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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

February 24, 2025

The Honorable Lee M. Zeldin
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Administrator Zeldin:

We write in regards to your apparent attempt to claw back Greenhouse Gas Reduction Fund (GGRF) grants that are maintained by Citibank, N.A. (Citi) pursuant to a legally executed financial agent agreement (FAA) between Citi and the Department of the Treasury (Treasury). Across EPA, the Trump Administration is already illegally “pausing” grantees’ congressionally appropriated funding—and flouting federal court orders. Because there is no legal basis for the Environmental Protection Agency (EPA) to claw back these expended GGRF grants, and because doing so would destroy thousands of jobs and harm hundreds of communities across the country, we call on you to respect applicable legal authority, reconsider your decision, and ensure funding is available as the law requires.

On February 12, 2025, you posted a so-called “BIG UPDATE!” on Twitter, noting that you had “found” \$20 billion in taxpayer money that the Biden Administration had allegedly mishandled.¹ In the video, you suggested that your team’s discovery was that “roughly \$20 billion of your taxpayer dollars had been parked at an outside financial institution.”² In the video and in a follow-up February 13, 2025, EPA press release, you called for the “termination” of the FAA between Treasury and Citi and demanded the “immediate return of the entire fund balance to the United States Treasury to ensure EPA oversight.”³ Although the circumstances remain murky, public reporting and information obtained by Committee Democrats since your announcement indicates that grantees are unable to draw down funds from Citi—effectively freezing those congressionally appropriated grants.⁴

The claims in your Twitter post are inaccurate and misleading. You and your team discovered

¹ Lee Zeldin (@epaleezeldin), Twitter (Feb. 12, 2025), https://x.com/epaleezeldin/status/1889840040622321778?s=46&t=jrPoZzQxmuAi05zVqv_Qug.

² U.S. Environmental Protection Agency, *Administrator Zeldin Announces that Billions of Dollars Worth of “Gold Bars” Have Been Located at Outside Financial Institution* (Feb. 13, 2025), <https://www.epa.gov/newsreleases/administrator-zeldin-announces-billions-dollars-worth-gold-bars-have-been-located>.

³ *Id.*

⁴ Jean Chemnick, “EPA ‘green bank’ recipients lose access to Citibank accounts,” *E&E News* (Feb. 20, 2025), <https://www.eenews.net/articles/epa-green-bank-recipients-lose-access-to-citibank-accounts/>.

nothing—and certainly not taxpayer money being wasted.

First, the only thing you and your team “located” is a public press release from April 4, 2024. On that day, the EPA announced that, following a competitive and transparent process and using a timeline established by Congress in statute, it had selected eight organizations to receive \$20 billion in funding through the GGRF, a program that would deliver 310 million metric tons of carbon reduction and create **hundreds of thousands of jobs** over the subsequent seven years.⁵ The announcement was widely covered by the media, including *The New York Times*, *The Washington Post*, *Reuters*, *PBS*, and *Newsweek*, among others.⁶ In short, you “found” nothing new.

Second, the timing of the Biden Administration’s April 2024 announcement undermines your spurious claims about its motivations for entering into the FAA. You claim that the Biden Administration had “purposefully designed [the agreement] to obligate the money in a rush job with reduced oversight” because it was “rushing to get billions of your tax dollars out the door before **inauguration day**.”⁷ Contrary to your suggestion, the public press release and reporting cited above make clear that EPA’s decision to have Citi manage GGRF grants was made by April 2024—seven months before the 2024 election and more than nine months before inauguration day. Additionally, Congress established in law a deadline of September 30, 2024, by which funding had to be allocated to awardees—the EPA had no choice but to meet it.⁸

Third, you suggest that the use of FAAs by the U.S. government is unprecedented, noting that EPA has never used one. But the fact that EPA has never needed to use an FAA ignores the fact that Treasury utilizes these agreements on a regular basis. In fact, Treasury has an *entire division* dedicated to negotiating FAAs on behalf of U.S. government entities known as the Bureau of the Fiscal Service. FAAs are routine funding mechanisms first authorized in the 1860s that have been used by Republican and Democratic administrations for decades.⁹ They are designed to disburse federal funds in a way that maintains oversight of how the funds are used while enabling

