

**U.S. House of Representatives**  
**Committee on the Judiciary**  
Washington, DC 20515-6216  
One Hundred Fifteenth Congress

January 24, 2017

The Honorable Bob Goodlatte  
Chairman  
House Committee on the Judiciary  
2138 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Goodlatte:

On November 30, 2016, every Democratic member of the House Judiciary Committee wrote to you, urging you to hold hearings on the conflict-of-interest and ethics laws that apply to the President of the United States.

**We write again to ask that the Committee hold hearings on President Trump's conflicts of interest, at home and abroad, in possible violation of federal law.**

We believe that the Committee has an obligation to examine the application of these conflict-of-interest laws to both the President and his cabinet. Because President Trump insists on maintaining an interest in his business holdings, we also request an investigation of the legal structure and practices of the so-called "trust" managed by his two oldest sons, Donald Trump, Jr. and Eric Trump. Similarly, the Committee should investigate newly-created White House positions for Jared Kushner, the President's son-in-law, and "unpaid advisors" like investor Carl Icahn. These decisions may violate federal nepotism rules and the Anti-Deficiency Act.

We are aware that President Trump has apparently resigned from the management of "more than 400" business entities.<sup>1</sup> This serial resignation does nothing to change his financial interest in these businesses, to limit his ability to advise them, or to prevent other interests from currying favor with the White House by doing business with companies that might benefit the President's bottom line.

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<sup>1</sup> Jill Disis, *et al.*, *Trump Organization documents say he has resigned from more than 400 businesses*, CNN MONEY, Jan. 23, 2017.

[W]hy only hotels? What about foreign sovereign payments to buy his condos or apartments, for use of his office buildings or his golf courses, not to mention his massive foreign government bank loans, and other benefits? And why only profits, when the Justice Department has long held that the emoluments clause covers any revenue from foreign governments—not simply profits?<sup>8</sup>

Director Walter M. Shaub, Jr., head of the U.S. Office of Government Ethics, has expressed similar concerns. Evaluating President Trump's proposal to distance himself from his business holdings, Director Shaub concluded that "the plan does not comport with the tradition of our Presidents over the past 40 years" and risks "creating the perception that government leaders would use their official positions for profit."<sup>9</sup>

Some in the Majority have reacted poorly to this criticism. Rep. Jason Chaffetz, Chairman of the House Committee on Government and Oversight Reform, accused Director Shaub of "blurring the line between public relations and official ethics guidance," hinting at a congressional investigation into his conduct and threatening to shut down the Office of Government Ethics.<sup>10</sup> White House chief of staff Reince Priebus later appeared on national television to warn Director Shaub to "be careful" with his comments.<sup>11</sup> Director Shaub has served presidents of both parties with distinction for nearly twenty years. We ought to listen to his advice, not threaten his office or disparage his reputation.

Our November 30 letter outlined just some of the federal ethics and conflict-of-interest laws that might apply to the President of the United States. As Director Shaub and others have cautioned, President Trump's continued insistence that these laws and norms do not apply to his office presents a liability to the entire Administration.

First among these laws is the Foreign Emoluments Clause of the U.S. Constitution, which prohibits the President from receiving anything of value from any foreign government without Congressional consent.<sup>12</sup> The Foreign Emoluments Clause is a strict and absolute rule—it

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<sup>8</sup> Richard Painter and Norman Eisen, *Just when you thought the Trump ethics disaster couldn't get worse, it did*, WASH. POST, Jan. 16, 2017.

<sup>9</sup> Walter M. Shaub, Jr., Director, U.S. Office of Gov't. Ethics, Remarks at the Brookings Institution, Jan. 11, 2017.

<sup>10</sup> Letter from Chairman Jason Chaffetz, H. Comm. on Oversight & Gov't. Reform, to Walter M. Shaub, Jr., Director, U.S. Office of Gov't. Ethics, Jan. 12, 2017.

<sup>11</sup> *This Week with George Stephanopoulos* (ABC News broadcast Jan. 15, 2017) (remarks of Reince Priebus).

