

## MARYLAND

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Less than seven months ago Maryland Attorney General Thomas B. Finan ordered an examination and study of the laws of our State, to determine if we were providing the maximum protection for the citizens of our State against the various types of frauds and swindles which might be perpetrated against them.

In the short time since we began our investigation, we have achieved what I believe must be described as great progress.

Personal contact was made with all prosecuting attorneys, police chiefs, and better business agencies in the State to ascertain what they believed to be the most prevalent types of fraudulent activity in their areas. That survey revealed that approximately seventy-five per cent of the complaints received from the public concerned home improvement and repair frauds. The majority of those complaints involved swindles in the selling of storm windows, aluminum siding, and shoddy re-roofing. The home improvement and construction industry had never been regulated by law in Maryland, nor had any serious attempt ever been made before to enact legislation regulating those industries.

As a result of the complaints we received, and also as a result of convictions for fraud against several owners of home improvement businesses whose operations had been scandalous, the Honorable J. Millard Tawes, Governor of Maryland, appointed a Commission, headed by an extremely able young member of the Legislature, to investigate the home improvement industry in Maryland. This Commission, after holding public hearings and consultations with interested parties, on every level of the community, recommended legislation regulating the home improvement and construction industries in Maryland. This measure provided for licensing for all companies in this field, and for all persons engaged in selling home improvement services; it set up a code of ethics for those industries and provided criminal sentences for violators of this law. At the session of the Legislature just concluded in March, Governor Tawes made this Bill one of his administration measures, and it was passed by both Houses of our General Assembly. It is now being examined by the office of the Attorney General for its legal sufficiency, and I anticipate that it will be signed by the Governor within a matter of days.

Our examination of Maryland's laws also revealed that our food and drug laws had not been rewritten since they were first enacted in 1910. The Attorney General, with the cooperation of our State Health and Agricultural agencies caused a joint resolution to be introduced in the Legislature calling on the Governor to appoint a Commission consisting of the heads of all agencies involved and representatives of the pharmaceutical industry and the medical profession, for the purpose of studying our law, and undertaking a major revision of its provisions. This resolution specifically directed this Commission to determine whether or not uniform food and drug laws should be enacted in our State. It was passed unanimously by both Houses and has been signed by the Governor. It is my expectation that the Governor will appoint the members of this Commission immediately, so that it can present its recommendations to the next session of the Legislature in January. It must be noted that Federal food and drug officials, particularly Mr. Richard Williams of the Baltimore District of that department and Mrs. Carla Williams have been of great assistance to us in this area.

Another Governor's Commission is currently studying the problem of interest rates on loans and purchases in Maryland, and that Commission is also due to report to the Legislature next January. I anticipate that this Commission will recommend sweeping changes in our present laws in order to protect the consumer from exorbitant and usurious interest rates.

The Attorney General's office, is moving fast to enforce a recent law regulating our savings and loan industry. Prior to 1961, that industry was completely unregulated in Maryland, and our State unwittingly became a haven for scores of thieves and sharpshooters, who have defrauded our citizens of millions of dollars, and blackened the name of an otherwise legitimate and respected industry. In the past year the Attorney General has succeeded in having some fifteen of

these fraudulently operated associations placed in receivership or conservatorship by the courts of our State, and the many more such actions are expected to follow. Attorney General Finan has also recently appointed a special assistant to aid the county prosecutors in criminal prosecutions against the persons responsible for these frauds. In addition the session of the Legislature just concluded also established a state-sponsored insurance fund for savings and loan associations, which will enable those legitimate associations which are too small to qualify for Federal insurance, to supply this protection for their depositors.

On the debit side, it must be noted that the State Legislature failed to enact a bill which would regulate charitable solicitations in Maryland. Such solicitations are now completely without supervision of any kind. It is the intention of our office, however, to rewrite this bill, and eliminate portions found objectionable by the Legislature, and cause it to be reintroduced to the Legislature next January.

We believe that the steps above outlined will do a great deal to eliminate frauds on consumers in the Free State. We realize, however, that a great deal remains to be done in the field of consumer protection. We are continuing, as time and our limited staff permit, our review of Maryland's existing laws, and our comparison of those laws with those of our sister states. We are proud of a good beginning in this field, but we do not intend to terminate our activities until we are sure that the citizens of Maryland have every safeguard that the law can supply.