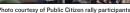
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Left: Public Citizen President Robert Weissman and Shaun McCutcheon on the set of "Meet the Press" as they debate the implications of the U.S. Supreme Court's 2014 ruling in McCutcheon v. Federal Election Commission. Middle: A banner at a Chicago rally in protest of the McCutcheon decision. Public Citizen organized events in 41 states and Washington, D.C., on the same day of the decision. Right: U.S. Sen. Elizabeth Warren (D-Mass.) delivering the keynote speech at Public Citizen's 2014 gala, held in May in Washington, D.C.

Public Citizen had a banner year in 2014. A major tactic in our fight to curb corporate power — a constitutional amendment to get money out of politics — reached the U.S. Senate floor and got a majority vote. Elsewhere, in arenas where corporations tried to dominate, we pushed back. We reversed their attempts to silence consumers' speech online and to seal court records to protect their reputations. We persuaded hospitals to stop engaging in unethical practices. We urged Google to stop funding trade associations that don't have our democracy's best interest in mind, such as the U.S. Chamber of Commerce. Every chance we got, we corrected the record on Big Business misinformation.

Our litigation against government agencies prodded them to work better for consumers. After 20 years, the U.S. Department of Transportation finally issued a rule helping to end hundreds of preventable deaths of children backed over by vehicles. The U.S. Food and Drug Administration answered our call to add warnings to dangerous heartburn drugs. The attention we brought to potential energy market manipulation in New England led the Federal Energy Regulatory Commission to

consider changing its rules. Our attorneys defended parts of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and litigated successfully to improve conditions for migrant herders. The year also featured a scaled-up Public Citizen Climate Program, which is raising the consumer voice in the national debate over the Obama administration's proposed rules on coal-fired power plants.

Public Citizen members were critical to this stellar year. They came out in unprecedented same-day rallies after the announcement of the U.S. Supreme Court's McCutcheon v. Federal Election Commission ruling in April — another decision that invited still more money to flow into elections by striking down certain contribution limits. Members were among the 1 million commenters in favor of requiring corporations to disclose their political spending. They mobilized at environmental hearings across three states and the District of Columbia. They rallied against King Coal in the Gulf of Mexico and outside of trade deal negotiations in Washington, D.C. On the following pages, we outline further the progress you helped us make in 2014.



Public Citizen members and supporters came out to rally for justice nationwide in 2014. (Left to right) Participants at a Chicago rally on Sept. 4, the week before the U.S. Senate voted on a constitutional amendment to curb the influence of money in politics. Supporters at an amendment rally in Louisville, Ky., on Sept. 4. Public Citizen supporters and activists from other organizations at a May rally at the Capitol opposing the Trans-Pacific Partnership trade deal. Protesters at a Sept. 3 amendment event in Alaska. Lisa Gilbert, director of Public Citizen's Congress Watch division, at a press conference announcing I million signatures supporting corporate political spending disclosure. Photos courtesy of rally participants and Angela Bradbery.

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DEMOCRACY



April 6 — On "Meet the Press," Public Citizen
President Robert Weissman debates Shaun McCutcheon on the McCutcheon decision.

June 3 — U.S. Senate Judiciary Committee hearing on the amendment is a major media event.

July 4 — Public Citizen activists stage more than 100 events at senators' offices in 28 states.

July 10 — Judiciary Committee sends Democracy for All amendment to the Senate floor.

Aug. 28 — Public Citizen members and activists begin rallying in more than a dozen states for senators to support the amendment. Actions continue through the week of the Senate's historic vote.

Sept. 3 — Public Citizen releases results from a bipartisan poll it commissioned: Voters overwhelmingly oppose Citizens United and strongly support a constitutional amendment to curb the influence of money in politics.

Sept. 11 — After a week of debate, senators favor the Democracy for All amendment 54-42, short of the two-thirds majority necessary to pass.

Advancing local campaign reform movements

Public Citizen's <u>Democracy Is For People</u> campaign continued to mobilize citizens nationwide to support state and local resolutions for a constitutional amendment to stop the flood of money in elections. On March 3, Buffalo joined Dubuque and became the second Iowa city to pass such a resolution. In addition, 52 New Hampshire towns passed resolutions during 2014.

IM favor political spending disclosure

By September, in a record-breaking show of support, 1 million comments had been submitted to the U.S. Securities and Exchange Commission pressing for a rule to require publicly traded companies to disclose to shareholders how much corporate money is spent for political purposes. The drive for signatures, organized by Public Citizen, has received support from members of Congress, CEOs, corporate firms and state treasurers.

Bright Lines gets IRS' attention

Public Citizen campaigned to get the IRS to revise its rules identifying impermissible political activity by nonprofits. The rules proposed in 2014 would allow some nonprofits to continue funneling dark money — contributions whose sources do not have to be identified publicly — into elections. Public Citizen submitted its own proposal, urged its members to send com ments and encouraged partner organizations to do the same. IRS Commissioner John Koskinen later announced the agency would be revising the rules and that the definition of "political activity" would be expanded to groups beyond those categorized as 501(c)(4) "social welfare" organizations, and would include trade associations and other nonprofit organizations.



