

United States Senate
WASHINGTON, DC 20510

May 14, 2018

Dr. Vasant Narasimhan
Chief Executive Officer
Novartis AG
230 Park Avenue
New York, NY 10169

Dear Dr. Narasimhan:

We are writing about new reports this week that, beginning in February 2017, Novartis paid \$1.2 million to Essential Consultants LLC, a “shell company ...used to pay hush money” created by President Trump’s personal attorney, Michael Cohen.¹

According to a Novartis statement:

In February 2017, shortly after the election of President Trump, Novartis entered into a one year agreement with Essential Consultants. ... Novartis believed that Michael Cohen could advise the company as to how the Trump administration might approach certain US healthcare policy matters The agreement was for a term of one year, and paid Essential Consultants [Mr. Cohen’s company] 100,000 USD per month.

But the statement indicated that – in March 2017 – after a single meeting with Mr. Cohen, “Novartis determined that Michael Cohen and Essential Consultants would be unable to provide the services that Novartis had anticipated ... and the decision was taken not to engage further. As the contract unfortunately could only be terminated for cause, payments continued to be made until the contract expired by its own terms in February 2018.”²

If this statement is fully accurate, it appears to detail a stunningly irresponsible turn of events. Novartis secretly paid the President’s New York-based personal attorney, through a limited liability company that he appears to have established at least in part to pay an actress to remain silent about a sexual affair with the President, \$1.2 million for a single meeting for advice on Washington, D.C. healthcare policy matters. These payments were made despite Mr. Cohen’s lack of experience and lack of knowledge about health care or regulatory policy. At least three other companies – AT&T, Korea

¹ New York Times, Firm Tied to Russian Oligarch Made Payments to Michael Cohen (May 9, 2018) (<https://www.nytimes.com/2018/05/08/us/politics/michael-cohen-shell-company-payments.html>).

² Novartis, Press Statement, *Essential Consultants-Novartis Statement* (May 9, 2018) (<https://www.novartis.com/essential-consultants>).

Aerospace Industries, and Columbus Nova, an investment firm with ties to Russian oligarch Viktor Vekselberg – made similar payments to Essential Consultants.³

Novartis made these payments while it had numerous matters relating to health care policy before the Trump Administration and Congress. Given these ongoing matters, the unusual series of payments by Novartis to the President’s personal attorney raise obvious questions about corruption and whether Novartis and the Trump Administration were engaged in a pay-for-play operation.

To address these concerns, we ask that you provide responses to the following questions no later than May 25, 2018:

1. Which individuals at Novartis⁴ discussed, arranged, and approved the contract with Essential Consultants?
2. What was the timeframe of all discussions to the contract? Please indicate when and how the initial contacts and all other contacts were made, and which individuals at Novartis and Essential Consultants (or other entities related to Mr. Cohen) were involved.
3. Explain Novartis’s decision to consider Essential Consultants and the determination that Mr. Cohen was qualified to advise on healthcare policy matters?
4. Why did Novartis determine after a single meeting that “Essential Consultants would be unable to provide the services that Novartis had anticipated”? Specifically, what information became known to Novartis at that meeting that was not, or could not have been, known before entering the contract? Which individuals at Novartis made this determination?
5. Detail the amounts and dates of all payments by Novartis to Essential Consultants. How was the amount of Novartis’s contractual payments set? Was the amount and payment structure based on a proposal by Mr. Cohen or by Novartis officials?
6. Why did Novartis enter a \$1.2 million contract that could only be terminated for cause? Is this a typical arrangement for Novartis contracts for lobbying or public policy advice? Following the meeting mentioned above, did Novartis seek the ability to pay the remaining required payments as a lump sum and early terminate the contract?
7. Did you or any other Novartis official request or direct any contacts between Mr. Cohen and President Trump (either before or after the Presidential inauguration) or any other official working for the Administration or on the Presidential Transition? Are you aware of any such contacts? If so, please list and describe them.

³ New York Times, Firm Tied to Russian Oligarch Made Payments to Michael Cohen (May 9, 2018) (<https://www.nytimes.com/2018/05/08/us/politics/michael-cohen-shell-company-payments.html>).

⁴ This and all questions that follow refer to Novartis, and include Novartis AG, and any and all subsidiaries of the parent company, including Novartis Investments S.A.R.L.

8. When Novartis signed the contract, or during the term of the contract, did Novartis at any time make a determination of whether the relationship with and payments to Mr. Cohen were required to be reported to the FEC, any other campaign finance officials, or any other federal or state authorities? If so, please provide copies of all documents and communications related to this discussion.
9. Do you or do any other current or former Novartis officials have any knowledge of the disposition of the \$1.2 million that Novartis paid to Essential Consultants? Were any of these funds ultimately received by Mr. Trump, or any member of the Trump family, or the Trump Organization, or were they used to pay debts or liabilities of President Trump, his family, or the Trump Organization? Did any Novartis official believe, or have reason to believe, that any payments made to Mr. Cohen would be provided, in full or in part, to Mr. Trump or to any legal entity in which Mr. Trump or his immediate family had an ownership interest?
10. Did Novartis, or any of its affiliates, have any contractual relationship or pay any funds to any other entity or individual affiliated with, associated with, or represented by Mr. Cohen? If so, please list all such relationships or payments.
11. Please provide copies of all communications between Novartis and Essential Consultants, or copies of any other communications related to this contract, including any internal Novartis discussion of the contract with Essential Consultants.
12. Please provide a complete, unredacted copy of the contract.
13. Please provide any Novartis guidance document outlining the internal approval process for entering into agreements like the one Novartis entered with Essential Consultants. Please provide any documents memorializing the completion of this approval process.
14. Did or does Novartis have any other contractual relationship with or pay any funds to any other entity or individual affiliated with, associated with, the Trump Organization? If so, please list all such relationships or payments, including relevant dates.
15. Is Novartis fully cooperating with any and all federal or state law enforcement inquiries related to Essential Consulting or Mr. Cohen?

Thank you for your attention to this matter.

Sincerely,


Elizabeth Warren
United States Senator


Richard Blumenthal
United States Senator