



PLUMBERS LOCAL UNION NO. 5

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO

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**Testimony of Terriea “T” Smalls, BM / F.S.T
United Association Plumbers & Gasfitters Local 5
Before The House Judiciary Committee
In Support of House Bill 773
February 28, 2023**

The Plumbers & Gasfitters Local 5 (Plumbers 5) appreciate the opportunity to submit testimony in support of House Bill 773.

The skilled members of Plumbers 5 have been committed to protecting the health of the Old Line State since 1890 through our work installing, maintaining and servicing waste, water & gas systems. Investment in family-sustaining wages & benefits, fidelity to end-users, and commitment to taxpayer return on investment for capital construction are core tenets. Our signatory employer partners of the Mechanical Contractors Association of Metro Washington (MCAMW) represent 200 contractors and 133 years of industry service. Together, the competitive value proposition we afford Maryland’s end users is second to none. In fact, a December 2022 study conducted by Independent Project Analysis titled [*Quantifying the Value of Union Labor in Construction Projects*](#), using data from 1550 capital construction projects in the United States ranging from infrastructure to office buildings and schools, both brownfield and greenfield, found that projects that use union labor enjoy 4 percent lower total costs than those that use open shop labor and are 10 percent more predictable. Due to entrenched, anti-competitive compliance market failures however, our MCAMW employer partners are often underbid by non-credible amounts, losing work to unscrupulous mechanical primes and specialty subs who further subcontract down-tier to entities who carry their water. The level playing field promise is a hollow shell; cheat to compete.

Tackling the compliance market failures of wage and hour abuses, minority business enterprise fraud, craft & business licensing misrepresentations, “ghost brokers” and labor trafficking, under-reporting to insurance companies for lower workers compensation premiums, manipulating incident reports, and use of improper materials not consistent with required specs on scopes such as electrical wiring and mechanical insulation on Maryland’s public school construction requires our contracting and enforcement functions to leverage the high-road industry, nonprofits, and the private bar through various shared compliance modalities. Maryland’s False Claims Act (FCA) is an arrow in our quiver, and the common-sense improvements HB773 afford are needed.

The valued False Claims Unit within Maryland’s Office of Attorney General (OAG) cannot and should not be solely relied upon for intervention on all meritorious qui tam actions. Bandwidth, for instance, will always be a limiting force. HB773 allows whistleblowers to proceed with

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claims where the OAG elects not to intervene. When the state does intervene, it ought to be authorized to serve certain subpoenas. Further, monetary penalties for each violation of the FCA ought to be sufficient for deterring financial crimes against our beloved state. HB773 addresses these impediments.

Thank you for your time and vote.

Sincerely,

Terriea "T" Smalls
Business Manager & Financial Secretary-Treasurer
United Association Plumbers & Gasfitters Local 5