Public Citizen photo/Cynthia Williams

At a Sept. 8 press conference at the U.S. Capitol, speakers included (left to right) Public Citizen President Robert Weissman; U.S. Sen. Sheldon Whitehouse (D-R.I.) (at lectern); Marge Baker, executive vice president of People For the American Way; U.S. Sens. Tom Udall (D-N.M.), Amy Klobuchar (D-Minn.) and Bernie Sanders (I-Vt.); U.S. Rep. Ted Deutch (D-Fla.); and U.S. Sen. Al Franken (D-Minn.).

Nationwide Momentum to Curb Money in Politics

In 2014, Public Citizen's work to keep corporate money out of politics blossomed. The organization continued building momentum at the federal, local and state levels to overturn the U.S. Supreme Court's *Citizens United* ruling through a constitutional amendment. The year saw nationwide rallies coordinated with Public Citizen's help, a U.S. Senate debate on the amendment and, finally, a Senate vote. Discussion about the merits of an amendment finally attracted the national spotlight.

Citizens United permitted unlimited spending by corporations and the wealthy seeking to influence elections. Since the 2010 decision was handed down, Public Citizen has led the movement to overturn it and, in the interim, mitigate its effects.

In April, the Supreme Court issued another devastating ruling. In *McCutcheon v. Federal Election Commission*, the court handed a win to the wealthy by striking down limits on how much an individual can give directly to a political party, its federal candidates and its affiliated political committees in an election cycle. Public Citizen was prepared; on the day of the ruling, the outcry to keep money out of politics was heard at more than 150 Public Citizen-organized events in 41 states and Washington, D.C.

Seizing on that momentum, U.S. Sen. Charles Schumer (D-N.Y.) announced that

he would push for a full Senate vote in 2014 on the Democracy for All amendment. Introduced by U.S. Sen. Tom Udall (D-N.M.), this constitutional amendment would enable Congress and the states to end corporate spending on elections and to impose limits on overall spending.

As the bill sped through Congress, Public Citizen worked with activists in 16 states whose senators were undecided. Public Citizen also corralled 60 other groups that signed a support letter to the Senate. Public Citizen and other organizations marked the week of the debate by holding a press conference with lawmakers and delivering more than 3 million petition signatures to the Senate.

Though the amendment did not garner the two-thirds of the Senate required for it to pass, the Sept. 11 vote was 54-42 in favor of the legislation. The debate and vote raised the profile of the amendment and laid the groundwork for future progress. By year's end, the amendment had the support of 16 states, 600-plus cities and towns, more than 160 current and former members of Congress, and the president.

"The American people know that our democracy is failing them," said Public Citizen President Robert Weissman. "They are clamoring for the 28th Amendment. The time is not far off when we will have another vote on a constitutional amendment, and we will win it."

2014 democracy reports include:

"Beware of a Naive Perspective: A Prebuttal to Possible U.S. Supreme Court Rulings in McCutcheon v. Federal Election Commission — Parts 1 and 2" (January): We preview potential outcomes of a U.S. Supreme Court case, estimating the effects of eliminating limits on aggregate contributions to candidates while leaving other aggregate limits intact.

"The Gilded Chamber: Despite Claims of Representing Millions of Businesses, the U.S. Chamber of Commerce Gets Most of Its Money From Just 64 Donors" (February): More than half the Chamber's contributions came from just 64 donors, which speaks volumes about the association's composition.

"The Dark Side of *Citizens United*: U.S. Chamber of Commerce Is the Biggest Spender of Undisclosed Money in 28

of 35 Congressional Contests in 2014" (October): In more than 80 percent of the contests it has sought to influence, the Chamber is the largest spender among outside groups that don't disclose their contributions.

"Superconnected 2014: Growing Trend of Unregulated Electioneering Groups Serving Candidates and Parties Further Disproves Supreme Court's Assumption That Such Groups Are 'Independent'" (October): At least 57 outside electioneering groups devoted all of their resources to a single congressional contest during the 2014 election cycle.

"Mission Creep-y: Google Is Quietly Becoming One of the Nation's Most Powerful Political Forces While Expanding Its Information-Collection Empire" (November):

Google has spent more money on lobbying than any other company since 2012. It has increased data collection and lobbying, as well as the use of personal information.

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GOVERNMENT AND FINANCIAL REFORM

Sealing the Deal on Unfinished Post-2008 Financial Crash Fixes

With the 2008 financial crash, Big Banks devastated the economy. Millions needlessly lost their jobs. Millions of families needlessly lost their homes. The 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act — which Public Citizen championed — was a significant step toward staving off a recurrence.

