

U.S. Sen. Baldwin: Calls on L.A. private equity firm to restore health coverage, pay for Hufcor workers in Wisconsin

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Janesville, Wis. – U.S. Senator Tammy Baldwin (D-WI) sent a letter today to Andrew Nikou, founder and CEO of OpenGate Capital, asking the Los Angeles-based private equity firm to honor their agreement with former Hufcor employees in Wisconsin. After laying off all 166 workers at Hufcor’s Janesville plant, OpenGate Capital drove the company into bankruptcy leaving workers without the health coverage and pay they were promised.

“As a result of your mismanagement, dozens of former Hufcor workers—some of whom have life-threatening illnesses—are without health coverage,” **wrote Senator Baldwin.** “Others never received the retention bonuses they were promised in exchange for continuing to work for the company after you announced that the Janesville facility would be closing.”

Hufcor was an integral part of the Janesville community for nearly 120 years. In stark contrast, OpenGate Capital has a history of shutting down businesses and giving workers pink slips in Wisconsin. In 2013, OpenGate Capital shut down the Golden Guernsey plant in Waukesha and laid off workers.

“I write to ask you, as the CEO of OpenGate Capital, to stand by the agreement your portfolio company negotiated with its employees,” **Senator Baldwin continued.** “Restore their health coverage, pay them for the work they’ve done, and make them whole for any losses they’ve suffered as a result of the bankruptcy that you caused.”

In 2021, Senator Baldwin met with Hufcor workers in Janesville who were facing layoffs and penned [a letter](#) to Mr. Nikou questioning the private equity firm's plan to shut down the Janesville manufacturing plant and lay off Wisconsin workers. Senator Baldwin has taken a strong stance against the predatory private equity industry, introducing the [Stop Wall Street Looting Act](#) to level the playing field by forcing private investment firms to take responsibility for the outcomes of companies they take over.

Full text of the letter can be found [here](#) and below.

An online version of this release is available [here](#).

Dear Mr. Nikou,

I write to you again on behalf of the 166 former employees of the Hufcor manufacturing plant in Janesville, Wisconsin. As I feared, these workers lost their jobs because your Los Angeles-based private equity firm, OpenGate Capital, shut down their Wisconsin facility in an attempt to outsource their jobs to Mexico.

Making matters worse, Hufcor has now been driven into bankruptcy, rendering the agreement between the company and its workers—which included a requirement to provide the separated workers health insurance—worthless. As a result of your mismanagement, dozens of former Hufcor workers—some of whom have life-threatening illnesses—are without health coverage. Others never received the retention bonuses they were promised in exchange for continuing to work for the company after you announced that the Janesville facility would be closing.

I write to ask you, as the CEO of OpenGate Capital, to stand by the agreement your portfolio company negotiated with its employees. Restore their health coverage, pay them for the work they've done, and make them whole for any losses they've suffered as a result of the bankruptcy that you caused.

In the letter I sent you in June of 2021, I relayed the accounts of Hufcor workers who I met with in Janesville last year. Unfortunately, many of the fears they shared with me then have come true. I have heard from Michelle and Jeff, both of whom worked at Hufcor and had dreams of retiring there. They are currently without health coverage and unable to get medications they need. They are unable to continue saving for their child's college education and are working new, lower-paying jobs. The experience has left them frustrated, anxious, and depressed.

I share these stories with you because I want you to understand the consequences of your firm's actions in this community. In closing, I once again to urge you to stand by the agreement your company negotiated with the workers.

Sincerely,

Tammy Baldwin

United States Senator