Public Citizen President Robert Weissman enlivens the crowd at a rally held in November 2009 in front of the Capitol Hill headquarters of Goldman Sachs. Weissman delivered the message that big banks need to be broken up.

We stand for you — not for corporations.

Public Citizen has advocated on behalf of the American public for four decades. We counter corporate power and champion the public’s interest in Washington, D.C.

Our power comes from people; our members drive our activism. We accept no funding from corporations, professional associations or government agencies.

The support of our members is at the core of our success.

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“Public Citizen is one of the only institutions in our country that is primarily concerned with the welfare of our citizens.”

— Joanne Lyman, New York, N.Y., member since 1990

From Our President

Advocating for the people. The phrase captures the essence of Public Citizen’s mission. Our staff advocate with peerless skill, whether testifying at a congressional hearing or employing fiery rhetoric in the streets, whether arguing before the U.S. Supreme Court or speaking with a compelling combination of passion, commitment and reason in the media, whether making technical points to an administrative agency or arguing the finer points of international trade law in Geneva.

In a political process that is all too frequently overwhelmed by corporate lobbies, we make the case for the public interest, with extraordinary results. Consider the breadth and import of a sampling of our accomplishments in 2009. We helped win passage in the U.S. House of Representatives of a Consumer Financial Protection Agency. The Food and Drug Administration agreed to place a special “black box” warning on botulinum toxin (Botox and other brands). Drawing on our recommendations, the Obama administration adopted stronger ethics rules than any previous administration. In response to our litigation, GM and Chrysler agreed to in-jure a contentious point is establishing the terms of debate. Similarly, we reject the position that one is either for corporate trade agreements or against trade altogether. With allies, we’ve fashioned a bipartisan alternative framework for trade agreements that now has the support of a majority of the House Democratic caucus.

In reshaping debates, we affect outcomes in ways that might not appear in a win-loss scorecard, but have profound effects on people’s quality of life and the quality of our democracy.

For Public Citizen, 2009 marked a major transition after more than a quarter-century of unparalleled leadership by Joan Claybrook. Joan, who continues to serve on Public Citizen’s board, bequeathed to us a legacy of forcible advocacy for victims of corporate wrongdoing and a deep commitment to advancing the cause of justice. We honor Joan by continuing her everyday practice of advocating for the people.
Financial Reform

Wall Street’s predatory practices and dangerous speculation contributed to the economic crash. Public Citizen is fighting for reform of the financial industry and an end to Wall Street’s deceptive ways.

The financial crisis was a direct outgrowth of 25 years of deregulation. Public Citizen is working to rein in Wall Street with fundamental reforms. We are calling for breaking up the “too big to fail” banks, restricting dangerous speculation, controlling executive and top trader pay, and protecting consumers from the predatory practices that contributed to the biggest economic disaster since the Great Depression.

When Congress addressed Wall Street reforms in 2009, Public Citizen and many other groups organized protests, lobbied and engaged in grassroots organizing. These efforts demonstrated the public’s demand for far-reaching changes to the financial industry. We have won some initial victories. In December, the U.S. House of Representatives passed the Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173). The bill would create the Consumer Financial Protection Agency, designed to protect consumers against abusive practices in the financial industry and ensure that consumers have the information they need to make good financial decisions. The bill includes new protections for investors, establishes liability for credit ratings firms, regulates some derivatives, limits the amount of debt that financial firms can carry and requires a public auditing of the Federal Reserve.

But the bill falls far short of what is needed to rein in Wall Street, and Public Citizen is lobbying the Senate to strengthen it in 2010.

So it’s good that lawmakers have sought Public Citizen’s advice.

The organization’s president, Robert Weissman, testified before a congressional panel in October 2009, noting that since the 2008 financial crisis, big banks have increased in size by swallowing up failing banks. Among other things, he recommended that the government split up these banks and reinstate the Glass-Steagall Act, which kept commercial banks separate from investment banks and other enterprises that undertake risky investments.

In addition, Public Citizen issued reports during 2009 about how the financial industry wields excessive influence over members of Congress. We’re working on the international aspects of financial regulation, as well. We are emphasizing the importance of changing international trade rules to make sure they do not undermine governments’ ability to make and enforce strong financial regulations.

“Despite having destroyed its own industry and crashing the national and global economy, Wall Street continues to dominate the policymaking process in Washington,” Weissman said. “But if the public’s fury about the financial meltdown and Wall Street bailout can be harnessed, we can defeat the banksters and win the far-reaching reforms we need. That’s Public Citizen’s mission for 2010.”

