



215 Pennsylvania Avenue, SE • Washington, D.C. 20003 • 202/546-4996 • www.citizen.org

March 20, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

On behalf of more than 500,000 members and supporters of Public Citizen, we urge you to put workers' and taxpayers' needs ahead of those of corporations in both the third COVID-19 stimulus package, and any further emergency funding proposals that may be passed in the future. As our nation responds to the unprecedented public health and burgeoning economic crises facing America, understanding and learning from our mistakes in the last economic meltdown will be key to weathering the storm in which our country presently finds ourselves.

Governmental bailouts of firms – whether grants, loans or other supports – in financial distress due to coronavirus-related conditions must prioritize protecting the interests of employees at those firms over executives or shareholders. Above all, that means that bailed out firms must be required to keep employees on the payroll with the same hours they had before the crisis began.

This extraordinary social and financial disruption caused by the coronavirus plainly necessitates extraordinary action by the government. Firms benefiting from coronavirus bailouts should be expected to behave responsibly going forward. We provide a partial list of appropriate conditions that should be attached to bailout funds.

Finally, it is essential that we ensure proper oversight and enforcement of real guardrails for any aid provided to companies in order to prevent misuse of those funds and profiteering off this calamity.

Protecting Workers at Firms Receiving Aid

1. All workers from aided firms must be kept on payroll with full pay and benefits for at least six months after the Congress declares an end to the current health crisis. (Dismissal can only be for cause.) This helps direct the bulk of aid to workers. The six-month extension will also help given that those aided firms may not recover immediately. (And those that do recover will need a full staff.)
2. Require firms receiving aid pay \$15 minimum wage.
3. Provide for worker representation on boards of companies receiving aid.
4. Firms must agree to maintain neutrality in any union organizing campaigns.
5. Firms must provide two weeks annual paid sick leave for all employees and agree to maintain the policy for at least 10 years.
6. Put protections in place for workers in case of company bankruptcy.

Corporate Responsibility Conditions for Companies Receiving Stimulus Funds

1. Ban forced arbitration agreements between companies and their customers and workers so that disputes with the companies are tried in open court.
2. Consideration should be given to requiring aided firms to issue equity interest to government, based on stock price and amount of aid.
3. Aided firms must establish tripartite board—made up of worker, government, and firm representatives—to monitor how the firm is using the aid and to report to the public on the way the firm honors the conditions under which the aid is given.
4. Limit CEO pay of aided firms to \$400,000, or at most, 50x median worker pay.
5. Ban golden parachutes payments for leaving a firm and entering government service.
6. Disallow corporate tax deductions for any employee paid more than \$1 million, even if based on performance.
7. Ban stock buybacks at these firms for 5 years. This should include abolishing the 13(b) safe harbor for executive transactions.
8. Suspend bonuses and dividends at aided firms.

Congressional Oversight

1. Create a Congressional Oversight/ Assistance Integrity Monitor (AIM).

a. Composed of 12 individuals, expert in, or with backgrounds in:

1. Business management
2. Labor rights
3. Health care
4. Accounting
5. Small business lending
6. Consumer protection
7. Economics
8. Law, including bankruptcy, contracts

- 9. Government federal
- 10. Government state and local
- b. Individuals at AIM would be chosen equally by Speaker and Majority Leader
- b. Powers
 - a. Authority to approve all investments
 - b. Appoint administrators
 - c. Subpoena
- c. Duties: issue monthly reports
 - a. Which must itemize how efforts impact workers
 - b. Identify profiteering
- d. Powers
 - a. Subpoena
 - b. Prosecution
 - 1. Prosecutors named by Congressional Oversight/AIM
 - 2. Cannot be removed except for neglect of duty, malfeasance, etc.
- 2. Ensure strong whistleblower protections.
 - a. Whistleblowers must be protected whether they report to government, a company, Congress, or the public—including the media.
 - b. Whistleblower must be allowed to report orally or in writing.
 - c. Whistleblowers should be rewarded with at least 10% percent of recovered funds.
 - d. Retaliators must be punished both with fines and prison.
- 3. Give workers and other specific beneficiaries (including, as appropriate, the public) the power to sue to enforce compliance with aid package conditions.¹

With trillions in assistance likely needed to tackle the terrible devastation and disruption caused by the novel coronavirus outbreak, the opportunity for scammers and other profiteers will be enormous. Public Citizen urges you to ensure an accountable bailout by putting in place the above conditions on the COVID-19 stimulus funds that prioritize the needs of our nation's workers and create an extensive accountability regime for companies receiving funds.

Thank you very much for considering our views on this extremely vital topic.

Sincerely,

Robert Weissman
 President
 Public Citizen

Lisa Gilbert
 Vice President of Legislative Affairs
 Public Citizen

¹ This could be done using the private attorney general model of California or Clean Air Act enforcement. So, if a bailout beneficiary fails to provide sick leave or pays the executive an excessive ratio – assuming these conditions are included in the bailout – then workers can sue to fix.

Bart Naylor
Financial Policy Advocate
Public Citizen's Congress Watch