
Underground Economy Benchmark Report (RCW 18.27.800)

2017 Annual Report to the Legislature

December 2017

Acknowledgements

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Executive Summary

Introduction

The Department of Labor & Industries, Department of Revenue and Employment Security Department are pleased to provide this report on underground economy benchmarks, as required by Chapter 18.27.800 RCW.

The underground economy is the loose network of businesses and individuals that do not register or do not report a significant part of their business activities with authorities as required by law. As a result, they not only fail to pay their fair share of unemployment insurance contributions, taxes and workers' compensation premiums, but they gain an unfair advantage over competitors. Consumers are put at risk because there is no bond or insurance to protect them.

The three agencies providing this report share data and collaborate in other areas to uncover and take action against tax misreporting and other forms of fraud.

Progress and achievements in Fiscal Year 2017

In Fiscal Year (FY) 2017, the departments of Labor & Industries (L&I), Revenue (DOR) and Employment Security (ESD) continued to share information on contractor registration, taxes and other electronic data to discover and hold accountable hundreds of players in the underground economy. As shown below, outreach and enforcement activities accelerated compared with FY 2016 due to an increase in construction activity.

At the same time, the agencies assisted construction contractors and other business owners in meeting state requirements.

July 2016-June 2017 (FY 2017) activities

Together, L&I, DOR and ESD:

- Uncovered a combined total of almost 2,300 unregistered businesses that were assessed nearly \$132.9 million in unpaid taxes, premiums, penalties and interest.
- Exchanged over 64,000 tips and leads through electronic data transfers.
- Provided options for making late payments and information on the availability of interest and penalty waivers.

L&I:

- Educated and trained more than 1,600 construction contractors through eight outreach events statewide.
- Educated more than 33,000 consumers about their rights and how to hire legitimate contractors.
- Issued over 1,300 infractions to unregistered contractors.
- Collected \$178.8 million in delinquent employer premiums (while most of this amount was from standard collection activities and not the underground economy, this money helps keep rates low by ensuring all employers pay their fair share).

- Performed over 900 audits on unregistered accounts for over \$10.6 million assessed.

DOR:

- Collected more than \$47.8 million through its Tax Discovery Program.
- Registered over 700 non-compliant businesses.
- Assessed taxes totaling over \$120.8 million from over 700 businesses.
- Recovered over \$539,000 in fraud related dollars.
- Provided online outreach and assistance to consumers through SuspectFraud.com, and led discussions with stakeholders on new and relevant ways to find leads in the underground economy.

ESD:

- Found over 12,500 unreported or misclassified workers through audits.
- Assessed a total of \$1,531,892 on unregistered accounts.

When L&I, DOR and ESD find businesses or individuals that may need to be investigated, they notify the appropriate agency by sending referrals or sharing and cross-checking data. Figure 1 shows the number of referrals and data transfers from one agency to another made by inspectors in FY 2017.

Figure 1: Intra-agency referrals and data transfers

Referral from....to	FY 2014		FY 2015		FY 2016		FY 2017	
	Interagency referral form	Electronic data file transfers	Interagency referral form	Electronic data file transfers	Interagency referral form	Electronic data file transfers	Interagency referral form	Electronic data file transfers
DOR to L&I	0	20,024	7	20,815	48	22,144	65	13,907
DOR to ESD	57	20,024	18	18,822	0	18,905	4	12,679
L&I to DOR	135	10,930	53	10,331	0	14,093	0	5,689*
L&I to ESD	95	14,672	76	14,608	0	18,877	0	12,679
ESD to L&I	0	13,286	2	15,689	0	13,636	0	13,907
ESD to DOR	0	13,286	3	15,689	0	5,997	0	5,689
Total	287	92,222	159	95,954	48	93,652	69	64,550*

Source: L&I Employment Standards Program

* In FY 2017, L&I began using a new database system. The transition to this new system may cause the appearance of a change in data sharing trends; however, L&I, DOR, and ESD remain as vigilant as ever in their joint effort to combat the underground economy through information sharing.

Introduction

The underground economy is the loose network of businesses and individuals that fail to register or to report a significant part of their business activities with authorities. The result is that they not only neglect to pay their fair share of taxes and workers' compensation premiums, but they gain an unfair advantage over competitors and may leave workers without protection in the event of injury, illness or lost wages. Consumers are put at risk because there is no bond or insurance to protect them.

The departments of Labor & Industries (L&I), Revenue (DOR) and Employment Security (ESD) share data and collaborate in other areas to uncover and take action on tax misreporting and other forms of fraud. Although a joint task force formed by the three agencies in 2009 is no longer in place, the agencies remain committed to working together and sharing information to prevent fraud and reduce the effects of the underground economy.

This report provides updated information about how L&I, DOR and ESD discovered and held accountable hundreds of players in the underground economy during Fiscal Year (FY) 2017 through shared information on contractor registration, taxes and other electronic data.

Progress and Achievements in FY 2017

This section describes progress and achievements of each of the three partner agencies (the Department of Labor & Industries, the Department of Revenue, and the Employment Security Department) in working together to prevent fraud and reduce effects of the underground economy in Washington.

DEPARTMENT OF LABOR & INDUSTRIES HIGHLIGHTS

The Department of Labor & Industries (L&I) protects the safety, health and security of Washington's workers and citizens. As part of this responsibility, the department is committed to helping honest workers, providers and businesses by cracking down on dishonest ones. Additional details follow. FY 2017 highlights include:

- **Refining compliance strategies** – L&I has worked over the past year across numerous program areas to analyze and refine compliance efforts to increase focus on efforts and results. For first-time or lower level violators, education and help with compliance is the focus. Meanwhile, repeated violators and egregious “bad actors” get a more comprehensive and sustained focus aimed at stopping the violations.
- **Contractor compliance** – Compliance inspectors issued more than 1,300 infractions to unregistered contractors and provided training to approximately 1,600 contractors and employers.
- **Collections** – Collections staff collected \$178.8 million in delinquent employer premiums for workers' compensation insurance.
- **Audit selection** – Screening and refining of referrals has improved, focusing resources on those most likely to be found out of compliance in an audit, while limiting the number of audits to businesses in compliance.
- **Prosecution** – Investigations staff investigated and referred three employer cases to the Attorney General's Office for possible criminal prosecution. All three cases were charged criminally.
- **Employer fraud and misreporting** – L&I Investigators pursued 49 misrepresentation penalties, totaling nearly \$2.5 million. Misrepresentation penalties occur when employers misclassify or underreport employees for workers' compensation insurance.