“With the government abrogating more and more of its responsibility to protect the common good, Public Citizen has taken on an increasingly vital role as an advocate for what’s right. Like a kind of national conscience, it provides a uniquely honest, consistent and reliable voice in promoting consumer protections, civil liberties, honest government and safety in the workplace — and that’s just some of the reasons I’ve been supporting them for the past 20 years.”

— W. Tierney, McGrath, Alaska, member since 1990

Also in 2009, we:

• Managed the creation of a unified policy agenda for Americans for Financial Reform, an unprecedented coalition of more than 200 organizations, laying the groundwork for a strong campaign for financial reform.

• Issued the report, “Bank-Rolling Congress,” which revealed that lobbyists, political action committees and trade associations of major bailout recipients contributed $6 million to federal candidates between Election Day 2008 and June 2009.

• Issued the report, “Rewarding Failure,” which showed that CEOs at the 10 Wall Street firms that failed or took bailout money earned an average of $18.9 million a year between 2000 and 2007.

• Issued the report, “Ca$hing In,” which found that many former federal employees, including 70 former members of Congress, went to work for the financial services sector in 2009.

• Issued the report, “No Meaningful Safeguards for Prudential Measures in World Trade Organization’s Financial Service Deregulation Agreements,” which examined the World Trade Organization’s (WTO) existing financial services deregulation requirements and their proposed expansion, and concluded with suggested changes to WTO provisions.
Money in Politics

Public Citizen believes that corporations should not have the right to spend unlimited amounts of money to influence election outcomes. We are fighting hard against this threat to democratic elections.

Corporations should not have the same rights as people. They do not think. They do not walk or talk. But in 2009, the U.S. Supreme Court decided to use Citizens United v. Federal Election Commission to consider whether corporations have a First Amendment right to spend unlimited amounts of money to influence elections.

Public Citizen fought hard against this threat to democracy, rallying the public at the grassroots level and taking part in the court battle. In July 2009, key congressional sponsors of the McCain-Feingold campaign finance law — represented by a legal team that included Public Citizen — filed a brief with the Supreme Court, calling on the justices to uphold existing campaign finance restrictions.

However, in a stunning move that shook the legal landscape, the court ruled in January 2010 that corporations have a constitutional right to spend unlimited amounts of money to promote or defeat candidates. In doing so, it overturned decades’ worth of campaign finance law.

Building on its 2009 work, Public Citizen is mobilizing our policy experts and citizen activists to mitigate the damage from this decision and counter — and eventually overturn — the ruling.

First, we are championing public financing of congressional elections. A key public financing bill, the Fair Elections Now Act, was introduced in March 2009. The bill would create incentives for small-dollar donations, matching them with federal funds, and would help free lawmakers from dependence on, or intimidation by, corporate campaign spending. We are working with a coalition of groups to advance the bills in both the U.S. House of Representatives and Senate.

Second, Public Citizen is lobbying Congress to adopt a proposal that would ensure that corporate funds are not used for electioneering against the wishes of shareholders. We are supporting legislation requiring an absolute majority of shares to be voted in favor before any corporate political expenditure is permitted.

Third, Public Citizen is pushing aggressively for a constitutional amendment specifying that for-profit corporations are not entitled to First Amendment protections, except for freedom of the press. We are building momentum among activists and supporters throughout the country who are appalled at the Supreme Court’s actions — our petition for a constitutional amendment received 30,000 signatures in the two weeks following the decision.

“This Supreme Court decision so imperils our democratic well-being, and so severely distorts the rightful purpose of the First Amendment, that a constitutional corrective is demanded,” said Robert Weissman, president of Public Citizen.

Also in 2009, we:

- Pressed for restrictions on pay-to-play — the all-too-common practice in which businesses make campaign contributions to public officials in the hopes of winning lucrative government contracts.
- Lobbied to stop insider trading by members of Congress and their staffs by pressing for a bill that would make government officials abide by the same insider trading restrictions as everyone else.
- Recommended ethics rules to the Obama administration. The administration’s policy, announced in January 2009, is stricter than that of any previous administration, and the best aspects are based on our recommendations. For example, the policy: 1) requires administration appointees to recuse themselves from matters that affect their former employers and clients; and 2) prohibits appointees from accepting gifts from lobbyists.

“There are still some people in both political parties who have integrity and are not susceptible to moneyed interests — but not many. It can be so discouraging, but I am not discouraged because there are organizations like Public Citizen fighting for all of us.” — Barbara Parsons, Platteville, Wis., member since 1990
Health Care for All

The private health insurance industry is a wasteful bureaucracy with high administrative costs. Public Citizen wants to eliminate the bureaucracy with a single-payer, Medicare-for-All health care system, which would ensure that everyone has access to health care.