However, the only way to make good on the promises of Dodd-Frank is for government agencies to write regulations to implement it.

Public Citizen is watchdogging agencies to ensure they do just that.

In two 2014 analyses, Public Citizen showed how the U.S. Securities and Exchange Commission (SEC) has been slow to rein in industries central to that financial crisis.

Four years after Dodd-Frank's passage, almost half of the SEC rules under Dodd-Frank remain unfinished. Other government agencies have made far more progress in implementing Dodd-Frank measures. The U.S. Commodity Futures Trading Commission has completed 80 percent of its Dodd-Frank-related rules, for instance.

Public Citizen's analysis revealed that the agency had met deadlines in only three of the 25 rules it said it would propose or finalize by October. The SEC completed five rules in 2014 — despite new SEC chair Mary Jo White's touting



Photos courtesy of the U.S. Securities and Exchange Commission, Miro Novak/Shutterstock.com

New U.S. Securities and Exchange Commission chair Mary Jo White has reneged on her promises to clear the backlog of SEC rules necessary to implement the Dodd-Frank Wall Street Beform and Consumer Protection Act.

herself as an "efficiency nut" who would finish the rulemaking mandates in a timely manner.

"Chair White has reneged on her promises, reducing the number of rules for commission consideration and then largely not considering them," said Bartlett Naylor, financial policy advocate for Public Citizen's Congress Watch division. "Congress has set deadlines for these actions, and as part of the executive branch, the SEC needs to make them a priority."

Glass-Steagall, come again

To prevent a repeat of the 2008 financial crash, Public Citizen urged U.S. Senate support of the 21st Century Glass-Steagall Act, introduced by U.S. Sen. Elizabeth Warren (D-Mass.).

The bill calls for separating financial firms that engage in high-risk trades from taxpayer-

insured banks that make conventional business and home loans.

Public Citizen marked the 81st anniversary of the original Glass-Steagall Act, passed after the 1929 stock market crash, with a letter to senators demanding its reinstatement.

2014 government and financial reform reports include:

"What's Right With Securities Class Action Lawsuits: A Response to the U.S. Chamber's Institute for Legal Reform" (February): Private securities lawsuits are necessary to prevent fraud and protect investors.

"A Matter of Perspective: Added Costs From a Financial Transaction Tax Would Be Minuscule Compared to Fees Investors Already Pay" (March): A financial transaction tax would cost ordinary investors just a minuscule amount.

"Big Banks, Big Appetites: The Consequences When Banks Swallow Commodities" (April): This report makes the case for a strong wall between banks and commerce.

"Efficiency Nut? Evaluating the Rulemaking Progress at the Securities and Exchange Commission" (June): The SEC has delayed rules implementing the Dodd-Frank Act.

"Justice Deferred: The Use of Deferred and Non-Prosecution Agreements With Large Financial Institutions in the Age of 'Too Big To Jail'" (July): The DOJ increasingly relies on settlements for unruly big banks rather than pursuing criminal prosecution.

"The Case for Independent Ethics Agencies: The Office of Congressional Ethics Six Years Later, and a History of Failed Senate Accountability" (October): The status of the ethics processes in the U.S. Senate and U.S. House.

"Lowered Expectations: Even After Trimming Its Agenda, Securities and Exchange Commission Misses Its Marks on Public Safeguards" (November): The SEC has met deadlines for only three of the 25 rules it said it would propose or finalize by October 2014.

Tougher regulations for corporate accountability

Championing a strong regulatory system is a core part of Public Citizen's work, which is why the organization co-chairs the 145-member Coalition for Sensible Safeguards.

A highlight of the coalition's work in 2014 was collaborating with U.S. Sens. Richard Blumenthal (D-Conn.), Bob Casey (D-Pa.) and Tom Harkin (D-Iowa) to promote the Hide No Harm Act, which the three lawmakers co-sponsored and which would hold corporate executives criminally accountable for withholding information on dangerous consumer products or workplace conditions.

In response to automaker General Motors' ignition switch scandal, the bill was introduced in July. It requires corporate officers to inform and warn government regulatory agencies, its employees and the public of serious dangers created by faulty or defective products or unsafe business practices that place employees in danger.

Violations would be punishable by fines and up to five years in prison.

The bill also included protections for whistleblowers.



Public Citizen Photo/Cynthia Willian

Left to right: U.S. Sen. Bob Casey (D-Pa.), Public Citizen President Robert Weissman and U.S. Sen. Richard Blumenthal (D-Conn.) at the July 16 press conference introducing the Hide No Harm Act.

Coalition presses for whistleblower protections

In October, Public Citizen stepped in to advocate on behalf of intelligence contractors, who are no longer covered by whistle-blower protections.

That means if they witness fraud, mismanagement or abuse, their main options to avoid being retaliated against are to leak the information or stay silent.

As part of the Make It Safe Coalition, Public Citizen urged Congress to reinstate whistleblower protections for government contractors in the intelligence community.

