



Policies Protecting Workers from Heat: Two Steps Forward, One Step Back

BY JULEY FULCHER

More than 270 million people in the United States have suffered through intense heat waves this summer, with daily high temperature records broken in 23 states as of early July. Temperatures have reached 25 degrees above normal in some locations. The global annual temperature has increased steadily over the past several decades. The last 10 years have been the hottest on record, with 2023 surpassing all previous years.

Given the current temperature trends, 2024 is likely to overtake last year's heat record.

Unprecedented temperatures have become the norm. Meanwhile, workers throughout the country face these dangerous temperatures without specific heat protections from the U.S. Occupational Safety and Health Administration (OSHA).

Heat is the leading weather-related killer, exceeding the lives lost to hurricanes, floods, and tornadoes. It can cause heat illnesses ranging from heat rash to heat exhaustion, heat stroke, and cardiac arrest. The symptoms of heat illnesses – fatigue, excessive sweating, loss of balance and motor coordination, nausea,

fainting, muscle cramps and more – greatly increase the chance of workplace accidents, such as falling off ladders or roofs or making mistakes in the use of power tools, vehicles, or dangerous chemicals. But every workplace illness, injury, and fatality caused by heat stress is avoidable, and relatively simple preventative measures have proven extremely effective at protecting workers.

It's been more than five decades since the National Institute for Occupational Safety and Health, a division of the Centers for Disease Control and Prevention, first rec-

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Photo courtesy of Shutterstock.

Indigenous Leaders Travel to Washington to Fight Corporate Colonialism

BY SARAH STEVENS

Corporate trade and special investor rights treaties are punishing Indigenous communities throughout Latin America. In early June, Public Citizen hosted a delegation of Latin American Indigenous leaders in Washington, D.C., to tell policymakers and others directly about how trade and investment agreements are harming them.

Iza Camarillo, Public Citizen's Global Trade Watch research director, joined the delegation to highlight her new report, "Corporate Colonization of

Latin America: How ISDS Harms Indigenous Communities." This groundbreaking report highlights how the Investor-State Dispute Settlement (ISDS) system, which is embedded in dozens of U.S. trade deals, is completely incompatible with Indigenous people's internationally recognized rights.

Investor "Rights" Versus Indigenous Sovereignty

The ISDS system allows multinational corporations to sue governments for actions and policies that they perceive to threaten their special "investor rights."

This even includes compensation for "expected future profits," empowering multinational corporations to demand money that wasn't even invested in the first place.

In the past, companies have used ISDS to sue governments for instituting commonsense environmental regulations, consumer protections, and other public interest policies. These lawsuits occur in shady international courts, and Indigenous peoples are rarely ever permitted to participate, even when the development projects at issue directly affect their communi-

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Artificial Intelligence Lobbyists Inundate D.C.

BY ASHLIE ALVAREZ SIMMS

Washington, D.C., has been Wabuzz lately – not with a summer swarm of cicadas or even about the usual pieces of legislation, but about the future of Artificial Intelligence (AI) policy. In 2023, corporations, trade groups, and other organizations sent more than 3,400 lobbyists – twice as many as the previous year – to lobby the federal government on AI-related issues. A new Public Citizen report shows that corporations or corporate-aligned

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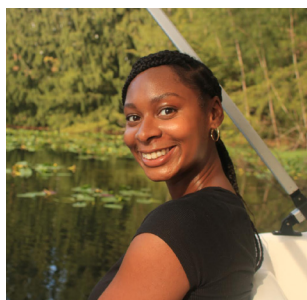
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GET TO KNOW PUBLIC CITIZEN JALISA GILES

An ongoing series profiling Public Citizen leaders and staffers



As the campaign coordinator for Public Citizen's Secure Our Vote Coalition, Jalisa Giles is focused on protecting and safeguarding our democratic processes, ensuring every voice is heard and every vote counts. Before joining Public Citizen, Giles began her career in advocacy as a Unite Here Local 355 South Florida union intern in Miami, Fla. She later served as civic engagement director at Florida Conservation Voters, where she registered over 13,000 voters across three counties from April through November 2022. Giles was born and raised in Vicksburg, Miss., and is an alumnus of the University of Mississippi with a bachelor's degree in political science. Growing up in Mississippi, she witnessed firsthand the impact of legislation on communities and the prevalent apathy towards it. These experiences fuel her commitment to public service and bridging the gap in civic education.

One of her recent accomplishments was collaborating closely with Alabama state representative Adline Clarke to pass crucial legislation that enhances protections for election workers ahead of the 2024 elections. This achievement underscores Public Citizen's commitment to strengthening election integrity and ensuring the fairness of our electoral system. Looking ahead, Giles aims to advocate for policies that safeguard elections and promote civic engagement, fostering a more inclusive democratic process in which every voice matters.

Previously you worked at Florida Conservation Voters, where you served as community and civic engagement director for over five years. What has it been like to shift from advocacy in one state to a nationwide focus?

Giles: It was a huge shift! Transitioning from Florida to Washington, D.C. was particularly in expanding the scope and scale of advocacy efforts for voters rights. While my tenure at Florida Conservation Voters was focused on voter registration and civic engagement, at Public Citizen, we have a national membership organization and are advocating for voters rights on a much larger scale. Public Citizen has fought for corporate and government accountability to guarantee the individual's right to safe products, a healthy environment and workplace, fair trade, and clean and safe energy sources. Public Citizen is active in Congress, the courts and government agencies.

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Florida Conservation Voters equipped me with a profound understanding of local dynamics and community engagement strategies, navigating the broader national landscape at Public Citizen has introduced new complexities and opportunities. The pace and intensity of advocacy work at the national level differ significantly from state-level initiatives. Effectively balancing the broader policy implications with grassroots mobilization and coalition building has been pivotal in advancing robust voter protection initiatives.

What are some projects that you and your team are working on?

Giles: Currently, my team at Public Citizen is deeply engaged in several pivotal projects. We're coordinating nationwide events for the John Lewis Day of Action in collaboration with Black Voters Matter, Transformative Justice Coalition, and the League of Women Voters. Additionally, within the Secure Our Vote Coalition, we are actively opposing the expansion of internet voting while strategizing alternative methods to uphold election integrity. We are also launching a Campus Engagement Campaign program aimed at empowering students worldwide to engage in civic activities on their campuses. Together, we develop and implement campaigns that advocate for transparent and inclusive democratic processes, placing a strong emphasis on policy analysis and coalition building to achieve impactful change.

What is a common misconception about the electoral process you'd want to change?

Giles: A common misconception is that individual votes don't matter. It's crucial for every citizen to understand that their vote is not only their right but also their voice in shaping the future of their community and country. Every vote contributes to the collective outcome of elections, and each voice deserves to be heard and counted. This understanding is fundamental to promoting active civic engagement and ensuring a robust and inclusive democratic process. ■
— Compiled by Ashlie Alvarez Simmons

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Remembering Dr. Sidney Wolfe

More than six months have passed since the death of Dr. Sidney Wolfe, one of Public Citizen's founders and the longtime leader of our Health Research Group.

I think about Sid every day and miss him every day.

I reflect on how incensed he would be about the U.S. Food and Drug Administration's (FDA) approval of yet another Alzheimer's drug with modest benefits and substantial safety risks. He thought the FDA's decision to approve the first of the recent Alzheimer's drugs – following a heavily conflicted process during which the agency worked with the drugmaker



PRESIDENT'S VIEW
ROBERT WEISSMAN

to recalibrate studies in order to make them seem better – was the single worst decision the agency had made in his 50 years of monitoring FDA approvals. I know Sid would be pleased that we strongly opposed the approval and would insist that we maintain our focus on these poor-quality drugs and take every opportunity to educate consumers and push the FDA to revisit its decision.

I think about how pleased Sid would be with the cutting-edge work of Health Research Group fellows Drs. Steffie Woolhandler and David Himmelstein on the impact of privatized Medicare (“Medicare Advantage”). He would be outraged about their finding that privatized Medicare raised Medicare costs \$82 billion in 2023 alone.

Sid would be excited about being part of our planning for a bold health care reform campaign – including to improve Medicare, combat privatized Medicare, and push for aggressive measures to lower drug prices – after the 2024 election. And he would have insisted that we keep our eyes on the overarching objective of winning Medicare for All, to ensure that health care is treated as a right. (Of course, even without his insisting, we're not losing sight of that fundamental goal.)

If he were with us, Sid would tell me about his enthusiasm for our new and younger staff, basking in their passion, insights, creativity and strategic-mindedness. I know this, because he did it all the time.

If he were healthy, Sid would drop by my office and ask if I had three minutes free. Then he would talk to me about an outrage at the FDA, which would take much longer than three minutes; and then he'd tell me about a concert he had attended the previous evening; and then we'd talk about the fate of the Cleveland basketball team. Quickly, that three minutes would have turned into thirty. In the course of that half hour, I would have learned

something important, hopefully have helped Sid work through a problem, been jolted by Sid's boundless energy and enthusiasm, and be charged up for the rest of the day.