<sup>12</sup> See David J. Barron, *Applicability of the Emoluments Clause and the Foreign Gifts and Decorations Act to the President's Receipt of the Nobel Peace Prize*, 33 Op. O.L.C. 1 (2009).


In the context of private business, these transactions may be entirely legitimate. For the President of the United States, they present an inescapable conflict of interest—shading his decisions with questions about personal enrichment and foreign entanglement. “This is *exactly* what the Emoluments Clause is meant to head off at the pass.”<sup>19</sup>

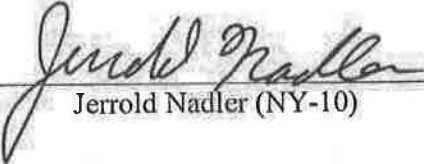
The Framers of the Constitution created an explicit role for Congress in the enforcement of this rule. Because our Committee oversees matters of criminal and constitutional law in the House of Representatives, that responsibility falls to us.


Accordingly, we ask that you schedule hearings on these topics as soon as possible.

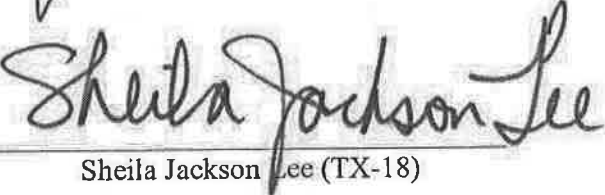
Thank you for your prompt attention to this matter.

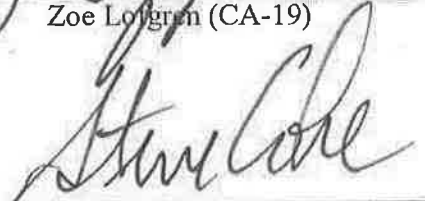
Sincerely,

  
John Conyers, Jr. (MI-13)

  
Jerrold Nadler (NY-10)


  
Zoe Lofgren (CA-19)

  
Sheila Jackson Lee (TX-18)

  
Steve Cohen (TN-09)

  
Henry C. “Hank” Johnson, Jr. (GA-04)

  
Judy Chu (CA-27)

  
Ted Deutch (FL-22)

<sup>19</sup> Norman L. Eisen, Richard Painter, and Laurence H. Tribe, *The Emoluments Clause: Its Text, Meaning, and Application to Donald J. Trump*, GOVERNANCE STUDIES AT BROOKINGS, Dec. 16, 2016, at 7.

**Congress of the United States**  
**Washington, DC 20515**

January 12, 2017

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

President-Elect Donald Trump made a startling announcement yesterday that he will defy warnings from Republican and Democratic ethics experts by refusing to do what every previous president has done for decades—to divest himself of his corporate ownership interests, liquidate his business assets, and place them in a truly blind trust operated by an independent entity.

As a result, it is now up to Congress to exercise our Constitutional duty to act as an independent check on the Executive Branch by demanding all documents necessary to evaluate all of President-Elect Trump's global financial entanglements for conflicts of interest and constitutional violations—including in particular those involving Russian investors, business interests, and development partners.

We do not understand why President-Elect Trump has so vigorously defended Russian President Vladimir Putin and alleged sex offender Julian Assange while at the same time disparaging U.S. intelligence officials who warn that Russia attacked our democracy prior to the 2016 presidential election—and is likely to do so again in the future.

We also do not understand why President-Elect Trump has been so secretive about his business dealings with Russian interests. He continues to refuse to produce his tax returns, which could shed some light on these business interests. Without this information, neither Congress nor the American people can fully understand the magnitude of his ties to Russia.

