

June 19, 2014

Dear Senator:

The groups and organizations listed below urge you to co-sponsor the Hide No Harm Act, sponsored by Senator Richard Blumenthal. This important legislation addresses a significant national problem that requires your support – the need for corporate officers who knowingly conceal serious dangers that lead to consumer or worker deaths or injuries to be held personally – and criminally – accountable. This bill requires responsible corporate officers to inform and warn government regulatory agencies, employees and the public of serious dangers created by faulty or defective products produced by the corporation, or unsafe business practices that place employees in danger, and provides for criminal liability for corporate officers who fail to do so.

Recently, in numerous instances, federal enforcement of regulatory standards has failed to impose meaningful penalties adequate to deter future violations and hold individual bad actors responsible for their reckless disregard of the health and safety of consumers and workers.

The recent case involving General Motors vehicle ignition defects has been linked to at least 13 deaths and many more injuries and went unreported to authorities for more than a dozen years. It is only the latest example of this type of corporate malfeasance. Defects in Toyota automobiles that caused them to accelerate even as drivers were trying to slow them down, leading to at least 5 deaths, resulted in no criminal penalties for individual Toyota executives, even after executives intentionally misled and concealed from the public their knowledge of the defects. Merck withheld information on the risks of Vioxx from doctors and patients for more than five years, resulting in an estimated 88,000 to 139,000 heart attacks, 30 to 40 percent of which were probably fatal – yet again, no criminal charges were filed against the corporate executives responsible for this tragedy. Similar examples of corporate disregard for public safety and health, with no criminal corporate accountability, have occurred related to dangerous children's products such as Simplicity Cribs, whose defective cribs lead to the deaths of 11 infants and numerous injuries to other infants. And recently, corporate officers knowingly failed to inform regulators about an environmental hazard, when in West Virginia corporate executive from Freedom Industries knew that a second toxic chemical was leaking into the water supply, endangering 300,000 West Virginians, but failed to warn authorities for 11 days.

These corporate concealments impact not only those who suffer the direct consequences of dangerous products, but the broader business sector, as well. The truth about these faulty products invariably is uncovered, often after preventable injuries and deaths have occurred, and civil litigation follows. Shareholders around the world become financially responsible for the damages; depending on the size of the corporation and the extent of the damages, this impact can be felt throughout the market. Additionally, the irresponsible conduct blemishes the reputation of the vast majority of corporations that take seriously their responsibilities to regulatory agencies,

consumers and employees. It also creates unfair competition by allowing a marketplace to exist without consequences for bad actors, thus creating disincentives for good actors.

Currently, corporate officers who knowingly conceal harm from faulty products do not face the threat of prison nor are they held personally responsible for any fines imposed. The penalties for corporate malfeasance in this bill will not only allow law enforcement to hold individuals personally accountable for those whose decisions lead to death or injury of American consumers and workers, but also will also serve as a strong deterrent against future attempts to cover up dangerous products and unsafe workplaces. We need to ensure that companies take health and safety seriously and that corporate officers no longer consider loss of life a “cost of doing business” that they are willing to absorb because potential fines are paid by the corporation and not by them individually. The threat of imprisonment must be real.

This legislation will serve to ensure that when corporate officers make decisions regarding their operations and products that human life is valued over profit margins and bonuses.

Unfortunately, for a very small group of corporate officers in this country, the correct outcome can only be assured when the consequence for failing to do the right thing involves personal criminal liability.

We ask that you join in co-sponsoring this legislation to ensure that corporations’ highest priority is the safety of their workers and consumers.

- ACORN8
- AFL-CIO
- American Federation of State, County and Municipal Employees
- Arizona Consumers Council
- Brown Center for Public Policy
- Center for Auto Safety
- Center for Effective Government
- Center for Science in the Public Interest
- Chicago Consumer Coalition
- Coalition for Sensible Safeguards
- ConnPIRG
- Consumer Action
- Consumer Assistance Council, Inc.
- Consumer Federation of America
- Consumer Federation of the SE
- Corporate Accountability International
- Economic Policy Institute
- Federal Ethics Center
- Friends of the Earth
- Government Accountability Project
- Greenpeace

- Institute for Agriculture and Trade Policy
- International Brotherhood of Teamsters
- Kids In Danger
- National Center for Health Research
- National Consumers League
- National Council for Occupational Safety and Health
- National Employment Law Project
- National Women's Health Network
- Network for Environmental & Economic Responsibility of United Church of Christ
- Oregon Consumer League
- Protect All Children's Environment
- Public Citizen
- Safe Climate Campaign
- SafeWork Washington
- Sciencecorps
- The Safety Institute
- Union of Concerned Scientists
- U.S. PIRG
- Virginia Citizens Consumer Council
- Whistleblower Support Fund