The Honorable Jay Clayton  
Chairman  
Securities and Exchange Commission  
100 F St. NE  
Washington, DC 20549

June 27, 2018

Dear Chairman Clayton,

We are writing to request that the Securities and Exchange Commission open an investigation into whether Secretary of Commerce Wilbur Ross violated insider trading or any other securities laws as a result of his investment activities related to Navigator Holdings Ltd.

According to a *Forbes* report last week:

> [F]ive days before reports surfaced last fall that Ross was connected to cronies of Vladimir Putin through a shipping firm called Navigator Holdings, the secretary of commerce, who likely knew about the reporting, shorted stock in the Kremlin-linked company, positioning himself to make money on the investment when share prices dropped.¹

On November 5, 2017, the *New York Times* revealed that Secretary Ross “retained investments in [Navigator Holdings] a shipping firm he once controlled that has significant business ties to a Russian oligarch subject to American sanction and President Vladimir V. Putin’s son-in-law.”² Ten days prior to publishing that report, the *New York Times* reportedly wrote to the Secretary informing him about the upcoming story and asking him a series of questions.³

On October 31, 2017, three business days after the *New York Times* contacted him and five days before the publication of the story, Secretary Ross opened a short position against Navigator Holdings.⁴ The company’s stock declined by about 4% following the publication of the story, and Mr. Ross then sold the short position, “valued between $100,000 and $250,000.”⁵

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These trades raise questions about several different insider trading laws. Federal law, dating back to the Insider Trading Sanctions Act of 1984 bars individuals from "purchasing or selling a security or security-based swap agreement while in possession of material, nonpublic information." In addition, the STOCK Act of 2012 bars executive branch employees from the use of "material, nonpublic information derived from such person's position." Violation of these laws may subject individuals to civil penalties "three times the amount of the profit gained or loss avoided" and criminal penalties up to $5,000,000 and 20 years imprisonment.

We have no way of knowing precisely why Mr. Ross shorted Navigator Holdings' stock immediately after he likely learned about---but did not disclose---a pending news story that caused the company's stock price to drop significantly. But this chain of events raises questions about whether the Secretary potentially made investment decisions based on material, non-public information, and whether that material, non-public information was potentially derived from his position as Commerce Secretary.

We therefore ask that you open an investigation of Mr. Ross's trading activities. We ask that this investigation include:

1. The precise nature and extent of Mr. Ross's knowledge of pending news reports about Navigator Holdings and his investment in the company.

2. Whether the information obtained by Mr. Ross was material, non-public information at the time he made the Navigator Holdings trades.

3. The extent, timing, and rationale for Secretary Ross's decisions relating to the purchase and sale of Navigator Holdings short positions and the outcome of these decisions.

4. Whether Mr. Ross was involved in any other trades of Navigator Holdings or other companies that may have been based on material, non-public information.

5. Whether Navigator Holdings may have been required to report any information about Mr. Ross's holdings in the company, and whether the company appropriately disclosed relevant information regarding Mr. Ross in quarterly and other SEC filings.

In addition to opening an investigation, we ask that you provide us with a briefing on this matter no later than July 11, 2018.

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Sincerely,

Elizabeth Warren
United States Senator

Richard Blumenthal
United States Senator

Elijah E. Cummings
Member of Congress

cc: Office of Government Ethics.