Although President-Elect Trump has denied having any business projects in Russia, he has not addressed investments and partnerships with Russians in other projects around the world. For example, Donald Trump Jr.—who will run day-to-day business operations for his father's companies—has stated: “Russians make up a pretty disproportionate cross-section of a lot of our assets. We see a lot of money pouring in from Russia.”<sup>1</sup> He has also stated: “Russia is just a different world. It is a question of who knows who, whose brother is paying off who. ... It really is a scary place.”<sup>2</sup>

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<sup>1</sup> *Executive Talk: Donald Trump Jr. Bullish on Russia and Few Emerging Markets*, eTurboNews (Sept. 15, 2008) (online at [www.eturbonews.com/5008/executive-talk-donald-trump-jr-bullish-russia-and-few-emerging-ma](http://www.eturbonews.com/5008/executive-talk-donald-trump-jr-bullish-russia-and-few-emerging-ma)).

<sup>2</sup> *Trump's Financial Ties to Russia and His Unusual Flattery of Vladimir Putin*, Washington Post (June 17, 2016) (online at [www.washingtonpost.com/politics/inside-trumps-](http://www.washingtonpost.com/politics/inside-trumps-)

During a deposition related to this project, President-Elect Trump stated that he was first approached by a Russian immigrant named Felix Sater who joined a development company called Bayrock Group with offices in Trump Tower. According to the *New York Times*:

Mr. Sater was convicted and sent to prison in 1993 after a New York bar fight in which he stabbed a man in the face with a broken margarita glass. That was a matter of public record. However, what few people beyond insiders at Bayrock knew was that five years later, Mr. Sater was implicated in a huge stock manipulation scheme involving Mafia figures and Russian criminals—and that he became a confidential F.B.I. informant.<sup>8</sup>

Mr. Sater personally joined President-Elect Trump for the official unveiling of Trump SoHo along with Tevfik Arif, a former Soviet-era official from Kazakhstan who founded Bayrock. Another development partner reportedly was Tamir Sapir from the former Soviet republic of Georgia.<sup>9</sup>

Bayrock's former finance director alleged that they "occasionally received unexplained infusions of cash from accounts in Kazakhstan and Russia." In addition, Alexander Mashkevich—who was identified as a "strategic partner" in a Bayrock investor presentation—was reportedly charged with corruption in a case involving fees paid by a Belgian company seeking business in Kazakhstan.<sup>10</sup>

Trump SoHo was not the only Trump development for which Bayrock reportedly helped secure Russian funding. President-Elect Trump stated in his deposition that he discussed with Mr. Arif "numerous deals all over the world." He said Mr. Arif brought Russian investors to meet with him and that "Bayrock knew the people, knew the investors, and in some cases I believe they were friends of Mr. Arif." He added that "this was going to be Trump International Hotel and Tower Moscow, Kiev, Istanbul, etc., Poland, Warsaw." Court records show that another Bayrock official, Salvatore Lauria—who wore a court-ordered ankle monitor—"brokered a \$50 million investment in Trump SoHo and three other Bayrock projects by an Icelandic firm preferred by wealthy Russians 'in favor with' President Vladimir V. Putin."<sup>11</sup>

Trump SoHo is one of many examples about which there is a serious lack of information about President-Elect Trump's business dealings with Russian interests.<sup>12</sup> Congress also has

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> See, e.g., *Inside Trump's Financial Ties to Russia and His Unusual Flattery of Vladimir Putin*, Washington Post (June 17, 2016) (online at [www.washingtonpost.com/politics/inside-trumps-financial-ties-to-russia-and-his-unusual-flattery-of-vladimir-putin/2016/06/17/dbdcaac8-31a6-11e6-8ff7-7b6c1998b7a0\\_story.html?utm\\_term=.2ded7b8ffbac](http://www.washingtonpost.com/politics/inside-trumps-financial-ties-to-russia-and-his-unusual-flattery-of-vladimir-putin/2016/06/17/dbdcaac8-31a6-11e6-8ff7-7b6c1998b7a0_story.html?utm_term=.2ded7b8ffbac)) (referencing Miss Universe Pageant in Moscow, Russian clients for Trump Panama development, efforts to build Trump Tower Moscow, among others).

