



Secretary of Labor Thomas E. Perez

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News Release

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\$10.2M awarded to fund worker misclassification detection, enforcement activities in 19 state unemployment insurance programs

WASHINGTON — The U.S. Department of Labor today awarded \$10,225,183 to 19 states to implement or improve worker misclassification detection and enforcement initiatives in [unemployment insurance programs](#).

"This is one of many actions the department is taking to help level the playing field for employers while ensuring workers receive appropriate rights and protections," said U.S. Secretary of Labor Thomas E. Perez. "Today's federal grant awards will enhance states' ability to detect incidents of worker misclassification and protect the integrity of state unemployment insurance trust funds."

The funds will be used to increase the ability of state UI tax programs to identify instances where employers improperly classify employees as independent contractors or fail to report the wages paid to workers at all. The states that were selected to receive these grants will use the funds for a variety of improvements and initiatives, including enhancing employer audit programs and conducting employer education initiatives.

While several states have existing programs designed to reduce worker misclassification, this is the first year that the Labor Department has awarded grants dedicated to this effort. The [Consolidated Appropriations Act of 2014](#) authorized this grant funding for "activities to address the misclassification of workers."

Under an innovative, "high-performance bonus" program, four states will receive a share of \$2 million in additional grant funds due to their high performance or most improved performance in detecting incidents of worker misclassification. The remaining \$8,225,183 was distributed to 19 states in competitive grants. The maximum grant available under the competitive grant award process was \$500,000.

Editor's Note: A chart listing the states receiving awards and grant amounts follows this release.

2014 Worker Misclassification Grants

State	Regular	High Performance Bonus	Total
California	\$499,792		\$499,792
Delaware	\$27,672		\$27,672

- Business.USA.gov
- CareerOneStop.org
- Disability.gov
- Disaster Recovery Assistance
- GovBenefits.gov
- No Fear Act — Equal Employment Opportunity Data Posted Pursuant to the No Fear Act
- Regulations.gov
- Serve.gov
- USA.gov
- The White House
- Wirtz Labor Library

Florida	\$31,792		\$31,792
Hawaii	\$500,000		\$500,000
Idaho	\$500,000		\$500,000
Indiana	\$500,000		\$500,000
Maryland	\$494,600	\$400,099	\$894,699
Massachusetts	\$499,800		\$499,800
New Hampshire	\$330,468		\$330,468
New Jersey	\$342,222	\$496,399	\$838,621
New Mexico	\$499,970		\$499,970
New York	\$500,000		\$500,000
Oregon	\$500,000		\$500,000
South Dakota	\$500,000		\$500,000
Tennessee	\$499,260		\$499,260
Texas	\$500,000	\$775,529	\$1,275,529
Utah	\$500,000	\$327,973	\$827,973
Vermont	\$500,000		\$500,000
Wisconsin	\$499,607		\$499,607
Totals	\$8,225,183	\$2,000,000	\$10,225,183

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