Prevailing wage – L&I recorded 1,154 “strikes” (a strike is a notice of a violation of contractor registration, workers' compensation or prevailing wage requirements) and debarred 136 companies from bidding on public works contracts. If an employer does not pay a fine or receives a repeat notice of violation of contractor registration, workers' compensation or prevailing wage requirements, the employer may be “debarred.” When contractors are debarred, they are not permitted to bid on public works projects for one to two years, or until fines are paid.

Contractor compliance

L&I protects consumers by registering construction contractors. To register, contractors must meet the required level of bonding and insurance coverage. This allows some financial recourse for

homeowners and suppliers who encounter problems with fraudulent or incompetent contractors. In addition, all contractors must have a valid Unified Business Identifier (UBI) number to register.

Figure 2 shows the number of contractor registrations from 2009-2017. The number of contractor registrations is over 58,000, an all-time high since 2009. This may reflect the improved economy.

Figure 2: Active contractor registrations as of June 30, 2017

Fiscal year	With UBI
2009	56,685
2010	53,993
2011	52,645
2012	51,492
2013	52,250
2014	52,755
2015	54,529
2016	56,652
2017	58,553

Source: Department of Labor & Industries

L&I denies or suspends registration of contractors who do not comply with contractor registration laws and rules. A contractor may have their registration suspended multiple times per year. During FY 2017, L&I suspended nearly 23,600 registrations for the following reasons:

- Cancelled insurance: about 16,000
- Cancelled bond: nearly 7,000
- Unsatisfied judgments: almost 550
- Impaired bond: nearly 30
- Outstanding contractor registration infractions: 20

Contractor penalties

L&I is committed to improving consumer protection and leveling the playing field for legitimate contractors by:

- Informing and educating consumers

- Providing timely and customer-focused services, such as online renewals and insurance entry for agents
- Actively enforcing the law

L&I tracks companies that violate registration laws, misrepresent payroll or employee hours, or conduct business without an L&I certificate of coverage for workers' compensation insurance. In 2017, L&I's Construction Compliance Program issued more than 1,300 infractions to unregistered contractors. This program can also penalize individuals up to \$10,000 for submitting false information in an application to become a registered contractor. The program issued eight of these penalties to contractors in 2017, each for \$2,000.

Contractors cited for failing to register can receive a reduced penalty¹ if they voluntarily register and get a bond and insurance within 10 days after the citation. In FY 2017, nearly 350 unregistered contractors took advantage of that option.

Prevailing Wage Program

L&I's Prevailing Wage Program is an important part of the department's efforts to ensure fairness for legitimate contractors and employees. Prevailing wage sets a minimum hourly rate of wages, benefits and overtime that contractors must pay workers on public projects. It ensures workers on public works projects receive a standard rate of wages and benefits for their trade or occupation in their county, and that all contractors competing for public works projects pay their workers at least the minimum established wage rate.

Violations, strikes and debarments

When contractors commit certain violations, the Prevailing Wage Program can issue fines and strikes. If a fine is not paid, or additional strikes are received, the company may be debarred.

Under RCW 39.12.055 (prohibitions on bidding on future contracts), a contractor can be debarred from bidding on public works projects for violating one or any combination of the following:

- Contractor registration law
- Industrial insurance law for misrepresenting hours/premiums or failing to obtain a certificate of coverage
- Apprenticeship law

Strikes are reported under the law in which the violation occurred, not in a combination category. For contractor registration and workers' compensation insurance, strikes are cumulative. For example, contractors may receive strikes under the prevailing wage law for violations of contractor registration law (Chapter 18.27 RCW); industrial insurance law (RCW 51.48.020(1) or RCW 51.48.103); or

¹ RCW 18.27.340

apprenticeship law (Chapter 49.04 RCW). Any combination of two strikes under these laws results in a one-year debarment.

For prevailing wage law, only violations of the same type count toward debarment. Violations of public contracts laws RCW 39.12.050 and RCW 39.12.065 stand alone and do not need to be in combination with another violation. Two strikes under RCW 39.12.050 will result in a one-year debarment, and two strikes under RCW 39.12.065 will result in a two-year debarment.

During FY 2017, the program recorded more than 1,150 strikes and debarred more than 130 companies from bidding on public works contracts.

Figure 3 shows the numbers of strikes and debarments issued in FY 2015, FY 2016 and FY 2017. Differences in the numbers for different years reflect natural variations.

Figure 3: Prevailing wage strikes and debarments

Reason	FY 2015		FY 2016		FY 2017	
	Number of strikes	Number of debarments	Number of strikes	Number of debarments	Number of strikes	Number of debarments
Contractor registration violation	486	43**	509	34	563	38
Industrial insurance violation	460	10**	436	15	572	12
Contractor registration and industrial insurance violation	N/A*	108**	N/A*	65	0	76
Prevailing wage violation: failing to file wage report/false filing	20	34**	10	8	14	9
Prevailing wage violation: failing to pay prevailing wage	1	0**	1	0	5	1
Total	967	195**	956	122	1,154	136

*Strikes are not reported in combined categories. Instead, they appear in each – or only one – category, depending on the law violated.

**Figures updated from FY 2015 to reflect finalized actions.

Source: Prevailing Wage program

Contractor field enforcement

Compliance inspectors are L&I's eyes and ears in the field for all types of violations. They enforce plumbing and electrical laws, check contractor registrations and identify employers owing significant debt to L&I. They confirm worker counts, compare them with reported numbers and refer cases to auditors. They refer potential violations of workers' compensation, prevailing wage and DOR rules and laws to the appropriate staff or agencies.

