

The Testimony of Natalia Luis, Co-Owner of M. Luis Construction and M. Luis Products
Field Hearing of the U.S. Senate Committee on
Small Business and Entrepreneurship
May 6, 2024

Introduction:

My name is Natalia Luis. Along with my sister who is here today, I own and operate M. Luis Construction and M. Luis Products, companies based in Maryland. Our companies specialize in asphalt manufacturing, asphalt paving, concrete construction, and general contracting. We have facilities in Silver Spring, Rockville, Glen Burnie, Baltimore, and Clinton.

Family Background:

My parents, Manuel and Albertina, are Portuguese. Dad was born in 1941 into poverty and hard work. As the eldest of five siblings, he was expected to help feed his family, and thus was indentured as a house servant at the age of seven. He was nine years old when he got his first pair of shoes second-hand, a prized possession despite being two sizes too large. Through the years and a lot of difficult work, he was able to elevate himself and went on to work in clay mines, collect resin, harvest olives, work in rice fields, shepherd sheep, and then move on to various construction apprenticeships, which led him to Lisbon at the age of sixteen.

In 1963, after completing 28 months of compulsory, unpaid, military service, my father left Portugal for France to escape political and economic oppression under the authoritarian dictator Antonio de Oliveira Salazar. He was only 22. During his first attempt to escape, he was captured, returned to Portugal, tortured, and imprisoned. Eventually, he made a successful escape to France, arriving on November 17, 1964. During his journey, he had to cross fascist Spain, which was embroiled in a civil war. In order to get to France, my father walked from Portugal and was harbored by various shepherds whilst climbing through the Pyrenes. At this time, France welcomed all refugees seeking asylum from dictatorships. If you could find your way into the country, you were given immediate legal status and welcomed to work legally in France. He began working on December 3, 1964.

Even though people from Portugal were considered second-class citizens in France and were relegated to jobs as laborers and farmworkers, it was much better than watching his brothers and sisters starve in Portugal. Moreover, his sacrifice helped to feed his family back home which was the only reason he left Portugal in the first place. A few years later, my father returned to Portugal, married my mother, and brought her back to France with him, where my sister and I were both born.

Both of my parents were amazing entrepreneurs and hard workers. My father was an excellent craftsman. His supervisors soon realized that he had extraordinary math skills and could make complex construction calculations despite never having set foot in a classroom. My father was never afforded the basic human right of education. However, his math and construction skills were so extraordinary that his bosses sent him to school to learn elementary reading and writing and how to read blueprints. To this day, my father's handwriting is rudimentary at best.

My parents moved back to Portugal in 1974, after the April 25th military coup d'etat in hopes of making a life for themselves in their birth country. They were immediately disheartened to find that, instead of freedom and opportunity, Portugal had been engulfed by anarchy and was led by a government that embraced communism. It was no place to pursue their long-held dream of seeing their two little girls have a real chance at a good education. They applied for green cards from several countries, and, to their

relief, the United States came through first. On March 17, 1979, five years after their initial application, they were granted permission and our family moved to Kensington, Maryland.

It is important to know that in the five years my parents waited for permission to live legally in the United States, they had built out multiple successful businesses in Portugal. My mother was a natural businesswoman, starting an aviary of 3000 chickens that provided all the eggs for the surrounding villages. She also had a dairy business that provided milk for our village. She developed many businesses in agriculture, including animal husbandry, and the introduction of soybean production in the region. She eventually also established a successful ceramics business. The only reason they wanted to immigrate to the United States was to ensure that my sister and I would get a college education and help to fulfill their dream of leaving the world better than they found it. They left everything they had built behind to ensure our future. They did not speak English, nor did they understand the measuring system of their new country, as they used the metric system. For my father, whose career was built on math, this was yet another huge impediment to a smooth and successful transition. But he overcame it.

Imagine the courage required to move to a country with two young children and a wife, not understanding its language, its customs, and traditions. Leaving everything you know and have built behind – all to ensure that your daughters could get the education that you were denied. My parents came to the United States with two suitcases, a few hundred dollars in their pockets, and roundtrip tickets back home in the event it did not work out. I remember one time, when I was 8 or 9, in the dead of winter, when my mother came home, carrying groceries. She had cleaned two houses that day and taken several buses and still stopped to buy groceries and lug them home. I was so happy to see her that I ran to hug her. When I did, I could feel her exhaustion and heard the ice crackling in her hair as I held her tight. I will never forget that moment because I promised myself then and there that I would do everything I could to help my family succeed.

