

PATTY MURRAY, WASHINGTON
ROBERT P. CASEY, JR., PENNSYLVANIA
TAMMY BALDWIN, WISCONSIN
CHRISTOPHER MURPHY, CONNECTICUT
TIM KAINE, VIRGINIA
MARGARET WOOD HASSAN, NEW HAMPSHIRE
TINA SMITH, MINNESOTA
BEN RAY LUJÁN, NEW MEXICO
JOHN W. HICKENLOOPER, COLORADO
EDWARD J. MARKEY, MASSACHUSETTS

BILL CASSIDY, LOUISIANA
RAND PAUL, KENTUCKY
SUSAN M. COLLINS, MAINE
LISA MURKOWSKI, ALASKA
MIKE BRAUN, INDIANA
ROGER MARSHALL, KANSAS
MITT ROMNEY, UTAH
TOMMY TUBERVILLE, ALABAMA
MARKWAYNE MULLIN, OKLAHOMA
TED BUDD, NORTH CAROLINA

United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

WARREN GUNNELS, MAJORITY STAFF DIRECTOR
AMANDA LINCOLN, REPUBLICAN STAFF DIRECTOR

www.help.senate.gov

October 5, 2023

Bruce Caswell
Chief Executive Officer
Maximus
1600 Tysons Boulevard
McLean, Virginia 22102

Dear Mr. Caswell,

I write regarding Maximus's concerning treatment of the approximately 10,000 workers fulfilling the company's federal call center contracts. Workers across Maximus's eleven call center facilities, who are predominantly women and people of color, have been fighting for better compensation and working conditions for years. The company will depend on these workers to fulfill the \$6.6 billion contract it received in September 2022 to support call centers for the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS).¹ That contract is just one of the many federal contracts that are responsible for nearly half of Maximus's 2022 revenue and which helped the company report a \$311 million profit in 2022.² Despite these substantial profits and the new call center contract, Maximus has conducted two rounds of call center layoffs this year and ignored workers' calls for better pay and working conditions.³ I therefore request information and a briefing regarding Maximus's failure to adequately respond to workers' demands.

Maximus's failure to provide sufficient compensation and workplace protections for its workers has been the source of widespread reporting and worker discontent, even as the company has received many lucrative federal contracts. In 2021, a National Employment Law Project report highlighted low pay and costly benefits at Maximus call centers.⁴ Workers at these call centers answer technical calls about federal health care programs back-to-back for hours with little time

¹ Ctrs. Medicare & Medicaid Servs., Fact Sheet: Contact Center Operations Contract Award (Sept. 1, 2022), <https://www.cms.gov/newsroom/fact-sheets/contact-center-operations-contract-award>.

² 2022 Form 10-K, MAXIMUS, INC., 6 (Nov. 22, 2022), <https://investor.maximus.com/sec-filings/all-sec-filings/content/0001032220-22-000074/0001032220-22-000074.pdf>; 2023 Proxy Statement, MAXIMUS, INC., 38 (Jan. 25, 2023), <https://investor.maximus.com/sec-filings/all-sec-filings/content/0001140361-23-002723/0001140361-23-002723.pdf>.

³ Casey Quinlan, *Federal call center workers join March on Washington call attention to workplace inequities*, OHIO CAPITAL JOURNAL (Aug. 9, 2023, 4:20 A.M.), <https://ohiocapitaljournal.com/2023/08/29/federal-call-center-workers-join-march-on-washington-call-attention-to-workplace-inequities/>.

⁴ See Anastasia Christman, *Determined to be Heard: Maximus Call Center Workers and the Injustice of Low-Bid Federal Contracting*, NATIONAL EMPLOYMENT LAW PROJECT (May 2021), <https://www.nelp.org/wp-content/uploads/Determined-to-be-heard-5-2021.pdf>.

for breaks. During the busiest periods, workers may manage up to 100 calls a day.⁵ Workers deal with abusive callers, including callers engaging in racist and sexist behavior, including sexual harassment.⁶ They sometimes field calls from people in crisis.⁷ For this demanding labor, workers are often paid the minimum allowed under law, well below a living wage in many of the locations your call centers are located.

Although Maximus lowered health insurance premiums and deductibles in February 2022 in response to worker pressure, these changes alone are insufficient, as workers have made clear. On March 23, 2022, call center workers in Mississippi and Louisiana held a one-day strike calling for higher wages, paid sick leave, and better health insurance.⁸ On August 8, 2022, workers in Louisiana, Kentucky, Virginia, and Mississippi held a one-day strike to protest attendance and bathroom break policies.⁹ On November 1, 2022, workers in the same four states walked off the job calling for higher wages, better benefits, more time between calls, and protection from abusive callers.¹⁰ On June 5, 2023, workers in Virginia, Mississippi, Louisiana, Arizona, and Florida went on strike to call for higher wages, career advancement opportunities, and protection from layoffs.¹¹

This year, rather than meet workers' demands, Maximus conducted two rounds of layoffs, terminating over 900 call center workers. In January, nearly 250 workers in Mississippi and Louisiana lost their jobs, followed by another 710 workers in May.¹² The same week as these layoffs, which your company attributed to overstaffing and low call volumes, Maximus held multiple hiring events, and following the firings, posted overtime opportunities.

