

# United States Senate

WASHINGTON, DC 20510

December 17, 2018

The Honorable Michael J. Missal  
Inspector General  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, D.C. 20420

Dear Mr. Missal:

In light of an additional report of alleged undue influence on Department of Veterans Affairs (VA) contracting and budgeting by three members of President Trump's Mar-a-Lago club,<sup>1</sup> we are writing to reiterate our request for an investigation by the Inspector General into the interference of these unqualified, unaccountable private citizens with ties to President Trump in VA decisions. When we initially wrote to you about this matter in August 2018,<sup>2</sup> you indicated that you did not intend to initiate an investigation.<sup>3</sup> We believe this new information detailing the Mar-a-Lago trio's access to, and pernicious influence on, key VA functions should compel your office to reconsider.

An initial report by *ProPublica* described three members of President Trump's Mar-a-Lago private club (Mr. Ike Perlmutter, Dr. Bruce Moskowitz, and Mr. Marc Sherman, otherwise known as the "troika" or the "Mar-a-Lago Crowd") who wield disturbingly widespread influence over decision-making related to the VA, including personnel and programs.<sup>4</sup> Mr. Perlmutter, the Chairman of Marvel Entertainment, LLC, included then-VA Secretary Shulkin at an event on the New York Stock Exchange that reportedly "turned into a promotional opportunity for Perlmutter's company." Dr. Moskowitz, "an internist and friend of Trump confidant Ike Perlmutter,"<sup>5</sup> reportedly pushed his idea for Apple Inc. and the VA to create an application to help veterans locate medical services, and suggested that his own son – who had developed a

---

<sup>1</sup> ProPublica, "VA Shadow Rulers Had Sway Over Contracting and Budgeting," Isaac Arnsdorf, December 3, 2018, <https://www.propublica.org/article/va-shadow-rulers-had-sway-over-contracting-and-budgeting>.

<sup>2</sup> Senator Elizabeth Warren, "Warren, Schatz Call for Investigation into Trump 'Mar-a-Lago Cronies'" Secret Influence over the Department of Veterans Affairs," press release, August 10, 2018, <https://www.warren.senate.gov/newsroom/press-releases/warren-schatz-call-for-investigation-into-trump-mar-a-lago-cronies-secret-influence-over-the-department-of-veterans-affairs->.

<sup>3</sup> U.S. Department of Veterans Affairs Inspector General, Email Response to Offices of Senators Warren and Schatz, September 11, 2018 [on file with Offices of Senators Warren and Schatz]; U.S. Department of Veterans Affairs, Inspector General, Letter to Senator Warren, September 6, 2018 [on file with Office of Senator Warren].

<sup>4</sup> ProPublica, "The Shadow Rulers of the VA," Isaac Arnsdorf, August 7, 2018, <https://www.propublica.org/article/ike-perlmutter-bruce-moskowitz-marc-sherman-shadow-rulers-of-the-va>.

<sup>5</sup> Politico, "Who the hell is this person? Trump's Mar-a-Lago pal stymies VA project," Arthur Allen, April 30, 2018, <https://www.politico.com/story/2018/04/30/trump-doctor-health-technology-508297>.

similar app – serve as a technical advisor on the project. The entire proposal reportedly “made Apple and VA officials uncomfortable,” and the momentum behind the project faded due to a lack of agency support.<sup>6</sup>

We first sent you a request in August 2018<sup>7</sup> for an investigation following the publication of this initial report. Your office subsequently replied that “the central question here is whether the [Federal Advisory Committee Act (FACA)] is applicable to the communications of the three individuals with the Department’s political leadership. ... [and that] we believe there are strong arguments that the FACA is not applicable to this situation.” We did not agree with this view, which ignored our concerns about corruption and mismanagement at VA, but were unable to convince you to open an investigation. Instead, you told us that you “have decided to continue monitoring the situation at this time,” and that “[a]s more information becomes available, we will determine the need to take action.”<sup>8</sup>

