Congressman Greg Meeks’ Record:
Fighting for Wall Street Banks, Bad “Free” Trade Deals & Charter Schools: *Richly Rewarded with Campaign Donations & Other Favors*

**Overview:**

Rep. Greg Meeks’ district has been devastated by sub-prime mortgages, job losses from off-shored manufacturing and call center jobs, and a lack of good schools. Yet Rep. Greg Meeks is an ardent advocate for:

- Job-destroying, anti-consumer and anti-environmental “free” trade deals;
- Deregulation of Wall Street banks, hedge funds and private equity; and
- Charter schools.

On these critical issues, Rep. Meeks often sounds and votes like a Republican. He devotes real energy to these issues, undercutting his constituents’ interests while driving a wedge through the Democratic party.

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**Meeks Pushes Hard for Job-Destroying International Trade Deals that Cause Unemployment and Poverty in His District**

*Trans-Pacific Partnership (TPP):*

- Meeks was one of only 28 House Democrats to support Fast Track for the TPP. Fast Track was opposed by a unified coalition of labor, environmentalists, consumer, democracy and human rights organizations.
Meeks co-founded the “Friends of the TPP” caucus with one other Democrat and 2 Republicans.ii
Meeks was the only Democrat to join then Ways and Means Chair Paul Ryan and other Republicans on an international trip through East Asia to promote the TPP.iii

**Columbia, Panama, and Korea Deals; CAFTA; PNTR for China; and WTO:**

- Meeks is one of the most prominent Democratic advocates for “free” trade deals. He speaks out on the House floor, lobbies his colleagues, reaches out to the media, and joins or forms caucuses to support bad deals.iv
- Meeks’ repeatedly supported bad international trade deals, including with Columbia, where trade unionists are murdered.v
- Meeks cast a deciding vote for CAFTA, one of only 15 Democrats to vote for the deal.vi
- Meeks supported the U.S. and China joining the World Trade Organization (WTO).
- Meeks supported the U.S. granting China Permanent Normal Trade Relations (PNTR) after going on a luxurious trip to China where, according to The New York Times, he was “treated royally”.vii

**Millions of Jobs Lost – Tens of Thousands in Queens, New York:**

- The US has lost 6 million manufacturing jobs. 60,000 factories have closed.viii Every day more jobs can be off-shored, from call center jobs to medical imaging and back-office work to accounting as a result of these bad deals.
- Manufacturing employment in Queens has plunged from over 45,000 in 2000 to about 20,000 in 2014.ix
- Meeks has cited growing employment at JFK as a justification for these deals, yet JFK employment has stayed at about 37,000 from 1997 through 2014 – and JFK workers have even been forced to strike.x And employment in warehousing and transportation, which Meeks has argued benefit from “free” trade, has dropped from 70,000 in 2000 to 65,000 in 2014.xi
- Skyrocketing income inequality is fueled by these bad deals.xii

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**“Rep. Greg Meeks (D-N.Y.), a member of the centrist New Democrat Coalition, is known for taking a pro-business stance on many issues”**

--The Hill, writing about an effort to prevent the closure of the “carried interest” tax loophole for private equity and hedge fund managers¹
Meeks is an Important Ally for Wall Street, Whose Sub-Prime Loans Devastated the 5th Congressional District

As a member of the House Financial Services Committee, Meeks holds particular sway over the finance industry. He is a member of the House Banking Caucus, dubbed “Wall Street’s secret weapon.” Meeks is an energetic advocate for Wall Street banks who pushes his Democratic colleagues to support anti-consumer legislation despite the industry targeting African-Americans for sub-prime mortgages that led to a foreclosure crisis.

As the Financial Crisis Hit Hard, Meeks Opposed a Temporary Moratorium on Foreclosures

- Civil rights, democracy, labor and consumer groups advocated for a temporary moratorium on foreclosures in the wake of the 2008 financial crisis, but Meeks opposed it, offering the industry a valuable public defense.
- NPR host Michelle Martin told Rep. Meeks that she was certain that the Mortgage Bankers Association “appreciates” his position.
- Since African-Americans were targeted by banks for sub-prime loans which then went into foreclosure, it was particularly meaningful for Rep. Meeks to defend the finance industry.

