

June 24, 2020

Andrew K. Maloney
President and Chief Executive Officer
American Investment Council
799 9th Street NW Suite 200
Washington, DC 20001

Dear Mr. Maloney:

I am writing regarding my concerns about reports from the initial phases of the coronavirus disease 2019 (COVID-19) pandemic that private equity firms are “sharpening their knives” and maneuvering to acquire and siphon profits off of distressed companies and the federal assistance programs designed to help them in the wake of the pandemic-induced recession.¹ Private equity insiders reportedly described this as “a phenomenal time” for the industry to turn a profit as more and more businesses find themselves facing unprecedented financial obstacles, making them easier to take over.² As one observer noted:

Private equity firms that have learned how to make money from the misery of distressed retailers will find that COVID-19 has presented them with a smorgasbord of companies to feast on. They can dispose of failing assets..., stiff lenders, and then return to those same lenders for future sales. Workers may get wiped out but private equity, with \$2.5 trillion in undeployed funds, will live on.³

This presents a serious concern for the future of businesses, workers, and consumers around the country. The investing model often used by private equity funds is to load up debt on the companies they buy, strip them of their assets, and extract exorbitant fees — guaranteeing payouts for themselves regardless of how the investment performs in the long run.⁴ Additionally, reports show that as Congress passed and the Department of Treasury implemented COVID-19 relief funding, the private equity industry “made a major lobbying push ... to unlock stimulus

¹ Vox, “Exclusive: Goldman warns clients about a rise in hostile takeovers amid coronavirus market meltdown,” Emily Stewart, March 18, 2020, <https://www.vox.com/the-goods/2020/3/18/21185695/coronavirus-stock-market-goldman-sachs-private-equity-activist-investors>; Wall Street Journal, “Private Equity Steps Up Push to Unlock Coronavirus Stimulus,” Chris Cumming, April 1, 2020, <https://www.wsj.com/articles/private-equity-steps-up-push-to-unlock-coronavirus-stimulus-11585764850>.

² Marketplace, “Private-Equity Firm Sees a ‘Phenomenal Time’ to Do Deals,” Luisa Beltran, updated March 28, 2020, <https://www.marketwatch.com/articles/private-equity-firm-sees-a-phenomenal-time-to-do-deals-51585334615>.

³ American Prospect, “How Private Equity Firms Will Profit from COVID-19,” Eileen Appelbaum, Andrew Park, and Rosemary Batt, May 7, 2020, <https://prospect.org/coronavirus/private-equity-firms-profit-covid-19-j-crew/>.

⁴ American Prospect, “Private Equity Pillage: Grocery Stores and Workers At Risk,” Eileen Appelbaum and Rosemary Batt, October 26, 2018, <https://prospect.org/power/private-equity-pillage-grocery-stores-workers-risk/>.

funds authorized to blunt the pandemic’s economic damage”⁵ and that “some of the country’s biggest private equity firms have lobbied hard to shape the stimulus in their favor.”⁶ While there have been some efforts to limit private equity’s access to federal bailout funds, the Trump administration has taken steps that ultimately benefit the industry amid the crisis,⁷ including reports that show that after being “[s]hut out from many coronavirus relief programs, private equity companies have found a back door at [the Department of Health and Human Services (HHS)], where they have borrowed at least \$1.5 billion.”⁸ I am particularly concerned that the private equity industry you represent may exploit this crisis to continue extracting value out of struggling companies, lining the pockets of wealthy firms at the expense of workers and communities struggling to respond to this pandemic across the country.