One of the biggest issues on everyone’s minds in 2009 was health care — specifically, providing it to the more than 46 million uninsured in the U.S. Public Citizen pushed Congress to adopt a single-payer, Medicare-for-All health care system. Such a system would create a government-financed, national program — much like extending Medicare to everyone. This would eliminate the wasteful spending and high administrative costs of the private health insurance industry. A public option, which the U.S. House of Representatives passed and the Senate rejected, would not provide adequate coverage for everyone or eliminate the wasteful bureaucracy of the health insurance industry.

“The only real solution to the health care crisis is to eliminate the health insurance middlemen, which would save us $400 billion a year,” said Dr. Sidney Wolfe, director of the Health Research Group at Public Citizen.

A single-payer, Medicare-for-All system is what the public wants. We’ll keep telling them; that’s why Public Citizen is here.

Also in 2009, we:

- Organized, with other groups, a press conference where President Barack Obama’s former physician from Chicago, Dr. David Scheiner, spoke in support of a Medicare-for-All system.
- Issued a report, “Hospitals Drop the Ball on Physician Oversight,” documenting that hospitals are failing to discipline doctors. Even when they do, the report showed, they are giving doctors lesser penalties for negligent or unethical behavior to avoid reporting problem doctors to the National Practitioner Data Bank. Public Citizen recommends that the government be given the power to sanction hospitals that don’t adequately oversee doctors and to require that hospitals participating in Medicare abide by reporting requirements.

“We strongly believe in a government of the people, by the people and for the people; therefore, we support Public Citizen in its efforts to protect and strengthen the people’s voice and interests on Capitol Hill. We particularly appreciate the Global Trade group and the Health Research Group and look to them for leadership on single-payer.”

— Ron Forthofer, Longmont, Colo., member since 1984
Drug Safety

Powerful pharmaceutical companies use their money and influence to get new, expensive prescription drugs approved and on the market. Public Citizen provides an independent second opinion about the safety of drugs and medical devices.

When powerful pharmaceutical companies bombard the TV airwaves with advertisements pushing drugs, it’s tough to know which are effective and which may be too dangerous to take. That’s where Public Citizen can help. The organization’s doctors and pharmacists review data from the Food and Drug Administration (FDA) to give people an independent, unbiased second opinion about the safety of drugs and medical devices.

We communicate the latest drug safety information to the public through our Web site, WorstPills.org, and newsletter, Worst Pills, Best Pills News.

And when we find that a drug is too dangerous to be on pharmacy shelves, we often call on the FDA to remove it. Sometimes, we push the FDA to strengthen warnings on drug labels. In April 2009, the FDA announced that it granted our petition that sought to warn doctors and patients about the dangers associated with botulinum toxin (Botox, Myobloc, Dysport). As a result, the FDA now requires warnings about the product’s potential to spread from the point of injection and cause swallowing and breathing problems — in the form of a prominent, “boxed” warning, a letter to doctors and a medication guide handed to patients at the time of injection.

The fight to get dangerous drugs off the market continued in full force during 2009. In December 2009, we petitioned the FDA to immediately ban the popular weight-loss drug Meridia. New research shows that the drug has caused a significant increase in the number of heart attacks, strokes, non-fatal cardiac arrest or deaths in obese patients taking the drug, compared to people taking a placebo pill.

“Public Citizen’s team of doctors and pharmacists are constantly researching new drugs to determine their safety,” said Dr. Sidney Wolfe, director of the Health Research Group at Public Citizen. “Our driving motivation is protecting the public from harm.”

Also in 2009, we:

• Testified before the FDA’s Transparency Task Force about the need for greater transparency at the agency. We said drug pre-approval documents should be available to the public, the agency’s Freedom of Information Act processes should be more efficient and consistent, and the agency should speed up the production of standardized drug information for patients.

• Had research published in a peer-reviewed medical journal concerning liver failure associated with the diabetes drug Avandia, adding weight to our 2008 petition to the FDA to ban the drug because of its risks of heart attack, heart failure, bone fractures, anemia, visual problems and liver toxicity.

• Petitioned the FDA to reconsider banning the painkiller propoxyphene (Darvon), which is physically and psychologically addictive, is no more effective than alternatives such as Tylenol and kills hundreds of people each year.


“Public Citizen has earned our support because of its advocacy for health care reform and its vigilant oversight of the pharmaceutical industry.”

— Phyllis Black, Ph.D. and Perry Black, M.D., C.M., Philadelphia, Pa., members since 1993
Climate Change

Climate change will be the defining issue of the next half-century. On a global level, climate change already is causing the oceans to rise, the planet to heat up and species to spiral toward extinction. But the U.S. has yet to take any significant steps to address climate change. Public Citizen is pushing the Obama administration and Congress to speed the shift from fossil fuels to clean, renewable energy.

