

Statement by D. Taylor, President of UNITE HERE

UNITE HERE strongly supports the *Stop Wall Street Looting Act* introduced this week by Senators Warren and Baldwin and Representatives Pocan and Jayapal. Private equity has been a disaster for the gaming industry. In no company has this been more apparent than at Caesars Entertainment.

In 2008, following the leveraged buyout by Apollo and TPG, Caesars was left with billions of dollars of debt making it difficult for the company to weather the Recession and compete as new states opened up casino gaming. In 2014, Caesars closed casinos in Tunica and Atlantic City. The year before they were party to closing another Atlantic City casino. Our members worked at all of those shutdown casinos, and thousands lost their jobs. Only a fraction of the workers were offered positions at other Caesars properties. Caesars nationally shed 24% of its workforce, going from 85,000 employees in 2006 to 66,000 in 2018.

Caesars eventually filed for Chapter 11 and even after emerging from bankruptcy continues to have substantial fixed costs in the form of interest payments and rent now that much of its real estate has been sold. These fix costs leave less available resources to reinvest in the properties, which require substantial capital expenditures for maintenance, upkeep and improvements. And Caesars wasn't the only gaming company to see massive layoffs, bankruptcy, or foreclosure under private equity.

We need policies like those proposed in the *Stop Wall Street Looting Act* to discourage companies from taking on excessive debt to complete deals, protect workers in bankruptcy, and hold private equity owners responsible when the companies they target end up in bankruptcy. We need to make sure wealthy private equity managers pay their fair share of taxes by closing the loop hole on carried interest.