If Sid were with us, at this moment of profound democratic fragility, he'd counsel our staff and our supporters to combine impatience with persistence. With the stakes so high, he'd urge us in words and especially in deed to dig a little deeper and find a little more energy and a few more minutes to mobilize and organize, research, and advocate – to push with everything we have to address injustice and forestall a proto-fascist movement – right now. But he would also insist – again, by example even more than what he said – that we can't allow ourselves to get discouraged, to slacken our advocacy, or to permit defeats to

sideline us. No matter what, we have to stay engaged for the long term – just as he did.

There will never be another Sid Wolfe, but his work, his values, his determination, his creativity, his commitment to excellence, his kind-heartedness are and forever will be woven into the DNA of Public Citizen.

We are going to remember and honor Dr. Sidney Wolfe by continuing his and our great work. We have created the Dr. Sidney M. Wolfe Memorial Fund to support fellows working with Public Citizen's Health Research Group and to further Sid's lifetime work. If you'd like to contribute, please use the insert included with this issue of *Public Citizen News* or contribute online at citizen.org/sidwolfe. ■

Robert Warren

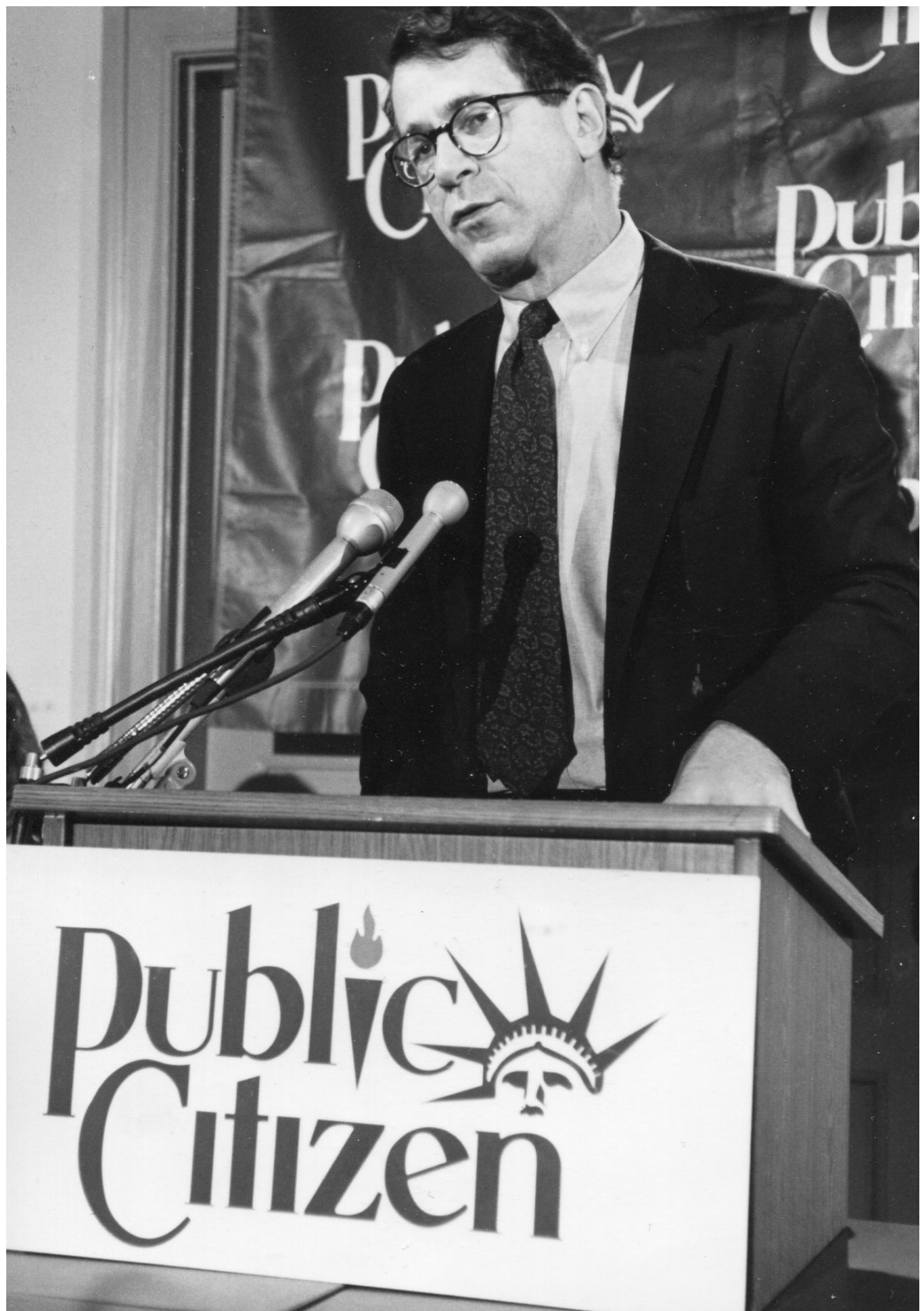


Photo of Dr. Sidney Wolfe courtesy of Beverly Orr.

► **Indigenous**, from page 1

ties. In this scheme, the system’s “judges” – some of whom are also corporate lawyers – often place a multinational corporation’s profits and special “investor rights” over internationally recognized human rights.

Public Citizen’s new report on ISDS and Indigenous communities shows the ISDS system’s roots in colonialism and its disproportionate harm to Indigenous peoples across Latin America.

ISDS gives multinational corporations the power to sue governments for recognizing Indigenous rights like self-determination and land sovereignty, if that recognition imperils corporate projects already planned. Corporate lawsuits using ISDS also pose significant social, environmental, legal, and financial risks for Indigenous communities, according to the report.

An Indigenous Delegation Takes on D.C.

At the beginning of June, Venessa Cárdenas and Luisa Connor – educators and Afro-Indigenous community leaders from Crawfish Rock, Honduras – flew to Washington, D.C., to speak to policymakers and civil society about their experiences with corporate trade deals, ISDS, and U.S. investors.

The government of Honduras

is currently facing an ISDS lawsuit from a U.S. corporation demanding nearly \$11 billion – an amount equal to roughly two-thirds of the country’s annual budget.

The Delaware-based company, Prospera, launched its case after the Honduran government repealed an unconstitutional law that had essentially created private city zones where investors from the U.S. (and elsewhere) could set up their own governments, tax systems, and regulations inside Honduras and independent of the state itself.

Since the arrival of these zones, members of the Crawfish Rock community have raised concerns about detrimental impacts on their community. Other regions of Honduras have been affected as well.

Cárdenas and Connor shared their testimonies in a congressional briefing sponsored by U.S. Reps. Lloyd Doggett (D-Tex.), Rosa DeLauro (D-Ct.), and Nydia Velázquez (D-NY). They also had individual meetings with many congressional offices on relevant committees and met with representatives from the U.S. State Department and U.S. Trade Representative. The delegation also joined a series of panels for Public Citizen’s report launch on Indigenous rights and ISDS.

Renowned Siekopai youth leader Consuelo Piaguage and Donald Moncayo, a representative

of the Union of People Affected by Texaco, intended to join the delegation, but they unfortunately had to call in remotely from Ecuador because the U.S. embassy did not issue their visas in a timely manner.

Piaguage and Moncayo both come from communities in Ecuador that have faced severe, longstanding health and environmental harms from Chevron’s (previously Texaco) oil pollution in the Amazon. In a landmark case for human rights, the Ecuadorian courts found Chevron guilty of the damages they wreaked upon the Amazon for decades.

In response, Chevron filed an ISDS case to challenge and essentially overturn the Ecuadorian courts’ decision. Now, Ecuador has terminated every single bilateral trade deal with an ISDS provision. And Ecuadorian voters recently voted in a historic referendum to keep ISDS out of future trade deals.

During the series of panels, Piaguage left the crowd with a particularly moving statement: “I hope that all of you listening today will take what you hear to the places where you live because it is only this way – if it is shared – that we can continue with this fight. It is not just our struggle, but it is the struggle of everyone, to ensure justice for our elders.”

The report launch event was attended by embassy officials, academics, civil society represen-

tatives, and even a few ISDS attorneys who are now having second thoughts about their industry. Several news outlets shared findings from the report.

Transnational Movements Have Built the Momentum for Abolition

The powerful testimonies of Cárdenas, Connor, Piaguage, and Moncayo emphasize the urgent need to eliminate ISDS once and for all.

The Biden administration has committed to leaving ISDS out of all future trade deals, and at a recent Senate hearing, the U.S. Trade Ambassador indicated openness to removing ISDS from existing trade deals, which would be a win for Indigenous communities everywhere.