The underground economy does not operate on a 9-to-5, Monday through Friday schedule. Therefore, inspectors perform surprise compliance sweeps, visiting multiple jobsites over the course of a weekend. They conducted twelve such sweeps in FY 2017.

Figure 4 shows the number of violations issued, contractors referred to collections, and contractors referred for auditing from FY 2012 to FY 2017. These numbers are relatively stable, even with increased construction activity, which may indicate a cap on workload capacity with current resources and processes.

Figure 4: Contractor Compliance program results

Compliance action	FY2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Underground economy violations issued	1,646	1,743	1,846	1,812	2,030	2,103
Contractors referred to collections program	Unavailable	Unavailable	1,670	1,707	1,749	1,710
Contractors referred to audit program	1,303	1,401	1,488	1,477	1,508	1,494

Source: L&I Employment Standards Program

Construction contractor education and outreach

The most recognizable activity in the underground economy happens in the construction industry.

Construction contractors in the underground economy are typically either unregistered or underreport their workers' compensation responsibilities. This allows them to avoid paying their fair share of taxes and premiums. Unregistered contractors present a risk to consumers and gain an unfair advantage over competing businesses that play by the rules.

L&I is committed to making it easy to do business with the department. This includes making contractor registration easy. The department partners with the building industry to offer training events such as "Employer's Introduction to L&I" workshops, Contractor Training Days and specialized training events. L&I also provides step-by-step instructions and explanations of laws and rules online. In 2017, more than 500 employers attended the "Employer's Introduction to L&I" workshops. Additionally, L&I provided eight contractor training days to more than 1,600 contractors statewide.

DEPARTMENT OF REVENUE HIGHLIGHTS

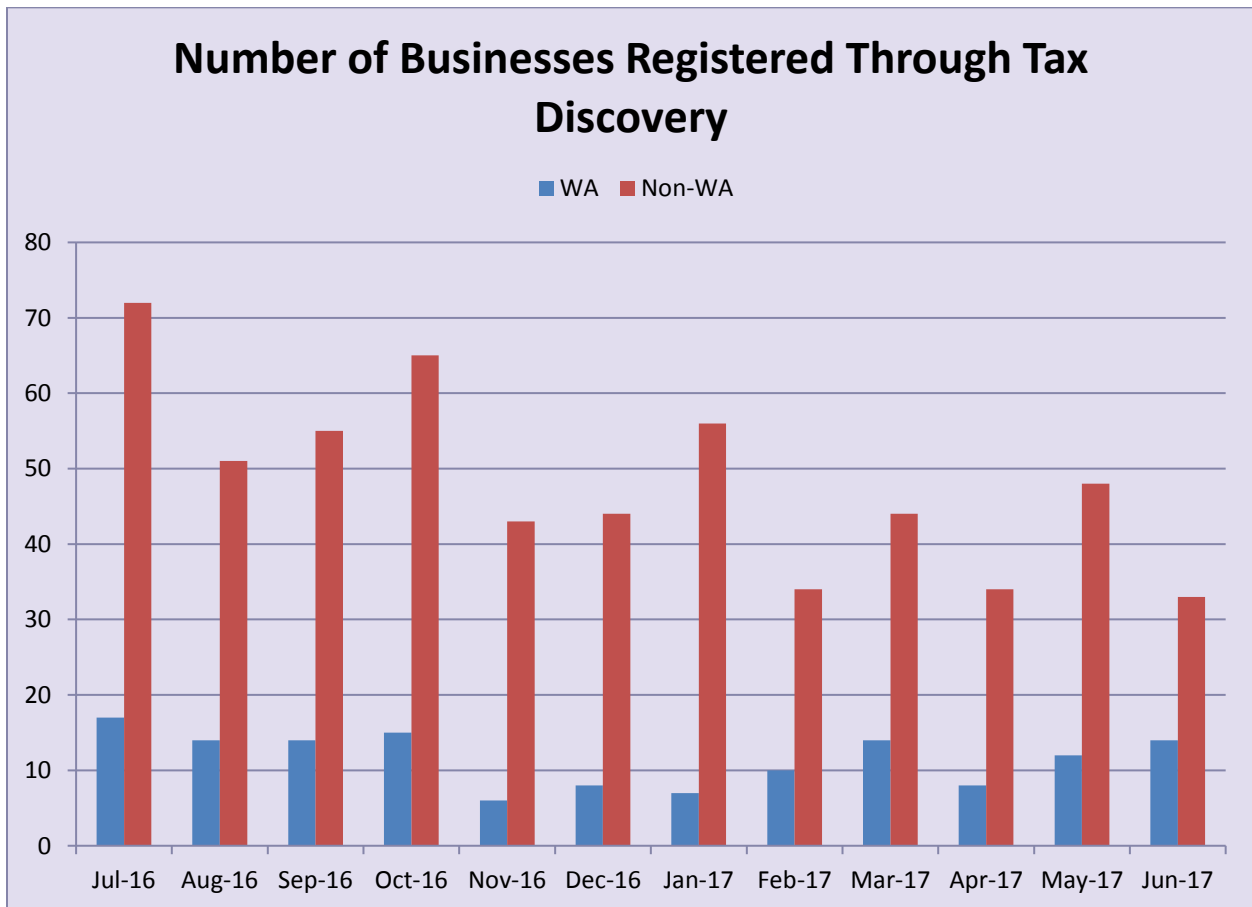
The Department of Revenue's (DOR) Compliance and Audit divisions continued to focus on both in-state and out-of-state unregistered businesses in an effort to address the underground economy. Both divisions investigate, assess and register noncompliant businesses.

