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COMMITTEES:  
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SPECIAL COMMITTEE ON AGING  
JOINT ECONOMIC

# United States Senate

WASHINGTON, DC 20510

March 13, 2017

The Honorable Walter M. Shaub, Jr.  
Director  
U.S. Office of Government Ethics  
1201 New York Avenue, NW  
Washington, D.C. 20005

Dear Mr. Shaub:

I write with regard to ethical concerns that arise from President Trump's refusal to comply with widely accepted ethics standards. Specifically, I seek information on the extent to which President Trump's refusal to divest his business holdings and establish a qualified blind trust, in accordance with longstanding bipartisan tradition, makes his administration vulnerable to conflicts of interest that could contaminate the exercise of the powers of the presidency and result in harm to constituents in Pennsylvania and around the country.

President Trump's financial holdings are complex and extremely broad in scope. In refusing to follow the advice of bipartisan ethics experts, including the chief ethics lawyers to both President Barack Obama and President George W. Bush, as well as your office, President Trump has exposed his administration to possible conflicts of interest on an unprecedented scale.

Conflicts of interest can have serious consequences for public policy that will impact real people. For example, when his Department of Housing and Urban Development (HUD) administers assistance or implements policies that affect low-income homeowners, the American people need to know those actions were guided by concern for those struggling to keep a roof over their head, not because he has a financial stake in certain developments. This is no abstract concern: President Trump holds a lucrative ownership stake in a low-income housing development called Starrett City, which is substantially affected by HUD programs and rules. HUD blocked the attempted sale of the development in 2007. If it was in President Trump's financial interest, he could now influence HUD's decision about whether to approve this sale of this development, even if it was not in the interests of the low-income residents living there. This is one example, but the same concern applies to all of the trillions of dollars in federal assistance administered and thousands of rules and regulations finalized throughout the executive branch every year. In 2015, the federal government awarded almost \$3 trillion in contracts, grants, loans and other financial assistance, and finalized more than 3,000 rules and regulations.

I appreciate the work done by the Office of Government Ethics to ensure adherence to high ethical standards by government officials. President Trump refuses to follow the bipartisan tradition of divesting his financial holdings and creating a blind trust, and therefore conflicts of interests threaten to sow doubt into the daily decisions made by his administration. Recognizing

this risk, I ask that the Office of Government Ethics analyze and make public an assessment of the following recent occurrences:

- On January 11, 2017, President Trump held a press conference in which he claimed to be setting up a trust to remove his financial conflicts of interest. On February 3, 2017, The New York Times reported that President Trump “will receive reports on any profit, or loss, on his company as a whole” and will have the power to “revoke [his trustees’] authority at any time.” The New York Times further reported that “This trust remains under Mr. Trump’s Social Security number, at least as far as federal taxes are concerned.” Please analyze whether the structure of this trust is consistent with the ethics guidance you provided President Trump and his team during the transition period.
- On January 25, 2017, CNBC reported that President Trump’s Palm Beach resort, Mar-a-Lago, “doubled its initiation fee to \$200,000 following the election of Donald Trump as president.” Given that the President has said and demonstrated he will spend a substantial amount of time at Mar-a-Lago and that he still retains an ownership stake in it, could membership in the club, where one could lobby the President, be interpreted as paying for access the President?
- On January 26, 2017, The Washington Post reported that the American Chamber of Commerce in Canada, “had long planned to hold a meeting Thursday night at the Vancouver, B.C., home of a U.S. diplomatic official to talk about trade relations in the Donald Trump era. Then, two days ago, the group suddenly switched its plan, choosing instead to rent space for 2,500 Canadian dollars at the glittering new hotel tower bearing the U.S. president’s name.” Further on December 19, 2016, ThinkProgress reported that, “The Embassy of Kuwait allegedly cancelled a contract with a Washington, D.C. hotel days after the presidential election, citing political pressure to hold its National Day celebration at the Trump International Hotel instead.” Please assess whether the President’s continued ownership stake in these hotels risks at least the appearance that booking events there is a way to buy favor with the administration.
- On February 3, 2017, President Trump issued an executive order aimed at weakening the financial regulatory reform bill known as Dodd-Frank. While the President has refused to release his tax returns, the President may hold debt with the very same banks that stand to benefit from these deregulatory actions. The Justice Department is also reportedly investigating Deutsche Bank for alleged misconduct, while it has also been reported that President Trump owes significant sums, potentially hundreds of millions of dollars, to Deutsche Bank. Does it represent an active conflict of interest for the President to owe money to a bank that his Justice Department is investigating or that would be affected by regulatory changes his administration is considering?
- During President Trump’s transition he promised that his business, the Trump Organization, would engage in “no foreign deals.” On February 9, 2017 the Associated Press reported that, “The Trump Organization is returning to a long-dormant licensing deal involving a beachfront luxury resort in the Dominican Republic.” Given that the



United States has significant diplomatic engagement with the Dominican Republic and that President Trump continues to retain an ownership stake in the Trump Organization, does this licensing deal create a conflict of interest for the President or risk his violating the Emoluments Clause of the Constitution (Article I, Section 9, Clause 8)?

- On February 18, 2017, the Trump International Golf Club, which is part of the Trump Organization in which President Trump continues to hold an ownership stake, opened in Dubai. The success of the club will depend in part on cooperation from the government of the United Arab Emirates in negotiating contracts for services to the club, from getting a liquor license to receiving utilities. While this deal was reportedly consummated prior to the election, and therefore may not itself violate President Trump's promise of no new foreign deals, does it nonetheless represent a potential conflict of interest or risk violation of the Emoluments Clause of the Constitution? Is the promise of no new foreign deals sufficient to eliminate potential conflicts and violations of this type?
- During the transition, President Trump refused to commit to the longstanding 'One China' policy, only to reverse himself several days ago at the request of President Xi. Following the President's embrace of the 'One China' policy, the Associated Press reported that a trademark dispute between the Trump Organization and China's state bureaucracy would be settled in favor of the Trump Organization. Even if the two events were not causally related, does the fact that President Trump retains an ownership stake in the Trump Organization risk at least the appearance that business dealings of the Trump Organization are part and parcel of U.S. foreign policy? In your assessment, does the Trump Organization's acceptance of this trademark potentially violate the Emoluments Clause of the Constitution?

In answering the above questions, I ask that the Office of Government Ethics determine in each case whether potential or active conflicts of interest are present, whether such conflicts of interest risk undermining the integrity of the administration and what steps the administration should take to resolve these concerns.

I appreciate your attention to these important matters and look forward to your response.

Sincerely,



Robert P. Casey, Jr.  
United States Senator