The National Defense Authorization Act was passed without these protections, but Public Citizen will continue to push for them to be included in 2015.

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ENERGY AND THE ENVIRONMENT

Climate change message travels

Public Citizen took its climate change message on the road this summer, when staff and activists attended U.S. Environmental Protection Agency hearings in Denver, Pittsburgh and Washington, D.C. The agency held the hearings — in these cities as well as in Atlanta — on the two rules it proposed this year to curb emissions from new and existing coal-fired power plants. In its organizing efforts, Public Citizen hosted a webinar and provided activists with fact sheets and talking points.

Remedying market manipulation

When Public Citizen became aware of what appeared to be market manipulation in a 2014 New England electricity auction, it called on the Federal Energy Regulatory Commission (FERC) to open a case. The commission deadlocked over whether to take action, so the rates took effect, leaving New Englanders with an average utility bill increase of \$110 annually starting in 2017.

But Public Citizen's involvement led to FERC's unanimous decision to consider changing the rules to prevent a repeat of the 2014 New England auction. Public Citizen now has appealed the rate going into effect in an effort to get redress for New England consumers in federal court.

Public Citizen joins fracking rally

The past 15 years have seen a substantial rise in fracking, which involves injecting chemical-laced water underground to release natural gas. With increased export of fracked gas, the harms to local communities and the planet are certain to rise.

Saying "no" to these exports, on July 13, Public Citizen joined the first national antifracking rally in Washington, D.C. Protesters marched from the National Mall to the headquarters of the Federal Energy Regulatory Commission (FERC). They blocked the entrance and voiced opposition to FERC's rush to green-light projects designed to increase the export of fracked gas.

Going on the Offensive on Climate Change

Climate change is already here, in increased weather-related disasters and compromised community health. Pushing for strong measures to combat the severe worsening of climate change, Public Citizen took its energy and climate work to the next level last year, ensuring that the consumer voice became part of the national debate over climate change policy.

In 2014, that national discussion heated up when the U.S. Environmental Protection Agency (EPA) proposed two rules to significantly curb coal-fired power plant pollution, which accounts for 40 percent of U.S. carbon pollution. The first rule, released in January, would limit emissions from new coal plants. The second and more controversial rule, proposed in June, aims to reduce emissions from existing coal plants.

Public Citizen's main message in the debate: Curbing greenhouse gas emissions is good for consumers' pocketbooks as well as the climate. That's because boosting energy efficiency measures and using renewable energy will cost consumers less.

The second proposed rule, called the EPA's Clean Power Plan, will give states latitude on how to meet the reduction goals. The EPA projects that the Clean Power Plan will reduce power-sector carbon pollution 30 percent from 2005 levels by 2030. Curbing emissions will reduce their harmful effects: respiratory disease, infant mortality, low life expectancy and climatic catastrophes among them.

Public Citizen applauds the rules but maintains that they should be, and could be, much stronger — even without the rules, the U.S. already is halfway to achieving the targeted reduction in emissions.

In its comments to the EPA, Public Citizen pressed for a lower limit of acceptable emissions from new coal plants, urged the phasing out of natural gas plant emissions and criticized the first rule's reliance on carbon capture technology (a very expensive and unproven process of stuffing emissions underground or underwater to avoid releasing them into



Allison Fisher, outreach director with Public Citizen's Energy Program, testifies at a July 2014 U.S. Environmental Protection Agency hearing in Denver.

the atmosphere). Public Citizen also called for increased use of renewable energy and energy efficiency strategies, and for less use — and, ultimately, the elimination — of nuclear energy.

"State governments have an extraordinary opportunity under the rule to invest in energy sources that more cheaply, reliably and sustainably meet their residents' needs," said David Arkush, managing director of Public Citizen's Climate Program. Public Citizen has recommended that states strengthen bill payment assistance programs and design systems in which savings can be passed on to consumers. "States should involve consumers in the process of implementing the EPA rules," Arkush continued. "They have the most at stake, and they will likely advocate policies that are tough on climate change and save money on electricity bills."

Of course, the coal industry pushed a different view, and Public Citizen came out strongly to reframe the debate. Combatting corporate misinformation that lamented an alleged EPA "war on coal," the organization distributed analyses to journalists and other organizations showing that coal is being phased out not because of EPA rules, but because renewable energy and natural gas are pricing it out of the market. The analyses also demonstrated that a shift to renewable energy will lower consumers' utility bills.

Improving Texas energy policies

Public Citizen's Texas office helped win a victory for renewable energy in its own backyard, with the August passage of Austin's Affordable Energy Resolution. The resolution requires city-owned

utility Austin Energy to phase out its northeast Austin Decker Creek natural gas power plant.

Austin Energy didn't let go of the plant without a fight, but Public Citizen shot down the utility's arguments in an analysis showing energy would reduce residents' energy costs between \$12 million and \$30 million annually.