And it’s totally possible. Ecuador got rid of 16 trade deals containing ISDS, citing these provisions as a threat to the sustainable development objectives laid out by policymakers. Recently, the European Union also announced a joint exit from the costly Energy Charter Treaty, a massive trade deal that gave Big Oil the power to sue member states over sound climate policy.

With continued transnational advocacy and momentum across continents, communities hold the power to get rid of ISDS once and for all. ■



Photo courtesy of Jerónimo Zuñiga / Amazon Frontlines.

Why Trump's New York Trial Was About Election Interference

BY DARCEY RAKESTRAW

The American people experienced their first taste of Donald Trump's accountability in the case of the *People of the State of New York v. Donald J. Trump*: the jury found the former president guilty on 34 felony counts. While this case was widely reported in the media as a coverup of hush money payments to hide an affair with a porn star, what was not adequately covered was why these payments were made: to influence voters. The case was about election interference, which has wide implications for our democracy.

After listening to more than 20 witnesses, examining over 200 exhibits, and hearing testimony from both sides for over two weeks, a jury of everyday Americans found Trump guilty of illegally falsifying business records to hide crucial information about an affair from voters just weeks before the 2016 election. In doing so, Trump was able to diminish the damaging attention brought by the Access Hollywood scandal, in which audio of him bragging about how

he could grab women by the genitals with impunity was leaked to the media.

Christian Americans who oppose extramarital sex and adultery comprise a key part of Trump's base. His attempt to hide his affair with Stormy Daniels days before the 2016 presidential election reveals the true purpose of the money – a "cover-up" to influence voters.

Former U.S. Rep. Elizabeth Holtzman, who served on the House Judiciary Committee during Watergate and voted to impeach former President Richard Nixon, wrote about how much the New York election interference case echoed the Watergate cover-up: "Having served on the House Judiciary Committee during Watergate, the appalling similarities between Nixon's conspiracy to hide damaging information from voters and the charges against Trump are clear to me." Holtzman went on to note that as part of the scandal, Nixon approved hush money payments to the Watergate burglars. "Nixon almost certainly would have lost the election had the public known of his role in

those payments, not to mention the rest of the cover-up."

From the outset of the trial, Trump and his legal team attempted to undermine the proceedings by intimidating witnesses, criticizing jurors, and defying orders from the judge. Such tactics often lead to fines or even potential jail time. Sentencing is set for July 11, at which point we will see if he receives special treatment.

The verdict in the New York election interference case is a first instance of accountability for Donald Trump, and several other cases with ramifications for our democracy are still pending. These include the U.S. Department of Justice's classified documents case, the election interference case in Georgia, and the federal case concerning Trump's role in the Jan. 6 insurrection, which is currently stalled as the U.S. Supreme Court rules on whether a president has total immunity from prosecution for acts committed during their presidency, as Trump's legal team has asserted.

In the years since the 2020 election, Public Citizen has

helped lead the Not Above the Law coalition to ensure accountability for Trump's attempts to subvert democracy and the rule of law. During the New York trial, the coalition held a press conference underscoring the gravity of Trump's falsification of business records in order to deceive the electorate and interfere with the election.

"This case is not about an affair. It is not about the payment to cover up the affair. It is not about business records, even though that is what the criminal allegations directly regard," said Public Citizen President Robert Weissman at the courthouse. "This case is about election interference."

The Not Above the Law coalition projected the message "No One is Above The Law" on the facade of the courthouse during the trial to underscore the point.

The verdict in New York demonstrates that even a former president cannot escape justice. But there is still much more to do to safeguard the rule of law and strengthen our representative democracy and voting rights. ■



A projection that reads "Trump is Not Above the Law" is illuminated on the Manhattan Criminal Court on April 21, 2024 in New York City. Photo courtesy of Roy Rochlin/Getty Images for Public Citizen and Not Above The Law Coalition.

► **Heat Stress**, from page 1

ommended that OSHA issue a rule protecting workers from heat stress. Since that time, hundreds, maybe even thousands, of workers have died of occupational heat stress. And hundreds of thousands more have become ill or injured on the job due to excessive heat.

An OSHA Heat Standard Is Still Years Away

Building on our previous advocacy to address this danger, Public Citizen, along with more than 100 organizations and workplace safety experts, petitioned OSHA in 2018 to issue a rule protecting workers from excessive outdoor and indoor heat. In 2021, the Biden administration granted the petition and initiated the process of creating a heat rule – a process that unfortunately takes seven to eight years on average. So far, the development of the rule is proceeding on pace.

At an event at the D.C. Emergency Operations Center in early July, President Biden announced that OSHA has formally proposed the nation’s first-ever federal safety standard addressing excessive heat in the workplace. The proposed final rule will be published in the Federal Register for public comment and hearings, the final step before the rule is put into effect.

The wait for an OSHA heat rule leaves millions of workers in danger. As detailed in a recent Public Citizen report, some states and local governments have attempted to issue their own workplace heat standards. Five states already have heat rules to protect their workers – California, Oregon, Washington, Colorado, and Minnesota. Maryland is expected to issue a heat rule soon; there have been efforts to create heat rules in at least a dozen other states as well.

California has had an outdoor workplace heat standard since 2005, but has struggled to create an indoor standard for years. Indoor workers in many industries face

excessive temperatures due to the heat produced by machinery, such as ovens, kilns, furnaces and milling machines. As a result, workers in restaurants, bakeries, factories, commercial laundries, foundries, electrical utilities, and steel mills, among others, need protection from dangerous indoor heat.

Outdoor heat also can create dangerous indoor temperatures. The hot sun roasts buildings made with materials that absorb heat and lack proper cooling systems, causing indoor temperatures to swell beyond the outdoor temperature. This is a common issue in warehouses but can occur in any business. The problem has been magnified in recent years with intense heat reaching parts of the country where air-conditioning is less common.

The California Division of Occupational Safety and Health (Cal/OSHA) developed a proposed rule to protect indoor workers. The Cal/OSHA Standards Board was scheduled to vote on the proposed rule on March 21, 2024, allowing the rule to go into effect before summer. But the governor of California pulled the rug out from under the final passage of the rule just hours before the scheduled vote.

A cost impact estimate is required to implement a workplace rule in California. The California Department of Finance had submitted a Standardized Regulatory Impact Assessment more than a year prior to the scheduled vote estimating that it would cost \$1 million for the California Department of Corrections and Rehabilitation to comply with the rule. But on the eve of the vote, the Department of Finance pulled its support for the rule, claiming a revised cost estimate of billions of dollars to make California prison workers safe from excessive heat. As the governor scrambled to balance the California budget, the heat rule ended up on the chopping block.

In order to protect the majority of indoor workers, Cal/OSHA proposed a new indoor heat rule that

would exempt California prisons. On June 20, 2024, the Cal/OSHA Standards Board unanimously passed the new indoor heat standard. The California Office of Administrative Law has 30 days to review the standard, but the Cal/OSHA board has asked the agency to expedite it in order to allow the heat rule to go into effect sooner.

Texas and Florida Take a Big Step Backward

While OSHA and state and local governments make earnest efforts to create heat rules to protect workers in their jurisdictions, political divisions and intense lobbying from industry groups has created serious roadblocks. Draconian laws in Texas and Florida have nullified heat rules put in place by local governments.

Last year, in July of 2023, Texas Governor Greg Abbott signed HB 2127, the sweeping “Death Star” law barring local governments from issuing regulations without approval from the Texas Legislature, including labor regulations. The legislation went as far as specifically preempting rules on rest breaks, including those rules that had been put in place in Houston and Austin. San Antonio was close to issuing its own heat rule when the “Death Star” law was signed.

In March of this year, Florida passed a law that is even more offensive. In a preemptive strike to block a proposed comprehensive rule to protect workers from heat that was expected to be instituted within weeks in Miami-Dade County, the Florida legislature passed HB 433, a bill to prohibit all heat standards in local Florida jurisdictions. While the Texas “Death Star” law broadly preempted local development of regulations, the Florida law very specifically targeted workplace heat protections.

The cruel Florida law details a list of prohibited workplace requirements – basic protocols to prevent heat stress including hydration, rest breaks, acclimatization,

and any form of training for workers about the dangers of heat illness and how to prevent it. It even prohibits requirements for employers to have the first aid and emergency response protocols necessary to save lives. Finally, the law undermined all pretext of maintaining consistent requirements for employers throughout the state by prohibiting the state government from passing workplace heat stress protections for the next two years.

We Must Protect Workers Now

With a federal heat standard still likely two years away and only a handful of state heat standards in place, the vast majority of employers are not required to put simple heat protections in place. Congress could act today to protect the workers in every state by passing the Asunción Valdivia Heat Illness, Injury and Fatality Prevention Act of 2023 (S.2501/H.R.4897).

