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Right-wing groups took millions in pandemic aid — and spent millions lobbying for unemployment cuts

Igor Derysh

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Conservative groups whose board members have taken in tens of millions in coronavirus relief from Congress have spent millions to lobby lawmakers to cut aid for unemployed workers.

Negotiations over the next phase of much-needed coronavirus relief have stalled, largely because Senate Majority Leader Mitch McConnell and other Republicans have insisted on cutting the federal unemployment benefit created under the CARES Act in March from \$600 per week to around \$200 — based on a widely-debunked premise that it keeps workers from returning to their jobs.

Just three months ahead of a national election, Republicans inexplicably let the federal unemployment benefit expire last week despite research showing that any significant lapse or cut would devastate the economy.

These negotiations have been driven by a lobbying frenzy, The New York Times reported, and many of the board members of the groups urging Congress to drastically slash the unemployment benefit — such as the U.S. Chamber of Commerce, FreedomWorks, Americans for Tax Reform and the Club for Growth — have themselves benefited greatly from the CARES Act.

"The 'stimulus for me, but not for thee' pleas from wealthy and well-connected right-wing special interests would be laughable if Senate Republicans weren't marching in lockstep," Kyle Herrig, the president of the progressive government watchdog group Accountable.US, told Salon. "McConnell and his allies are mulling drastic cuts to unemployment benefits that will leave struggling workers with even less money to feed their families and avoid eviction. They know but don't care that amid the worsening health crisis, millions more people are out of work than there are jobs available. Cutting benefits for families in need won't make jobs magically reappear."

The U.S. Chamber of Commerce, a pro-business group that has been blamed for making the pandemic "worse" by opposing government efforts to fight the coronavirus, has been a leading opponent of federal unemployment benefits.

The group spent more than \$15 million lobbying on "unemployment insurance" and other issues in the first quarter, according to lobbying disclosures, and another \$12 million lobbying on "unemployment insurance and the COVID-19 pandemic," as well as "workplace liability," another McConnell pet issue, in the second quarter.

In May, the chamber "joined Republicans in arguing that the extra payments might deter people from returning to work," The Washington Post reported. This claim has been widely rejected by economists. The group was among several that lobbied lawmakers to reject the unemployment benefit in favor of an "alternative" like a "back-to-work" bonus, Bloomberg Law reported.

Last month, the Chamber of Commerce wrote to Congress demanding the unemployment benefit be "significantly revised," again echoing the discredited claim that it deters workers from returning to their jobs.

The chamber's board of directors' companies have received millions in aid under the CARES Act.

Stephen Johnson, a member of the board of directors, is the executive vice president of corporate affairs at American Airlines, which received more than \$5.8 million in government aid under the Payroll Support Program, according to a COVID Bailout Tracker launched by Accountable.US. Heather Wingate, also on the board of directors, is a senior vice president of Delta Airlines, which received \$5.4 million under the PSP. Terri Fariello, another member of the board, is a senior executive at United Airlines, which received nearly \$5 million under the PSP.

Other board members' companies received millions under the Paycheck Protection Program. Mark Wilson is the CEO of Chime Solutions, which took up to \$10 million in PPP funding. Edward McCoy is the CEO of Eaheart Industrial Service, which took up to \$2 million in PPP funding. Karen Olson Beenken is the CEO of Blue Rock Companies, which took up to \$1 million in PPP funding. Other heads of companies that took up to \$1 million include William Little of the Quam-Nichols Company; Natalie Kaddas, the CEO of Kaddas Enterprises; Maxine Turner, the founder of Cuisine Unlimited; and Maura Donahue, the president of DonahueFavret Contractors.

Business Roundtable, another pro-business group, spent more than \$4.8 million lobbying on unemployment and "issues relating to federal response to COVID-19" in the first quarter, according to a lobbying disclosure, and another \$800,000 in the second quarter to lobby on "COVID-19 Pandemic Liability Protections" and opposing the HEROES Act, the \$3 trillion bill the House passed in May, which would extend the federal unemployment benefit through January.

