

United States Senate

WASHINGTON, DC 20510

July 5, 2023

Sue E. Gove
Chief Executive Officer
Bed Bath & Beyond, Inc.
650 Liberty Ave,
Union, NJ 07083

Dear Ms. Gove,

We are writing today regarding recent reports that Bed Bath & Beyond failed to pay severance to thousands of workers that lost their jobs during the store closures leading up to the company's bankruptcy,¹ despite rewarding executives and shareholders with billions of dollars of stock buybacks over the last two decades. As a result, the workers who ran your business, staffed your retail stores, and fulfilled online orders are being forced to shoulder the brunt of the losses, while shareholders and some executives walk away unscathed. We are seeking further information about Bed Bath & efforts to evade severance pay for its workers, and its plans to treat workers fairly.²

Since 2004, your company has spent an astonishing \$11.8 billion in stock buybacks, reducing capital and taking on more and more debt to pay your shareholders even as your core business suffered.³ In 2014, Bed Bath & Beyond sold "\$1.5 billion in bonds to buy back stock" – entering the debt market for the first time in what one investor called a "seminal event."⁴ Between 2018 and 2020, the company also spent almost \$200 million on stock dividends.⁵ In 2020, revenue dropped 16 percent from the previous year to \$2.6 billion,⁶ but Bed Bath & Beyond continued its aggressive stock buyback strategy for years as the company careened towards insolvency. In February 2022, Bed, Bath & Beyond reported spending \$230 million on stock buybacks over the course of three months, just months before closing stores and laying off workers.⁷

¹ CNN Business, "Bed Bath & Beyond stiffed thousands of workers on severance pay," Nathaniel Meyersohn, April 20, 2023, <https://www.cnn.com/2023/04/20/business/bed-bath-beyond-severance-pay-workers/index.html>.

² *Id.*

³ CNN Business, "The \$11.8 billion mistake that led to Bed Bath & Beyond's demise," Chris Isidore, April 26, 2023, <https://www.cnn.com/2023/04/25/business/bed-bath-beyond-share-repurchases/index.html#:~:text=Bed%20Bath%20%26%20Beyond%20was%20engaged,of%20%2416.04%20on%20each%20share>.

⁴ New York Times, "Bed Bath & Beyond Files for Bankruptcy," Jordyn Holman and Lauren Hirsch, April 23, 2023, <https://www.nytimes.com/2023/04/23/business/bed-bath-beyond-bankruptcy.html>.

⁵ Securities and Exchange Commission, Form 10K, Bed Bath & Beyond, Inc., p.19, <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000886158/000088615821000015/bbby-20210227.htm>.

⁶ New York Times, "Bed Bath & Beyond Files for Bankruptcy," Jordyn Holman and Lauren Hirsch, April 23, 2023, <https://www.nytimes.com/2023/04/23/business/bed-bath-beyond-bankruptcy.html>.

⁷ CNN Business, "The \$11.8 billion mistake that led to Bed Bath & Beyond's demise," Chris Isidore, April 26, 2023, <https://www.cnn.com/2023/04/25/business/bed-bath-beyond-share-repurchases>; CNBC, "Bed Bath & Beyond announces store closures, layoffs and new financing to fix struggling business," Melissa Repko, August 31, 2022, <https://www.cnbc.com/2022/08/31/bed-bath-beyond-announces-500-million-in-new-financing-plans-for-layoffs.html>.

Despite the billions paid out to your shareholders, Bed Bath & Beyond is attempting to avoid paying severance to its workers. In its home state of New Jersey, the company announced layoffs of 1,295 workers on April 9th – the day before a New Jersey state law giving laid off workers enhanced protections and guaranteed severance went into effect.⁸ While your company has, under enormous public pressure, reversed course in New Jersey and agreed to recognize the newly expanded protections,⁹ employees in other states have reported being denied severance pay and other benefits they promised.¹⁰ One store manager in St. Louis reported that his store employees were not given severance pay, nor receive 401(k) matches for the contributions employees had already made, weeks after receiving misleading guidelines from the company.¹¹ Another employee described being “heartbroken” by Bed Bath & Beyond’s refusal pay out severance in New Jersey, calling it a “punch in the gut” to abandon their employees.¹²

Your company has a responsibility to your workers, and it’s clear that after years of putting profits for shareholders ahead of those responsibilities, and endangering the health of its business, Bed Bath & Beyond is still failing to treat retail employees with dignity in the bankruptcy process. In light of these reports, we ask that you commit to providing severance and benefits for your employees, and answer the following questions no later than July 19, 2023:

1. How many employees received notice of layoffs since January 1, 2022?
 - a. What percent of employees received less than one month’s notice?
 - b. What percent of employees received less than two weeks’ notice?
 - c. What percent of employees received less than one week’s notice?
2. How many employees have received, or are slotted to receive, severance pay?
 - a. How will this severance be calculated?
 - b. What is company policy regarding 401(k) contribution matching? On what date was that policy changed, and how was it communicated to employees in retail stores?

⁸ CNN Business, “Bed Bath & Beyond stiffed thousands of workers on severance pay,” Nathaniel Meyersohn, April 20, 2023, <https://www.cnn.com/2023/04/20/business/bed-bath-beyond-severance-pay-workers/index.html>; NorthJersey.com, “Bed Bath & Beyond to pay out severance to 1,300 workers after initially bypassing law,” Daniel Munoz, May 4, 2023, <https://www.northjersey.com/story/money/workplace/2023/05/04/bankruptcy-bed-bath-and-beyond-layoffs-nj-severance-law/70183560007/>.

⁹ NorthJersey.com, “Bed Bath & Beyond to pay out severance to 1,300 workers after initially bypassing law,” Daniel Munoz, May 4, 2023, <https://www.northjersey.com/story/money/workplace/2023/05/04/bankruptcy-bed-bath-and-beyond-layoffs-nj-severance-law/70183560007/>.

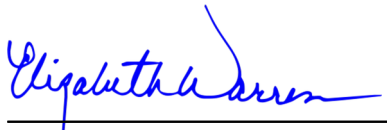
¹⁰ Bloomberg, “Bed Bath & Beyond Has Stopped Paying Severance to Store Workers,” Jeannette Neumann, March 16, 2023, <https://www.bloomberg.com/news/articles/2023-03-16/bed-bath-beyond-bbby-paying-no-severance-in-recent-store-closings?leadSource=uverify%20wall>.

¹¹ CNN, “Bed Bath & Beyond stiffed thousands of workers on severance pay,” Nathaniel Meyersohn, April 20, 2023, <https://www.cnn.com/2023/04/20/business/bed-bath-beyond-severance-pay-workers/index.html>.

¹² *Id.*

- c. How much does the company anticipate spending on severance pay for employees?
3. Bed Bath & Beyond reportedly raised \$240 million from Sixth Street Specialty Lending to fund its bankruptcy process.¹³ How much of this money will be spent on employee benefits?
4. Since entering the debt market in 2014, how much money has Bed Bath & Beyond spent on stock buybacks? Please list all buybacks during this time period.
5. Since entering the debt market in 2014, how much money has Bed Bath & Beyond spent on stock dividends? Please list all dividends paid out during this time period.

Sincerely,



Elizabeth Warren
United States Senator



Cory A. Booker
United States Senator

¹³ New York Times, “Bed Bath & Beyond Files for Bankruptcy,” Jordyn Holman and Lauren Hirsch, April 23, 2023, <https://www.nytimes.com/2023/04/23/business/bed-bath-beyond-bankruptcy.html>.