

“To the DC Area Construction Community,

Mallick Mechanical Contractors would like to regretfully inform you that we will be closing our doors in 2024.

Due to a large volume of extremely challenging events both personally and professionally that started in March of this year; the evaporation of the commercial office building market; the illegal 1099 employee payment practice being exploited across the DMV that has made competing legally in other markets virtually impossible, I have decided to cease operations of Mallick Mechanical Contractors going forward.

As one can imagine, this decision did not come easy.

Over the next 12 months and as we complete our contractual obligations, Mallick Mechanical Contractors will be permanently merging our labor forces between Shapiro & Duncan (Rockville, Md.) and R.W. Warner Mechanical (Frederick, Md.).”

These were the exact words delivered to the Washington D.C. construction industry on July 10, 2023, informing general contractors, subcontractors, developers, community members, decision makers and difference makers of the closure of Mallick Mechanical Contractors. After just over 30 years of service to the community – developing this area into a better place to work, live, raise a family and much more – one of the industry’s most trusted HVAC & Plumbing subcontractors was closing its doors and no longer making a difference.

Over the years, our resilient company has weathered recessions, a pandemic, and various external challenges. Nevertheless, in the last 18 months, the inevitability of Mallick Mechanical Contractors’ closure was heightened due to the popular usage of the 1099 illegal labor force within the industry.

The industry has adopted the usage of this black-market labor force, which misclassifies workers as independent contractors and grants companies the ability to restrict health insurance, workers compensation, unemployment insurance and other benefits from these individuals.

Historically, business owners have always agreed that exceptional employees are the cornerstone of successful enterprises. In the absence of the ability to hire the “workers” directly eliminates legally operating businesses from growing, training and ensuring that these people are functioning as society has expected in the past. Can businesses exploiting the 1099 illegal underground labor force make the same claim?

It is morally unacceptable for businesses and business owners, who are aware of this but don’t educate their staff, to take advantage of this workforce. Yet silence on this dilemma remains, demonstrated by businesses that were once the backbone of the community to surrendering their values and morals in pursuit of a greater financial gain.

Implementing this employment approach can save a business owner between 30-40% of labor cost compared to hiring a legal W2 Employee. Small businesses – in a game stacked against them by corporations that are unethically exploiting the system – are still expected to triumph.

For more than three decades, I operated this business as hard as I could and for as long as I could and did so profitability while sharing profits with my employees for 30 years. However, the day it would require me to devalue people was a line I would not cross – no matter the financial gain that awaited me on the other side.

No amount of money would cause me to sell my moral integrity nor break the law – it’s disheartening to see the industry I once held in high regard does not hold a similar commitment to these principles.

If HB465/SB436 was approved a few years prior I might not have had to shutter my business. This is why I am in support of HB465/SB436

Thank You,
Kenny Mallick, President
Mallick Mechanical Contractors