Meeks Pushes the Predatory “Payday Loan” Industry Agenda, Faces Ethics Complaint

- Meeks was identified as one of the finance industry’s “go-to lawmakers” in a 2014 report by the Center for Public Integrity that highlighted his strong support for abusive payday loans.
- In fact, an ethics complaint was just filed against Meeks in October of 2015 because he received a $5,000 campaign contribution from payday lenders just three days after cosponsoring a bill to gut regulation of payday loans.
- Meeks’ legislation, the “Consumer Credit Access, Innovation, and Modernization Act” (HR 1566 of 2013) attacks the CFPB, OCC, FDIC and Federal Reserve’s recent efforts to protect consumers against payday loans; Overrides state consumer protection laws through preemption; Circumvents over 40 years of consumer protection law by prohibiting disclosure of the true cost of credit extended to consumers, expressed as an annual percentage rate; and Provides a special protected status to some of the most harmful consumer financial products sold online, such as payday loans, car-title loans, and tax refund anticipation loans.
- As an advocacy group put it, the payday loan industry’s “business model is to trap people into this endless cycle of debt.”
Sub-prime Mortgages Devastate Southeast Queens

Sub-prime loans, which are pushed onto communities of color, emerged in the 1990s. The subprime loan numbers in Southeast Queens are staggering. For example, in the Jamaica/Hollis community in 2005, the proportion of subprime loans for homes purchased had surged to 51.8 percent, almost six times the rate in 2003 (an increase from 9.3 percent to 51.8 percent). In the wake of the 2008 financial crisis, foreclosures on home purchases and re-finances were at an epidemic level.

Meeks Helped Wall Street Get a “Huge Win” by Adding Taxpayer Insurance for Swaps, the Exotic Financial Products that Fueled the Sub-Prime Crisis

- Meeks pushed for extending FDIC taxpayer insurance to swaps by repealing the “swaps push out” rule enacted as part of the Dodd-Frank Wall Street reform bill, which was passed in the wake of the 2008 financial crisis.xx.
- Thanks to Republicans and some Democrats such as Meeks, this legislation was attached to the must-pass December 2014 “Cromnibus” budget deal over the White House’s objections.
- Credit default swaps, among other exotic financial instruments, were at the root of the sub-prime crisis. These financial instruments made packaging (“securitizing”) sub-prime loans hugely profitable for the banks.
- The explosive growth of the sub-prime industry was a result of the banks’ increasing profits from those loans: the banks pushed for increased volume of sub-prime loans, which could be re-packaged and re-sold (“securitized”). The banks’ agents pushed sub-prime loans onto borrowers who could not afford the products, particularly targeting communities of color such as Southeast Queens.xxi
- The massive increase in foreclosures in the 5th CD in 2009 was a result of these practices.
- JP Morgan’s CEO Jamie Dimon personally lobbied for this provision.xxii
- CNN called the December 2014 vote to pass a budget deal that included this dangerous language, which was nearly identical to Wall Street lobbyists’ language, a “Huge win for banks.”xxiii

Meeks Supported the Bankruptcy Bill, Which Put Millions of Americans into Deeper Credit Card Debt

- Meeks voted for the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, which made it far more difficult for people to discharge their credit card debt by declaring bankruptcy event though 50% of those filing bankruptcy did so because of unmanageable medical bills stemming from illness.
- Consumer groups dubbed the bill a “giveaway to business interests at the expense of middle-class families.”xxiv
Elizabeth Warren, then a little-known Harvard professor and an expert on the issue, helped mobilize opposition to the bill.

**Meeks Supports Allowing Banks to Evade Financial Regulations by Booking Trades Overseas**

- Greg Meeks voted for the Swaps Jurisdiction Certainty Act, another priority of JP Morgan’s CEO Jamie Dimon and other Wall Street banks. xxv
- The bill would allow U.S. banks to avoid financial regulations on swaps by booking trades overseas.

**Meeks Helped De-Rail Closing the “Carried Interest” Loophole, Which Allow Hedge Fund and Private Equity Managers to Avoid Paying Taxes**

- Meeks arranged a meeting of African-American hedge-fund and private equity managers with Congressional Black Caucus members about the issue. xxvi
- While Meeks has avoided taking a public position on the controversial issue, his actions show that he does not want a repeal of the tax loophole.
- Private equity and hedge fund managers continue to pay far lower taxes on their income thanks to the failure of repeal of their tax exemption.