Private Equity Industry During the Coronavirus Outbreak

The private equity industry has aggressively expanded its reach over the last decade, taking control of small and large businesses across all sectors of the economy, from nursing homes and physician staffing firms to retail stores and single-family rental home companies. Today, the industry holds an outsized but veiled role in the economy—owning or managing 15,000 target companies that employ close to nine million American workers.⁹ However, private equity funds have a single objective – “to generate as much cash as possible out of an investment,”¹⁰ oftentimes through “piling companies with sometimes unsustainable levels of debt [in] narrow pursuit of profits, often secured by squeezing costs.”¹¹ Private equity operations are often structured “in a way that they are not responsible for debts incurred by the companies they control.”¹² And their largely unregulated expansion has come at the expense of workers, consumers, taxpayers, families, and communities across the country, as private equity funds often seek to meet drastically high returns by laying off workers and employing cost-cutting measures that reduce quality of service.¹³

The business practices of private equity are particularly concerning because the ongoing COVID-19 pandemic brought the economy and daily life to a grinding halt with no indication of

⁵ Wall Street Journal, “Private Equity Sees Help in Fed’s New Coronavirus Stimulus,” Chris Cumming, April 9, 2020, <https://www.wsj.com/articles/private-equity-sees-help-in-feds-new-coronavirus-stimulus-11586465478>.

⁶ New York Times, “Private Equity, Lobbying the U.S. for Help, Is Mostly Hearing ‘No,’” Kate Kelly and Peter Eavis, May 6, 2020, <https://www.nytimes.com/2020/05/05/business/private-equity-coronavirus-relief.html>.

⁷ American Prospect, “Unsanitized: Private Equity Gets Its Bailout After All,” David Dayen, June 4, 2020, <https://prospect.org/coronavirus/unsanitized-private-equity-gets-bailout-after-all/>.

⁸ Bloomberg, “Private Equity Lands Billion-Dollar Backdoor Hospital Bailout,” David Kocieniewski and Caleb Melby, June 2, 2020, <https://www.bloomberg.com/news/features/2020-06-02/private-equity-lands-billion-dollar-backdoor-hospital-bailout>.

⁹ Ernst & Young, “Economic contribution of the US private equity sector in 2018,” October 2019, <https://thisisprivateequity.com/wp-content/uploads/2019/10/EY-AIC-PE-economic-contribution-report-10-16-2019.pdf>.

¹⁰ *Private Equity Laid Bare*, Ludovic Phalippou, November 2017.

¹¹ New York Times, “Private Equity, Lobbying the U.S. for Help, Is Mostly Hearing ‘No,’” Kate Kelly and Peter Eavis, May 6, 2020, <https://www.nytimes.com/2020/05/05/business/private-equity-coronavirus-relief.html>.

¹² Mother Jones, “How Health Care Investors Are Helping Run Jared Kushner’s Shadow Coronavirus Task Force,” Pema Levy, April 21, 2020, <https://www.motherjones.com/politics/2020/04/jared-kushner-nat-turner-coronavirus-conflicts-of-interest/>.

¹³ Vox, “What is private equity, and why is it killing everything you love?,” Emily Stewart, January 6, 2020, <https://www.vox.com/the-goods/2020/1/6/21024740/private-equity-taylor-swift-toys-r-us-elizabeth-warren>.

a rapid recovery in sight. Recent unemployment figures show that the federal unemployment rate was 13.3% in May and that “the 30 million workers who are still collecting unemployment benefits show how significantly the labor market has been upended. The unemployment rate remains the worst since World War II.”¹⁴ And this may just be the beginning: “The pandemic crippling the American economy portends a sharp increase in poverty, to a level that could exceed that of the Great Recession and that may even reach a high for the half-century in which there is comparable data.”¹⁵ This is especially troubling, given that “when private equity firms buy out large publicly traded companies with numerous employees, job losses are far worse, about a 13% decrease in jobs in the first two years.”¹⁶ The private equity business model also often incentivizes practices that hurt workers: “[I]ayoffs, severance pay, selling unprofitable groups, and other measures designed to make a company more efficient,” benefitting the bottom line of private equity firms but leaving communities and workers behind.¹⁷