The city's resolution also requires Austin Energy to produce 60 percent of its power from renewable resources by 2020 and to stop that the replacement of the gas plant with solar emitting carbon from its power plants by 2030.

Rallying against King Coal on the Gulf

As the U.S. appetite for coal winds down, the coal industry is looking for new markets overseas. To get there, it wants to establish coal export terminals along the Gulf Coast, which would bring toxic coal dust and polluted water to local communities.

In Louisiana, Public Citizen and its partners in the Clean Gulf Commerce Coalition rallied communities to challenge the proposed RAM Terminals LLC facility in Plaquemines Parish. As a result, councils in two localities that would be affected by the terminal's rail connection passed resolutions urging the Army Corps of Engineers to hold a public hearing on the terminal. In December, the 25th Judicial District Court in Plaquemines Parish revoked a key "coastal use" permit for the terminal, and the parish council denied the terminal's building permit in January 2015.

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HEALTH AND SAFETY

Lawsuit Pressures DOT to Require Vehicle Backup Cameras

As a watchdog, Public Citizen pushes the government to act in the public interest and works to ensure that profit-driven corporations don't undermine public health and safety. That translates to opposing risky drugs, monitoring the ethics of clinical trials, making sure hospitals serve patients instead of corporate partners, advocating single-payer health care and ensuring the safety of consumer products. Public Citizen scored a major consumer safety victory in 2014 when the organization won a lawsuit against the U.S. Department of Transportation (DOT) over its failure to protect children from being backed over by drivers who can't see them.

Public Citizen's lawsuit led to a DOT announcement that beginning in May 2018, it will require new vehicles to have backup cameras. The agency issued the standard one day before it was due in court to defend its yearslong delay in issuing the critical rule.

The cameras are needed to improve vehicles' rear visibility and to prevent deaths that occur when drivers back into people whom they cannot see even when using all of their rearview mirrors. Children account for almost half of the more than



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200 people killed each year in resulting crashes. In 2008, Congress passed a law requiring the DOT to issue the rule within three years, but the agency didn't do so. Public Citizen sued in September 2013 on behalf of two New York residents involved in backover crashes, as well as Consumers Union, Advocates for Highway and Auto Safety, and KidsAndCars.org.

"We don't know when the government would have acted without the prodding of the lawsuit," said Scott Michelman, Public Citizen attorney and lead counsel. "But our victory in forcing it to issue this safety standard puts the country on a track toward ending these preventable deaths."

OHRP echoes Public Citizen criticism of unethical study

It took a year and a half, but federal officials have reaffirmed — in strong agreement with Public Citizen — that there was a serious ethical problem in the way federally funded researchers obtained consent to experiment on people.

In April 2013, Public Citizen made the public aware of the federally funded SUPPORT study. In that trial, babies were randomly assigned different levels of oxygen, but parents were not adequately informed of the reasonably foreseeable risks, which included death and blindness. Nor were they told of the study's purpose and experimental nature.

Publicity about the trial prompted a muchneeded debate in the medical research community over what constitutes adequate informed consent. The federal government held a rare public hearing on these issues in August 2013.

In October, the federal Office for Human Research Protections (OHRP) strongly rejected arguments by SUPPORT study defenders, including the National Institutes of Health, which funded the study. In draft guidance for researchers, OHRP confirmed Public Citizen's objections and clarified requirements for disclosing research risks when obtaining consent for clinical trials.

2014 health and safety reports include:

"A Business Case for Universal Care: New System Would Boost Economy, Reduce Costs and Eliminate Unfair Burdens on Companies That Provide Health Insurance Benefits" (April): A universal health care system would aid businesses.

"Out of Control: Patients Are Unwittingly Subjected to Enormous, Unfair, Out-of-Network 'Balance Bills'" (April): Providers who are not members of a patient's insurance network have charged patients as much as 9,000 percent of what Medicare would have paid for the same procedure.

"Successful Initiatives to Limit Formula Marketing in Health Care Facilities: Strategic Approaches and Case Studies" (June): This report outlines strategies employed by advocacy groups to persuade hospitals to cease distributing corporatesponsored infant formula bags to new mothers.

"Inside Job: How an Influential Group of Doctors Exerts Influence Over Medicare Payments to Physicians" (September): Members of the American Medical Association make decisions that will significantly influence how much money doctors are paid by Medicare.

"Medical Malpractice Payments Rose Slightly in 2013 as Liability Insurance Costs Declined" (October): In 2013, for the first time in a decade, both the number and cumulative value of medical malpractice payments increased.

"Competition Inhibitors: How Biologics Makers Are Leveraging Political Power to Maintain Monopolies and Keep Prices Sky-High" (December): Many who could benefit from biologic medications will not receive them.

