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CHAIRMAN

ONE HUNDRED FOURTEENTH CONGRESS

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RANKING MINORITY MEMBER

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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November 28, 2016

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

It has now been two weeks since Ranking Member Cummings wrote to you requesting that the Oversight Committee immediately begin reviewing President-elect Donald Trump's financial arrangements in order to identify and protect against conflicts of interest.[1]

Although you have stated publicly that you will hold Mr. Trump to the same standards as President Obama and Secretary Clinton, you have not responded to Ranking Member Cummings' letter, and you have not taken steps to conduct basic oversight of these unprecedented challenges.

Since Ranking Member Cummings sent his letter, Americans across the country have flooded our Committee's offices with thousands of calls in strong support of this investigation, jamming our phone lines with more calls than we have ever received in response to any other issue.

At the same time, during this two-week period, troubling new revelations about Mr. Trump's actions—as well as those of his family members and business associates—have made the need for robust congressional oversight even more urgent.

For these reasons, we are now all writing to you in support of Ranking Member Cummings' request, and we ask that the Oversight Committee begin its work as soon as possible.

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[1] Letter from Ranking Member Elijah E. Cummings to Chairman Jason Chaffetz (Nov. 14, 2016) (online at http://democrats.oversight.house.gov/news/press-releases/cummings-calls-on-chaffetz-to-launch-inquiry-into-trump-s-so-called-blind-trust).

President-Elect Trump's Refusal to Acknowledge Bipartisan Concerns

Mr. Trump has exhibited a shocking level of disdain for legitimate bipartisan concerns about his conflicts of interest. For example, during an interview with *The New York Times,* Mr. Trump stated, "The law's totally on my side, the president can't have a conflict of interest."[2]

Of course, this statement is incorrect. Mr. Trump can—and already does—have obvious conflicts of interest between his widespread global business interests and his Constitutional obligations as president.

The relevant question is whether he will follow the model set by his predecessors to mitigate these conflicts by liquidating his assets and placing them in a blind trust. If he refuses, then we in Congress must fulfill our own responsibilities by closely examining the Constitutional and statutory provisions that govern Mr. Trump's actions, determining whether his approach meets these standards, and proposing appropriate reforms to address any problems we identify.

Unfortunately, Mr. Trump does not appear to be taking these concerns seriously. On November 21, 2016, he tweeted, "Prior to the election it was well known that I have interests in properties all over the world. Only the crooked media makes this a big deal!"[3]

Again, this statement is clearly incorrect. The nation's leading Republican and Democratic ethics scholars have called on Mr. Trump to place his financial holdings in a blind trust.

For example, the top ethics counsels for former President George W. Bush, Richard Painter, and President Barack Obama, Norman Eisen, published an op-ed in *The Washington Post* titled, "Trump's 'Blind Trust' is Neither Blind Nor Trustworthy." They wrote:

> Donald Trump must urgently rethink his plan to allow his children to run his businesses. As drastic as it may seem to him, he should instead put all his conflict-generating assets in a true blind trust run by an independent trustee. The good of his own administration, and that of the country, demand nothing less.[4]

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[2] *Donald Trump's New York Times Interview: Full Transcript,* New York Times (Nov. 23, 2016) (online at www.nytimes.com/2016/11/23/us/politics/trump-new-york-times-interview-transcript.html?_r=0). *See also Trump's Claim That 'the President Can't Have a Conflict of Interest,'* Washington Post Fact Checker (Nov. 23, 2016) (online at www.washingtonpost.com/news/fact-checker/wp/2016/11/23/trumps-claim-that-the-president-cant-have-a-conflict-of-interest/).

[3] Donald J. Trump@realdDonaldTrump, Twitter (Nov. 21, 2016; 6:14 p.m.) (online at https://twitter.com/realdonaldtrump/status/800885097775955974).

[4] Richard Painter and Norman Eisen, *Trump's 'Blind Trust' is Neither Blind Nor Trustworthy*, Washington Post (Nov. 15, 2016) (online at www.washingtonpost.com/opinions/trumps-blind-trust-is-neither-blind-nor-trustworthy/2016/11/15/6eeca1fc-aaa5-11e6-a31b-4b6397e625d0_story.html?utm_term=.923ca82a6a38).