Even more concerning in light of the pandemic, recent reports show the private equity industry’s impacts on the healthcare industry, stating, “While the coronavirus’s collateral economic fallout is being felt across all kinds of health companies, private equity-run and -owned practices’ heavy debt burdens put them at special risk”¹⁸ and that “the private equity playbook, which involves buying companies, drastically cutting costs, and then selling for a profit—the goal is generally to make an annualized return of 20% to 30% within three to five years—creates problems that are unique to health care.”¹⁹ Notably, healthcare companies run by private equity firms such as the Blackstone Group and KKR & Co. Inc., have cut the pay and benefits of healthcare industry workers amid the pandemic, even though these workers have been at the forefront of the pandemic response.²⁰

I am also deeply concerned about the private equity industry’s further potential exploitation of the public health and economic crises. The pandemic has shown long-existing weaknesses in the economy, with reports documenting, “Years of limp wage growth left workers struggling to afford essentials. Irregular work schedules caused weekly paychecks to surge and dip unpredictably. Job-based benefits were threadbare or nonexistent. In this economy, four of 10

¹⁴ Seattle Times, “Report puts jobless rate at 13%, while raising doubts,” Eli Rosenberg, June 5, 2020, <https://www.seattletimes.com/business/unemployment-rate-drops-to-13-as-the-economy-picked-up-jobs-as-states-reopened/>.

¹⁵ New York Times, “A Gloomy Prediction on How Much Poverty Could Rise,” Jason DeParle, April 16, 2020, <https://www.nytimes.com/2020/04/16/upshot/coronavirus-prediction-rise-poverty.html>.

¹⁶ Forbes, “Private Equity Firms Have Caused Painful Job Losses And More Are Coming,” Mayra Rodriguez Valladares, October 30, 2019, <https://www.forbes.com/sites/mayrarodriguezvalladares/2019/10/30/private-equity-firms-have-caused-painful-job-losses-and-more-are-coming/#3ae23b367bff>.

¹⁷ Institutional Investor, “Private Equity Firms Won’t Waste Another Crisis,” Julie Segal, March 11, 2020, <https://www.institutionalinvestor.com/article/b1kq69qt38w0x6/Private-Equity-Firms-Won-t-Waste-Another-Crisis>.

¹⁸ Mother Jones, “How Health Care Investors Are Helping Run Jared Kushner’s Shadow Coronavirus Task Force,” Pema Levy, April 21, 2020, <https://www.motherjones.com/politics/2020/04/jared-kushner-nat-turner-coronavirus-conflicts-of-interest/>.

¹⁹ Bloomberg Businessweek, “How Private Equity Is Ruining American Health Care,” Heather Perlberg, May 20, 2020, <https://www.bloomberg.com/news/features/2020-05-20/private-equity-is-ruining-health-care-covid-is-making-it-worse>.

²⁰ STAT, “Amid coronavirus, private equity-backed company slashes benefits for emergency room doctors,” Lev Facher, April 1, 2020, <https://www.statnews.com/2020/04/01/slashes-benefits-for-doctors-coronavirus/>.

adults don't have the resources on hand to cover an unplanned \$400 expense."²¹ Rather than lobbying for additional assistance, the private equity industry, which has been "stockpiling cash in recent years"²² should, to the extent it enhances its reach amid the pandemic, modify and reform its practices of extracting short-term profits and fees while weakening companies' long-term chances of success. Instead, reports show that, "Public companies in need of capital to weather the fallout from the coronavirus outbreak are turning to an unlikely source: private-equity firms," and that "For cash-rich private-equity firms, which typically acquire majority stakes in private companies, this is an unusual, but attractive, buying opportunity... Firms are already moving fast to take advantage."²³