Before I say anything else, let's get one thing out of the way: Yes. I am Hispanic, from Hispania on the Iberian Peninsula of Europe, known today as Portugal and Spain. To be clear, when your name is Natalia Maria Domingues Luis, no one stops to ask if you where you are from before they start to discriminate. I realize that some think that Portuguese and Spanish people should not be considered minorities, but the fact is that we experience the exact same types of discrimination that any Portuguese- or Spanish-speaking country does. It is ever-present in our daily lives. I am here to testify today because programs that seek to correct an even a small amount of the discrimination that women and minorities face in business are essential to our survival and success.

History of Company:

After moving to the United States, my parents earned money to support our family however they could. Because of his construction skills, Dad worked in street repair construction and my mother did the back breaking work of cleaning other peoples' homes. The yearning to start a company came as a direct result of how unfairly my father was treated by his employers. From not receiving paid overtime for the 70 to 80 hours a week that he worked, to his employers not paying into the unemployment fund but deducting it from his paychecks – leaving him unable to collect unemployment during the harsh winter months when construction workers were unable to work due to weather.

For approximately five years, my mom and dad worked to start their own company, and in 1985, M. Luis Construction was born. My mom went to school to learn English and accounting at night and became the chief executive on the business side, while my dad was responsible for the artisanal work and outside operations. Even though my dad did not read or write in English, his extraordinary skills in math and my mom's business skills made it possible for them to develop a street repair business here. Our company was first certified as a disadvantaged minority business enterprise by the Maryland Department

of Transportation in 1992. Yes, it took my parents seven years to even realize that these essential protections existed for minority- and woman-owned businesses.

My sister, Cidalia, and I were involved in the business as soon as we turned 14 years of age. We would work in the summers, before and after school, and on weekends. Obviously that schedule prevented us from being able to participate in any academic or extracurricular activities, including joining any sports teams or watching the games, for that matter. It is something we still think about to this day as we raise our own children. We had to become responsible adults all too early. We helped prepare quotes and worked at project sites performing tasks such as seeding and mulching, and cleaning construction tools. We translated for our parents and were the chief sales force for the company. At fourteen.

We were both raised with a commitment to hard work, excellence, and high ethical and moral values. Frankly, we never needed a contract because our word was our contract. We also were raised to honor our culture, improve, and stand up for our community, and to not be a statistic or a burden on our society. In 2008, Cidalia and I bought the company from my parents, having long since completed college and, in Cidalia's case, graduate school. We are proud alumni of the University of Maryland College Park where we both received an extraordinary education. We were the first and second people from our village in Portugal to go to college. Those two graduations fulfilled my parents' dreams and justified their sacrifices all those years ago.

In 2010, my sister and I purchased an asphalt plant in Rockville, Maryland. We began the process of making M. Luis Construction a multi-divisional enterprise. It took us six years to negotiate the purchase. We did it in complete secrecy, knowing that our large multigenerational or multinational competitors, led mostly or completely by white males, would not tolerate an immigrant, Hispanic, woman-owned company rising to the status of a manufacturer. And they did not take it well. In fact, they, as a group, tried to crush our growth by denying us access to asphalt. Five years later, we leased another asphalt plant in Glen Burnie to support our expansion in Baltimore.

History of Discrimination:

My family has faced devastating discrimination from the beginning. There have been too many instances to recount them all but let me give a few examples and this is in no way an exhaustive list. It is important to understand that, historically, Portuguese people have faced devastating discrimination in this country. We have consistently been relegated to low wage jobs as laborers and have contended with all the stereotypes that go with this sort of second-class status. There are even ugly slurs specifically for Portuguese people. I will not repeat them here, but believe me, I have heard them a lot – and my parents heard them even more.

I want to be clear that I have dealt with pervasive discrimination. I hate to admit this, but some of it I have just learned to ignore and forget – no matter how hurtful it is. We could not run and grow our company if we spent our time focusing on every instance of bigoted behavior – it has become an expected, albeit always challenging, part of our daily lives. Do not get me wrong – not all white males are racist, sexist, or predatory. My sister and I have been the recipients of much kindness, mentorship, and respect by some of the industry's most influential and reputed white men. The problem is that too many white, male business owners still harbor bias and prejudice.