⁵ U.S. Environmental Protection Agency, *Biden-Harris Administration Announces \$20 Billion in Grants to Mobilize Private Capital and Deliver Clean Energy and Climate Solutions to Communities Across America* (Apr. 4, 2024) <https://www.epa.gov/newsreleases/biden-harris-administration-announces-20-billion-grants-mobilize-private-capital-and>; Adam Kent and Isabelle Elizondo, *What Now for the Greenhouse Gas Reduction Fund Green Finance Programs?*, Natural Resources Defense Council (May 28, 2024), <https://www.nrdc.org/bio/adam-kent/what-now-greenhouse-gas-reduction-fund-green-finance-programs>.

⁶ See, e.g., Lisa Friedman, *Environmental Protection Agency Gives \$20 Billion in ‘Green Bank’ Grants*, N.Y. Times (Apr. 4, 2024) <https://www.nytimes.com/2024/04/04/climate/epa-green-bank-clean-energy.html>; Maxine Joselow, *America’s new high-risk, high-reward \$20 billion climate push*, Wash. Post: Climate Solutions (Apr. 4, 2024) <https://www.washingtonpost.com/climate-solutions/2024/04/04/epa-greenhouse-gas-reduction-fund/>; Jeff Young, *Green Power to the People: Biden’s \$20B Bet on Clean Energy Communities*, Newsweek: Better Planet (Apr. 8, 2024) <https://www.newsweek.com/green-power-people-bidens-20b-bet-clean-energy-communities-1888036>; Valerie Volcovici, *Biden administration awards \$20 bln for clean energy investment in low-income communities*, Reuters (Apr. 4, 2024) <https://www.reuters.com/world/us/biden-administration-awards-20-bln-clean-energy-investment-low-income-2024-04-04/>; Alexa St. John, *EPA announces \$20 billion in green bank grants for clean energy projects*, Associated Press (republished by PBS) (Apr. 4, 2024) <https://www.pbs.org/newshour/economy/epa-announces-20-billion-in-green-bank-grants-for-clean-energy-projects>.

⁷ U.S. Environmental Protection Agency, *supra* note 2.

⁸ 42 U.S.C. § 7434(a).

⁹ REVENUE COLLECTIONS AND PAYMENTS: Treasury Has Used Financial Agents in Evolving Ways but Could Improve Transparency, GAO-17-176 (Jan. 2017) <https://www.gao.gov/assets/gao-17-176.pdf>

grantees to leverage contractually obligated funds in private financial markets. Previous administrations have used FAAs to administer important programs to millions of Americans, including Social Security benefits, tax filings, retirement savings, and veterans' benefits. The first Trump Administration relied on FAAs to meet various financial needs, including to distribute loans to small businesses and streamline the delivery of federal financial assistance to the airline industry during the pandemic.¹⁰

Fourth, your concerns about oversight are unfounded. The FAA specifically provides several relevant U.S. government agencies, including Treasury and EPA, with direct oversight over Citi, including access to transaction-level data.¹ The bank is also required to conduct "Know Your Customer" due diligence, and grantees are limited to using funds consistent with an extensive set of terms and conditions. Furthermore, the agreements between the grantees, EPA, and Citi make clear that EPA may take "exclusive control" of individual grantees' funds where there is evidence of waste, fraud, or abuse. Tellingly, you levy no allegations of waste, fraud, or abuse—because you have evidence of none.

Your announcement is the latest example of the Trump Administration and its government efficiency "experts" using unfounded claims of waste, fraud, and abuse as a smokescreen to ignore congressional spending authority and ignore court orders in order to freeze or terminate programs designed to reduce carbon pollution.