Petition for heartburn drug warnings

Petitioning executive branch agencies is a frequent avenue Public Citizen successfully uses to hold the government accountable. In October, three years after Public Citizen filed a petition with the U.S. Food and Drug Administration (FDA) to include stronger warnings on heartburn medications, the agency partially granted the petition. The agency acted only after Public Citizen sued the FDA for unreasonable delay.

The widely used class of heartburn drugs includes Nexium 24Hr and Prilosec. While the FDA will not include warnings for the Public Citizen-identified side effects of pneumonia and a condition that can lead to long-term dependency, the agency will require warnings about osteoporosis-related fractures, severe diarrhea, dangerously low magnesium, vitamin B12 deficiency, kidney injury and harmful drug interactions.

Hospital stops distributing infant formula

Sometimes citizen pressure and education are needed to prod companies to do the right thing. Those were the tactics of the Power U Center for Social Change and Public Citizen in getting Miami's Jackson Memorial Hospital, the nation's largest public hospital, to stop distributing formula samples to new mothers. The Centers for Disease Control and Prevention has recommended against the practice, which is a marketing technique widely used by major corporate formula makers. In May, the hospital pledged to replace the bags with its own breast-feeding support bags.

Calling out unethical cardio screenings

In June, after learning that Florida-based HealthFair, in partnership with hospitals and medical institutions, was peddling inexpensive but unethical cardiovascular disease screenings to people living near the medical centers, Public Citizen sent letters to 20 hospitals in eight states urging them to sever their ties with HealthFair. Many of the tests benefit only appropriately selected high-risk patients, and some of the tests have not been shown to provide clinically significant benefits to anyone. Within months, 15 of the institutions said they had terminated or will terminate their relationships with HealthFair.

Boosting job safety; curbing opioid abuse

- In March, Public Citizen submitted comments to the U.S. Occupational Safety and Health Administration supporting the submission of electronic workplace injury records to ensure more timely protections.
- In February, <u>Public Citizen joined</u> 40 organizations calling to revoke the October 2013 approval of the opioid Zohydro, a drug that contains five to 10 times more hydrocodone than Vicodin and was approved over the objections of the U.S. Food and Drug Administration's own advisory panel.

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GLOBALIZATION AND TRADE

Blocking Fast Track

Fast Track is a rarely used legislative procedure that allows a president to sign a trade deal before Congress approves it. It is the key legislative tool to ram corporate-friendly trade pacts through Congress; debate is limited and no amendments are allowed. Public Citizen has long called the procedure undemocratic and inappropriate, given the wide swath of domestic policy that trade pacts now involve, and has worked to scuttle efforts to resurrect it.

In January 2014, Congress introduced legislation to revive Fast Track. Public Citizen quickly reviewed the bill and issued a same-day analysis pointing out that the bill was largely a replica of a controversial 2002 Fast Track measure. Public Citizen's report was the first substantive analysis of the new Fast Track bill, and it became the go-to document used by the media, policymakers and progressive organizations.

Building a broad coalition of civil society groups and organizing in congressional districts nationwide, Public Citizen had prepared to take on a new iteration of Fast Track for more than a year. Thanks to that coalition's lobbying, grassroots organizing and media work — and a team of U.S. House representatives led by U.S. Rep. Rosa DeLauro (D-Conn.) — most House Democrats opposed the legislation. With a bloc of GOP representatives also opposing the measure, the 113th Congress ended without the president getting Fast Track authority.

Damage from Korea pact grows

Public Citizen is recognized for relentlessly tracking and publicizing the results of past trade agreements. This work is critical not only for holding members of Congress and presidents accountable, but also as a strong argument against new pacts such as the Trans-Pacific Partnership. Last year, Public Citizen issued analyses about the U.S.-Korea Free Trade Agreement. Two years after its implementation, the results were the opposite of Obama administration promises of expanded U.S. exports and U.S. jobs: namely, a downfall in U.S. exports to Korea, rising imports and a surge in the U.S. trade deficit with Korea that equated to 60,000 more American jobs lost.

Battling EU-U.S. deal

In 2014, Public Citizen also focused on the Trans-Atlantic Free Trade Agreement, proposed provisions of which threaten to empower 70,000-plus businesses to sue the U.S. government and demand tax-payer compensation for U.S. and European health, environmental and other laws they say undermine their expected profits. Public Citizen and allied organizations provided information to policymakers, activists and the press on the dangers of this deal.

Public Citizen photo/Philip Anderson

In December, when TPP negotiators met in Washington, D.C.,
Public Citizen took to the streets, organizing hundreds of
activists from labor, environmental, consumer, human rights,
public health, Internet freedom, faith and family farm groups,
who protested outside the Office of the United States Trade
Representative where TPP negotiators were meeting.



Trade Deal 'Endgame' Blocked

One of the backdoor ways multinational corporations push their agendas is via trade deals — pacts that once were confined to tariffs and quotas but now delve into policies regarding food safety, medicine pricing, Internet governance and more. Effectively, these "trade" agreements shift an ever-increasing number of issues away from local decision-making bodies and into inaccessible foreign venues where few citizens or elected officials can participate. To challenge these deals, Public Citizen educates policymakers and the media, works with civil society groups around the globe and mobilizes activists.