Named after a worker who lost his life because of laboring in the heat without protections, this bill would direct OSHA to immediately implement an enforceable interim heat standard that would be in effect until a final federal OSHA standard is issued. The bill has the support of 10 state Attorneys General and the Public Citizen-led Heat Stress Network – a coalition of more than 100 workers rights organizations, unions, occupational health groups and experts, climate change organizations, and faith-based organizations – representing millions of workers across the country.

But a divided and stagnant Congress has failed to take action. Despite nearly 100 cosponsors in the U.S. House and 25 cosponsors in the U.S. Senate, the bipartisan bill currently languishes in congressional committees.

As the nation swelters in the summer heat, workers’ lives are at stake. Congress must immediately pass the Asunción Valdivia Heat Illness, Injury and Fatality Prevention Act of 2023. ■



trade groups hired most of these lobbyists.

Public Citizen searched through five years of lobbying disclosures (2019 through 2023) to compile a dataset of clients and lobbyists who lobbied explicitly on AI and other AI-related matters. The data revealed a surge in the number of clients, lobbying organizations, and individual lobbyists working on AI-related issues and the disparate range of industries these issues touch. Eighty percent of all AI-related lobbyists came from finance, health care, telecommunications, transportation, and defense sectors.

"Either we let corporate lobbyists write rules on AI to concentrate corporate power and wealth, or we demand that government officials prioritize the public interest," said Robert Weissman, president of Public Citizen.

Public Citizen's report, which was authored by Mike Tanglis, research director for Public Citizen's Congress Watch division, found that corporations, trade groups, and other organizations had been consistently lobbying on AI-related issues from 2019 to 2022. But something changed in 2023. Corporations, trade groups, and other organizations sent more than 3,400 lobbyists to lobby the federal government on AI-related

issues in 2023, a 120% leap from 2022.

In 2023, 1,100 lobbyists were sent to lobby the White House, nearly twice as many as were devoted to any federal agency. The number of lobbyists hired to lobby the White House on AI-related issues grew from 323 in the first quarter to 921 by the fourth quarter – a 188% increase within a year. Eighty-five percent of the lobbyists hired in 2023 to lobby on AI-related issues were hired by corporations or corporate-aligned trade groups.

Tanglis' research found that after the number of corporations, trade groups, and other organizations lobbying on AI-related issues remained relatively steady from 2019 to 2022, a steep increase in 2023 brought the number of lobbying clients up to 566. This growth reflected a 108% increase from the 272 clients engaged on AI issues in 2022.

This increase underscores the growing importance of AI-related policy discussions at the legislative level – and the impact the rapid development and implementation of AI-based technologies has on our daily lives.

Lobbying clients will often hire the same people, resulting in the same person being counted multiple times (when Apple and Oracle hire the same person to lobby, that person would be counted twice in

our totals). In terms of unique individuals, there were 2,136 lobbyists hired to lobby on AI-related issues in 2023.

"AI companies, defense contractors, autonomous vehicle manufacturers, and others stand to make billions if AI policy is crafted more in their interest than in the public's," said Tanglis. "They appear to be dominating the AI-focused conversations on Capitol Hill. It's never a good idea to put the fox in charge of designing henhouse security."

AI touches all fields of work, including civil rights, democracy, economic opportunities, housing, health care, financial services, media and entertainment, education, national security, and more.

While the technology industry hired the most lobbyists (699), eleven other industries hired at least 125 lobbyists to lobby the federal government on AI-related issues in 2023. The top five industries were:

- Technology: 99 clients and 699 lobbyists
- Nonprofit advocacy organizations: 63 clients and 425 lobbyists
- Financial services: 53 clients and 383 lobbyists
- Education: 53 clients and 156 lobbyists
- Transportation: 52 clients and 285 lobbyists

Public Citizen also highlighted which departments in the federal government lobbyists targeted to discuss AI policies. Excluding the U.S. Senate and House of Representatives, the White House was the most lobbied federal government entity, attracting 1,117 lobbyists in 2023.

The number of lobbyists reporting they lobbied the White House rose dramatically in each quarter of 2023: in the first quarter, 323 lobbyists reported that they lobbied the White House on AI-related issues. By the fourth quarter, that number was 931, a 188 percent increase. This increase can be the effect of the Biden administration's executive order on AI, which led to increased lobbying not only of the White House but also other agencies, given the executive order's directives for different departments. In total, 17 different federal agencies, plus the White House, were lobbied by at least 100 lobbyists on AI-related issues in 2023.

This increase in lobbying engagement will most likely continue in 2024 as federal agencies work to enact the actions directed due to the Biden administration's executive order on implementing "safe, secure, and trustworthy artificial intelligence," and Congress considers any array of legislative proposals related to AI. ■

Protecting Air Quality in San Antonio

BY JOSÉ MEDINA

Recycling facilities – officially known as Metal Recycling Entities (MREs) – are big business in San Antonio, Texas, but they can also raise environmental concerns and other challenges. San Antonio's historic south and west side neighborhoods know this all too well. In the past five years, one recycling facility in the area has been the site of six fires, including one that burned for more than 10 hours.

Similar issues exist with the city's auto part recyclers, also known as Used Automotive Recycling Parts Recyclers (UAPRs).

Now Public Citizen's Texas office is turning its attention to the issue, demanding protections for the neighborhoods poisoned by these frequent fires.

Of the hundreds of recyclers registered with the state of Texas, San Antonio has approximately 70. Many are clustered on the city's south side, a less affluent part of the country's seventh-largest city.

"People see these fires on the news and may think an incident concentrated in one area only endangers the facility's workers and first responders. But, in reality, the danger extends beyond that facility's property line," said Debra Ponce, a San Antonio organizer with Public Citizen and a longtime resident of the area.

"If a fire burns for 10 hours, that's 10 hours of diminished and potentially harmful air quality," Ponce added. "That's 10 hours of a nearby family sheltering in place because the air outside is unhealthy to breathe. That's 10 hours of someone with existing respiratory health issues worrying about their safety. That's 10 hours of pollutants going into the air and spreading by winds across the city and beyond."

Working with the community and multiple neighborhood associations, Ponce and a core group of community leaders approached the San Antonio City Council to seek solutions.

This outcry prompted Council Member Teri Castillo to file a Council Consideration Request (CCR), the first step in drafting local codes to prevent recycling facility pollution incidents and protect the community.

The metal recycling CCR created an ad hoc task force to consider new local safeguards applicable to MREs and UAPRs across the city. In late June, after listening sessions and organizing led by Public Citizen, the CCR cleared a critical City Council committee. The committee's creation is now underway.

The last time some of the applicable codes were updated was in 2012.

The task force will examine preventative solutions, including licensing and fines for recycling facilities, fire prevention codes and violations, and standards for temporarily pausing operations at these facilities. It will also examine fence line air monitoring and tracking and fines to recoup

city service costs for responding to incidents.

"This whole process has shown how organizing can lead to change," said Adrian Shelley, director of Public Citizen's Texas office. "By having conversations with impacted community members, we could recommend a process that the community and the city agreed to. Now, we look forward to seeing real results through the process. We hope the result, first and foremost, is a healthier community and a set of local codes that are fair and effective."

"We recognize that these companies are important to our community and provide employment opportunities in an industry that helps reduce waste. Many are doing it right. We are deeply concerned about the ones who cause health concerns and worry among our residents," Ponce added. The committee's recommendations are due by February 2025. ■

PUBLIC CITIZEN'S 2024 GALA



Public Citizen's 2024 gala, held in June at the National Press Club, honored U.S. Senator Edward J. Markey and Illinois State Representative Abdelnasser Rashid for their outstanding contributions to public service. Markey, recognized for his leadership in consumer advocacy, energy, climate, and progressive policies, has a distinguished legislative record dedicated to improving lives in Massachusetts and nationwide. Rashid was celebrated for his commitment to democracy, as well as working families and the middle class, focusing on property tax relief, affordable housing, environmental protection, and consumer protection. The gala, which was attended by more than 300 people, also paid tribute to Dr. Sidney M. Wolfe, who co-founded the Health Research Group in 1971 with Ralph Nader. Wolfe's pioneering research-based advocacy has led to significant consumer protections, including the removal of dangerous drugs and devices from the market, enhanced worker health and safety measures, and greater accountability for pharmaceutical companies.

Photos courtesy of Jay Mallin.



"We may be living with a rising authoritarian movement, a proto fascist movement that aims to use our government, against people of color, against immigrants to roll back the things that we care about most. If we deal with that scenario, we're going to face it head on, as we already have, using the tools that we developed and innovated, organizing and mobilizing and litigating and advocating the courts and doing investigations and forcing it on ethical officials."

- Illinois Representative Abdul Nasir Rashid



"We need to uplift each other. We need to recognize each other. We need to inspire each other. And when we celebrate, we give ourselves hope, the hope we need to take on those challenges that I mentioned. So tonight is about celebrating."

