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Congress of the United States
House of Representatives

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SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

PHONE (202) 225-4400

<https://coronavirus.house.gov>

October 19, 2020

Mr. Jim Neff
Founder and Chief Executive Officer
Western Global Airlines LLC
9260 Estero Park Commons Blvd.
Suite 200
Estero, FL 33928

Dear Mr. Neff:

I write to request that Western Global Airlines LLC (“Western Global”) return the more than \$34 million in taxpayer funds it received from the Treasury Department through the Payroll Support Program, or demonstrate that Western Global needed these funds to keep workers on the payroll despite increased demand for the company’s services since the onset of the coronavirus pandemic. Congress intended the Payroll Support Program (PSP) to save aviation jobs during the economic crisis brought on by the pandemic. Western Global appears to have had financial success during the crisis. If your company did not need PSP funds to keep workers on the payroll, failing to return the funds to the Treasury would be inconsistent with Congress’s clear intent.

The coronavirus pandemic has devastated many segments of the economy, including the aviation industry. In response, as part of the Coronavirus Aid, Relief, and Emergency Security (CARES) Act, Congress created the Payroll Support Program to “preserve aviation jobs and compensate air carrier industry workers.”¹ Congress required that Program funds “shall exclusively be used for the continuation of payment of employee wages, salaries, and benefits,” and in exchange required recipients to “refrain from conducting involuntary furloughs or reducing pay rates and benefits until September 30, 2020.”² Congress intended for these taxpayer funds to save jobs, not to provide windfalls to thriving businesses.

In August 2020, Western Global was described by Moody’s Investors Service as having “benefitted from the increased demand for its global air cargo services” during the pandemic.³ This uptick in demand has been bolstered by “new orders amid a surge in online shopping”

¹ Coronavirus Aid, Relief, and Emergency Security Act, Pub. L. No. 116-136, § 4112(a) (2020).

² *Id.* § 4114(a)(1).

³ *Western Global Airlines to Raise \$410MN in First Bond Offer*, CH-Aviation (Aug. 7, 2020) (online at www.ch-aviation.com/portal/news/93978-western-global-airlines-to-raise-410mn-in-first-bond-offer).

coupled with a customer base that includes United Parcel Service, DHL, the U.S. Postal Service, Amazon, and the Department of Defense.⁴ According to one report:

[Western Global is] benefiting from another big tailwind: the credit rally sparked by the Federal Reserve's unprecedented backstop. . . . The Estero, Florida-based carrier is borrowing hundreds of millions of dollars from the junk-bond market to fund a stock program that will give it a sizable tax break, hand the founders a large payout and potentially keep its workforce union-free.⁵

It is troubling that Western Global is receiving over \$34 million in taxpayer funds intended to cover the wages and benefits of its workers while simultaneously reporting robust demand and unencumbered access to capital. This financial success suggests that Western Global did not need taxpayer funds to help retain its workers. Given Congress's goal of preserving jobs, I urge you to return the funds or, if the money was in fact needed for this purpose, demonstrate why this was the case despite the company's recent success.

Please confirm in writing to the Select Subcommittee whether you plan to return these funds to the Department of the Treasury by October 26, 2020. If you intend to keep the funds, please produce the following documents and information by November 2, 2020, for the period from January 1, 2020, to the present. For the purposes of these requests, "company" refers to Western Global Airlines LLC, as well as any affiliated entities that applied for Payroll Support Program funds.

1. All documents and communications relating to the Payroll Support Program, including but not limited to:
 - a. the company's Payroll Support Program application, agreement, and quarterly certification;
 - b. the company's consideration of whether to apply for the Payroll Support Program;
 - c. the company's eligibility for the Payroll Support Program;
 - d. communications with the Treasury Department or its representatives regarding the Payroll Support Program; and
 - e. the impact of Payroll Support Program funds on the company's financial position.

2. All profit and loss statements and financial statements covering any time period in 2020.

⁴ *Id.*; *Cargo Airline Cashing in on Junk-Bond Boom for Owner Payout*, Star Advertiser (Aug. 5, 2020) (online at www.staradvertiser.com/2020/08/05/breaking-news/cargo-airline-cashing-in-on-junk-bond-boom-for-owner-payout/); Western Global Airlines, *Our Clients* (online at www.westernglobalairlines.com/clients).

⁵ *Cargo Airline Cashing in on Junk-Bond Boom for Owner Payout*, Star Advertiser (Aug. 5, 2020) (online at www.staradvertiser.com/2020/08/05/breaking-news/cargo-airline-cashing-in-on-junk-bond-boom-for-owner-payout/).

