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# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR  
GABRIELLE BATKIN, MINORITY STAFF DIRECTOR

June 6, 2017

Tim Horne  
Acting Administrator  
General Services Administration  
1800 F St. NW  
Washington, D.C. 20405

Dear Acting Administrator Horne,

I write to convey my continued concerns about the General Services Administration's (GSA's) determination that the Trump Old Post Office, LLC (Trump OPO) is in compliance with the conflict of interest lease provisions for the Trump International Hotel. This determination appears to lack rigor and transparency.

While I appreciate your April 21, 2017, response to my numerous oversight letters and requests about this matter, the response and the documents GSA provided to me were incomplete and failed to answer each of my questions. Moreover, an April 25, 2017, analysis by Citizens for Responsibility and Ethics in Washington (CREW) of GSA's determination found that "GSA's Contracting Officer failed to provide a sufficient legal or rational basis for why Trump OPO is not violating the Lease, and GSA acted improperly when it failed to exercise its rights to terminate the Lease or take other appropriate legal action against Trump [Old Post Office, LLC]."<sup>1</sup> I also write to reiterate my request for the information I have repeatedly asked for as well as some additional questions that have arisen following my review of CREW's analysis.

Section 37.19 of the Trump OPO lease states:

*No member or delegate to Congress, or elected official of the Government of the United States or the Government of the District of Columbia, shall be admitted to any share or part of this Lease, or to any benefit that may arise therefrom.*

Over the past five months, I have tried repeatedly to obtain information about whether President Trump, who has not fully divested himself of his Trump family business interests including assets related to Trump OPO, is in compliance with this Trump OPO lease provision. I sent oversight letters to GSA on this matter on December 1, 2016<sup>2</sup>, January 13, 2017<sup>3</sup>, and January 31, 2017<sup>4</sup>. My staff also received a December 14, 2016, briefing at which GSA representatives promised to provide additional information in writing about the contract and

<sup>1</sup> <http://s3.amazonaws.com/storage.citizensforethics.org/wp-content/uploads/2017/04/25171058/Senate-EPW-GSA-Old-Post-Office-lease-4-25-17-1.pdf>

<sup>2</sup> [https://www.epw.senate.gov/public/\\_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf](https://www.epw.senate.gov/public/_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf)

<sup>3</sup> [https://www.epw.senate.gov/public/\\_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf](https://www.epw.senate.gov/public/_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf)

<sup>4</sup> [https://www.epw.senate.gov/public/\\_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf](https://www.epw.senate.gov/public/_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf)

GSA's communications regarding the lease agreement with Trump OPO. GSA's January 5, 2017, written response<sup>5</sup> following this briefing did not include all of the requested information.

On March 3<sup>rd</sup>, 2017, after numerous attempts by my staff to obtain information from GSA on this matter, GSA staff notified my office that GSA had deemed the requested information to be privileged and confidential, without providing any rationale or basis for that determination. GSA subsequently publicly released a number of responsive documents on March 23, 2017, which asserted that Trump OPO was in compliance with the lease.

On March 31, 2017, GSA provided a bipartisan staff briefing at which my staff inquired about the status of outstanding GSA requests and sought additional information. GSA staff responded that on January 20, 2017, the Trump Administration changed GSA's long-standing practice of providing information requested by minority Members of Congress. Instead, the agency would no longer respond to requests from Ranking Members, including me, in my capacity as Ranking Member of the Environment and Public Works Committee – one of the Senate Committees with jurisdiction over GSA. Members of both parties have rejected this troubling position.<sup>6</sup>

On April 21, 2017, GSA provided documents it claimed were “responsive” to my January 31, 2017, letter. Upon receiving this document production, I was hopeful that GSA had abandoned its unwise new practice of not responding to minority Members' requests. Unfortunately, a thorough review of the materials by my staff revealed that the documents are largely unresponsive. The documents omit several categories of requested information, and lack any of the relevant email attachments pertaining to the questions from my previous inquiries. Rather than focusing on my questions surrounding Trump OPO lease compliance, more than 90 percent of the nearly 5,000 pages of emails and documents provided by GSA relate to unrelated issues such as: the permissible signage at Trump Hotel, the location of a Starbucks inside the Hotel, and the testing of Hotel fire alarms. I again renew my requests for complete responses to my December 1, 2016, January 13, 2017, and January 31, 2017, letters, and to the requests from the bipartisan staff briefing on March 31, 2017 – all of which are enclosed with this letter. Moreover, it is my expectation that GSA will provide me with all documents that are responsive to my requests that have been obtained or written by GSA. Additionally, I request quarterly updates with any new documents that are responsive to my requests until further notice.