Your organization lobbied for increased access to funds allocated by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), which was intended to provide economic relief to small businesses and industries suffering from the economic collapse caused by the COVID-19 pandemic,²⁴ or has otherwise pushed the Trump administration to benefit the private equity industry amid the pandemic.²⁵ Earlier this year, you stated, "We'll continue to work with the administration and Congress to request that federal programs support all businesses, regardless of ownership structure, and their workers."²⁶ Press reports also documented, "The rush of behind-the-scenes jockeying by the powerful financial sector has raised the prospect that an industry often known for slashing workforces could tap into the program designed as a life raft for small businesses" and that the private equity industry "is pushing to qualify for various pots of stimulus funds."²⁷ Reports show that the private equity industry, including your organization, "spent a combined total of more than \$3 million on lobbying during the first quarter... on matters including virus-related aid."²⁸

Ultimately, these efforts were not successful, as outrage about large corporate recipients of small business funds ultimately forced the Department of Treasury to conclude in early April that target companies of private equity firms should not have access to these funds.²⁹ And despite

²¹ New York Times, "Stragglers in a Good Economy, and Now Struggling in a Crisis," Patricia Cohen, April 17, 2020, <https://www.nytimes.com/2020/04/16/business/economy/coronavirus-economy.html>.

²² CNBC, "Private equity eyes industries crippled by coronavirus: 'They have been waiting for this,'" Hugh Son, Alex Sherman, and Lauren Hirsch, March 25, 2020, <https://www.cnbc.com/2020/03/25/private-equity-eyes-coronavirus-hit-industries-theyve-been-waiting.html>.

²³ Wall Street Journal, "Private-Equity Firms Offer Cash Lifelines to Public Companies," William Louch and Preeti Singh, April 17, 2020, <https://www.wsj.com/articles/private-equity-firms-offer-cash-lifelines-to-public-companies-11587121203>.

²⁴ Coronavirus Aid, Relief, and Economic Security (CARES Act), Public Law 116-136.

²⁵ New York Times, "401(k) Plans Move a Step Closer to Pooling With Private Equity," Edmund Lee, June 3, 2020, <https://www.nytimes.com/2020/06/03/business/retirement/private-equity-regular-investors.html>.

²⁶ POLITICO, "Wall Street titans lobby for a cut of small business bailout," Zachary Warmbrodt, April 1, 2020, <https://www.politico.com/news/2020/04/01/wall-street-titans-lobby-for-a-cut-of-small-business-bailout-160298>.

²⁷ Washington Post, "Private equity angles for piece of stimulus windfall," Carol Leonnig, Jonathan O'Connell, Michelle Ye Hee Lee, April 6, 2020, https://www.washingtonpost.com/politics/private-equity-angles-for-piece-of-stimulus-windfall/2020/04/06/ff814bd2-745a-11ea-85cb-8670579b863d_story.html.

²⁸ New York Times, "Private Equity, Lobbying the U.S. for Help, Is Mostly Hearing 'No,'" Kate Kelly and Peter Eavis, May 6, 2020, <https://www.nytimes.com/2020/05/05/business/private-equity-coronavirus-relief.html>.

²⁹ Small Business Administration, "Business Loan Program Temporary Changes; Paycheck Protection Program—Requirements—Promissory Notes, Authorization, Affiliation, and Eligibility," April 28, 2020, <https://home.treasury.gov/system/files/136/Interim-Final-Rule-on-Requirements-for-Promissory-Notes-Authorizations-Affiliation-and-Eligibility.pdf>.

some limitations on the companies eligible to participate in the Fed’s direct lending programs, private equity firms stand to reap substantial financial benefits from the Federal Reserve System’s \$2.3 trillion lending programs backstopped with taxpayer dollars that were announced on April 16, 2020, to address the coronavirus crisis.³⁰ The industry also benefitted when the Department of Labor announced that some retirement plan sponsors can put money into private equity investments,³¹ which “pries open a multi-trillion-dollar market of investment funds and could be worth as much as \$400 billion to the industry.”³²

Private equity owners and managers that have benefited for years from high profits and limited transparency now have a critical responsibility to protect the millions of workers, consumers, and countless other stakeholders that find themselves dependent on private equity owners and the businesses they control. As the COVID-19 pandemic brings the economy and millions of businesses around the country to the brink of collapse, private equity firms and managers should prioritize and support their existing portfolio companies, and the workers, consumers, and communities that rely on those businesses. And private equity firms with investments in industries that have been disrupted by the pandemic should take immediate action to guarantee that workers and other stakeholders do not bear the brunt of the financial fallout.

