this worker, to make the injured individual whole.

In this era of limited resources in the public sector and heightened competition in the private sector, it is essential that we provide a level playing field for businesses. The changes proposed in this legislation will allow the Attorney General's Office to fairly and effectively prosecute those employers that fail to carry workers' compensation insurance.

I urge the Committee to give this legislation a favorable report, and I look forward to working with you on this important issue. As always, do not hesitate to contact me with any questions you may have.

Cordially,



Martha Coakley

Cc: Senator Katherine Clark, Senator Thomas M. McGee, and House Majority Leader Ronald Mariano