- Public Citizen President Robert Weissman

Public Citizen Litigation Group Sues American Airlines for Race Discrimination

BY LAUREN BATEMEN

On Jan. 5, 2024, American Airlines removed three Black passengers from a flight due solely to the color of their skin. Now Public Citizen Litigation Group is representing the men in a lawsuit that seeks to hold the corporation accountable for discriminating against them based on their race, in violation of federal law.

Our clients are three Black men who flew on American Airlines from Burbank, Calif., back to their homes in New York. Alvin Jackson, a professional musician, went to the west coast to tour with his band. Emmanuel Jean Joseph traveled to Los Angeles to spend the holidays with friends. Xavier Veal had helped a friend move from Brooklyn to Southern California. The three men did not previously know each other.

Their flight home had a layover in Phoenix, Ariz. During that layover, the men – along with five other Black male passengers – were settled in their seats and awaiting takeoff when an American Airlines representative instructed each of them to deplane. Although confused, they all complied. As they began to leave the plane, Jackson, Joseph, and Veal each

realized that American Airlines had told every Black man on the plane to get off. “Once we realized what was going on,” Veal said, “we were shocked. You would never think that something like this could happen in 2024.”

When pressed to explain why they required the men to leave the plane, American Airlines staff revealed that a flight attendant had complained about a passenger’s body odor. The airline had no reason to suspect that the odor was emanating from Jackson, Joseph, or Veal. None of them were seated near one another or any of the other Black passengers; all three were removed from the plane simply because they were Black.

Video footage of the incident captures American Airlines representatives agreeing that the men had been targeted based on their skin color and that the decision to remove them from the plane was discriminatory.

Adding to the humiliation, American Airlines announced to the mostly white passengers who remained on board that takeoff was being delayed because of a body odor issue. When the airline eventually permitted all eight men to reboard the plane,

they were forced to endure their fellow passengers’ suspicion and anger about the delay. The ordeal causes them pain to this day. “It not only was humiliating in the moment, it also dredged up trauma that I had from past experiences with racism,” stated Jackson. “I had a very emotional reaction to being rounded up and kicked off the flight based on my race, and it continues to affect me today.”

Public Citizen Litigation Group, co-counseling with lawyers at the firm Outten & Golden LLP, filed suit in federal court in New York in May on behalf of Jackson, Joseph, and Veal. The complaint in the case, called *Jackson v. American Airlines*, alleges that American Airlines violated 42 U.S.C. § 1981, a statute that guarantees equal rights to make and enforce contracts.

Courts have agreed that the statute protects airline passengers who are subjected to disparate treatment based on traits such as race and national origin. Last year, for example, a federal appellate court held that the statute provided an avenue for relief for airline passengers who were bumped from a flight because they were Middle Eastern. In reaching

its conclusion, the court declared it would be “absurd” if an airline were permitted to “bump all black passengers” off a flight.

That very absurdity happened here. And the incident followed several others in which American Airlines reportedly discriminated against passengers based on race.

In 2017, the NAACP issued a travel advisory warning African Americans to exercise caution when using the air carrier, pointing to a pattern of discriminatory and disrespectful treatment. In a statement, the organization wrote that the “growing list of incidents suggesting racial bias reflects an unacceptable corporate culture and involves behavior that cannot be dismissed as normal or random.” It lifted the advisory a year later after the airline agreed to change its policies related to implicit bias training and discrimination complaint resolution. Yet allegations of unfair and discriminatory treatment persist and, after our complaint was filed, the NAACP stated it would consider re-imposing the advisory warning.

As Joseph explained, “This is bigger than us. This is about the right to be treated fairly when you travel.” ■

Public Citizen Sues FDA Over Inaction on Updating Drug Warnings

BY MICHAEL KIRKPATRICK

Six years after Dr. Antonei B. Csoka and colleagues petitioned the U.S. Food and Drug Administration (FDA) to revise product labels for certain anxiety and depression medications to warn of sexual side effects, the agency has still failed even to respond. In May, Public Citizen sued the FDA to demand action.

Public Citizen represents Dr. Csoka, one of the scientists who submitted the citizen petition. It seeks a warning about sexual side effects that may continue even after stopping using selective serotonin reuptake inhibitor (SSRI) and serotonin-norepinephrine reuptake inhibitor (SNRI) product. Dr. Csoka has been researching Post-SSRI Sexual Dysfunction (PSSD) since 2004. He is a scientific adviser to the PSSD Network, a nonprofit advocacy organization that seeks to increase awareness of PSSD, encourage research into

potential treatments and cures, and offer support to patients.

SSRIs and SNRIs are prescription drugs approved by the FDA to treat clinical depression and certain other conditions. SSRIs, which are the most prescribed type of antidepressants, include citalopram (Celexa), escitalopram (Lexapro), fluoxetine (Prozac), paroxetine (Paxil), sertraline (Zoloft), and vortioxetine (Trintellix). SNRIs are similar to SSRIs and include desvenlafaxine (Pristiq), duloxetine (Cymbalta), and venlafaxine (Effexor). SSRIs and SNRIs are known to cause adverse sexual effects, and current product labeling in the United States warns of disturbances to sexual functioning during treatment with SSRIs and SNRIs. The labeling does not currently convey the risk of persistent, worsening, or new symptoms of sexual dysfunction after stopping use of the drugs.

“Without adequate warnings about the risk of potentially permanent damage to sexual function, patients and health care professionals cannot weigh the benefits of the drugs’ use against the potential harms,” explained Dr. Csoka.

The petition requests that the FDA require the revision of SSRI and SNRI product labeling to warn of the risk of sexual side effects that may persist after discontinuation of the drugs. The petition also requests that the FDA require the issuance of a “Dear Health Care Provider Letter” that would inform those who prescribe SSRIs and SNRIs of such risks, and to develop a medication guide and communication plan to make patients aware of the risk.

After receiving similar petitions in 2018, the drug regulatory agencies in Europe and Canada acted to warn patients and health care professionals of the risks.

“The FDA needs to act in a timely way to inform the public about the risks associated with use of these drugs,” said Michael Kirkpatrick, the lead Public Citizen attorney on the case. “The FDA’s failure to act exposes consumers to potentially life-long harm.”

The lawsuit is pending in the U.S. District Court for the District of Columbia. It alleges that the FDA has behaved unlawfully in failing to act on the petition, and it asks the Court to order the FDA to issue a decision on the petition.

The FDA’s failure to act promptly to protect patients by revising drug labels to add safety warnings is a persistent problem. Public Citizen’s Health Research Group often petitions the FDA for enhanced safety labeling of drugs and other medical products to better inform patients of potential adverse effects, but the FDA often moves slowly in responding to such petitions. ■

Big Pharma Acts Badly and Sometimes Government Prosecutors Take Action

BY MICHAEL ABRAMS

In the last three decades, pharmaceutical manufacturers have been forced to pay (or have been legally assessed) at least \$62 billion in penalties for illegal practices.

These findings are from a new report by Public Citizen’s Health Research Group. The report shows that from 2018 to 2021, penalties against pharmaceutical companies for fueling the opioid epidemic have surged, while other legal actions against the industry have significantly declined since the mid-2010s.

The massive penalties lodged against the drugmakers should be put into perspective. Though \$62 billion does reflect substantial wrongdoing and corresponding restitution paid by many companies, including several repeat offenders, that aggregated financial amount is greatly overshadowed by the offending industry’s pure profits. The pharmaceutical industry netted at least \$1.9 trillion in profits during the 19-year period ending in 2018.

Public Citizen’s report details pharmaceutical wrongdoing that federal or state prosecutors resolved with negotiated settlements or a court judgment. Most of the information summarized in the report was

obtained directly from press releases announcing each case’s resolution. The cases leading to the \$62 billion in fines touch only a portion of industry wrongdoing, most of which remains hidden or otherwise escapes law enforcement.

This report is the fifth in a series of reports on this subject from Public Citizen. The first was published in 2010. Sidney Wolfe, M.D., Public Citizen’s Health Research Group founder (see column on page 3), was an essential author of all of these reports, though illness leading to his death in early 2024 prevented him from full participation in the writing of this most recent report. This latest report advances the previous one from 27 years to 31 years studied.

The full report contains extensive narrative, tabulations, and figures that summarize the findings by year, state, infraction type, statute provision, and pharmaceutical company. The analysis reveals that in 2020-2021, the pharmaceutical industry was penalized at least \$16.3 billion in state and federal financial settlements - 81% of all such penalties during that two-year period - to resolve cases about the industry’s role in the

ongoing opioid crisis. From 2018 to 2021, there were a total of 70 government settlements related to the opioid addiction and overdose crisis, yielding \$23.7 billion in assessed penalties. The prominence of opioid settlements are part of a continuing pattern of litigation that dates back to at least 2016.

From 2018 to 2021, government settlement trends showed relatively high dollar amounts per case resolution, but relatively low per-year case counts compared to the peak years of 2010-2013, when there were 203 total settlements. Also during this period, most pharmaceutical settlements were federal rather than state-based.