Private Equity Industry Practices and Needed Reforms

Last year, I introduced the *Stop Wall Street Looting Act of 2019* because the private equity industry in recent decades has purchased companies across all sectors of the economy, then proceeded to load them with debt, strip them of assets, and extract exorbitant fees, while leaving workers, consumers, and communities behind.³³ My legislation would close the legal, tax, and regulatory loopholes that have long allowed private equity firms to capture the rewards of their investments while passing the risk on to target companies, investors, workers, and consumers.³⁴ It would require firms to share the responsibility for the liabilities of companies under their control to better align their incentives with performance and encourage more responsible use of debt. It would ban dividends for investors for two years after a firm acquires a company and end the looting of companies through excessive fees to give targeted firms a

³⁰ Americans for Financial Reform, “Fact Sheet: Private Equity Industry Poised to Profit from the Federal Reserve’s New Lending Programs,” May 15, 2020, <https://ourfinancialsecurity.org/2020/05/fact-sheet-private-equity-industry-poised-to-profit-from-the-federal-reserves-new-lending-programs/>; Board of Governors of the Federal Reserve System, “Federal Reserve announces its Paycheck Protection Program Liquidity Facility is fully operational and available to provide liquidity to eligible financial institutions,” press release, April 16, 2020, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200416a.htm>.

³¹ New York Times, “401(k) Plans Move a Step Closer to Pooling With Private Equity,” Edmund Lee, June 3, 2020, <https://www.nytimes.com/2020/06/03/business/retirement/private-equity-regular-investors.html>; Department of Labor, “U.S. Department of Labor Issues Information Letter on Private Equity Investments,” press release, June 3, 2020, <https://www.dol.gov/newsroom/releases/ebsa/ebsa20200603-0>.

³² American Prospect, “Unsanitized: Private Equity Gets Its Bailout After All,” David Dayen, June 4, 2020, <https://prospect.org/coronavirus/unsanitized-private-equity-gets-bailout-after-all/>.

³³ Office of Senator Warren, “Warren, Baldwin, Brown, Pocan, Jayapal, Colleagues Unveil Bold Legislation to Fundamentally Reform the Private Equity Industry,” July 18, 2019, <https://www.warren.senate.gov/newsroom/press-releases/warren-baldwin-brown-pocan-jayapal-colleagues-unveil-bold-legislation-to-fundamentally-reform-the-private-equity-industry>; Stop Wall Street Looting Act, S. 2155, <https://www.congress.gov/bill/116th-congress/senate-bill/2155>.

³⁴ *Id.*

chance to succeed. It would ensure that workers are protected in case a targeted firm does not succeed and hold private equity firms accountable if they cut corners or break the law. Finally, the *Stop Wall Street Looting Act of 2019* would empower investors by increasing transparency about private equity funds' fees, returns, and political expenditures.

These reforms are needed now more than ever, as the economic crisis spurred by this pandemic continues to put millions of people in the country out of work. As one analysis noted, the passage of this legislation is particularly important amidst the COVID-19 pandemic: “Without passage of the Stop Wall Street Looting Act (SWLA) to rein in unsustainable debt and put an end to private equity owners enriching themselves, otherwise successful retailers brought low by the COVID-19 pandemic will be fair game for these vultures.”³⁵

The private equity industry wields enormous power over the American economy and private equity firm executives need to guarantee that their profits will not come before the safety and security of the American people. Private equity firms have the financial resources to weather this crisis and should avoid making an unprecedented public health emergency worse by laying off workers, closing stores, evicting families from their rental homes, charging incarcerated individuals exorbitant rates to communicate with their family, cutting resources at nursing homes responsible for caring for an already vulnerable population, or engaging in other abuses in the myriad of industries where they have significant investments.