In that vein, Public Citizen in 2014 helped thwart a do-or-die White House deadline to sign a harmful corporate-friendly trade deal. The massive Trans-Pacific Partnership (TPP)— an agreement involving the U.S. and 11 other countries— would offshore American jobs and undermine domestic policies on the environment, food safety, affordable medicines, financial regulation and "Buy American" and buy local preferences. The pact would expand

the U.S. trade agreement model that has led to staggering U.S. trade deficits, job loss, lower wages and record income inequality.

To help ensure the deal would not be sealed, Public Citizen's Global Trade Watch staffers watchdogged negotiators as they met around the world, provided information to partner organizations, met with members of Congress, held numerous press conferences and organized opposition letters by large blocs in Congress. The group also mobilized activists, who emailed and called members of Congress, urging lawmakers to oppose the TPP.

The TPP is so dangerous in part because it is top secret. Even Congress has limited access to the draft texts. But some text has leaked out. In October, Wikileaks released draft language showing that the pact would delay access to affordable cancer treatments in member countries for years. Public Citizen analyzed and explained the very technical text and publicized its findings.

As of early 2015, the TPP still was not finalized.

Combatting Big Pharma threats to affordable medication

Public Citizen's Global Access to Medicines
Program used its technical expertise in 2014
to bring attention to and advance efforts for
making critical medicines affordable. With international implications, the team empowered
ministers of countries who were negotiating
the TPP and helped them understand the trade
text's legal jargon. These efforts helped to roll
back some proposals that would have jeopar-

dized access to medication for millions.

In Colombia, Ecuador and Peru, Public Citizen partnered in lawsuits, the drafting of compulsory licenses allowing generic drug production on behalf of a government, and other strategies to lower drug prices. The group's behind-the-scenes work also inspired the first ever patent challenge in Vietnam, which introduced a generic hepatitis B drug to that market.

2014 globalization and trade reports include:

"NAFTA's 20-Year Legacy and the Fate of the Trans-Pacific Partnership" (February): Not only did projections and promises made by NAFTA proponents not materialize, but many results are exactly the opposite.

"Korea FTA Outcomes on the Pact's Second Anniversary; U.S. Exports to Korea Are Down, Imports
From Korea Are Up, Auto and Meat Sectors Hit
Particularly Hard" (March): The damaging Korea
FTA record undermines the Obama administration's attempt to use the same export growth promises to

sell Congress on Fast Track authority for the TPP.

"The Rising Use of the Trade Pact Sales Pitch of Last Resort: TPP Foreign Policy Arguments Mimic False Claims Made for Past Deals" (April): Nearly identical foreign policy arguments propping up the TPP have consistently proven baseless when used to sell trade deals over the past two decades.

"Myths and Omissions: Unpacking Obama Administration Defenses of Investor-State Corporate Privileges" (October): The Obama administration's precarious justifications for investor-state dispute settlement may determine the fate of TAFTA.

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JUSTICE

Shutting Down Corporate First Amendment Claims

Public Citizen Litigation Group attorneys work on cases at all levels of the federal and state judiciaries with an eye toward establishing important precedents on behalf of consumers and the public. One area of our practice is protecting the people's First Amendment rights.

For several years, however, corporations have been making broad First Amendment arguments, in many instances turning this bedrock protection for people into a legal tool to expand corporate power and limit the ability of the government to protect the public. Citizens United is the most notable example, but there are entire other lines of cases impacting the government's ability to regulate corporate activity and to require corporations to disclose information.

Public Citizen is fighting back. One example: In 2014, on behalf of Amnesty International, the organization's attorneys presented argument in a case in which associations representing major multinational corporations claimed that an important U.S. Securities and Exchange Commission (SEC) regulation violates the so-called First Amendment rights of corporations.

The case, National Association of Manufacturers et al. v. U.S. Securities and Exchange Commission, was brought in 2012 by the National Association of Manufacturers, the U.S. Chamber of Commerce and Business Roundtable. The challenged SEC regulation is known as the conflict minerals rule and was mandated by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. It requires companies to disclose whether they trade in minerals that help finance conflict in the Democratic Republic of the Congo (DRC).

In July 2013, the U.S. District Court for the District of Columbia upheld the rule. Last year, the U.S. Court of Appeals for the District of Columbia Circuit, while affirming most of the rule, struck down the requirement that companies use specific language to report that their products have "not been found to be DRC-conflict



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free." Two of the judges ruled that the language violated companies' First Amendment rights.

"The panel's decision here, if not reconsidered, would undermine the government's ability to require important commercial disclosures that inform the decisions of investors and consumers," said Julie Murray, one of the Public Citizen attorneys representing Amnesty International in the case.