These experts also made clear that if President-Elect Trump chose not to follow this path, the responsibility would rest on Congress to obtain documents about President-Elect Trump's financial deals in order to prevent unconstitutional emoluments:

- New York University Ethics Professor Stephen Gillers, when asked whether Congress should obtain documents about President-Elect Trump's global business dealings, responded: "Absolutely." He added: "I think it is your duty. What you do with the information, you may disagree with each other, but getting the information I think is critical."
- Ambassador Norm Eisen, who previously served as counsel to President Obama, warned that Congress cannot fulfill its constitutional obligation without "the plethora of forms that indicate foreign entanglements." He added: "This body needs to exercise its oversight authority. I hope that will be in a bipartisan way."
- Richard Painter, President George W. Bush's chief ethics counsel, wholeheartedly agreed and pressed Congress "to make it clear to the President that this body expects him to comply with the Constitution." He urged Congress to require President-Elect Trump to explain, "this is what I'm getting in terms of income, this is what I owe to people in Russia—directly or indirectly," regardless of whether these dealings are "at the corporate level or at the personal level." He stated that Congress "should see his tax returns just like every other President."

On November 14, 2016, Rep. Elijah E. Cummings, the Ranking Member of the Committee on Oversight and Government Reform, sent a letter to Chairman Jason Chaffetz requesting this type of review, but never received a response.<sup>22</sup> On November 28, 2016, all Oversight Committee Democrats joined together in sending a follow-up letter to Chairman Chaffetz requesting this review, but they also never received a response.<sup>23</sup> Instead, Chairman Chaffetz has stated publicly that he plans to spend the next two years of the 115th Congress continuing his investigation of former Secretary of State Hillary Clinton's emails "full throttle."<sup>24</sup>

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<sup>22</sup> Letter from Ranking Member Elijah E. Cummings to Chairman Jason Chaffetz, House Committee on Oversight and Government Reform (Nov. 14, 2016) (online at [https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2016-11-14.EEC%20to%20JC%20\(003\).pdf](https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2016-11-14.EEC%20to%20JC%20(003).pdf)).

<sup>23</sup> Letter from Ranking Member Elijah E. Cummings et al. to Chairman Jason Chaffetz, House Committee on Oversight and Government Reform (Nov. 28, 2016) (online at [https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2016-11-28.EEC%20et%20al%20to%20Chaffetz%20re%20Trump%20Conflict%20of%20Interests\\_1.pdf](https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2016-11-28.EEC%20et%20al%20to%20Chaffetz%20re%20Trump%20Conflict%20of%20Interests_1.pdf)).

<sup>24</sup> *House Republicans Are Already Preparing for 'Years' of Investigations of Clinton*, Washington Post (Oct. 26, 2016) (online at [www.washingtonpost.com/politics/house-republicans-are-already-preparing-for-years-of-investigations-of-clinton/2016/10/26/e153a714-9ac3-11e6-9980-50913d68each\\_story.html?utm\\_term=.9477640b3f2c](http://www.washingtonpost.com/politics/house-republicans-are-already-preparing-for-years-of-investigations-of-clinton/2016/10/26/e153a714-9ac3-11e6-9980-50913d68each_story.html?utm_term=.9477640b3f2c)). *Chaffetz: Clinton*

Laura M. Shaughton

Nydas M. Velazquez

Nita M. Loney

~~Bobby~~

Richard Neal

Rail M. Lyden

Pat A. Brady

Candice P. Maloney

John Conyers Jr.

Frank Pallone Jr.

John A.

Peter de Fazio

Edward L. Roybal

Chris J. Smith

L. Hiron

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The Honorable Paul Ryan  
Page 9

The Honorable Steve Chabot  
Chairman, Committee on Small Business

The Honorable Bill Shuster  
Chairman, Committee on Transportation and Infrastructure

The Honorable David Roe  
Chairman, Committee on Veterans' Affairs

The Honorable Kevin Brady  
Chairman, Committee on Ways and Means

The Honorable Devin Nunes  
Chairman, Permanent Select Committee on Intelligence

The Honorable Pat Tiberi  
Chairman, Joint Economic Committee



**U.S. House of Representatives**  
**Committee on the Judiciary**

Washington, DC 20515-6216  
One Hundred Fourteenth Congress

November 30, 2016

The Honorable Bob Goodlatte  
Chairman  
House Committee on the Judiciary  
2138 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Goodlatte:

As the Committee with jurisdiction of the Ethics in Government Act, we write to urge you to hold hearings immediately to examine the issue of the federal conflicts-of-interest and ethics provisions that may apply to the President of the United States.