In FY 2017, DOR registered 718 noncompliant businesses. Of those, 716 were found to owe taxes, and over \$120.8 million was assessed against them. This included:

- 138 in-state businesses assessed over \$2.8 million
- 578 out-of-state businesses assessed more than \$118 million

Figure 5 shows the in-state and out-of-state businesses found to be unregistered and subsequently registered in FY 2017.

Figure 5: Number of businesses registered through tax discovery

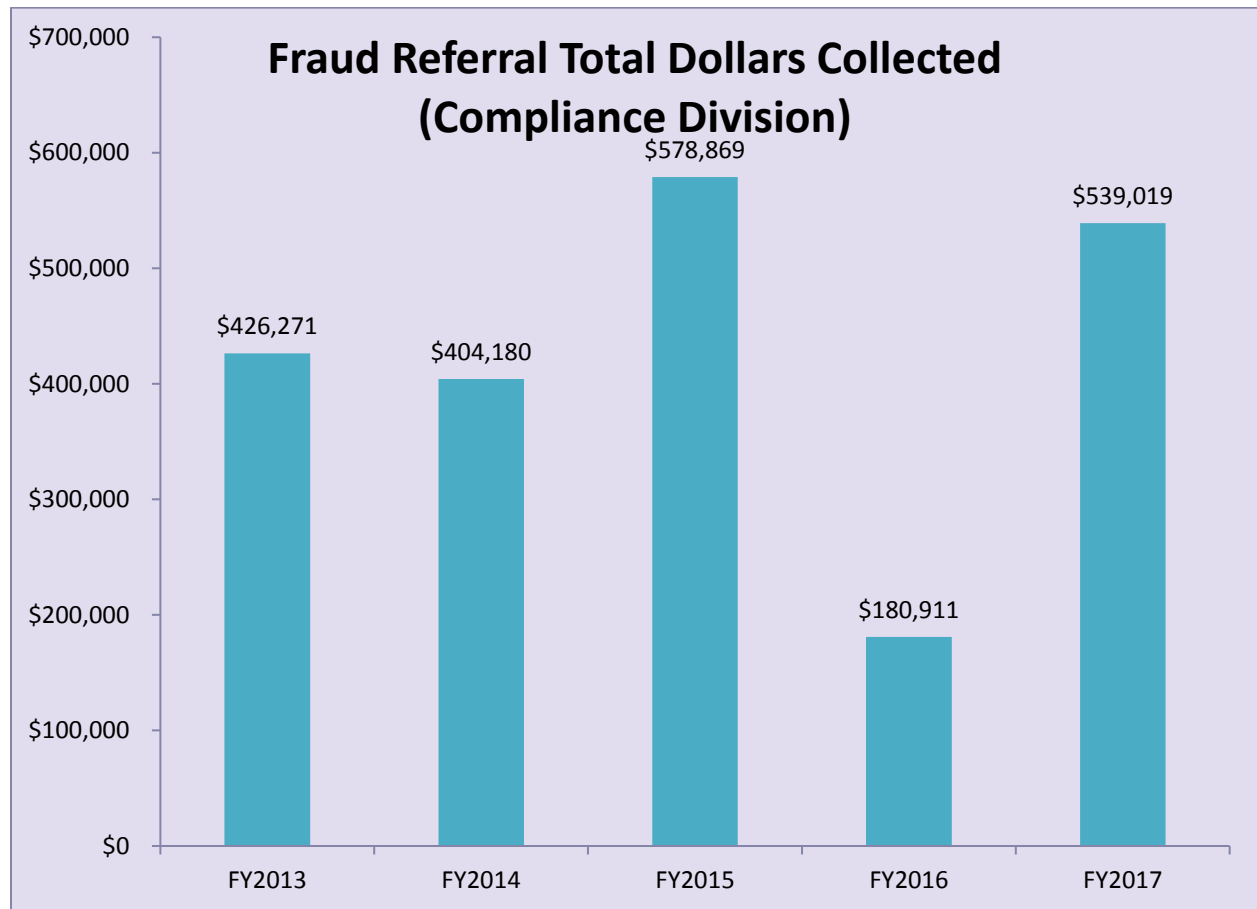


Source: Department of Revenue

In addition to unregistered businesses, DOR's Compliance and Audit divisions refer and investigate fraud cases. The Compliance Division investigates unlicensed vehicles, vessels and airplanes. DOR continues to focus on education and enforcement to reduce non-compliance and ensure a local presence is maintained.

DOR has provided a variety of methods for making fraud referrals. This allows private citizens and other agencies to report cases where they believe fraud is being committed. Figure 6 shows the total dollars collected through fraud referrals from FY 2013 to FY 2017. After a significant increase in FY 2015, the dollars collected dropped off in FY 2016. This coincides with the decision not to run the Suspect Fraud campaign² in FY2016. In a coordinated effort between the agencies, efforts are now being focused toward more targeted marketing to a narrower market. This has included a survey directed toward the business community through a marketing firm on behalf of the three agencies. This reflects a shift from consumer toward the business community. In FY17, the fraud dollars collections increased with some larger assessments that resulted from referrals.