"The world is on a terribly worrisome trajectory," said Robert Weissman, president of Public Citizen. "King Coal, Big Oil and the utilities, in addition to other industrial and agribusiness interests, have so far thwarted meaningful policy responses to the threat of climate change."

While the Obama administration is ensuring that the U.S. re-enters the global dialogue on climate change, it needs to do more.

Legislation

Public Citizen is advocating the inclusion of rooftop solar power, small-scale wind power and federal investment in energy efficient technologies in legislation moving through Congress. The U.S. House of Representatives dropped the ball, passing legislation in June 2009 that could be a financial boon to fossil fuel industries and likely won’t do much to reduce greenhouse gases.

We worked with Sen. Maria Cantwell (D-Wash.) on climate change legislation that would hold polluters accountable, outlaw "offsets" (credits to polluters for reducing greenhouse emissions somewhere else, even though the reductions are not actually attained), protect consumers and limit the role of Wall Street in pollution trading markets.

Public Citizen is talking to lawmakers, encouraging activists to get involved and educating the media — all to ensure Congress keeps the planet and ratepayers in mind as it moves forward.

"Public Citizen is fighting harder than ever for a more sustainable energy future," said Tyson Slocum, director of Public Citizen’s Energy Program. "We will become even more determined — and even more vocal — as Congress continues its debate over climate change legislation in 2010."

Fuel Economy

In 2009, Public Citizen pressured the government to issue strong vehicle fuel economy standards that would combat climate change, with mixed results. The model year 2011 fuel economy standard issued by the Obama administration in March 2009 was not as tough as Public Citizen had wanted. Each manufacturer’s fleet of cars and light trucks, including minivans and SUVs, must achieve just 27.3 miles per gallon in model year 2011 — an improvement of only 2.3 miles over the model year 2010 fleetwide standard of 25 miles per gallon.

But in September 2009, the administration proposed much stronger fuel economy standards for model years 2012-2016, as well as the first national standards for greenhouse gases from motor vehicles. The proposal would require cars and light trucks to meet a fleetwide average of 34.1 miles per gallon. The standards were finalized in spring 2010.

Public Citizen is continuing to fight for better fuel economy standards. We are already preparing for the administration’s proposed standards for 2017 and beyond — which won’t be issued until at least next year.

Greenhouse Gases

In 2009, we sued the Texas Commission on Environmental Quality (TCEQ), charging that the agency is violating Texas law by refusing to regulate greenhouse gases as air pollutants. Public Citizen contended that, just as the U.S. Supreme Court decided in Massachusetts v. Environmental Protection Agency that the U.S. Environmental Protection Agency must regulate greenhouse emissions under the federal Clean Air Act, Texas courts should interpret Texas law to stop the TCEQ from ignoring greenhouse emissions when considering applications from power companies to build fossil fuel-burning power plants. The lawsuit is ongoing.

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Energy

Public Citizen pushes back against the corporate-favored system of highly centralized electricity generation, which stands in the way of a clean and sustainable future. We fight at the federal and state levels to protest nuclear and coal plants, and stand up for consumer rights in energy trading markets.

Nuclear

Nuclear power is too expensive, dangerous and bad for the environment to be considered a viable energy alternative. But the federal government still plans to issue $18.5 billion in loan guarantees for four nuclear utility companies to build seven reactors in Georgia, Maryland, Texas and South Carolina. The risk is so high that costs will soar out of control that Wall Street won’t invest in new reactors. Instead, the government is putting taxpayers on the hook for loans these companies can’t get anywhere else. To make matters worse, President Barack Obama is pushing to expand the loan guarantee program to $54 billion.

In 2009, Public Citizen worked with other groups to hold rallies and draw public attention to the dangers of nuclear energy and the folly of loaning billions of taxpayer dollars to nuclear power companies. We organized a street theater parody near the U.S. Department of Energy in Washington, D.C., as part of international “Don’t Nuke the Climate” action day. We also worked at the state level to fight the expansion of nuclear plants, including the South Texas Project nuclear facility and the Calvert Cliffs facility in Maryland.

Coal

In September 2009, as part of a “Roll Beyond Coal” tour, Public Citizen and the Lone Star Chapter of the Sierra Club toured Texas with a 20-foot-tall inflatable “coal plant” to protest dirty coal-fueled power plants. Eleven coal-fired power plants are proposed or under construction in the state. The two-week tour, part of Public Citizen’s Coal Block campaign, targeted some of the communities where new coal plants are proposed: Waco, Dallas, Abilene, College Station, Corpus Christi, Bay City, Houston and Austin. Texas residents turned out at each stop to show their support and protest, and the tour attracted coverage from local newspapers and television stations.