Any actions against pharmaceutical executives, as opposed to the companies they manage, have been and continue to be rare.

From 1991 to 2021, the most common violations alleged were drug pricing fraud (210 of 545 named violations, 39%), although unlawful promotion charges yielded the most settlement dollars (\$22.3 billion of \$62.3 billion in settlements, 36%).

Across the 31 years studied, there were many repeat offenders; the same pharmaceutical firms often were penalized multiple

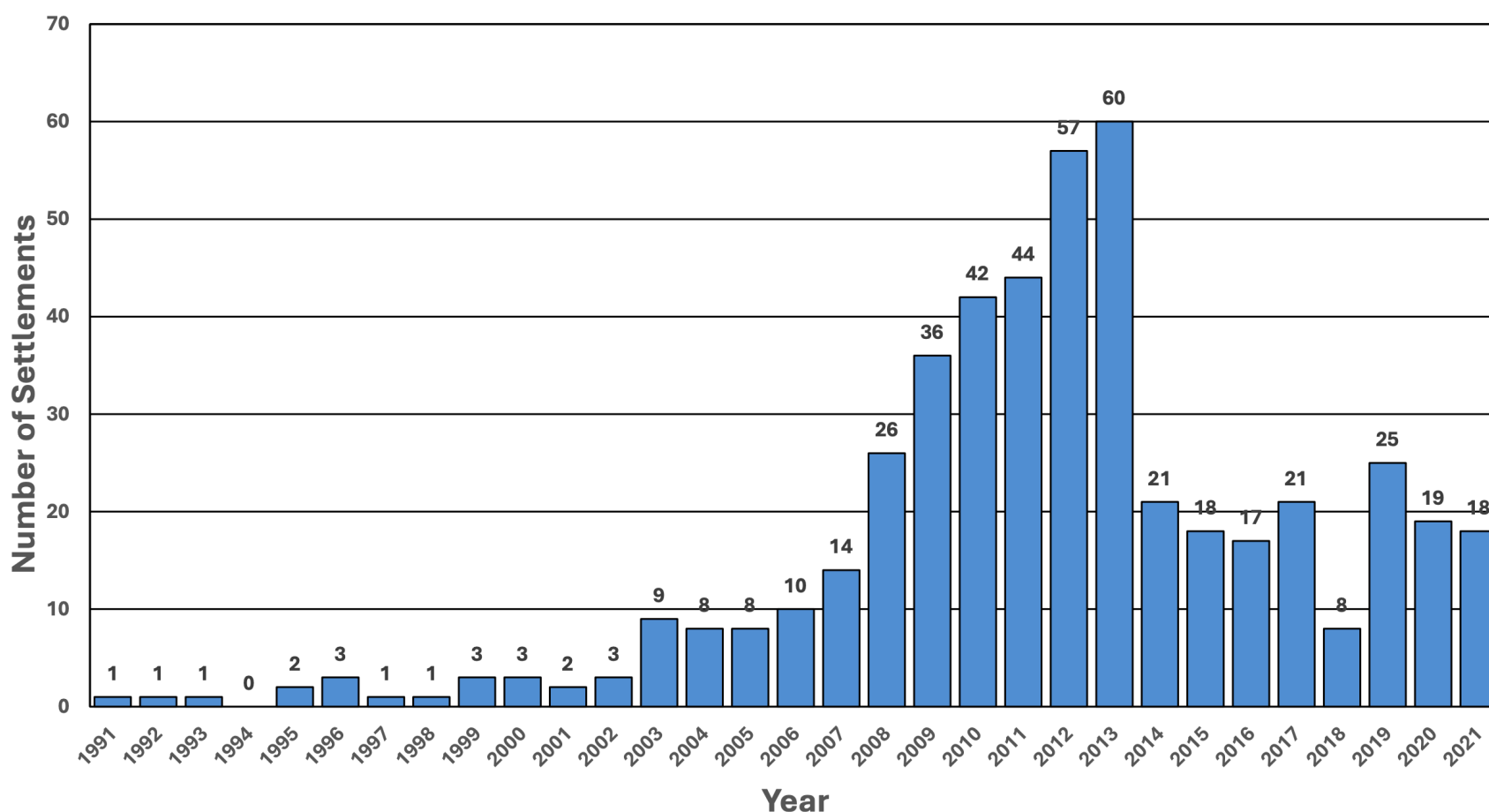
times in separate cases. The top offenders by settled case counts were Pfizer (15), Novartis (12), GlaxoSmithKline (9), and Bristol Myers Squibb (9); and by dollar amounts were Purdue (\$8.9 billion), Johnson & Johnson (\$8.4 billion), GlaxoSmithKline (\$7.9 billion), and Pfizer (\$4.7 billion).

One notable case brought by Hawaii against the makers of the heart medication clopidogrel (PLAVIX) yielded a \$834 million judgment in 2021 against that drug’s manufacturers. The court ruled that the manufacturers of this drug misled Asian and Pacific Island consumers about the effectiveness of the medicine in these ethnic groups.

The report concludes that increased focus by states and the federal government on criminal activity, and greater use of whistleblower false claims act provisions by states especially, could aid efforts to hold the pharmaceutical industry accountable for its abuses.

This latest report is a striking reminder that pharmaceutical companies can be unscrupulous in their pursuit of profits and that state and federal attorneys general should be more vigilant and aggressive in prosecuting their wrongdoing. ■

Figure 1. Number of Pharmaceutical Industry Settlements, 1991-2021



LNG Exports Stick U.S. Consumers With 50% Higher Bills

BY ALAN ZIBEL

The price paid by U.S. households to heat their homes has soared by more than 50% since fossil fuel companies started shipping liquefied natural gas (LNG) overseas less than a decade ago, an analysis of federal data found.

The report, based on data from the U.S. Energy Information Administration and co-authored by Public Citizen, highlights a surge in natural gas prices that has rippled through the economy, impacting everything from fertilizer prices to the cost of electricity produced by burning gas for fuel.

Since 2016, when the United States first started exporting liquefied natural gas, domestic gas production has increased by 45%. Despite this growth in domestic production, American households and businesses have seen their gas bills go up, and the U.S. has become the leading exporter in the world.

Across the country, the price households paid for natural gas has increased 52% since 2016, according to the U.S. Energy Information Administration. Households in Massachusetts, Nevada, New Jersey, Nebraska, Colorado, and Wyoming have been hit especially hard, paying at least 60% more in residential gas prices in 2023 than they did in 2016.

The price of natural gas was up 31% for industrial customers nationwide over the same timeframe. Businesses in Nevada (94%), New York (84%), Utah (81%), Massachusetts (81%), and Colorado (73%) saw the biggest increases.

Gas prices for U.S. consumers were relatively stable when gas

export volumes were relatively low, then trended upward starting in 2021 as the United States continued to add export capacity.

After price spikes in 2022 driven by global price shocks, industrial prices slid back somewhat in 2023, while residential prices remained high. The results were particularly damaging in 2022, when natural gas price spikes reflected global price shocks after Russia invaded Ukraine.

All told, American consumers spent \$142 billion more on natural gas in 2022 (\$269.5 billion) than they did in 2016 (\$127.6 billion), according to federal data. Low-income households have felt the effects even more, with one in six households experiencing energy debt.

“Energy prices are increasing by billions of dollars for American families because Big Oil and gas companies are exporting LNG overseas,” said Tyson Slocum, director of Public Citizen’s energy program.

The report argues that intertwining U.S. natural gas with foreign markets subjects families to volatility and price shocks, and harms American businesses that compete with China and other countries for American gas.

By tying America’s natural gas prices to overseas markets, LNG exports have made U.S. natural gas consumers vulnerable to global market volatility and price shocks similar to fluctuating gasoline prices at the pump. As a result, oil and gas companies have reaped record-breaking windfall profits at the expense of U.S. households and businesses.

“Oil and gas companies are profiting twice from LNG exports

by selling exports abroad to the highest bidders and by making excess profits from increased prices at home,” said Jeremy Symons, an energy expert and a co-author of the report. “Americans are suffering the consequences of the rapid expansion of U.S. LNG exports to their health, their pocketbooks, and the climate, all while the oil and gas industry reaps the rewards.”

This report comes after the Biden-Harris administration enacted a temporary pause, in January 2024, on pending approvals of LNG exports to countries that do not have a free trade agreement with the U.S. During the pause, the U.S. Department of Energy is re-examining the studies used to determine whether gas export facilities are in the public interest, as required by law.

The economic analysis found that price spikes have reverberated throughout the economy. Homes and businesses paid more for electricity bills because many power companies rely on gas. The price of natural gas used by electric utilities to generate power surged by 150% between 2016 and 2022, only to fall back in 2023. (Even so, it was still up 17% from 2016 levels.) American families and businesses spent nearly \$105 billion more on electricity in 2023 than in 2016.