Figure 6: Fraud referral total dollars collected

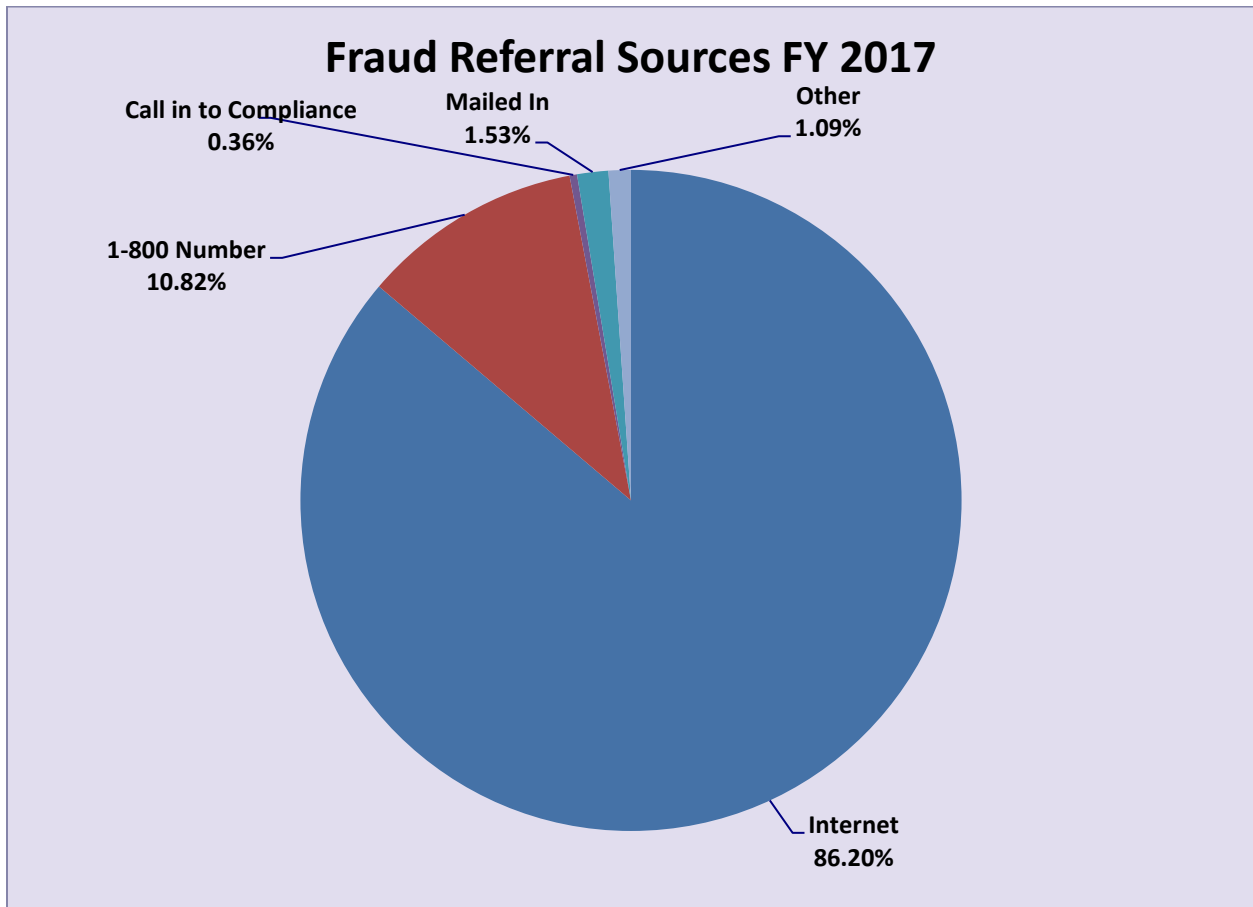


Source: Department of Revenue

² The statewide Suspect Fraud campaign is sponsored by L&I, DOR and ESD to encourage the public to report fraud.

Figure 7 shows the sources of fraud referrals in FY 2017. As shown, the bulk of referrals are received via the internet and the toll-free hotline. In FY 2017, DOR continued to see an increase in the percentage of fraud referrals via the website. In FY 2012, internet referrals made up 65 percent of the fraud referrals received, and this increased to 81 percent in FY 2013. After dropping to 74 percent in FY 2014, fraud referrals through the website were back up to 79 percent of the total referrals made in FY15 and has remained consistent at 85 percent of those made in FY16 and 86 of those made in FY17.

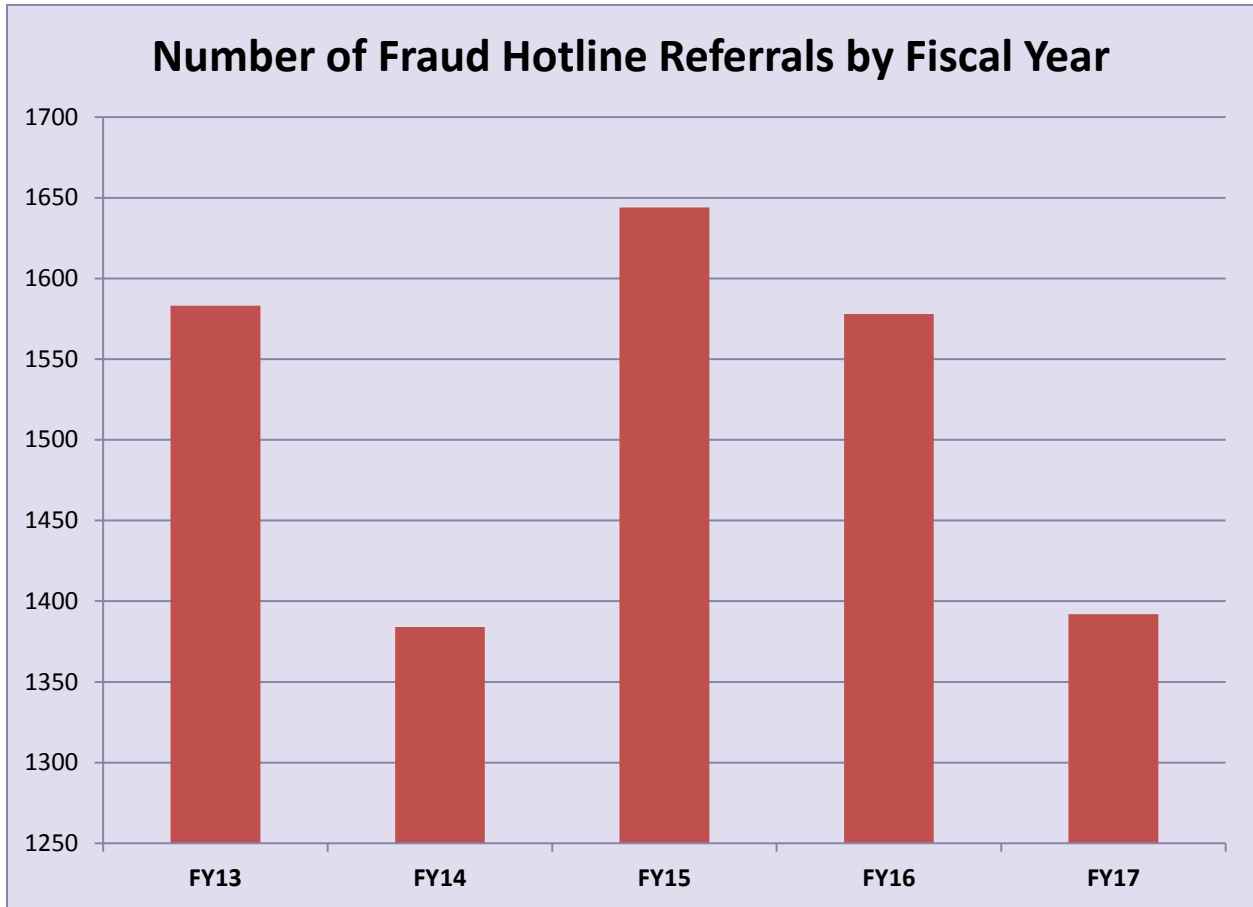
Figure 7: Fraud referral sources, FY 2017