Consumer Rights

Public Citizen’s Energy Program Director Tyson Slocum was appointed to the U.S. Commodity Futures Trading Commission’s Energy and Environmental Markets Advisory Committee in 2009. As part of the 33-member advisory committee, Slocum pushes for fairness for consumers and more information to be made public about existing and planned energy markets. The commission regulates the trades and contracts based on them. Too much speculation results in inflated prices for consumers purchasing gasoline or paying their utility bills, for instance. Slocum uses his seat to stand up for the enforcement of consumer protections.

Slocum also testified before the U.S. House of Representatives’ Committee on Agriculture about the need to restore transparency and regulation to futures markets. Big investment banks, such as Goldman Sachs and JPMorgan Chase, are speculators in the futures markets, trading on the projected prices of delivering raw materials such as natural gas and oil. Slocum offered several solutions, including regulating energy trading markets and limiting energy traders from speculating on insider information.

For up-to-date information on our climate change work and energy-related issues, visit www.PublicCitizenEnergy.org.
Globalization and Trade

Public Citizen works to ensure that in this era of globalization, a majority have the opportunity to enjoy America’s promises: economic security; a clean environment; safe food, medicines and products; access to quality affordable services such as health care; and the exercise of democratic decisionmaking about the matters that affect their lives.

Through the years, Public Citizen has made great progress in halting the expansion of the damaging corporate globalization model implemented by “trade” agreements such as the North American Free Trade Agreement (NAFTA) and the pact that created the World Trade Organization (WTO).

But more than just blocking harmful policies, Public Citizen has made huge strides, particularly in 2009, in promoting a better trade agreement model that can capture the benefits of trade and prevent any backdoor attacks on the public interest.

That vision is embodied by the Trade Reform, Accountability, Development and Employment (TRADE) Act. The bill, sponsored by Rep. Mike Michaud (D-Maine) and Sen. Sherrod Brown (D-Ohio), would require an evaluation and renegotiation of major past pacts, while setting out what must and must not be in future U.S. trade agreements to address urgent concerns about food and product safety, environmental protection, job offshoring, national security and more.

The bill also sets forth a new negotiating process to replace the anti-democratic Fast Track system that was laden with the many harmful effects of the current trade agreement model, which limits U.S. safety regulation of imported food and products, empowers foreign investors to attack domestic environmental and health laws in foreign tribunals, sends jobs to low-wage countries, provides the drug industry with patent extensions that jack up medicine prices and imposes financial deregulation.

“Given past divides over trade and globalization policy, having so many congressional supporters is a hopeful sign that President Obama’s campaign commitments to trade reform can become reality. The TRADE Act represents change we can believe in,” said Lori Wallach, director of Public Citizen’s Global Trade Watch division. “It is unusual for so many lawmakers to agree on anything, much less 50 pages of very specific provisions. Ten years later, there is no WTO expansion, despite repeated attempts. On Nov. 30, 2009 — 10 years to the day of the Seattle protests — trade ministers and their corporate allies met in Geneva. With WTO expansion deadlocked, we launched a campaign to turn around the damaging WTO regime. Public Citizen helped activists organize 150 house party screenings of the film “Battle in Seattle” and organized an online petition signed by more than 10,000 people to President Barack Obama, telling him to uphold his campaign commitments to fix our failed trade policy.

Blocking WTO expansion, demanding WTO turnaround. History was made in November 1999, when citizen activists shut down the WTO ministerial in Seattle to protest the devastating impact of the WTO’s corporate globalization agenda on jobs, wages and the environment. Public Citizen played a leading role in organizing that successful opposition, which derailed an expansion of the WTO’s powers and scope.

Ten years later, there is no WTO expansion, despite repeated attempts. On Nov. 30, 2009 — 10 years to the day of the Seattle protests — trade ministers and their corporate allies met in Geneva. With WTO expansion deadlocked, we launched a campaign to turn around the damaging WTO regime. Public Citizen helped activists organize 150 house party screenings of the film “Battle in Seattle” and organized an online petition signed by more than 10,000 people to President Barack Obama, telling him to uphold his campaign commitments to fix our failed trade policy.

Removing financial deregulation from “trade” agreements. While international leaders at the G-20 in 2009 called for the re-regulation of financial services in the wake of the global financial meltdown, they also called for completion of a WTO expansion called the Doha Round — which includes further deregulation. Public Citizen has sounded the alarm for policymakers, the press and public, warning that the major financial institutions that wreaked havoc on the global economy have used agreements like the WTO to lock in their radical deregulation agenda — and now are trying to expand it through the obscure Doha Round WTO negotiations.

Public Citizen has launched a campaign to turn around the damaging WTO regime. Public Citizen helped activists organize 150 house party screenings of the film “Battle in Seattle” and organized an online petition signed by more than 10,000 people to President Barack Obama, telling him to uphold his campaign commitments to fix our failed trade policy.