Public Citizen successfully petitioned the panel for a rehearing on the First Amendment decision. The organization argued for reconsideration in light of recent rulings in favor of requirements for disclosure, including a court decision upholding a regulation that requires country-of-origin labeling for meat.

The panel's decision on the rehearing is expected in the coming months.

Consumers closer to their day in court

Momentum is growing to rid consumer contracts — including those for checking accounts, nursing home enrollment and cell phones — of forced arbitration clauses that require consumers to resolve disputes with private arbitrators and bar them from going to court.

These clauses leave consumers with no effective remedy for corporate wrongdoing.

Public Citizen and its partners collected and delivered thousands of petition signatures calling for Citigroup Inc., JPMorgan Chase &

Co., PNC Financial Services Group Inc., U.S. Bancorp and Wells Fargo & Co. to abandon use of arbitration clauses.

The organization pressed for action by the U.S. Securities and Exchange Commission, Congress and the Consumer Financial Protection Bureau (CFPB), all of which have the power to act.

Public Citizen is urging the CFPB to issue a rule on forced arbitration in consumer financial contracts in 2015.

2014 justice reports include:

"Righting a Financial Wrong: Debt Settlement Services,
Private Student Lenders, and Auto Lenders Use Forced
Arbitration to Escape Accountability When They Harm
Consumers" (February): Companies in these industries use forced arbitration to avoid answering allegations that their misconduct has harmed their customers.

"Cases That Would Have Been: Three Years After AT&T Mobility v. Concepcion, Claims of Corporate Wrongdoing Continue to Pile Up" (May): Public Citizen presents 140 cases, occurring over the past three years, in which a court enforced an arbitration clause and barred the claimants from participating in class-action lawsuits.

Empowering consumers in court

Big Business is endlessly finding new arguments for dismissal of consumer cases.

Public Citizen helps consumers get their day in court and, in 2014, handled numerous appeals on behalf of consumers seeking this right.

Below we detail two of these cases.

In Keim v. ADF Midatlantic, Brian Keim brought a class-action lawsuit against several companies that operate Pizza Huts, claiming that the companies had violated the Telephone Consumer Protection Act by sending unwanted promotional texts.

The defendants tried to avoid the class action by making an "offer of judgment" to Keim that they said would fully satisfy his individual claim, but not the claims of the class as a whole. Because Keim rejected the offer, the defendants argued that the case was "moot" and should be dismissed.

The district court agreed with the defendants and dismissed the case.

Public Citizen stepped in as cocounsel on appeal. Its attorneys argued that the increasingly common defense tactic of attempting to "moot" class actions by making settlement offers to individual plaintiffs rests on a fundamental misunderstanding of Supreme Court decisions.

In a Dec. 1 ruling, the 11th U.S. Circuit Court of Appeals agreed with Public Citizen and reversed the district court's decision.

Pele v. Pennsylvania Higher Education Assistance Agency (PHEAA), a lawsuit brought under the Fair Credit Reporting Act, features one of the nation's largest student loan servicers. Lee Pele sued PHEAA for inaccurately submitting to credit reporting companies that he had thousands of dollars in student loan debt.

PHEAA, which is affiliated with the state of Pennsylvania, is trying to avoid accountability by arguing that it is "an arm of the state" and therefore immune from suit.

Despite the fact that most of PHEAA's business is not in Pennsylvania, that it is financially independent of the state and that the state isn't responsible for PHEAA's debts, a district court sided with the loan servicer. Public Citizen is representing Pele on appeal to the 4th U.S. Circuit Court of Appeals.

If PHEAA prevails in its argument, it will be able to avoid accountability for wrongful conduct of all kinds, and students all over the country — and others with cases against the agency — will be vulnerable as a result.

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Fiscal Year 2014 Consolidated Statement of Activities for Public Citizen Inc. and Public Citizen Foundation

Revenue and Support	Actual
Individual Donations	\$11,085,546
Publications and Subscriptions	\$1,572,812
Grants	\$2,910,467
Program Income	\$552,714
Rental Income*	\$426,763
Other	\$228,795
Income From Investments	\$447,572
Total Revenue and Support	\$17,224,669

Expenses	Actual
Programs	\$9,988,557
Publications	\$1,918,141
Support Services	\$3,259,992
General and Administrative \$1,885,076	
Development\$	1,374,916
Total Expenses	\$15,166,690
Change in net assets**	\$2,057,979

* Net of Operating Expenses

** In accordance with Statement of Financial Standards No. 116, Accounting for Contributions Received and Contributions Made, Public Citizen is required to record all grants and contributions in the current fiscal year even if the monies have not been received or related expenses have not been expended. As of Sept. 30, 2014, Public Citizen had temporarily restricted net assets of \$2,121,963, which represent restricted grants and contributions whose donor-stipulated time or purpose restriction has not been accomplished. Several of the net assets included in this amount are intended to be expended over several subsequent years. Per our unaudited financial statements.