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Maine -- Baldacci Launches Misclassification Task Force: *EAST* [01/16/09]

Maine has joined a growing number of states that have launched crackdowns on the misclassification of workers as independent contractors for the purpose of avoiding workers' compensation premiums, unemployment taxes and wage laws.

Gov. John E. Baldacci issued an executive order Wednesday forming a task force to coordinate investigations and to oversee information-sharing among state agencies.

A 2005 independent study based on audits of Maine unemployment records in the construction industry showed that one in seven contractors misclassified workers between 1999 and 2002. Unemployment audits performed by the Maine Department of Labor of all industry sectors showed that 29% of the employers audited in 2004 had misclassified workers as independent contractors.

Subsequent audits increased the share of misclassifying employers to 39% in 2005, 43% in 2006 and 41% in 2007, Baldacci said in the order.

Baldacci assigned the task force to form joint enforcement teams and to study the need for legislation or regulatory changes to address the problem.

The Joint Enforcement Task Force on Employee Misclassification will be chaired by state Labor Commissioner Laura A. Fortman.

Baldacci did not specify the size of the task force. But he said it must include representatives from:

- n The Department of Labor, including the Bureaus of Unemployment Compensation, Employment Services and the Labor Standards Center for Workforce Research & Information.
- n The state Workers' Compensation Board, including the Office of Monitoring, Audit and Enforcement.
- n The Attorney General's Office.
- n The Department of Administrative & Financial Services, including Maine Revenue Services.
- n The Department of Professional & Financial Regulation, including the Bureau of Insurance.

The task force also will be required to submit annual reports to the governor's office. Baldacci's executive order is at <http://www.workcompcentral.com/pdf/2009/misc/MaineOrder.pdf>.

Source: Governor's Office

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