The private equity industry has been lobbying aggressively for access to federal assistance amid the pandemic,³⁶ and with “corporate raiders and private equity sharks circling”³⁷ amid the economic crisis, it is critical that the industry take steps to change their practices from putting profits ahead of workers and communities. As I work to enact my *Stop Wall Street Looting Act* into law, I strongly urge you to encourage the private equity firms you represent to end the looting of target companies, increase transparency about fees and returns, and protect workers and communities.

In order to better understand your lobbying efforts on behalf of the private equity industry's access to federal assistance program, I ask that you answer the following questions by Wednesday, July 8, 2020:

1. Reports show that even in the early stages of the pandemic soon after passage the CARES Act, “the private-equity industry [was] pressing the federal government to let

³⁵ American Prospect, “How Private Equity Firms Will Profit from COVID-19,” Eileen Appelbaum, Andrew Park, and Rosemary Batt, May 7, 2020, <https://prospect.org/coronavirus/private-equity-firms-profit-covid-19-j-crew/>.

³⁶ New York Times, “Does Private Equity Deserve a Public Bailout?: The Deal Professor: Money and morals,” Steven Solomon, April 14, 2020, <https://www.nytimes.com/2020/04/14/business/dealbook/bailout-private-equity-venture-capital.html>; Wall Street Journal, “Fed’s Coronavirus Stimulus Offers Taxpayer Cash to Buyout Firm Companies,” Chris Cumming, April 16, 2020, <https://www.wsj.com/articles/feds-coronavirus-stimulus-offers-taxpayer-cash-to-buyout-firm-companies-11586988495>.

³⁷ Vox, “Exclusive: Goldman warns clients about a rise in hostile takeovers amid coronavirus market meltdown,” Emily Stewart, March 18, 2020, <https://www.vox.com/the-goods/2020/3/18/21185695/coronavirus-stock-market-goldman-sachs-private-equity-activist-investors>.

investment firms obtain stimulus loans intended to blunt the economic damage stemming from the coronavirus.”³⁸

- a. Please provide documentation of communications between lobbyists or representatives of the American Investment Council with, officials at the Federal Reserve System, or political appointees at the Department of Treasury or Small Business Administration regarding the administering of any and all funds appropriated in the CARES Act.³⁹
 - b. Please provide documentation of communications between lobbyists or representatives of the American Investment Council with any White House officials, including Jared Kushner, regarding the administering of any and all funds appropriated in the CARES Act.⁴⁰
2. On behalf of your organization, you recently stated, “We’ll continue to work with the administration and Congress to request that federal programs support all businesses, regardless of ownership structure, and their workers.”⁴¹
- a. In March, I wrote a letter to Treasury Secretary Steve Mnuchin and Federal Reserve Board Chairman Jay Powell laying out conditions that should come with any bailout funds to corporate America, and I am continuing to fight for these principles.⁴² In my letter, I wrote that the Treasury and Federal Reserve must require any company that receives federal relief funds under the CARES Act:
 - “Uses federal funds to keep workers on the job, including maintaining at least 95% of payrolls;
 - Provides a \$15 an hour minimum wage by year's end;
 - Does not use taxpayer funds to personally enrich CEOs or senior executives through any form of executive compensation;
 - Does not shovel money out the door through stock buybacks, dividends, or any other direct or indirect form of shareholder distribution;
 - Provide at least one seat to workers on their board of directors;
 - End union-busting efforts and maintain collective bargaining agreements;
 - Require that CEOs make personal, annual certifications to Treasury and the Federal Reserve that their companies are complying with the

³⁸ Wall Street Journal, “Private Equity Steps Up Push to Unlock Coronavirus Stimulus,” Chris Cumming, April 1, 2020, <https://www.wsj.com/articles/private-equity-steps-up-push-to-unlock-coronavirus-stimulus-11585764850>.