This request is all the more urgent in light of president-elect Trump announcement this morning that he will be “leaving [his] great business” to his children, a move he felt would be “visually important.”<sup>1</sup>

Although we do not yet know the details of his proposal, this announcement raises a number of questions, including whether Mr. Trump intends to legally transfer ownership of his assets to his children, or simply allow them to manage his assets; the extent his children will continue to be involved in his Administration and whether they will be subject to an “ethics firewall;” whether businesses, foreign governments, and others will continue to be able to take actions that benefit Mr. Trump and his family; and what level of transparency in these matters Mr. Trump will provide.

Noted legal experts Norman Eisen and Richard Painter, the chief White House ethics lawyers for Presidents Obama and George W. Bush, respectively, have already expressed concerns about Mr. Trump’s inescapable business entanglements: “unless [Mr. Trump] divests

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<sup>1</sup> Drew Harwell, *Trump announces he will leave business ‘in total’ – leaving open how he will avoid conflicts of interest*, WASH. POST, Nov. 30, 2016.

- 18 U.S.C. § 1905, which prohibits the disclosure of confidential information, including trade secrets and other proprietary information, learned by an official in the course of his or her official duties.

We have attached the CRS work product for your convenience. This memorandum makes clear that, in addition to the emoluments clause, a number of applicable conflict of interest laws that would apply to a President Trump and his family. In addition, our committee has received legislative referrals of legislation that would further expand these restrictions. We can certainly expect to receive additional legislative referrals in the future.

Donald Trump regularly boasts of the scale and global reach of his companies,<sup>5</sup> and he can be expected to face an array of situations in which his personal business interests are entwined with official policy matters. So far, however, he has indicated only that he will turn over day-to-day management of his holdings to three of his children, each of whom has played a role in his presidential transition, and who may continue to serve as informal advisors during his presidency.<sup>6</sup>

In the weeks since his election, a number of incidents have occurred which may well cross the lines of ethical behavior. Citing to just a few examples:

- Mr. Trump met with Indian business partners who are seeking to capitalize on his victory to extend the Trump brand throughout India.<sup>7</sup>
- Foreign diplomats booked rooms in Mr. Trump's Washington D.C. hotel in an effort to curry favor with him.<sup>8</sup>
- Mr. Trump reportedly encouraged the leader of a British political party to oppose offshore wind farm projects because such projects could block the views from one of Mr. Trump's golf courses.<sup>9</sup>

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<sup>5</sup> *Donald Trump's New York Times Interview: Full Transcript*, N.Y. TIMES, Nov. 23, 2016 ("When I filed my forms with the [F]ederal [E]lection [Commission], people said, 'Wow that's really a big company, that's a big company.' It really is big, it's diverse, it's all over the world.").

<sup>6</sup> See Editorial, *The Trump Family Political Business*, WALL ST. JOURNAL, Nov. 17, 2016.

<sup>7</sup> Editorial, *Donald Trump's Caldron of Conflicts*, N.Y. TIMES, Nov. 25, 2016.

<sup>8</sup> Jonathan O'Connell & Mary Jordan, *For foreign diplomats, Trump hotel is place to be*, WASH. POST, Nov. 18, 2016.

<sup>9</sup> Danny Hakim & Eric Lipton, *With a Meeting, Trump Renewed a British Wind Farm Fight*, N.Y. TIMES, Nov. 21, 2016.

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Steve Cohen

Sheila Jackson Lee

Angus K. D. B...

Karen Bass

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Dr. V. ...

David N. Gilline

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Gudy Chu

Zoe Lofgren