In addition to my own outstanding questions and document requests regarding Trump OPO lease compliance, independent entities have also begun to question compliance as well. On April 25, 2017, CREW released its own analysis of GSA's determination that Trump OPO is in full compliance with the conflicts of interest provision of the lease. Specifically, CREW found that “GSA's Contracting Officer failed to provide a sufficient legal or rational basis for why Trump OPO is not violating the Lease, and GSA acted improperly when it failed to exercise its rights to terminate the Lease or take other appropriate legal action against Trump [Old Post Office, LLC].”<sup>7</sup>

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<sup>5</sup> [https://www.epw.senate.gov/public/\\_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf](https://www.epw.senate.gov/public/_cache/files/f71457c9-30f6-4436-8c01-b736e443b8be/combined-letters.pdf)

<sup>6</sup> See for example, letter from Judiciary Committee Ranking Member Charles E. Grassley to Julius Genachowski, Chairman, FEDERAL COMMUNICATIONS COMMISSION (Sep. 8, 2011), *available at* <https://www.grassley.senate.gov/sites/default/files/about/upload/2011-09-08-CEG-to-FCC-LightSquared3.pdf>.

<sup>7</sup> <http://s3.amazonaws.com/storage.citizensforethics.org/wp-content/uploads/2017/04/25171058/Senate-EPW-GSA-Old-Post-Office-lease-4-25-17-1.pdf>

CREW's analysis raises additional questions regarding the manner in which President Trump has organized his continued financial interests in Trump OPO. In its determination that Trump OPO was in compliance with the GSA lease, GSA concluded that while the President is in office, Trump OPO will not make any distributions to DJT Holdings LLC or to any other entity in which President Trump has a direct, indirect or beneficial interest. Instead, any Trump Hotel proceeds that would have been expected to be distributed to DJT Holdings LLC would be used to further improve Trump Hotel, rather than being used to directly benefit the President. In other words, GSA determined that the President would not directly benefit from Trump OPO while he is in office and thus would comply with the lease provision that prohibits elected officials from deriving benefit from the lease. In addition to reiterating my request for answers to my questions and documentation regarding GSA's determination that Trump OPO was in compliance with the GSA lease, I also wish to better understand the specific steps that GSA is taking to address the issues raised by CREW, and ask that you please provide the following information:

1. The CREW analysis noted that while President Trump resigned from Trump OPO and Trump Old Post Office Member Corp. on January 19, 2017, "he retained his interest in Trump OPO through The Donald J. Trump Revocable Trust (Trust)" which "retains a 77.5% interest in Trump OPO through certain holding companies." CREW additionally noted that public documents and President Trump's attorney state that the President can obtain funds from his Trust at any time upon request. Please explain – and fully document, including through the provision of legal or financial Trust documents, and other documents (including but not limited to emails, letters, telephone logs, memos, and presentations) – GSA's efforts to ensure that funds from Trump OPO cannot be withdrawn by the President from his Trust.
2. Did GSA verify, through an examination of the Trust or any amendments thereto, that the President's seemingly unlimited ability to withdraw funds from his Trust does not legally extend to funds obtained from Trump OPO or any of its holding companies? If so, please provide me with documents that establish such verification. If not, why not, and does GSA stand by its determination that Trump OPO is in full compliance with the conflict of interest provision of the lease?
3. The CREW analysis also notes that any improvements made to Trump Hotel would enhance its value, attract more hotel guests, and further increase the "the value of other Trump Organization properties and the amount the Trump Organization can charge for its licensing, management, and other services ("the Trump brand")," which in turn enriches President Trump by virtue of his financial interest in "hundreds of companies that comprise the Trump Organization." Does GSA dispute that this potential financial benefit to President Trump exists? If so, please explain the basis upon which GSA disputes the existence of this benefit (and provide any supporting documentation). If not, does GSA stand by its determination that Trump OPO is in full compliance with the conflict of interest provision of the lease?
4. The CREW analysis also notes that funds from Trump OPO can be used for any "business activities and purposes," which could include the purchase of wine from Trump Vineyards Estates LLC, or coffee or other food products that are owned or licensed by Trump family businesses (such as Trump Mark Fine Foods LLC). President Trump would be expected to benefit financially from such purchases as well. Does GSA dispute

that this potential financial benefit of Trump OPO to President Trump exists? If so, why (and please fully document your response)? If not, does GSA stand by its determination that it is not possible for the President to benefit from Trump Hotel?