We have hired many amazing, top professionals that happen to be white and male. After working with us for about 18 months, one of them lamented to Cidalia and me that when he first came to work at M. Luis, he had initially doubted our assertions of the types of discrimination we face daily in our industry. He told us he was shocked by the artificial barriers that were placed in front of us solely based on gender bias and racial prejudice. He himself encountered additional challenges just by working with

us, something he had never experienced in his long, professional career. Honestly, it took a lot of courage for him to accept our job offer because in doing so, he knew he would face backlash and some ridicule for working in an immigrant company led by women. Actually, all of the white men in our company have experienced that same reputational risk.

Usually, discrimination is the worst as we are expanding the business or moving into new areas. Every time we start to challenge the status quo – that is the status quo of white, male dominance – we get hit with a new round of outrageous behavior. For instance, in the early 2000s when we began to bid as a general contractor, a prime in Baltimore City, several large white, male-owned companies came after us with everything they had. They tapped our phones. They went through our trash so frequently that we had to shred every document that left our office. They posted big, tough guys outside of our business and our temporary construction yards in an effort to intimidate us and our employees. We are immensely proud of the fact that we have a workforce that looks like our community, but these bullies filmed our employees on our job sites and then posted the video on social media with the question, “Are these the types of people we want working in America?”

Once we started to really compete, these big companies did even more to try to crush us. In the press, they would accuse of us “taking advantage of illegal workers.” They even tried to harness the power of the federal government to put us out of business. Normally, a business like ours will get one or two federal labor audits every few years. As we proved ourselves to be both responsive and responsible contractors and began to consistently win and execute contracts, we were hit with over half a dozen federal labor audits *in one year* all as a result of our competitors making false claims against us. These audits are no joke – the average penalty from such an audit is \$100,000. Fortunately, we are fair and compliant employers, and we were never fined, not a cent. All the audits showed was that, on average, we were not only paying contractually required wages, but we were providing higher wages and better benefits to our multi-racial, multi-ethnic *e-verified* workforce.

Still, the attacks were vicious and explicitly racial: their message was that as Hispanic people, we were hiring illegals and therefore deserved to be run out of business. To repeat: all our employees were and continue to be e-verified, even when it was not obligatory. They were trying to bully and intimidate our workers. It did not matter that they were working legally, they were threatened, and, in some cases, they were rightfully afraid. These are not the sort of attacks that white male-owned companies have to contend with.

After we bought the asphalt plant in 2010, things got even worse. They continued with all the other harassment they had been doing, and then did more. For a period of years, they put out the word in the construction community that they would put us out of business. One of their methods was to consistently and pervasively state that M. Luis was up for a liquidation sale. This led to destabilizing our labor force and some employees even quit because they had been fooled into thinking that we were not an economically viable company. They posted fake “for sale” signs on our new equipment at our job sites saying things like, “For Sale, No Offer Refused.” This was brand new equipment.

During this period, all asphalt producers in Maryland refused to sell M. Luis any asphalt products from their plants, knowing that this would drive up our costs and make it harder for us to compete for jobs in geographical zones further away from our Rockville plant. They did this even though we had established excellent credit in previous work with their firms. An example of the hardship that this created was that we had to haul asphalt from Rockville to Baltimore City, tripling the hauling costs and severely reducing productivity rates, preventing our company from having a profitable outcome. Despite this artificially created difficulty, M. Luis won an urban asphalt paving award for Falls Road with asphalt that came from our Rockville plant.

Unfortunately, the theme of physical intimidation has not been restricted solely to our employees. I myself have been the victim of physical attacks. A few years ago, I was in a meeting in Baltimore City at the Department of Transportation to resolve systemic misogyny and harassment. As way of background, M. Luis is both a prime and subcontractor on various jobs in Baltimore City. On this occasion, M. Luis was made to endure the wrath of a city inspector who had worked tirelessly to make our lives miserable. In this case, the animosity may have been based more on the fact that I am a woman, rather than the fact that I am Hispanic. This inspector was making life so difficult for us and had prevented us from being paid for so long on one project that we began to document all our interactions with him so that we could bring the problem to the attention of his superiors. Finally, we asked for a meeting with the inspector and his bosses. We calmly detailed the problems we had been facing and he became enraged. At one point he lunged across the table to grab me. After witnessing this, the Director had that inspector restrained and removed from the room by his colleagues. Thankfully, the incident was enough evidence to keep him off our job sites for a period of two years. Since then, he has returned to our job sites where he continues to actively prevent us from working without hinderance and intimidation.