Costs also spiked for the fertilizer industry, boosting costs for farmers and lifting prices in the grocery aisle. Fertilizer prices in North America, which are tied closely to natural gas prices, spiked across the U.S. due to global price volatility and LNG exports, with fertilizer prices soaring by more than 400%.

LNG exports have contributed to record energy debt for low-income households. One out of six households are behind on their home energy bills, and the amount they owe to their utilities has reached record levels.

Recent events underscore the link between LNG exports and domestic prices. In June 2022, 17% of U.S. LNG export capacity was knocked offline by a massive explosion and fire at Freeport LNG in Texas. U.S. natural gas prices quickly fell 30% – demonstrating that high export volumes had made natural gas more expensive, and that reducing exports eased prices.

Oil and gas companies are proposing a massive expansion of LNG exports. The industry has already approved enough LNG projects to nearly double the current export capacity by 2028 and they hope to add even more.

Ever since the Biden administration’s announcement, the fossil fuel industry and its allies have been trying to help the LNG export industry. Texas lawmakers even created a Select Committee on Protecting LNG Exports, which met in May in Port Arthur, Texas.

“Instead of calling this committee ‘protecting Texas LNG exports,’ it should be called ‘protecting Texans from LNG exports,’ which can potentially worsen the effects of climate change, further harming communities of color along the Texas Gulf sacrifice coast,” said John Beard, CEO and founder of the Port Arthur Community Action Network. “If today was truly about jobs, economics, environmental, or social harms, there should be no opposition to the permitting pause.” ■

Texas Oil Baron Accused of Colluding with OPEC Made Millions in Campaign Donations

BY ALAN ZIBEL

A Texas oil baron under federal scrutiny over crude oil price-fixing allegations and his oil tycoon son have ramped up their political spending, giving nearly \$6.2 million to federal and state political campaigns. Public Citizen examined the political giving of Scott Sheffield, former CEO of Pioneer Natural Resources, and his son, Bryan Sheffield, an oil investor and founder of the Austin-based private equity firm

Formentera Partners.

A close look at the political contributions of Scott and Bryan Sheffield and their spouses reveals the outsized influence of wealthy Texas oil executives on the state’s oil and gas regulator, the Railroad Commission of Texas. This state agency is led by elected officials who advocate aggressively for the oil and gas industry (and do not regulate railroads).

Until its acquisition by Exxon Mobil this year, Pioneer Natural

Resources was the largest oil driller in Texas. As part of its approval of that merger, the Federal Trade Commission alleged that Scott Sheffield sought to collude with representatives of the Organization of Petroleum Exporting Countries (OPEC) to keep prices and profits high by constraining production.

In a 2020 interview with Texas Monthly, Scott Sheffield recounted his logic in advocating for Texas production cuts. “If Texas leads

the way, maybe we can get OPEC to cut production. Maybe Saudi and Russia will follow. That was our plan,” he told the journalist Jeffrey Ball in 2020. “I was using the tactics of OPEC+ to get a bigger OPEC+ done. Let’s get the price of oil back into the \$30s as quickly as possible.”

The FTC blocked Scott Sheffield from serving on the board of ExxonMobil, which acquired Pioneer for nearly \$60

see **Oil Baron**, page 15 ►

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IN THE SPOTLIGHT

The following are highlights from our recent media coverage.

Robert Weissman, president of Public Citizen

On the Trump organization putting up its brand on a new Saudi tower: *The New York Times*. **On reviving the U.S. Postal Service:** *Chicago Tribune*. **On a fake AI Scarlett Johansson being a reality check for Washington:** *Politico*. **On disinformation in the 2024 presidential election:** *NBC News*. **On price-fixing for Big Oil investigation:** *DC Journal*. **On Medicare for All:** *Common Dreams*.

Lisa Gilbert, executive vice president of Public Citizen

On why the push to legalize gambling in the U.S. elections is dangerous: *The Los Angeles Times*. **On the presidential debate:** *Newsweek*. **On Trump being found guilty on all counts of falsifying business records:** *The Washington Blade*. **On U.S. election wagering:** *Boston Global*. **On Medicare using AI to deny care to seniors:** *Common Dreams*.

Dr. Robert Steinbrook, director of Public Citizen’s Health Research Group

On the U.S. Food & Drug Administration backing Eli Lilly’s new Alzheimer drug: *The Hill*. **On FDA advisors support new Alzheimer’s drug:** *U.S. News & World Report*.

David Arkush, director of Public Citizen’s Climate Program

On how many people want Big Oil charged with homicide: *The New Republic*. **On a legal theory that holds major oil companies responsible for millions of deaths:** *The Cool Down*.

Peter Maybarduk, director of Public Citizen’s Access to Medicines Program

On Democrats ramping up patent fight with drug industry to bid to lower prices: *The Washington Post*.

Tyson Slocum, Director of Public Citizen’s Energy Program

On Big Oil money: *The Los Angeles Times*. **On FERC’s flawed approval of Texas gas pipeline:** *Common Dreams*. **On removing the architect of higher U.S. oil prices:** *People’s World*.

Craig Holman, government affairs lobbyist with Public Citizen’s Congress Watch division

On the Federal Election Commission: *The New York Times*. **On a program that does not require House lawmakers to**

provide receipts: *The Washington Post*. **On an anonymous donation fueling the 2024 presidential campaign:** *CBS News*. **On members of Congress violating conflicts-of-interest law:** *Raw Story*.

Public Citizen Litigation Group

On Black men suing American Airlines for racial discrimination: *The New York Times*, *CBS*, *The Washington Post*, *AP*, *Reuters*, *BBC*, *CNN*, *ABC*, *NPR*, *USA Today*. **On freelancers suing over new rules on independent contractors:** *Nieman Lab*.

As seen in the New York Times:

“If he were to become president again, this would be a profound conflict of interest,” said Robert Weissman, the president of Public Citizen, which has tracked the Trump family’s business deals when he was in office.

billion, and referred the case to the U.S. Department of Justice for potential criminal prosecution.

The report, “Texas-Sized Influence,” documented millions in political contributions to Texas and federal candidates since 2010. About \$3.7 million of this political giving was to candidates seeking election in Texas, including candidates for offices responsible for regulating oil and gas drilling in the state. Nearly \$2.5 million went to federal candidates. In the weeks after the FTC’s actions, Bryan Sheffield donated \$413,000 – the maximum amount allowed – to the Republican National Committee, designated for a committee supporting former president Donald Trump’s election. Bryan Sheffield also contributed the maximum amount allowed of \$6,600 to Trump’s 2024 presidential campaign.

“Extensive political giving by Big Oil, both in Texas and at the federal level, helped produce an environment of lax state and

“When regulators regard corporations as hand-in-glove partners, without skepticism or distance, companies may exploit lax enforcement and engage in egregious lawbreaking. The cozy relationship between Texas fossil fuel companies and state regulators has consequences for Texans and the American public.”

— Adrian Shelley, director of Public Citizen’s Texas office

federal oversight of the oil and gas industry,” said Public Citizen President Robert Weissman. “In that climate, Scott Sheffield allegedly pursued a brazen strategy to reduce output and raise prices.”

The elder Sheffield denies the allegations lodged by the FTC, and his lawyers have appealed to the agency to vacate the case. They argue that the FTC abused its power by blocking him from serving on the Exxon board and exaggerating Sheffield’s alleged contacts with OPEC members. Bryan Sheffield has not been accused of any wrongdoing.

The political contributions of the Sheffields and their companies in recent years included nearly \$620,000 to the campaigns of the elected officials who run

the Railroad Commission of Texas, the entity responsible for regulating oil and gas in the state, including nearly \$400,000 to Christi Craddick, the Commission’s current chair.

The Texas regulator rejected Sheffield’s push for production cuts in 2020 at the start of the coronavirus pandemic. But one of Sheffield’s allies on the Railroad Commission, former commissioner Ryan Sitton, played a key role in advocating for international production cuts.

Another example of regulatory capture involves Bryan Sheffield’s former company, Parsley Energy. In 2018, the Austin American-Statesman reported that Craddick failed to disclose a personal financial interest in production at a

Parsley Energy site when the Texas Railroad Commission approved a routine request to burn off excess natural gas at a west Texas oil site—a move that allowed oil to keep flowing. Craddick denied that she benefited personally from that decision.

“When regulators regard corporations as hand-in-glove partners, without skepticism or distance, companies may exploit lax enforcement and engage in egregious lawbreaking,” said Adrian Shelley, director of Public Citizen’s Texas office. “The cozy relationship between Texas fossil fuel companies and state regulators has consequences for Texans and the American public.” ■

Public Citizen Recommends ...

