May 11, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

Re: Business immunity and COVID-19-related injuries

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer:

The National Association of Consumer Advocates, an organization dedicated to protecting consumers against bad actors in the marketplace, urges you to reject proposals that would shield big businesses from being held accountable for misconduct. Providing legal immunity for corporations that harm people will not help hardworking Americans’ ability to cope with the COVID-19 health and economic crisis, it will hamper it.

Stripping away the rights of consumers and workers especially during a national crisis is a dangerous prospect. Corporate entities who engage in unreasonable, reckless, or risky conduct that harms consumers and workers or leaves them vulnerable to harm should be held accountable for their actions, particularly during an emergency where more people become exposed to unsafe practices. Any legal immunity for misconduct that causes harm, even where corporations comply with uncertain and often politically motivated, “guidelines,” would be inappropriate during this crisis.

The COVID-19 crisis already has shown that bad corporate actors are taking advantage of vulnerable consumers and workers to pad their bottom line. So far workers reportedly are being refused adequate safety protections, food supplies may be at risk from weak safety measures, insurance companies are denying claims for COVID-19 related losses, and financial entities, such as abusive debt collectors and mortgage servicers, are cutting corners to avoid compliance with the CARES Act and other laws. It is clear that consumers and workers need avenues to seek compensation in court for injuries caused by these and other wrongful actions during this time.

Corporations have long advocated to restrict the rights of consumers injured by their misconduct. This crisis is simply an opportunity to capitalize on and to help fulfill a long-time issue on their policy agenda.

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Indeed, it is already tremendously difficult for consumers and workers to seek accountability when they are harmed. Years of corporate lobbying have damaged Americans’ right to seek redress in court. For example, corporations are permitted to use fine-print contracts with their workers and customers to block their access to the court system and force them to bring complaints in private and costly arbitration proceedings. This and other restrictions have created unnecessary obstacles and consequently have squashed millions of valid legal actions that attempted to hold wrongdoers accountable for harm they caused.

Legal accountability is a crucial tool for incentivizing corporations to provide consumers with safe and effective products and services and to disclose safety risks. Obstructing the ability to sue will decrease businesses’ incentive to act safely and reasonably. On the other hand, empowered consumers and workers who can seek justice in court on their own ultimately may save taxpayers money because they can address and stop harmful business practices before such activities become so systemic or widespread that they require government involvement and public enforcement.

Corporations should be held accountable when their failure to act reasonably leads to economic and physical injury of their customers or workers. Harmful businesses activities stemming from the COVID-19 crisis should be no exception. We urge you to choose the health, safety, and financial security of consumers and workers over powerful industries with a long-established agenda to protect profits to the detriment of people. Reject any proposals that would place limits on access to justice for hardworking American families especially in emergencies when they will need it the most.

Sincerely,

Christine Hines
Legislative Director