Source: Department of Revenue

Figure 8 shows the number of referrals received through the hotline each fiscal year from FY 2013 to FY 2017. The number of referrals received through this phone line has decreased significantly, which may be attributed to increased referrals through the internet page. DOR investigates each referral, but it may be found that a business is already registered and reporting, or does not owe taxes.

Figure 8: Number of fraud hotline referrals, by fiscal year, FY 2017



Source: Department of Revenue

If a DOR taxpayer investigation determines there is strong evidence the taxpayer is breaking reporting and/or tax laws, DOR may refer the account to its Criminal Litigation Unit (CLU). The CLU works with the Attorney General's Office (AGO) to prosecute a limited number of cases, which may include fraud, evasion or other illegal activity.

During FY 2017, DOR's Audit Division continued to increase its efforts to investigate and audit businesses in Washington State regarding sales suppression. Sales suppression occurs when a business operating with a Point of Sales (POS) or Electronic Cash Register (ECR) system uses software to delete a sale after it has been rung up, when the customer pays the bill. This sale amount, including sales tax, is not reported to the state and can be used as extra profit by the owner.

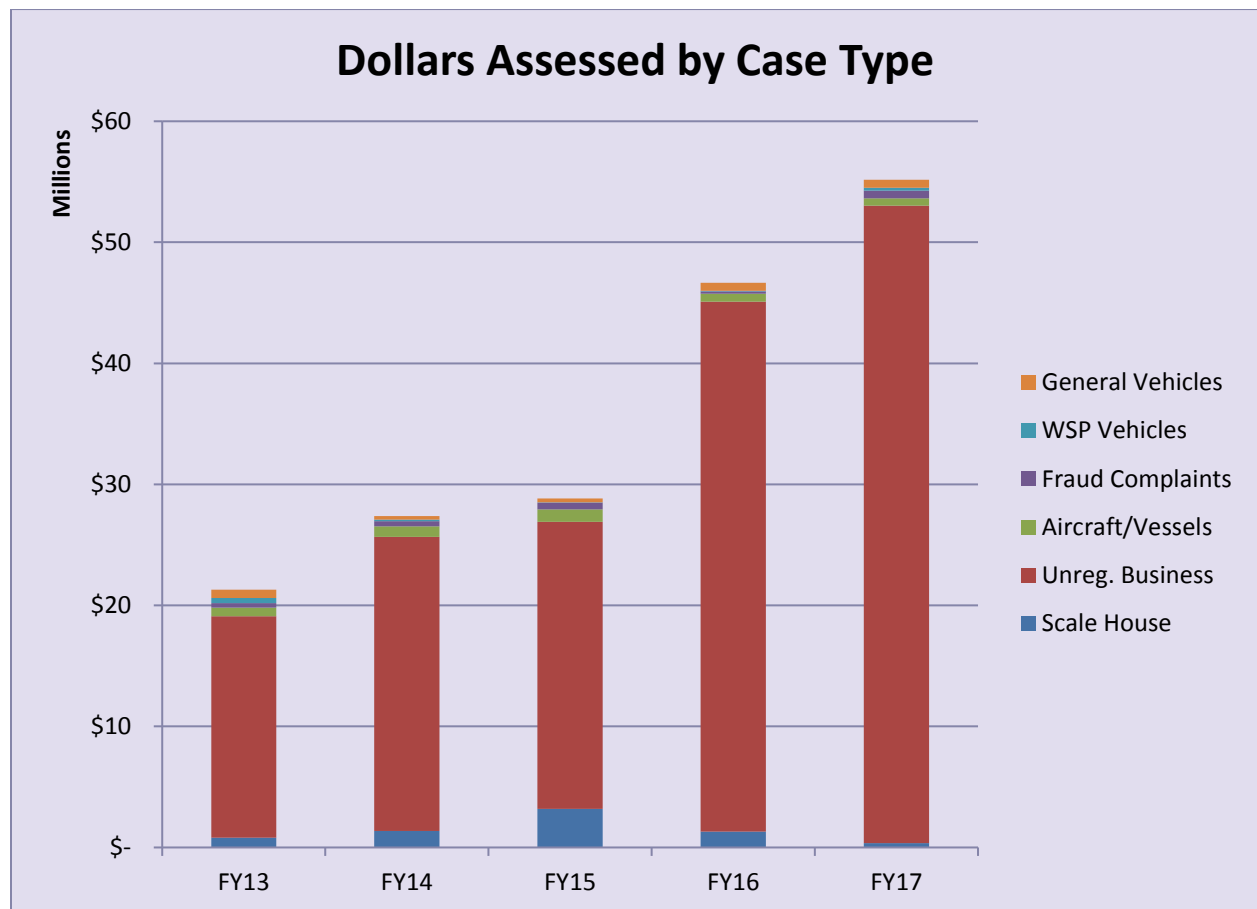
In addition to increasing DOR's audit presence in this area, Audit Division employees and the AGO's office assisted the IRS in the execution of a search warrant on a suspected distributor of sales suppression software at his residence. In December 2016, this investigation resulted in John Yin, 66 years old, pleading guilty in U.S. District Court to wire fraud and conspiracy to defraud the

government. Yin admitted that he promoted and sold a revenue suppression software program that allowed restaurants to underreport their sales and illegally lower their tax bills. This plea resulted in an 18-month prison sentence, three years of supervised release, and repayment of over \$3.4 million dollars in restitution.