Derailing Bush-era pacts. Public Citizen was instrumental in stopping the corporate push to revive the failed old trade agenda through the passage of three “Bush hangover free trade agreements.” These are pacts with Panama, Korea and Colombia, negotiated under the previous administration, that follow the same damaging model as NAFTA.

Our investigations brought attention to specific problems. For instance, the deal with Panama, which formed a policy designed to create a comparative advantage in tax-evasion and money-laundering services for such entities as the bail-out American International Group, would eliminate existing tools used to combat financial crimes.

Also in 2009, we:

• Published the only comprehensive summary of all of the NAFTA corporate challenges to domestic health, safety and other policies.

• Co-signed an op-ed with Fred Bergsten of the business-supported Institute for International Economics, which was published in The Washington Post, about the need to make sure that the WTO does not undermine policies needed to counter climate change.

• Published groundbreaking reports and analyses revealing how the WTO’s financial service regime locks in at home and exports worldwide the radical financial deregulation regime that was a major cause of the global crisis.

• Published the only comprehensive summary of all of the NAFTA corporate challenges to domestic health, safety and other policies.
Consumer Justice

Corporations use their vast financial resources to drown out the voices of Americans in all branches of government.

Public Citizen is leading the fight to protect consumer rights, whether before Congress, the courts or the executive branch. We lobby, litigate and conduct independent research, working as the people’s advocate in the halls of power.

In the Courts

- In direct response to a Public Citizen lawsuit, the federal government in 2009 launched an online database (www.vehiclehistory.gov) to enable used car buyers to check the validity of a vehicle’s title and the vehicle’s theft or damage history. Through this database, used car buyers can learn about problems before they buy.

- In November 2009, Public Citizen argued before the U.S. Supreme Court to preserve the availability of consumer class actions in federal courts. As of March 2010, we were still awaiting a decision in the case, Shady Grove Orthopedic Associates v. Allstate Insurance Company.

- In 2009, Public Citizen worked to protect victims’ rights to access the court system. We published three reports promoting patient safety and debunking medical malpractice liability myths. A July report detailed how payments from medical malpractice claims fell to the lowest level on record in 2008. The second, published in August, identified 10 simple patient safety reforms that would save, conservatively, 85,000 lives and $35 billion per year. The third, published in December, shows that draconian medical liability restrictions in Texas have done nothing to improve the health care system or lower costs for patients.

In the Executive Branch

- In September 2009, Public Citizen worked to ensure that the government properly implemented the Consumer Product Safety Improvement Act, which Congress passed in 2008 after heavy lobbying by Public Citizen to significantly strengthen the safety of toys and other consumer products. We combated industry attacks on the law and advocated before the Consumer Product Safety Commission for strong implementation of the new law. For example, we made recommendations about how best to create a new consumer complaint database, required by the new law to provide the public with dramatically more information on safety defects.

In Congress

- After years of advocating, Public Citizen, working with key allies, achieved a major victory when most major credit card issuers announced that they will stop using form contracts to deny consumers the right to file lawsuits in public courts (forcing them into corporation-friendly arbitration systems) — some for three years, some indefinitely.

- In December 2009, Congress passed a defense spending bill with an amendment by Sen. Al Franken (D-Minn.) that prohibits the U.S. government from doing business with defense contractors that deny court access to employees who have been raped or sexually assaulted on the job or discriminated against in violation of the Civil Rights Act. Throughout the year, Public Citizen lobbied aggressively for this amendment and against forced arbitration clauses in other contexts.

- Public Citizen’s advocacy also resulted in a White House proposal to prohibit forced arbitration in contracts that fall within the jurisdiction of the proposed Consumer Financial Protection Agency and the Securities and Exchange Commission. These provisions were included in the financial reform bill that passed the U.S. House of Representatives in December 2009.

To keep up-to-date on consumer justice issues, visit www.clpblog.org.
Open Government

Sometimes, government agencies conceal important information requested under the Freedom of Information Act, even when the act requires the information to be made available. In such instances, Public Citizen represents groups and individuals seeking access to the records that they were wrongly denied.

The Freedom of Information Act (FOIA) creates a right of public access to the documents of government agencies. Under the act, a government agency must provide records upon request, unless the records are classified or otherwise exempt. Sometimes, agencies refuse to release requested information based on overbroad assertions of the exemptions. That’s where Public Citizen comes in. Public Citizen attorneys represent groups and individuals who are seeking disclosure of government records. Throughout 2009, we provided advice and litigation assistance to public interest groups and individuals who wanted to access government documents.

Our record of success is long, but two cases merit particular note.