Mr. Painter and Ambassador Eisen recommend that Mr. Trump "appoint an independent professional trustee to take charge of liquidating and converting to cash Trump business holdings through an initial public offering or leveraged buyout." Second, they recommend that the proceeds "be turned over to the trustee to be managed." Third, they recommend that as long as Mr. Trump's children and their spouses are dealing with Mr. Trump's business matters, "he should ask them to step away from the transition team and the White House, and to not advise him or be involved in any U.S. government affairs."[5]

Similarly, a group of 19 government accountability experts and organizations called on Mr. Trump to place his assets into a blind trust. They wrote:

> Contacts about the Trump businesses should be prohibited between all other administration officials and people involved in the businesses, including any of the children who maintain an ongoing involvement with the businesses. Except for personal communication with the president or first lady, such telephone calls and emails should be routed to the White House counsel to make sure that the firewall is not breached.[6]

Even *The Wall Street Journal's* editorial board argued that "Mr. Trump's best option is to liquidate his stake in the company."[7] In addition, the editorial board of *The Salt Lake Tribune* agreed with Ranking Member Cummings' request to conduct a rigorous review, writing: "that, if he wants anyone to take him seriously, is exactly what Chaffetz and his Oversight Committee should start preparing to do."[8]

Global Scope of President-Elect's Conflicts of Interest

The scope of Mr. Trump's conflicts of interest around the world is unprecedented. Over the past two weeks, new revelations have raised serious concerns about the intermingling of Mr. Trump's businesses and his responsibilities as president.

For example, according to *The Washington Post,* at least 111 Trump companies have done business in 18 different countries, including projects in Saudi Arabia, Indonesia, and

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[5] *Id.*

[6] Letter from Gary D. Bass, et al. to President-Elect Donald Trump (Nov. 17, 2016) (online at www.commoncause.org/policy-and-litigation/letters-to-government-officials/trump-blind-trust-sign-on-letter.pdf).

[7] *The Trump Family Political Business,* Wall Street Journal (Nov. 17, 2016) (online at www.wsj.com/articles/the-trump-family-political-business-1479426984).

[8] *Time for Chaffetz to Start Checking into Trump's Finances,* Salt Lake Tribune (Nov. 22, 2016) (online at www.sltrib.com/opinion/4616861-155/editorial-time-for-chaffetz-to-start).

Panama.[9] Mr. Trump has admitted he has "a little conflict of interest" in Turkey because he has a "major, major building in Istanbul."[10]

In addition, Mr. Trump's daughter Ivanka—who now serves on the transition team as she continues to lead Mr. Trump's businesses—reportedly participated in a meeting with Japanese Prime Minister Shinzo Abe. According to *Japan Today*, "For the last 30 years, Donald Trump has attempted to negotiate deals with Japan."[11]

She also reportedly participated in a meeting with Indian business developers involved in Trump Tower, a hotel in Pune, India, which pays to use the Trump name.[12] One of the developers, Kalpesh Mehta, reportedly "expressed satisf7action with the pace of Trump Organization's India business and showed interest in expanding it further."[13] Another developer, Sagar Chordia, posted pictures with Ivanka and Eric Trump and confirmed to *The New York Times* that "they had discussed the desire to expand the deals with the Trump family."[14]

Ivanka Trump also reportedly participated in a call between Mr. Trump and Argentine President Mauricio Macri on November 14, 2016. The Trump Organization reportedly has pursued building an office tower in Buenos Aires, but it was not completed before the permits expired.[15]

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[9] *A Scramble to Assess the Dangers of President-Elect Donald Trump's Global Business Empire*, Washington Post (Nov. 21, 2016) (online at www.washingtonpost.com/business/economy/a-scramble-to-assess-the-dangers-of-president-elects-global-business-empire/2016/11/20/1bbdc2a2-ad18-11e6-a31b-4b6397e625d0_story.html).

[10] *Interview with Donald Trump,* Breitbart News Daily (Dec. 1, 2015) (online at https://soundcloud.com/breitbart/breitbart-news-daily-donald-trump-december-1-2015).

[11] *Donald Trump's Business History with Japan,* Japan Today (Nov. 7, 2016) (online at www.japantoday.com/category/opinions/view/donald-trumps-business-history-with-japan).

[12] *Donald Trump Meets Indian Partners*, Hails PM Modi's Work, Economic Times (Nov. 17, 2016) (online at http://economictimes.indiatimes.com/news/politics-and-nation/donald-trump-meets-indian-partners-hails-pm-modis-work/articleshow/55465060.cms).

[13] *Id.*

[14] *Donald Trump Meeting Suggests He is Keeping Up His Business Ties*, New York Times (Nov. 19, 2016) (online at www.nytimes.com/2016/11/20/us/politics/donald-trump-pauses-transition-work-to-meet-with-indian-business-partners.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=a-lede-package-region&region=top-news&WT.nav=top-news).

[15] *Argentina Denies News Report That Trump Sought Personal Favors*, Washington Post (Nov. 21, 2016) (online at www.washingtonpost.com/news/worldviews/wp/2016/11/21/argentina-denies-news-report-that-trump-sought-personal-favors/).