³⁹ Coronavirus Aid, Relief, and Economic Security (CARES Act), Public Law 116-136.

⁴⁰ *Id.*

⁴¹ POLITICO, “Wall Street titans lobby for a cut of small business bailout,” Zachary Warmbrodt, April 1, 2020, <https://www.politico.com/news/2020/04/01/wall-street-titans-lobby-for-a-cut-of-small-business-bailout-160298>.

⁴² Office of Senator Warren, “Warren Calls on Mnuchin and Powell to Protect Workers & Root Out Corruption When Doling Out New CARES Act \$500 Billion Bailout Fund,” March 31, 2020, <https://www.warren.senate.gov/oversight/letters/warren-calls-on-mnuchin-and-powell-to-protect-workers-and-root-out-corruption-when-doling-out-new-cares-act-500-billion-bailout-fund>.

rules, ensuring that these CEOs would face civil and criminal penalties for violating these terms; and

- Is liable to the federal government for all assistance received if the company violates any of the terms of their agreements with taxpayers.”⁴³

Does the American Investment Council agree with these conditions for receiving federal assistance funds?

3. The private equity industry’s business model to “buy companies, saddle them with debt to finance the purchase, then try to juice profits in hopes of generating significant returns for the firms’ investors,” and that the industry often structures operations “in a way that they are not responsible for debts incurred by the companies they control.”⁴⁴ Additionally, the pandemic has demonstrated major vulnerabilities in our economy for workers and consumers, with reports showing, “Years of limp wage growth left workers struggling to afford essentials. Irregular work schedules caused weekly paychecks to surge and dip unpredictably. Job-based benefits were threadbare or nonexistent. In this economy, four of 10 adults don’t have the resources on hand to cover an unplanned \$400 expense.”⁴⁵
 - a. Will the American Investment Council endorse my *Stop Wall Street Looting Act of 2019*?⁴⁶ In order to protect workers, consumers, and investors, and require private equity firms to take responsibility for the success of companies they control, this bill, among other provisions, would:
 - require firms to share the responsibility for the liabilities of companies under their control to better align their incentives with the performance of the company by encourage more responsible use of debt;
 - ban dividends for investors for two years after a firm acquires a company and end the looting of companies through excessive fees to give target firms a chance to succeed;
 - ensure that workers are protected in case a target firm does not succeed and hold private equity firms accountable if they cut corners or break the law; and
 - empower investors by increasing the transparency behind private equity funds’ fees, returns, and political expenditures.

⁴³ Office of Senator Warren, “Warren Calls on Mnuchin and Powell to Protect Workers & Root Out Corruption When Doling Out New CARES Act \$500 Billion Bailout Fund,” March 31, 2020, <https://www.warren.senate.gov/oversight/letters/warren-calls-on-mnuchin-and-powell-to-protect-workers-and-root-out-corruption-when-doling-out-new-cares-act-500-billion-bailout-fund>.

⁴⁴ Mother Jones, “How Health Care Investors Are Helping Run Jared Kushner’s Shadow Coronavirus Task Force,” Pema Levy, April 21, 2020, <https://www.motherjones.com/politics/2020/04/jared-kushner-nat-turner-coronavirus-conflicts-of-interest/>.

⁴⁵ New York Times, “Stragglers in a Good Economy, and Now Struggling in a Crisis,” Patricia Cohen, April 17, 2020, <https://www.nytimes.com/2020/04/16/business/economy/coronavirus-economy.html>.

⁴⁶ Stop Wall Street Looting Act, S. 2155, <https://www.congress.gov/bill/116th-congress/senate-bill/2155>.

Thank you for your attention to this matter, and I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Warren". The signature is fluid and cursive, with a long horizontal stroke at the end.

Elizabeth Warren
United States Senator