Accordingly, in order to assist in our investigation of EPA's decision-making process, please respond to the following questions by no later than March 3, 2025:

1. Under what authority, including contractual provisions, and under what conditions do you believe the EPA, Treasury, or any other agency of the U.S. government may terminate the Financial Agent Agreement between Treasury and Citi? Please explain your interpretation in detail.
2. If the FAA were to be terminated, what is your understanding of Citi's obligations under the contract(s) with respect to funds remaining in its possession that have not been drawn down by grantees?
3. Do you agree that the existing Account Control Agreements (ACAs) between each grantee, EPA, and Citi only provide EPA the ability to take "exclusive control" of funding held by Citi for the benefit of the grantees where EPA can demonstrate noncompliance by the grantee and where "noncompliance is substantial such that

¹⁰ See, e.g., Financial Agency Agreement for Independent Financial Advice on Programs for Passenger Air Carriers under the Coronavirus Aid, Relief, and Economic Stability Act between U.S. Department of the Treasury and PJT Partners LP (Apr. 1, 2020), <https://home.treasury.gov/system/files/136/FAA-Financial-Advisor-Passenger-Airlines-FINAL-Signed.pdf>.

¹¹ We understand that the Financial Agent Agreement between Treasury and Citibank states, in pertinent part: "Treasury, the EPA Office of the Inspector General, the Treasury Office of the Inspector General, the Government Accountability Office, and other entities as authorized by Treasury, shall have the right during normal business hours to conduct announced and unannounced onsite and offsite physical, personnel and information technology testing, security reviews, and audits of the Financial Agent, and to examine all books and records related to the services provided and compensation received under this FAA. The Financial Agent shall be responsible for implementing corrective actions associated with such testing, reviews, or audits as directed by Treasury."

effective performance of the Grant Agreement is materially impaired or there is adequate evidence of waste, fraud, material misrepresentation of eligibility status, or abuse”? If you do not agree, please explain and provide your understanding of the circumstances in which EPA may assume control of already-obligated funds, recognizing this is contrary to existing, legally binding contract language. Please cite to specific contractual, statutory, or regulatory authorities supporting your position. We note that executive orders do not qualify as statutory or regulatory authority, as they are neither statutes nor regulations.

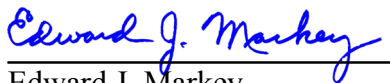
4. Did any individual or office within the White House, the Office of Management and Budget (OMB), the Department of the Treasury, or the so-called “Department of Government Efficiency” specifically instruct you to announce that you were calling for the termination of the FAA between Treasury and Citi?
5. Has anyone at EPA, Treasury, the Department of Justice, the Federal Bureau of Investigation, or any other government agency directed Citi to freeze the GGRF funds the bank is holding pursuant to the FAA, preventing grantees from accessing them? If so, who so directed Citi? Please provide a detailed explanation.
6. Please provide all communications dated November 5, 2024, through present, among and between you, Treasury officials, the Trump-Vance Transition Team, the White House, Elon Musk, anyone working for or affiliated with the so-called “Department of Government Efficiency,” Russell Vought, and/or Office of Management and Budget officials—including but not limited to all “special government employees”—concerning (i) the video featuring an EPA employee that you reference in your February 12, 2025 video; (ii) the FAA between Citibank and Treasury; or (iii) the GGRF.

Thank you for your attention to this matter.

Sincerely,



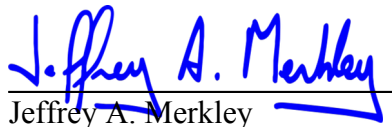
Sheldon Whitehouse
United States Senator
Ranking Member
Committee on Environment
and Public Works



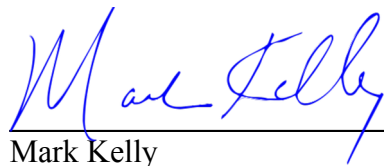
Edward J. Markey
United States Senator




Bernard Sanders
United States Senator



Jeffrey A. Merkley
United States Senator



Mark Kelly
United States Senator



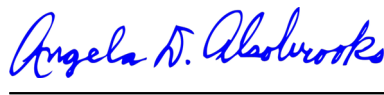
Alex Padilla
United States Senator



Adam B. Schiff
United States Senator



Lisa Blunt Rochester
United States Senator



Angela D. Alsobrooks
United States Senator

cc: Sen. Shelley Moore Capito
Chairman, Senate Committee on Environment and Public Works