Discrimination is not always physical intimidation, sometimes it is an effort to belittle and to degrade. In this instance we were seeking to work in Prince George's County. There was a Director of Public Works and his deputy there who discriminated against us based on both race and gender. I remember one meeting in which it became clear that he and his team were going to make our lives as difficult as possible. We were in a large meeting, with 15-20 high-ranking county officials in the room (when we had initially asked about the nature of the meeting, we were told it was without consequence and only a few people from our company should attend). At about the midpoint of this meeting, the director looked at us and said (referring to the other Portuguese-owned companies working in the county), "Why don't you and your cousins get together and figure out your bid because it seems like you don't know how to do math." These words came from the leader of the transportation department.

Discrimination results in real loss of work and livelihood. It is not just emotionally harmful; it takes jobs away from us and money out of our pockets. And that means it also takes money away from our extraordinarily hardworking employees – a workforce that reflects our community in its diversity. I remember one period in which we lost four bids in one year in the City of Baltimore. Please understand, I am not saying we were outbid, I am saying that we lost four bids on which *we were the lowest, responsive, responsible bidder!* In this case, even though we were the lowest, responsive, responsible bidder, the contracts were given to a large, multigenerational, white, male-owned company. At this stage in our careers, Cidalia and I were still shockable. Whilst still at City Hall, and immediately after that boards and commissions meeting, we ran after the Director of the Department of Transportation and asked how this could possibly have happened. He turned to Cidalia and I and said: "You'll be fine girls. It astonishes me that no matter how many times you get knocked to your knees, you still keep getting back up." His sexual connotation was not only disgusting, but he uttered those words directly under the City Hall's dome. If a woman is not safe there, where can she be safe at all?

In another case at Boards and Commissions in Baltimore City, a white male-owned, multigenerational company – the same one that vigorously protested most bids being considered for award to M. Luis – was protesting a project awarded to M. Luis. They contended that M. Luis was not a woman-owned business. Their accusation was that my father solely ran the business and that my mom was a front. The mayor at the time was so fed up with the discussion that she asked if the owner of M. Luis Construction was present and could please stand up. When my mom, Albertina, stood up, the mayor stated, "well, that looks like a woman to me."

In yet another case, we were targeted by an Associate Director of Public Works and Transit in Prince George's County who did everything he could to keep us from working in the county. In fact, he was responsible for the fact that it took six years for us to become prequalified. When a local manufacturer

provided us with asphalt that did not meet county specifications, despite the fact that we rectified the paving at our own full cost, he disqualified us from paving and prevented us from winning contracts based on a single mistake made by a manufacturer outside of our company and despite the immediate correction made by our company at our own expense. Unfortunately for us, he preferred to work with the other two asphalt manufacturing/large paving contractors in the county, one of which was a white, male-owned, multigenerational company, and the other was a multinational company. He was white as well.

We have also been the victims of discrimination when larger companies, who feared that we would grow and compete against them, would go to other small MBE/WBE subcontracting companies and pressure them not to work with us. As an example, prior to purchasing our own milling machinery, we experienced an especially damaging type of forced collusion. Larger white, male-owned companies went to our milling subcontractors and told them that, if they worked as subcontractors for M. Luis, they in turn would refuse to subcontract with them – this forced our subcontractors to refuse to bid and work for us because they could not risk losing all their other contract work with these large, non-minority firms. This type of discrimination is especially egregious. It hurt us, it hurt the smaller milling companies, and it put the larger companies in a position where they could reduce competition, charge the government more, and drive-up prices, which all of us end up paying for with our taxes.

My parents worked so hard and sacrificed so much so that my sister and I would have a chance to succeed and an opportunity for a better life. We are the embodiment of the American dream. We make a positive difference in our community every day. But do not just take it from us. Ten years ago, President Obama came to our Rockville asphalt plant where he held an international press conference. In his words, when speaking about M. Luis Construction, he said, “so this company right here is full of folks who do right by each other. They don't try to see if they can work every angle. They don't lie about each other. They don't try to undermine each other. They understand they're supposed to be on the same team. You pitch in, you look out for one another. When somebody gets knocked down, you help them back up. You don't ask what can you get out of this, because you know that success doesn't depend on one of you, it depends on all of you working together.”

Senator Cardin, the bottom line is this: discrimination against minority and women business owners is as pervasive as it is despicable. We will continue to work tirelessly to succeed despite it. But we need you to protect programs that help people who face systemic discrimination and institutional racism – minorities, women, veterans, people with disabilities. We can and will continue to do our part to create a prosperous economy for ALL of us, but we need you to protect MBE, WBE, and DBE programs and other programs that are intended to address discrimination.