In May, the group wrote to Congress urging members to "avoid" unemployment insurance, repeating the discredited claim that it provides a "disincentive to work."

Business Roundtable's board of directors includes Jamie Dimon, the chairman and CEO of JPMorgan Chase, which earned up to \$1.4 billion in fees administering PPP loans.

The board also includes Robert Smith, the chairman of Carnegie Hall, which took up to \$10 million in PPP funding, Brendan Bechtel and Julie Sweet, who sit on the board of trustees for the Center for Strategic and International Studies, which took up to \$5 million in PPP aid, Alex Gorsky, a member of the Travis Manion Foundation, which got up to \$1 million in PPP aid, and Mark Sutton, who sits on the board of directors for the New Memphis Institute, which got up to \$350,000 in PPP funding.

Another group that has been instrumental behind the scenes is FreedomWorks, whose members include Stephen Moore, a longtime Trump economic adviser. The group also helped organize anti-lockdown protests in the spring.

FreedomWorks spent \$550,000 in the second quarter to lobby on legislation including the "Getting Americans Back to Work Act" and other issues related to the pandemic.

The group referred to the federal unemployment benefit as a "glaring error in the CARES Act," repeating the same dubious claim that it would "create a shortage of workers" when in reality there has been a shortage of jobs. FreedomWorks president Adam Brandon has also warned that extending the benefits would drive up the deficit, even though economists warn that cutting the benefit would shrink the economy and cost millions of jobs.

But FreedomWorks had no problem seeking government aid itself, applying for \$300,000 under the PPP.

FreedomWorks "made its name opposing bailouts," The New York Times reported, "but in this case [is] willing to take one."

Heritage Action for America, the sister organization of the Heritage Foundation, spent more than \$200,000 lobbying on the CARES Act and "issues pertaining to an extension of the bonus \$600 UI benefit," according to their disclosures for the first and second quarters.

The Heritage Foundation opposed the CARES Act, mainly over the unemployment benefits, and later echoed the same discredited claim that the benefit was "incentivizing job losses." In June, the group pushed Congress to end the unemployment benefits a month earlier than the law required.

Meanwhile, Heritage Foundation trustee William Walton, the owner of Rappahannock Media, received up to \$350,000 in PPP funding. It was a curious move for the former Trump transition "landing team" member, who was described by a former colleague as so "libertarian" he "doesn't believe in government at all."

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Americans for Tax Reform spent \$170,000 lobbying against federal unemployment benefits in the first and second quarters. The group argued that the unemployment benefit created an "incentive for Americans to choose welfare over work" even as businesses across the U.S. were shuttered.

But the Grover Norquist-led group received up to \$350,000 in PPP aid from the government.

The same trend repeats with several other conservative groups that have urged Congress to cut or end aid for tens of millions of jobless Americans.

Citizens Against Government Waste spent \$25,000 to lobby against the HEROES Act in the second quarter. Board member Terry Grace Sears is executive director of Tuesday's Children, which received up to \$350,000 in PPP funding.

Club for Growth called the unemployment benefits "unfair" and demanded Congress end the benefit entirely. Board member Terry Considine also serves on the board of Intrepid Potash, which received a \$10 million PPP loan.

The Cato Institute called the CARES Act an "excessive" response and claimed it would disincentivize workers from returning. Board member Nestor Weigand Jr. Is the CEO of JP Weigand & Sons, which took up to \$1 million in PPP funds.

R Street Institute called on Congress to reject any effort to extend the unemployment benefit while the group itself took up to \$2 million in PPP funds.

Herrig, the Accountable.US president, noted the apparent hypocrisy at work here, with so many entities that were eager to accept government aid demanding that Congress strip it away from laid-off individuals.

"If these groups are concerned the government is spending too much during this historic crisis," he said, "they are welcome to return their taxpayer-funded bailouts."