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Bronze-Medal Olympian Gymnast, Attorney, Sex Abuse Survivor

The Subcommittee on Antitrust, Commercial and Administrative Law Hearing

Oversight of the Bankruptcy Code, Part 1: Confronting Abuses of the Chapter 11 System

July 28, 2021, 10:00 a.m.
Chairman Cicilline, Ranking Member Buck, Chairman Nadler, Ranking Member Jordan, and distinguished members of the Committee, it is a great honor for me to appear before you today.

I am a mother of three young children. I am a wife. I am a Bronze-Medal Olympian. I am a practicing attorney in corporate law and sports law. I am also a survivor of sexual abuse at the hands of Larry Nassar, who was the official “doctor” for USA Gymnastics and the United States Olympic & Paralympic Committee.

I dedicated my entire childhood to representing the United States of America at the Olympics. At the age of 15, I made Team USA’s women’s gymnastics team for the Sydney 2000 Summer Olympics. The team won a bronze medal. Like the Olympic athletes representing our great country right now in Tokyo, and all my teammates, I had to make huge sacrifices to get there.

My sacrifices came at a horrific cost. I was abused by Larry Nassar. At first, Larry had gained my trust and confidence. After beating up my body day in and day out in my goal to win for my country, I would see Larry for “medical treatment.” I saw Larry because he was the only doctor that USA Gymnastics and the Olympic Committee made available to me. I had no choice in medical providers. I relied on USA Gymnastics and the Olympic Committee for my well-being. He was the Olympic gymnastics doctor. Everyone on the National Team and the Olympic Team saw Larry for medical treatment. The national team coaches were cruel and unforgiving – we couldn’t so much as eat too much or cry just a little before we were seen as weak-willed – but Larry was seen as the “good guy” in this tough environment.

Then the abuse started. When I was 15 years old, I suffered an injury to my groin area. This was the perfect opportunity for Larry to start sexually abusing me. Larry later continued the same “treatment”/sexual abuse when I had an Achilles tendon injury. Larry told me everything was connected, necessitating a massage of my private parts.

When I was part of the Olympic Committee’s Team USA at the Sydney Olympics at 15 years old, the Olympic Committee had the women’s gymnastics team stay outside Olympic Village. I am not aware of any other Olympic team having stayed in a separate area for the Games. With no chaperone present, Larry performed his now-infamous medical treatments (sexual abuse) on me when I was a child, in my own sleeping area. He also sexually abused me at the Sydney 2000 Olympic Games in the actual Olympic Stadium for the games.

Little girls reach out to me asking how they can become Olympic gymnasts. Sometimes I get asked the question, “Was it worth it?” I love my country. I loved gymnastics. I loved the competition and the friendships I made. But the sad reality is, it was not worth it.

I relied on USA Gymnastics and the Olympic Committee for my well-being. Both organizations must be held accountable for the abuse that happened to me and the hundreds of other survivor sisters.

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Bankruptcy Courts Stay Lawsuits Against Wealthy Corporations – Without Ever Declaring Bankruptcy – and Discharge Their Debts
In 2018, I filed a lawsuit seeking to hold USA Gymnastics and the Olympic Committee accountable for my sex abuse. Shortly after I filed my lawsuit, USA Gymnastics declared bankruptcy. My claim against USA Gymnastics was automatically stayed. Shortly thereafter, I was honored to be appointed to be a Co-Chair of the Additional Tort Claimants Committee of Sexual Abuse survivors to represent the interests of my survivor sisters in the USA Gymnastics bankruptcy.

What does the bankruptcy of USA Gymnastics have to do with my independent claims against the Olympic Committee? At first, I thought absolutely nothing. The Olympic Committee had a net worth of approximately $468 million at the time of USA Gymnastics’ bankruptcy. The Olympic Committee made approximately $79 million per year in an Olympic year. I believe the Olympic Committee had its own insurance policies for my claims. Why would the bankruptcy of USA Gymnastics have anything to do with my claims against the Olympic Committee?

After USA Gymnastics’ bankruptcy, I learned a sad reality that the bankruptcy would hurt my efforts to get relief in our civil justice system for my independent claims against the Olympic Committee. USA Gymnastics had decided to file its bankruptcy in Indiana. Indiana is in the Seventh Circuit. The Seventh Circuit allows a bankruptcy judge to release claims I have against the Olympic Committee, who is not in bankruptcy. The Seventh Circuit also allows a bankruptcy judge to stay my claims against the Olympic Committee. I was confused. The Olympic Committee had not filed bankruptcy. Why should the Olympic Committee get the benefits of a stay of my action against the organization? Why should the Olympic Committee get a discharge of liability that the organization has directly to me?

I found that bankruptcy laws protect very wealthy organizations, like the Olympic Committee, who are not in bankruptcy. This shocked me. I thought it was unfair and unconstitutional. I thought it was unfair because, without my consent, a bankruptcy court could take away my claims against an organization that has not declared bankruptcy. I thought it was unconstitutional because the Constitution protects me, and all Americans, from the government taking my property without due process and preserves my right to a jury trial. I learned that the bankruptcy court could take my claim against the Olympic Committee away from me -- without a jury trial, without my consent, and without the right to opt out of a bankruptcy plan. I did not have a choice in who provided me medical treatment, which resulted in sexual abuse. And now I would not have a choice in the case seeking accountability for that sexual abuse.

And while bankruptcy should not be the end of the road for sex abuse creditors, it has felt like a giant black hole of truth and accountability against non-bankrupt entities in many ways. The bankruptcy courts have asserted the power to take away the full and fair opportunity to litigate my claims against organizations that haven’t even declared bankruptcy. The bankruptcy courts have asserted the power to take away my rights – my right to discovery, my constitutional right to a trial by jury, my constitutional right to due process, and my ability to push for a resolution of my individual claims against the Olympic Committee. It has been nearly three years since USA Gymnastics declared bankruptcy. The Olympic Committee has received substantial protection from the bankruptcy courts, yet has given no relief to me, one of the dozens of victims of their despicable conduct.
This Legislation Will Stop Corporate Bankruptcy Abuse and Empower Sex Abuse Survivors to Make Their Own Choices

Each athlete like me, who endured this hell and sexual abuse by Olympic doctor Larry Nassar, deserves the ability to make that choice on how they will seek justice and to demand those answers through a trial court, particularly as it relates to parties who can pay all the claims against them and are not in bankruptcy, such as the Olympic Committee.

Wealthy corporations, and entities with the ability to pay, abuse the bankruptcy process by forcing victims to release their claims against them -- sometimes without putting in a penny in the pot to compensate them. This is bankruptcy abuse by big corporations and entities like the Olympic Committee. Corporations and organizations use bankruptcy as a way to get off-the-hook for injuries they’ve caused and wipe the slate clean of liability, without ever declaring bankruptcy. Victims and survivors of their abuse are then barred from seeking justice and fair compensation in a court of law and deprived of their constitutional right to a jury trial. I did not have a choice in medical treatment as a member of the United States Olympic Team, but I should have choice in how I seek justice. This bankruptcy abuse must stop, and that is why I support this bill.