In response to a lawsuit filed by Public Citizen on behalf of the Center for Auto Safety, the National Highway Traffic Safety Administration (NHTSA) released documents detailing the dangers of using cell phones — including hands-free devices — while driving. After NHTSA released the documents, The New York Times ran a front-page story on NHTSA’s failure to disclose, on its own initiative, this crucial safety information. That and subsequent stories about the dangers of cell phone use while driving sparked a major national effort to prevent distracted driving.

In another suit, we helped journalist George Lardner in his effort to gain access to Department of Justice (DOJ) documents listing people who applied for pardons or reduced sentences but whose applications were denied by President George W. Bush. The government claimed that releasing the names would be an invasion of personal privacy. In a July 2009 decision, the court agreed with us and ordered the DOJ to release the requested information to Lardner. (The government’s appeal was pending as of March 2010.)

“FOIA creates a presumption the government records will be accessible to the public,” said Allison Zieve, director of the Public Citizen Litigation Group. “Our work in 2009 built on our 37 years of advocacy for government transparency.”

Also in 2009, we:

• Successfully pushed for the revocation by President Barack Obama of a 2001 order by President George W. Bush giving current and former presidents, vice presidents and their heirs broad authority to withhold or delay the release of presidential records.

• Received key records from the Office of Management and Budget (OMB) about the federal agencies allowed to bypass the legislative and budgetary clearance process. Generally, agencies have to submit proposed legislation, reports, testimony and budget-related materials to OMB for clearance before the materials are sent to Congress, but some agencies are permitted to bypass this process. In 2007, after OMB refused to comply with Public Citizen’s FOIA request for the records, Public Citizen sued OMB for the records listing the agencies allowed to bypass. A district court ruled in favor of the government agency, but Public Citizen prevailed in appellate court in 2009. OMB eventually released the requested material to us.

• Helped nonprofit groups navigate the FOIA process through our Public Interest FOIA Clinic (www.foiaclinic.org), providing litigation assistance, a how-to guide for requesting documents, and a database of ongoing and completed FOIA requests and litigation.

“Unfortunately, we need organizations able to effectively advocate for the rights and needs of those without power or access to the powerful. Fortunately, we have Public Citizen.”

— B. Friedman, Sheffield, Mass., member since 1980
More Highlights

Holding automakers accountable. During their bankruptcy proceedings in 2009, Chrysler and GM tried to shield themselves from legal claims by consumers who have been or will be injured in defective GM or Chrysler vehicles sold before the bankruptcy. Both companies wanted to be clear of product liability claims — as well as lemon law claims — for such vehicles.

Public Citizen and other consumer groups fought back successfully. GM announced in June that it would assume liability for claims arising from accidents that occur after the company’s bankruptcy, regardless of when the vehicle was purchased. The automaker also assumed liability for current and future lemon law claims. And in August, Chrysler said it would assume liability for claims brought by people injured in crashes that occur after bankruptcy involving cars sold before bankruptcy. However, people injured in defect-related crashes that occurred before the automakers went bankrupt are not protected.

Protecting free speech on the Internet. One of Public Citizen’s many Internet free speech cases in 2009 involved Fox affiliate WFLD’s claim that Progress Illinois, a leading state political blog, violated the station’s copyright by uploading excerpts from news broadcasts to YouTube and posting them on the blog. YouTube removed the clips and suspended the blog’s account.

After Public Citizen defended the blog’s right to use the excerpts, WFLD backed down. YouTube restored Progress Illinois’ account and clips.

Ensuring the safety of consumer products. Public Citizen and the Natural Resources Defense Council won a lawsuit against the Consumer Product Safety Commission (CPSC) in 2009, stopping the agency from allowing the sale of dangerous children’s products. Just months after the Consumer Product Safety Improvement Act became law in 2008, the CPSC had agreed to allow phthalate-laden children’s products that were made before a ban of such items to be sold after the ban took effect. Our lawsuit compelled the CPSC to enforce the law.
For 27 years, our work was defined by the outstanding leadership of Joan Claybrook, who was Public Citizen’s president from 1982 until January 2009. Her trademark advocacy and unrelenting devotion to justice reshaped politics in Washington, D.C., and the consumer movement across America.

In 2009, Public Citizen embarked on a campaign to pay tribute to Joan: “Advancing the Legacy: The Joan Claybrook Fund.”

In all, more than 160 supporters contributed more than $600,000 through the Joan Claybrook Fund. (Joan Claybrook Fund supporters are identified in our 2009 Leadership Support section, from pages 30 to 32.) The campaign culminated on June 9, 2009, at an afternoon building dedication and evening soiree, where more than 300 people gathered to honor her achievements — including actor/activist Robert Redford and lawmakers such as Speaker of the U.S. House of Representatives Nancy Pelosi (D-Calif.); Reps. Henry Waxman (D-Calif.) and Edward Markey (D-Mass.); and Sens. John McCain (R-Ariz.) and Russ Feingold (D-Wis.).