In addition, it has been reported that when Mr. Trump spoke with British politician Nigel Farage, he raised concerns about the impact that offshore wind farms could have on the view from one of his golf courses in Scotland.[16] When *The New York Times* asked Mr. Trump about this exchange, he admitted that he "might have brought it up."[17]

It has also been reported that Mr. Trump's organization filed a lawsuit during this period against the District of Columbia to evade local property taxes on his new Trump International Hotel in the former Post Office Building.[18] Mr. Trump argues that the value of the property is millions of dollars less than the official government assessment, yet Mr. Trump told *The New York Times* that "occupancy at the hotel will be probably a more valuable asset now than it was before" and that his "brand is certainly a hotter brand that it was before."[19] In fact, approximately 100 foreign diplomats met during this period at the Trump International Hotel, which is now reportedly "the place to be seen."[20]

In addition, Mr. Trump will be responsible for appointing the head of the General Services Administration, who will have responsibility to ensure taxpayers are not being cheated by that lease. Procurement experts Steven Schooner and Daniel Gordon have warned:

> The Post Office Pavilion lease is between GSA—whose administrator President-Elect Trump will appoint—and Trump's company. It's a casebook example of both the appearance of a significant conflict of interest and an intolerable intermingling of Trump's official governmental duties and his and his family's personal financial interests.[21]

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[16] *With a Meeting, Trump Renewed a British Wind Farm Fight*, New York Times (Nov. 21, 2016) (online at www.nytimes.com/2016/11/21/business/with-a-meeting-trump-renewed-a-british-wind-farm-fight.html).

[17] *Donald Trump's New York Times Interview: Full Transcript*, New York Times (Nov. 23, 2016) (online at www.nytimes.com/2016/11/23/us/politics/trump-new-york-times-interview-transcript.html?_r=0).

[18] *Trump Refiles Suit Against D.C. Over Hotel Taxes*, Bloomberg BNA (Nov. 16, 2016) (online at www.bna.com/trump-refiles-suit-n57982082831/).

[19] *Donald Trump's New York Times Interview: Full Transcript*, New York Times (Nov. 23, 2016) (online at www.nytimes.com/2016/11/23/us/politics/trump-new-york-times-interview-transcript.html?_r=0).

[20] *For Foreign Diplomats, Trump Hotel is Place to Be,* Washington Post (Nov. 18, 2016) (online at www.washingtonpost.com/business/capitalbusiness/2016/11/18/9da9c572-ad18-11e6-977a-1030f822fc35_story.html).

[21] *Trump Leases His D.C. Hotel From a Government Agency He'll Soon Be in Charge Of,* Washington Post (Nov. 15, 2016) (online at www.washingtonpost.com/posteverything/wp/2016/11/15/trump-needs-to-give-up-his-trump-hotel-lease-right-now/?postshare=3871479235189497&tid=ss_tw&utm_term=.82e3fd1f35c3).

As Mr. Schooner and Mr. Gordon noted, "Any reasonable person would worry about the undue pressures and the inherent risk of favoritism that the government might show to such a well-connected contractor."[22]

Request to Fulfill Our Constitutional Obligations

The troubling examples cited above are only those that have been reported publicly over the past two weeks, and more are coming to light by the hour. It is difficult to imagine the actual number of conflicts of interest that currently exist around the world and no doubt will cause serious ongoing problems if no action is taken to mitigate them now.

You have the authority to launch a Committee investigation, and we are calling on you to use that power now. You acted with unprecedented urgency to hold "emergency" hearings and issue multiple unilateral subpoenas to investigate Secretary Clinton before the election. We ask that that you show the same sense of urgency now.

Mr. Trump's refusal to release his tax returns has already demonstrated a troubling lack of transparency and accountability, making it even more critical that the Committee conduct rigorous oversight right away—*before* he is sworn in as President.

When you were asked about this in August, you responded:

> If you're going to run and try to become the president of the United States, you're going to have to open up your kimono and show everything, your tax returns, your medical records. You are going to just going to have to do that. It's too important. ... I promise you, you I don't care who is in the White House. My job is not to be a cheerleader for the president. My job is to hold them accountable and to provide that oversight. That's what we do.[23]

For these reasons, we request that the Committee begin this review by inviting officials designated by Mr. Trump for Committee Members to hear directly about their plans for protecting against conflicts of interest. We also ask that the Committee formally request that Mr. Trump provide the Oversight Committee with copies of his tax returns.

Thank you for your consideration of this request.

Sincerely,

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[22] *Id.*

[23] *The Lead with Jake Tapper,* CNN (Aug. 24, 2016) (online at www.cnn.com/TRANSCRIPTS/1608/24/cg.02.html).

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