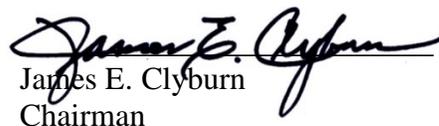
If you intend to keep the funds, please also provide written responses to the following questions by November 2, 2020:

1. Has the company conducted any layoffs or furloughs since March 1, 2020? If so, please provide a list of such layoffs or furloughs, the dates on which they occurred, and the number of workers affected.
2. Has the company hired any new employees since March 1, 2020? If so, please provide a list of such hires, including the number of employees hired and the dates on which those hires occurred.
3. Prior to receiving Payroll Support Program funds, did you have plans to lay off or furlough any workers? If so, how many and why? Please provide contemporaneous documentation of any such plans.
4. Has the company spent all of its Payroll Support Program funds? If not, when does the company anticipate exhausting those funds? Please provide an accounting of how the funds have been used and how the funds have impacted the company's cash position.
5. Has the company increased any form of compensation (including but not limited to salary, bonus, benefits, or equity compensation) for any corporate officers or members of senior management since March 1, 2020? If so, please provide a list of the individuals who have received such increases, the date on which the increase occurred, and the amount or value of the increase.

These requests are consistent with House Resolution 935, which established the Select Subcommittee on the Coronavirus Crisis "to conduct a full and complete investigation" of "the efficiency, effectiveness, equity, and transparency of the use of taxpayer funds and relief programs to address the coronavirus crisis," including "reports of waste, fraud, abuse, price gouging, profiteering, or other abusive practices related to the coronavirus crisis."

An attachment to this letter provides additional instructions for responding to the Select Subcommittee's request. If you have any questions regarding this request, please contact Select Subcommittee staff at (202) 225-4400.

Sincerely,


James E. Clyburn
Chairman

Enclosure

Mr. Jim Neff
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cc: The Honorable Steve Scalise, Ranking Member

Responding to Oversight Committee Document Requests

1. In complying with this request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. Produce all documents that you have a legal right to obtain, that you have a right to copy, or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party.
2. Requested documents, and all documents reasonably related to the requested documents, should not be destroyed, altered, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in this request is or has been known by any name other than that herein denoted, the request shall be read also to include that alternative identification.
4. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, thumb drive, or secure file transfer) in lieu of paper productions.
5. Documents produced in electronic format should be organized, identified, and indexed electronically.
6. Electronic document productions should be prepared according to the following standards:
 - a. The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - b. Document numbers in the load file should match document Bates numbers and TIF file names.
 - c. If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - d. All electronic documents produced to the Committee should include the following fields of metadata specific to each document, and no modifications should be made to the original metadata:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM, CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,

INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION, BEGATTACH.

7. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, zip file, box, or folder is produced, each should contain an index describing its contents.
8. Documents produced in response to this request shall be produced together with copies of file labels, dividers, or identifying markers with which they were associated when the request was served.
9. When you produce documents, you should identify the paragraph(s) or request(s) in the Committee's letter to which the documents respond.
10. The fact that any other person or entity also possesses non-identical or identical copies of the same documents shall not be a basis to withhold any information.
11. The pendency of or potential for litigation shall not be a basis to withhold any information.
12. In accordance with 5 U.S.C. § 552(d), the Freedom of Information Act (FOIA) and any statutory exemptions to FOIA shall not be a basis for withholding any information.
13. Pursuant to 5 U.S.C. § 552a(b)(9), the Privacy Act shall not be a basis for withholding information.
14. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
15. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) every privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author, addressee, and any other recipient(s); (e) the relationship of the author and addressee to each other; and (f) the basis for the privilege(s) asserted.
16. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (by date, author, subject, and recipients), and explain the circumstances under which the document ceased to be in your possession, custody, or control.
17. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, produce all documents that would be responsive as if the date or other descriptive detail were correct.

18. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data, or information not produced because it has not been located or discovered by the return date shall be produced immediately upon subsequent location or discovery.
19. All documents shall be Bates-stamped sequentially and produced sequentially.
20. Two sets of each production shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2105 of the Rayburn House Office Building.
21. Upon completion of the production, submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control that reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, data, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone call, meeting or other inter-office or intra-office communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape, or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, mail, releases, electronic

message including email (desktop or mobile device), text message, instant message, MMS or SMS message, message application, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information that might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neutral genders.
4. The term “including” shall be construed broadly to mean “including, but not limited to.”
5. The term “Company” means the named legal entity as well as any units, firms, partnerships, associations, corporations, limited liability companies, trusts, subsidiaries, affiliates, divisions, departments, branches, joint ventures, proprietorships, syndicates, or other legal, business or government entities over which the named legal entity exercises control or in which the named entity has any ownership whatsoever.
6. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual’s complete name and title; (b) the individual’s business or personal address and phone number; and (c) any and all known aliases.
7. The term “related to” or “referring or relating to,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is pertinent to that subject in any manner whatsoever.
8. The term “employee” means any past or present agent, borrowed employee, casual employee, consultant, contractor, de facto employee, detailee, fellow, independent contractor, intern, joint adventurer, loaned employee, officer, part-time employee, permanent employee, provisional employee, special government employee, subcontractor, or any other type of service provider.
9. The term “individual” means all natural persons and all persons or entities acting on their behalf.