As we turn to new battles, we are grateful to Joan, who established Public Citizen as a formidable force in Washington, D.C. And we are grateful for the generosity of our supporters, who guaranteed that her legacy will be advanced.

Celebrating Joan Claybrook

Joan Claybrook and actor/activist Robert Redford talk during the June 2009 event honoring her achievements.

Tom ‘Smitty’ Smith Wins Prestigious Heinz Award

In 2009, Tom “Smitty” Smith, director of Public Citizen’s Texas office, was honored with a 15th annual Heinz Award in recognition of his decades of hard work. The Heinz Family Philanthropies administer the awards, established in 1993 by Teresa Heinz to honor her late husband, Sen. John Heinz. Awardees have made extraordinary achievements in arts and humanities, the environment, the human condition, public policy, technology, economy and employment.

The 2009 awards focused on environmental accomplishments. Smith, who has led the Texas office since 1985, was honored for being “one of the most effective renewable energy advocates in Texas.” He received his award at an Oct. 28 ceremony at the Smithsonian’s National Portrait Gallery in Washington, D.C.
James Ploeser, senior field organizer with Public Citizen’s Global Trade Watch division, speaks at a September 2009 protest of a deceptive public relations campaign by the Colombian government in Washington, D.C.

Financial Statement
Fiscal Year 2009 Consolidated Statement of Activities for Public Citizen, Inc. and Public Citizen Foundation

Two separate entities, called Public Citizen, Inc. and Public Citizen Foundation, Inc., form Public Citizen. Both entities are part of the same overall organization. Public Citizen Foundation, a 501(c)(3) entity, focuses on litigation, research and public education. Public Citizen, Inc., a 501(c)(4) entity, focuses on lobbying and organizing.

REVENUE AND SUPPORT
A. Individual Donations $ 5,979,629
B. Publications and Subscriptions 2,084,576
C. Grants 2,390,707
D. Program Income 126,176
E. Rental Income* 298,098
F. Other 17,084
G. Income from Investments 245,594
Total Revenue and Support $ 11,141,864

EXPENSES
A. Programs $ 7,437,047
B. Publications 2,132,993
C. Support Services 2,290,512
Total Expenses $ 11,860,552
Change in net assets** $ (718,688)

*Net of Operating Expenses
**In accordance with Statement of Financial Standards No. 116, Accounting for Contributions Received and Contributions Made, Public Citizen is required to record all grants and contributions in the current fiscal year even if the monies have not been received or related expenses have not been expended. As of Sept. 30, 2009, Public Citizen had temporarily restricted net assets of $2,067,811, which represent restricted grants and contributions whose donor-stipulated time or purpose restriction has not been accomplished. Several of the net assets included in this amount are intended to be expended over several subsequent years.

Leadership Giving to the Annual Fund

The Torchbearers, our leadership giving society, contribute $1,000 or more annually. Their contributions to the Annual Fund are critical to our success. We are enormously grateful for their dedicated support.
For almost 40 years, Public Citizen has been fighting for consumers in every branch of government. We are proud to recognize the leadership of the following members and foundations who help make our work possible.

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
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<tbody>
<tr>
<td>Food &amp; Water Watch</td>
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<tr>
<td>Aida M. Kahn</td>
<td>2009</td>
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<tr>
<td>William L. Kahn</td>
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<tr>
<td>Sherrill Baronett</td>
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<td>Mary C. Baldwin</td>
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<td>Robert C. Baldwin</td>
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**PUBLIC CITIZEN TRUSTEES**

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<td>Food &amp; Water Watch</td>
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<td>Allan Fuchs</td>
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**October 1, 2008-Sept. 30, 2009**

**Directors’ Circle**

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**Leadership Circle**

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**Joan Claybrook Fund**

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**Indicates donors contributing to the Joan Claybrook Fund**

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**Every single issue Public Citizen works on is so critical, I just cannot single out which one is most important to me. I support every one of them!” — Anne Hammond, Solon, Ohio, member since 2003**
“To me, supporting Public Citizen is the best gift we can give ourselves and those who follow us — so we don’t leave an even bigger mess for the younger generations.”

— Anita Bologna, Waterbury, Conn., member since 2003

How can you become a leadership supporter? Contact Assistant Director of Development Alice Butler at 202/588-7753 or abutler@citizen.org.

Public Citizen strives for accuracy when recognizing our valued supporters. If you notice any inaccuracies in or omissions from this list, please contact Allison Horowski at 202/588-1000 or ahorowski@citizen.org.

*Indicates donors contributing to the Joan Claybrook Fund