On August 30, 2017, Yu-Ling Wong, owner of the Facing East restaurant, pleaded guilty to first-degree theft and unlawful use of sales suppression software. The court ordered Wong to pay \$300,000 in restitution to DOR, in addition to \$600 in penalties and fees. This case, investigated by DOR and the AGO’s office, was the first of its kind in the U.S.

Figure 9 shows the types and dollars assessed in tax discovery cases. Referrals for cases from the underground economy come from investigations, shared information with other agencies and fraud complaints. Unregistered businesses continue to be the largest portion of the tax discovery cases.

Figure 9: Tax discovery case type

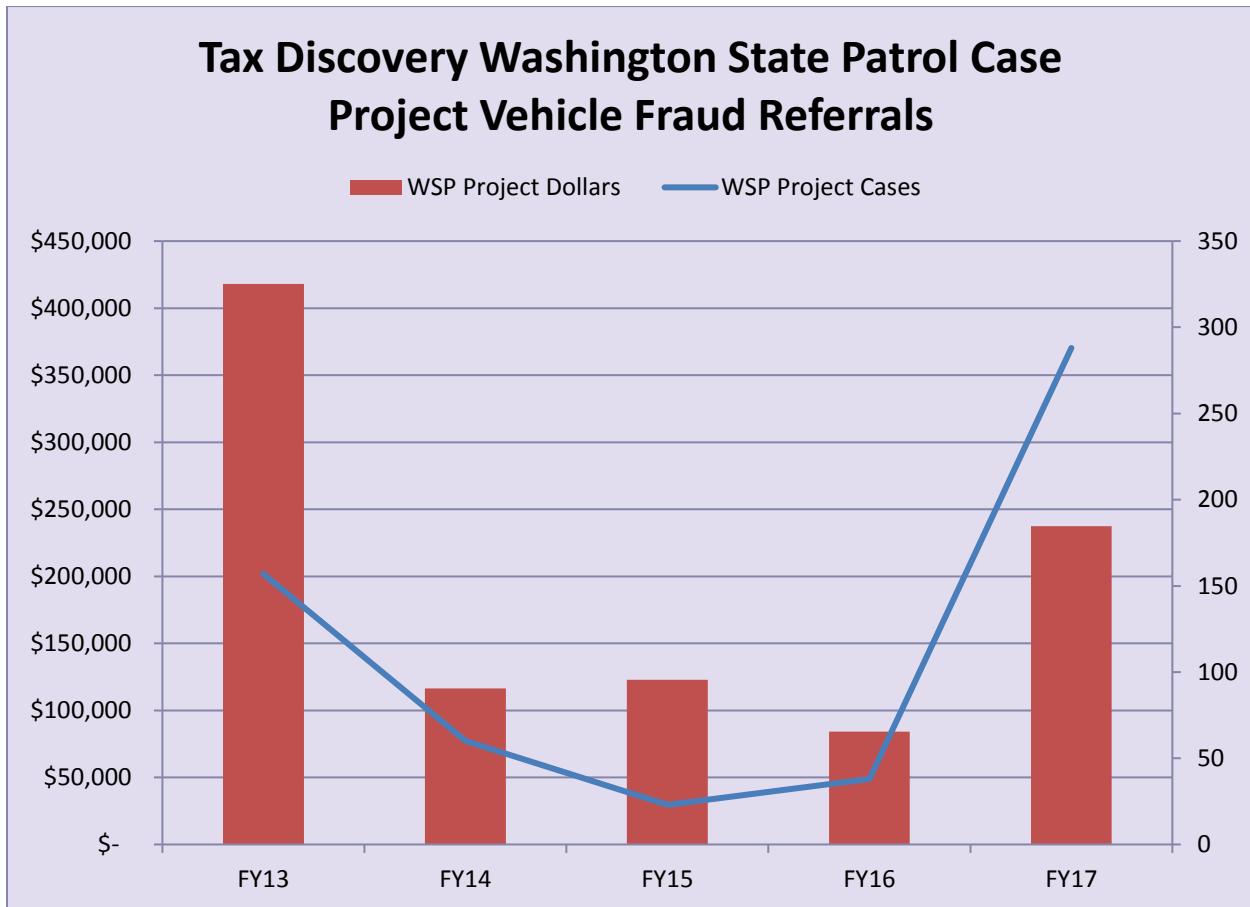


Source: Department of Revenue

As resources are dedicated to projects, the projects get more referrals and collect more dollars. In FY 2013, DOR dedicated an agent to working on referrals from the Washington State Patrol (WSP). This resulted in an increase in the cases and dollars collected by the project. In the past few years, this project has been affected by the retirement of the contact at WSP. While the number of cases has increased, the dollar collections have not risen as significantly. As in other cases, as staff becomes

more experienced, collections increase. Figure 10 shows the cases investigated and dollars recovered for the time period from FY 2013 to FY 2017.

Figure 10: Tax discovery Washington State Patrol case project vehicle fraud referrals



Source: Department of Revenue

EMPLOYMENT SECURITY DEPARTMENT HIGHLIGHTS

During the past year, the Employment Security Department (ESD) continued to identify employers who failed to report or underreported employees for unemployment insurance. In FY 2017, the department dedicated six full-time employees in six audit regions for this purpose.