5. The CREW analysis also notes that if funds from the DJT Holdings capital account are used to pay down the Trump OPO loan from Deutsche Bank, this would reduce the chances of default on the loan, and could also shield the President from personal liability for this loan if he guaranteed it with his personal assets. Does GSA disagree that this potential financial benefit of Trump OPO to President Trump exists? If so, why (and please fully document your response, including through the provision of the Deutsche Bank loan documentation and GSA's analysis thereof)? If not, does GSA stand by its determination that it is not possible for the President to benefit from Trump Hotel?
6. The CREW analysis also notes that any remaining funds in the DJT Holdings capital account at the end of the President's tenure from Trump OPO will be returned to the President's Trust once he leaves office, and these funds clearly benefit the President. Does GSA disagree that this potential financial benefit of Trump OPO to President Trump exists? If so, why (and please fully document your response)? If not, does GSA stand by its determination that it is not possible for the President to benefit from Trump Hotel?
7. The CREW analysis also notes that the President regularly dines at the Hotel restaurant, and several Cabinet officials also stay or dine there. It is unclear whether the President pays for his meals when he eats there. Additionally, the possibility of eating at a restaurant that is owned and operated by the President while the President is also eating there can reasonably be expected to attract additional restaurant guests. Does GSA disagree that this potential financial benefit of Trump OPO to President Trump exists? If so, why (and please fully document your response)? If not, does GSA stand by its determination that it is not possible for the President to benefit from Trump Hotel?

Thank you very much for your prompt attention to this important matter. If you or members of your staff have any questions about this request, please feel free to ask your staff to contact John Kane and Michal Freedhoff on the Environment and Public Works Committee staff at 202-224-8832. I request a response to all questions and documents contained in and attached to this letter no later than June 27, 2017.

With best personal regards, I am,

Sincerely yours,



Tom Carper  
Ranking Member

## Attachment: List of Outstanding Requests for Information

1. All instances during the Obama Administration (January 20, 2009, through January 20, 2017) where political appointees from the GSA were involved in contractual disputes.
2. All instances in which an "outlease" contract between the GSA and other entities managing GSA property has been breached on the grounds of an elected official being party to the lease.
3. All communications between GSA officials and Trump Old Post Office, LLC.
4. All communications between the GSA and the Agency Review Team, and between the Agency Review Team and the Trump Transition Team, since November 9, 2016.
5. The list of officers of the Trump Old Post Office, LLC.
6. The list of contracting office representatives and the contracting officer assigned to the lease.
7. In addition, on January 11, 2017, in response to President Trump's press conference, GSA announced it was "seeking additional information that explains and describes any new organizational structure as it applies to the Old Post Office Lease."1 We respectfully request that you provide us with any and all communications related to this issue between the GSA and the Trump Administration.

### Requests for Information from the Briefing:

1. The definition of a "benefit" – including but not limited to any memoranda defining the term – used in the contracting determination related to the Trump Old Post Office lease.
2. Issues assessed by the contracting officer during the determination of compliance with the Trump OPO lease
3. Did GSA consult the Office of Government Ethics in the determination of compliance with the Trump OPO lease?
4. Summary vs the full trust: Why did GSA only review the summary of the trust rather than the full trust? What is the difference between the two documents?
5. List of participants in all meetings regarding the lease
6. All communications between Trump OPO-GSA (as requested in question 3 of the January 31<sup>st</sup> letter)
7. All communications between GSA Office of General Counsel and the contracting officer regarding the lease.
8. Previous drafts of the contracting officer's letter
9. Legal basis for not responding to anything but a Chairman's request
10. GSA's policy for responding to congressional requests
11. All congressional correspondence on Trump Hotel lease