**Meeks Pushed Against a Proposed Department of Labor Rule to Protect People’s Retirements**

- Meeks sent a letter opposing a rule proposed by President Obama’s Labor Department designed to guarantee that retirement advisors fulfill a fiduciary duty to their clients, which would protect the retirement security of millions of Americans whose financial advisors are often incentivized to sell them products that worsen financial security. xxvii

**Meeks is Pushing for a Delay of the “Volcker Rule,” Which Would Keep Banks from Making Some Speculative Investments**

- Meeks joined a letter to regulators advocating for a delay (and weakening) of their efforts to implement the “Volcker rule,” a critical part of the 2009 Dodd-Frank Wall Street reform legislation. xxviii

**Meeks Pushes to Align the Congressional Black Caucus (CBC) With Wall Street**

- The Congressional Black Caucus is an important force in Congress partly because of its moral authority.
- Meeks pushes to neutralize the CBC from defending Black Americans, who are disproportionately hurt by Wall Street’s abuses, from abusive Wall Street practices. xxix
Meeks Co-Founded a Union-Busting For-Profit Charter School, Supports the Success Academy and Rallies with Charter Schools

Greg Meeks’ support for Wall Street extends to the industry’s educational agenda.

**Meeks Co-Founded the Union-Busting, For-Profit Merrick Academy**

- In 2010, teachers at Merrick Academy, run by the for-profit Victory Schools, voted to unionize. They were the first New York City charter school teachers to vote to join the UFT. Meeks co-founded the school.xxx
- The Merrick teachers still had no contract in 2012, when 11 teachers were fired in violation of New York State law, according to the UFT.xxxi

**Meeks Supports the Notorious Success Academy Network**

- Meeks attended the Success Academy’s gala fundraiser, alongside many of Wall Street’s wealthiest anti-union funders.xxxii
- The Success Academy pushes out undesirable students through ruthless discipline and repeated suspensions and teacher meetings with mandatory parental attendance. Eventually, students and their families get worn down.xxxiii
- During the 2012-13 academic year, most Success schools suspended more than 10% of their students (various Success school suspension rates ranged from 4 percent to 23 percent of students at least once). At one Success Academy school, for example, administrators created a “Got to Go” list. The network’s suspension rates are far higher than public schools.xxxiv
- By pushing out students that it finds hard to educate, Success Academy is able to boost its test scores and “dump” those students onto public schools.

**Meeks Rallies with Charter School Leaders in Support of Their Policy Priorities**

- Meeks repeatedly rallied for various charter school advocates legislative and policy priorities, including co-locationxxxv and more funding from the State.xxxvi
Meeks is Richly Rewarded with Campaign Contributions from Wall Street & Other Favors

- So far in 2016, over half of Meeks' campaign donations are from the Finance, Insurance and Real Estate (FIRE) sector.\textsuperscript{xxxvii}
- Over his Congressional career, Meeks' committee has received $2,666,388 in contributions from Finance, Insurance and Real Estate (FIRE), with $2,144,015 in the form of PAC contributions.\textsuperscript{xxviii}
- Meeks' campaign donations from the FIRE industry sector are by far his largest source of campaign contributions.
- Meeks' top donors include Goldman Sachs, American Express, Bank of America, Citigroup and UBS.\textsuperscript{xxix}
- Within the FIRE sector, securities and investment firms were his 2013-2014 cycle top donors, followed by insurance companies, then credit card companies and real estate firms.\textsuperscript{xl}
- Meeks went on a luxurious overseas trip sponsored by now-jailed financier Allen Stanford\textsuperscript{xli}.
- Meeks takes more trips overseas paid for by taxpayers or other sources than any other New York State representative.\textsuperscript{xlii} Meeks' trips include luxurious hotel stays at hotels such as the Ritz-Carlton and fine dining.\textsuperscript{xliii}
- Meeks took a trip funded by the State-owned oil company in Azerbaijan, which violates congressional ethics rules.\textsuperscript{xliv}
- Meeks took trips through at least 16 different countries last year alone.\textsuperscript{xlv}
- These types of trips are notorious as luxurious, entertaining junkets billed as “fact-finding”.
- Meeks was named one of the most corrupt members of Congress for three years running by Citizens for Responsibility and Ethics in Washington, an independent watchdog group.\textsuperscript{xlvi}
- 98% of Meeks' campaign donors are PACs (78%) and large individual donors (20%).\textsuperscript{xlvii}

Endnotes

\textsuperscript{1} https://ourfuture.org/20150615/the-28-democrats-who-voted-for-fast-track
\textsuperscript{3} http://waysandmeans.house.gov/ryan-delegation-meets-with-leaders-in-singapore/
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