ESD also received federal funding from the U.S. Department of Labor for two additional full-time project employees, which contributed to the department’s overall underground economy audit findings in the second quarter of 2016.

Underground economy compared to other audits with misclassified employees

From July 1, 2016 through June 30, 2017, underground economy audits were consistently more productive than all other ESD audits in locating misclassified employees. As shown in Figures 11 and 12, in FY 2017, an underground economy audit uncovered an average of 13.9 employees per

audit, compared to 3.8 employees per all other audits where previously unreported employees were found.

Figure 11: Underground economy audits

Quarter	Number of audits with employees found	Number of misclassified employees	Employees per audit
3/16	138	1,586	11.5
4/16	83	1,932	23.3
1/17	115	1,541	13.4
2/17	115	1,205	10.5
Total	451	6,264	13.9

Source: Employment Security Department

Figure 12: All other audits

Quarter	Number of audits with employees found	Number of misclassified employees	Employees per audit
3/16	272	1,300	4.8
4/16	228	863	3.8
1/17	278	893	3.2
2/17	317	1,088	3.4
Total	1,095	4,144	3.8

Source: Employment Security Department

Electronic reporting

ESD encourages employers to file their quarterly unemployment tax reports electronically. There are currently two options for employers to file quarterly reports electronically, with each option tailored to specific business needs. In FY 2017, 97.1 percent of employers filed their tax reports electronically.

Identifying unregistered employers

ESD's underground economy auditors identified more than 234 unregistered employers during FY 2017. In addition to receiving tips from other state agencies outlined in Figure 13, which helped identify unregistered employers, the auditors use a variety of tools, including:

- A toll-free fraud hotline
- An online fraud reporting tool
- In-house Special Investigations
- Blocked Benefit Claims units

Employer education

ESD is always looking for opportunities to educate employers on tax liability issues and tax reporting requirements. One of the educational tools the agency uses is the ESD voluntary audit program, which allows employers to request an audit from ESD to be educated on correct tax reporting procedures. If the audit results in any findings, ESD will waive any penalties associated with the audit.

Improved audit selection

ESD continued to review historical audit data to identify industries of interest for audits. Continuing to share audit information with DOR and L&I has also led to productive audits.

Figure 13 shows referrals between agencies made by auditors.

Figure 13: Audit leads from DOR and L&I

Department	Audit leads from auditors	Audit leads from file transfers
Labor & Industries	0	88
Department of Revenue	40	512

Source: Employment Security Department

Unemployment tax dollars assessed due to DOR and L&I leads in FY 2017 totaled \$89,480.

Unemployment tax dollars collected due to DOR and L&I leads in FY 2017 totaled \$74,711.

Note: The dollar amounts shown in this section are from audits other than underground economy that ESD considers L&I or DOR referral audits. The dollar amounts from ESD's underground economy audits are shown in Figure 16 on page 20.

COMBINED AGENCY HIGHLIGHTS

Results from auditing unregistered businesses

In FY 2017, DOR, ESD and L&I found and audited nearly 2,300 unregistered or previously registered³ businesses. In these cases, the agencies “involuntarily register” the businesses as part of the auditing process. The three agencies assessed over \$132.9 million in taxes, penalties and interest on the previously unregistered firms. Due to differences in the regulatory authority of the three agencies, they each tend to audit different types of businesses:

- DOR may audit all businesses in the state, regardless of whether they have workers. DOR also has a much stronger role in auditing out-of-state businesses that do business in Washington.
- Both L&I and ESD audit only employers with workers covered by workers’ compensation and unemployment insurance. L&I tends to focus on industries with a high injury rate and has specific additional regulatory authority over the construction industry. ESD tends to focus on industries with higher unemployment rates.

Figures 14, 15 and 16 show audit assessment results for all three agencies on unregistered businesses, and for L&I on previously registered businesses.

**Figure 14: Department of Labor & Industries
FY 2017 audit assessments on unregistered or previously registered accounts**

Industry sector description	Accounts assessed	Dollars assessed
Construction	703	\$6,639,091
Service	188	\$3,338,738
Other*	74	\$428,869
Retail	11	\$105,276
Manufacturing	7	\$43,799
Wholesale trade	10	\$68,714
Total	993	\$10,624,487

*“Other” category includes sectors such as agriculture and forest products.

Source: Department of Labor & Industries

³ Even if a business were previously registered under a different name, unless it is currently registered with up-to-date information, it is considered unregistered.

**Figure 15: Department of Revenue
FY 2017 assessments on unregistered accounts**

Industry sector description	Accounts assessed	Dollars assessed
Construction	7	\$262,759
Manufacturing	21	\$1,271,015
Other	4	\$21,789,831
Retail	19	\$831,768
Service	100	\$69,480,933
Wholesale	54	\$1,147,898
Total	205	\$94,784,204

*Assessments include tax, penalties and interest.

Source: Department of Revenue

**Figure 16: Employment Security Department
FY 2017 assessments on unregistered accounts**

Industry sector description	Accounts assessed	Dollars assessed
Construction	64	\$309,486
Manufacturing	8	\$15,739
Other	17	\$61,585
Retail	15	\$25,037
Service	125	\$313,873
Wholesale	6	\$40,226
Total	235	\$765,946

Source: Employment Security Department

Overall, the most productive audits during FY 2017 were for “service” industries. However, on average, the wholesale industry was the most productive in dollars assessed per audit, at over \$6,700.

Conclusion

CONTINUING THE PARTNERSHIP

The multi-agency effort to dismantle the underground economy will continue to be a critical mission for L&I, DOR and ESD. During FY 2017, the agencies shared their information on contractor registration, taxes and other electronic data to discover and hold accountable hundreds of players in the underground economy. At the same time, they assisted construction contractors and other business owners in meeting state requirements.

The agencies are strengthening their partnership by sharing information and meeting on a regular basis. They engage with stakeholders to identify problems and create new tools for achieving compliance. Enforcing state laws and providing education and assistance will help level the playing field for employers and workers who already do their best to follow the rules.