Maximus's failure to respond to workers' calls for better compensation is especially glaring alongside the high payouts provided to executives and shareholders. In 2022, you personally received nearly \$6.3 million in total compensation, 161 times the \$39,019 salary of the median employee at Maximus.¹³ The year before, you made over \$7.9 million.¹⁴ In 2022, five other top executives at Maximus each received over \$1 million in total compensation.¹⁵ The company also spent \$96 million in stock buybacks and \$69 million on stock dividends in 2022.¹⁶ That total of

⁵ Mary Yang, *Call center workers strike over pay and working conditions*, NPR (Nov. 1, 2022, 7:06 P.M.) <https://www.npr.org/2022/11/01/1132931674/medicaid-and-medicare-hotline-workers-strike-over-pay-and-working-conditions>.

⁶ *Id.*

⁷ *Id.*

⁸ The Associated Press, *Call center workers at federal contracting firm go on strike*, AP NEWS (Mar. 24, 2022, 2:44 P.M.), <https://apnews.com/article/business-health-louisiana-mississippi-medicare-9601d1b04a3891b786a6ea807476bb15>.

⁹ Federal Contractors Organizing with CWA Strike against Maximus and other news, COMMUNICATIONS WORKERS OF AMERICA (Aug. 11, 2022), <https://cwa-union.org/news/e-newsletter/2022-08-11>.

¹⁰ Melissa Noel, *Why Black Call Center Workers Are Striking For Change In Cities Across America*, ESSENCE (Nov. 17, 2022), <https://www.essence.com/news/black-call-center-workers-maximus/>; Yang, *supra* n. 5.

¹¹ Kristi K. Higgins, *Chester: Maximus call center workers go on strike, picket in multiple states*, THE PROGRESS-INDEX (June 6, 2023, 6:58 A.M.), <https://www.progress-index.com/story/news/2023/06/05/maximus-call-center-workers-go-on-strike-after-700-employees-laid-off-last-month-want-hire-wages/70289468007/>.

¹² Quinlan, *supra* note 3.

¹³ *2023 Proxy Statement*, *supra* note 2 at 52-53.

¹⁴ *Id.* at 52.

¹⁵ *Id.*

¹⁶ *Id.* at 38.

\$165 million could have been used to provide raises of \$16,500 to each of the 10,000 call center workers who make your business profitable—representing a 42 percent raise for the median employee. The considerable compensation provided to executives and shareholders certainly suggests Maximus can better compensate the workers actually fulfilling the contracts that are the foundation of the company’s business. And yet while workers have demanded better pay, Maximus continues prioritizing profits: the company just announced another round of shareholders dividends totaling over \$17 million at the end of the third quarter of 2023, the same rate it paid quarterly in 2022.¹⁷

Maximus must commit to better wages and working conditions for workers, and to follow the law and respect workers’ right to organize. I request a staff briefing no later than November 2, 2023 to better understand Maximus’s treatment of workers and responses to worker organizing efforts.

Additionally, I request responses to the following by October 19, 2023.

- 1) Please explain why Maximus has chosen not to adopt a position of neutrality toward organizing workers.
- 2) Please provide a complete explanation of how Maximus’s corporate leadership and site management has responded to call center worker organizing. Please specifically address how the company has responded to workers striking.
- 3) Please explain the company’s decision to offer bonuses in August 2022 to workers who crossed the picket line during a one-day strike.¹⁸
- 4) Please explain why the company conducted two rounds of call center layoffs this year despite being awarded a major CMS contract and your reports of successful growth on other federal contracts.

Thank you for your prompt response to these requests.

Sincerely,



Bernard Sanders
Chairman
Senate Committee on Health, Education, Labor, and Pensions

¹⁷ Press Release, Maximus Inc., Maximus Reports Fiscal Year 2023 Third Quarter Results (Aug. 2, 2023, 4:30 P.M.), <https://investor.maximus.com/news-events/press-releases/detail/524/maximus-reports-fiscal-year-2023-third-quarter-results>.

¹⁸ Robert Iafolla, *Maximus Faces Labor Board Charge for Paying Not to Strike (2)*, BLOOMBERG LAW (Nov. 2, 2022, 6:28 P.M.), <https://news.bloomberglaw.com/daily-labor-report/maximus-faces-labor-board-charge-for-paying-to-cross-picket-line>.