"Poverty For Profit, How Corporations Get Rich off America's Poor"

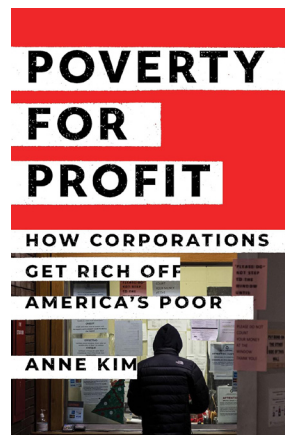
By Anne Kim; \$28.99; *The New Press*

In her new book, “Poverty for Profit,” Anne Kim focuses on a significant force behind the plight of millions of Americans facing poverty: the corporatization of social services for the most vulnerable members of American society. Early on, a commentator notes “[t]here is so much money to be extracted from people facing poverty.” In the ensuing chapters, Kim presents myriad examples of the ways that corporations bilk people living in poverty of the limited resources they have – often with the federal government’s blessing.

Kim’s expertise as a journalist, attorney, investigator, and policy commentator is striking as she delves into the murky world of “Poverty, Inc.” She lays bare a complex ecosystem consisting of misguided policy, badly written legislation, structural inequality, layers of contractors and subcontractors, and the myth of the “deserving poor,” among other elements that create the conditions for what Kim loosely refers to as “corporate parasites” to emerge.

Kim narrows the landscape of her analysis to a location most of

us are familiar with: the American strip mall. Low-income strip malls are often home to government-funded corporate parasites providing quotidian services (tax preparation, medical, bail, prison services) or government benefits (job, food, housing, and/or cash assistance) to indigent Americans. At the same time some of us shop for organic produce, some of our



neighbors are undergoing invasive and unnecessary medical procedures in the clinic next door at the expense of our tax dollars.

Kim does not mince words when describing the exploitation of poor Black and brown people forced to engage with Poverty Inc.’s medical arm. The reader is presented with disturbing accounts of high-volume pediatric dentistry offices placing children in papoose boards, or straight-jacket-like contraptions, to keep them from moving during dental

procedures.

Throughout the book, Kim reminds the reader that Poverty, Inc. is all around us. Dialysis clinics, like DaVita, Inc., which earned 67% of its revenue from government-sponsored health plans in 2022, are one example. By privatizing federal welfare programs, the federal government has allowed for the creation of oligopolies of multi-billion-dollar government contractors with subpar practices, weak oversight, low capacity, and high probability of engaging in exploitation and outright fraud against their clients. In this world, older patients don’t receive better care. For instance, federal funding of the dialysis industry has incentivized its monopolization by two companies (owning 89% of for-profit dialysis clinics) that actively work to keep kidney patients on dialysis until they die rather than referring them to other life-saving treatments, like kidney transplants.

Kim masterfully debunks one of the most salient arguments made in support of privatization of federal programs: the premise that competition will spur healthy competition among contractors vying for federal dollars. She argues that, in practice, the opposite has happened. Privatization has created “a new class of dependents [corporate parasites] – the companies reliant on government funding of social programs for their existence.”

Corporate dependents are willing to cut corners, submit patients to unnecessary and extreme medical interventions (or none at all, in the case of Medicare’s managed care program), and feed hungry bodies unhealthy, sometimes spoiled food, throughout the elementary to prison pipeline (the largest school lunch food service company is also the nation’s largest provider of prison food services). Perhaps the scariest observation Kim makes is that no one is truly safe from the corporate parasite, not even her own teenaged children who are also exposed to pre-made school lunches.

The extent of the harm that Poverty, Inc. imposes on America’s poor is impossible to ignore. Kim narrows in on the cyclical nature of the impact of Poverty Inc. on disenfranchised communities. She also does an excellent job identifying some of the major factors that contribute to the problem and presents solutions that the federal government should adopt to ameliorate this dire state of affairs. She recommends more transparency from states about their use of federal money, additional oversight over the contractors and how money is spent, and the limiting of contracting to “ministerial tasks” that would take away corporations’ discretion over who receives what benefits.

■ — Martha Perez-Pedemonti

To order books, contact the publisher or visit your local bookstore or library.

Tackling the Exorbitant Pricing of Weight Loss Drug Wegovy

BY JISHIAN RAVINTHIRAN

The outrageous prices of new weight loss drugs like Wegovy are not just a health concern but a financial crisis waiting to explode. Public Citizen is stepping into the fray, advocating for solutions to tackle exorbitant costs that threaten to burden American patients and insurers alike. With Wegovy, which shares the same active ingredient (semaglutide) as the diabetes drug Ozempic, now at the center of national drug pricing debates, drugmaker Novo Nordisk's pricing strategies have come under intense scrutiny. Charging Americans nearly 15 times more than their European counterparts, Novo Nordisk's practices highlight a stark disparity that could lead to catastrophic economic impacts on the U.S. health care system.

Novo Nordisk sells Wegovy, which is currently the most prescribed GLP-1 medication for weight loss. Whereas Wegovy costs just \$186 in Denmark (where Novo Nordisk is headquartered), \$140 in Germany, and \$92 in the United Kingdom, the list price of Wegovy is an astounding \$1,349 for a month's supply in the United States.

The price of these GLP-1 medications and similar drugs is of national concern, as the costs of covering these medications for weight loss uses would impose virtually unheard financial consequences on patients and insurers. A recent report from the Senate Committee on Health, Education, Labor, and Pensions found that the annual cost to the health care system for covering Wegovy for half of the eligible population (\$411 billion) would

exceed the expenditure on all retail prescription drugs in 2022 (\$406 billion). The report further illustrated that covering Wegovy could cost one trillion dollars by 2031, and potentially almost two trillion dollars depending on uptake of the drug.

Beyond the unprecedented costs to the American health care system, these drugs' widespread use combined with their excessive prices pose significant financial challenges to wide swathes of American patients. According to a Kaiser Family Foundation Poll, one in eight adults have used these new weight loss drugs, with over half saying that it was difficult to afford their costs. This was true for both patients with and without health insurance.

For additional context as to the almost unheard financial consequences of covering these drugs, a recent study published in the Journal of the American Medical Association shows that these drugs could be sustainably priced at less than \$5 a month, and potentially as low as 89 cents, or around 0.07 percent of the current U.S. list price of Wegovy based on its cost of manufacture.

The colossal challenge of covering these weight loss drugs led North Carolina's state health insurer for state employees to issue a public request for information on how to sustainably cover these drugs. In response, Public Citizen advised North Carolina's public insurer to request that the Department of Health and Human Services (HHS) help secure generic manufacturers to make the same drugs and offer them at a fraction of current market costs. In securing additional manufacturers

and creating a generic supply of these medications, HHS could also distribute these lower-cost alternatives to other state health insurance plans and their enrollees.

Public Citizen first suggested that HHS could try to secure voluntary licenses from the branded manufacturer to allow for generic production. Novo Nordisk admits that demand is outstripping supply for its popular drug, and as such, HHS can propose that the company voluntarily license the production of the drug in order to supplement the manufacturing base. Importantly, Public Citizen argued this approach would be more likely to be successful if HHS simultaneously considered leveraging its authority to involuntarily license generic production by invoking a federal law, 28 U.S.C. § 1498, to permit expanded affordable supply.

The law gives the U.S. government the authority to make or purchase a patented invention without the permission of the patent holder in exchange for reasonable compensation. When the government exercises its authority under § 1498, the patent holder cannot block the government from using the patent, nor can a government contractor or subcontractor be held liable for infringement by the patent holder. They can only seek reasonable compensation.

The law has been used for more than a century across technologies, ranging from fraud detection banking software and electronic passports to methods of removing hazardous waste and genetically mutated mice. The federal government

repeatedly used the law in the 1960s to buy low-cost generics of patented drugs. More recently, the Bush administration publicly considered using § 1498 to procure generic versions of antibiotics during the Anthrax Scare of 2001, which led the manufacturer to cut the price of the antibiotic in half.

In 2017, the Louisiana Secretary of Health began simply to explore whether she should request the federal government to use § 1498 on a hepatitis C cure. The drug corporation price gouged on the medicine by setting its price initially at \$84,000 for a drug that cost \$150 to produce, reaping billions in the process. Leveraging the prospect of licensing using § 1498, the Secretary negotiated major discounts. More Louisiana residents received the cure in the next 75 days than in the entire fiscal year before.

Given the colossal financial consequences of these weight loss drugs that are impacting access – not only for the North Carolina, but patients and health care systems across the United States – Public Citizen believes a complementary approach of pursuing voluntary licensing and invoking § 1498 for achieving generic competition on these drugs is necessary to achieve affordable access to these medications across the nation. ■

IN THE NEXT ISSUE...

On how gutting *Chevron* deference harms the public.

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70	6.3%	\$630	5.5%	\$550
75	7.0%	\$700	6.2%	\$620
80	8.1%	\$810	6.9%	\$690
85	9.1%	\$910	8.1%	\$810
90 and over	10.1+%	\$1,010	9.8+%	\$980

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