A new *ProPublica* report, published on December 3, 2018, analyzed various VA emails and other records and revealed that Mr. Perlmutter, Dr. Moskowitz, and Mr. Sherman were significantly involved in a “multibillion-dollar effort to overhaul electronic health records for millions of veterans.”<sup>9</sup> This reported involvement included “review[ing] a confidential draft of a \$10 billion government contract for the electronic-records project, even though they lack any relevant expertise” and the persistent effort of Dr. Moskowitz to persuade the VA and Apple to accept Moskowitz’s app to improve the VA’s management of veterans’ electronic health records. Dr. Moskowitz reportedly “fumed” that his effort, which included naming his son as a “mid-level project manager[,]” failed in part because “VA officials identified major problems with the app’s usability and functionality.”<sup>10</sup> Although Dr. Moskowitz and the remaining two members of the Mar-a-Lago trio reportedly signed non-disclosure agreements, Mr. Sherman apparently “edited the agreement to allow him, Perlmutter, and Moskowitz to discuss the details with one another and with the president or other administration officials.”<sup>11</sup>

---

<sup>6</sup> *ProPublica*, “The Shadow Rulers of the VA,” Isaac Arnsdorf, August 7, 2018, <https://www.propublica.org/article/ike-perlmutter-bruce-moskowitz-marc-sherman-shadow-rulers-of-the-va>; *ProPublica*, “Democrats Vow Investigation of VA’s Shadow Rulers After *ProPublica* Story,” Isaac Arnsdorf, August 8, 2018, [https://www.propublica.org/article/democrats-vow-investigation-of-va-shadow-rulers-after-propublica-story?utm\\_campaign=sprout&utm\\_medium=social&utm\\_source=facebook&utm\\_content=1533779266](https://www.propublica.org/article/democrats-vow-investigation-of-va-shadow-rulers-after-propublica-story?utm_campaign=sprout&utm_medium=social&utm_source=facebook&utm_content=1533779266).

<sup>7</sup> While senior government leaders can in many cases benefit from outside advice, advisors with no official government position like Messrs. Perlmutter, Moskowitz, and Sherman appear to be governed by the Federal Advisory Committee Act (FACA), which requires among other things that: (1) any outside advice provided must be objective and accessible to the public; (2) outside advisory groups must be utilized “solely for advisory functions” without managerial or decision-making authority; and (3) appropriate records must be kept and made available to the public. Senator Elizabeth Warren, Letter from Senators Warren and Schatz to VA Inspector General, August 10, 2018, <https://www.warren.senate.gov/imo/media/doc/Warren-Schatz%20ltr%20to%20VA%20IG%208.10.2018.pdf> (citing P.L. 92-463, the Federal Advisory Committee Act of 1972).

<sup>8</sup> U.S. Department of Veterans Affairs Inspector General, Email Response to Offices of Senators Warren and Schatz, September 11, 2018 [on file with Offices of Senators Warren and Schatz]; U.S. Department of Veterans Affairs, Inspector General, Letter to Senator Warren, September 6, 2018 [on file with Office of Senator Warren].

<sup>9</sup> *ProPublica*, “VA Shadow Rulers Had Sway Over Contracting and Budgeting,” Isaac Arnsdorf, December 3, 2018, <https://www.propublica.org/article/va-shadow-rulers-had-sway-over-contracting-and-budgeting>.

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

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

This report of interference in the VA's core functions paints a picture of corruption and cronyism that undermine the agency's mission to serve veterans and their families. Dr. Moskowitz reportedly "used his influence at the VA to get the agency to convene a meeting on registries for medical devices," even though he "started a foundation (whose board included Perlmutter's wife) that lobbied medical institutions to start such registries so patients could be notified of recalls" and the VA had an effective system in place already to inform veterans of recalls.<sup>12</sup> One VA employee in April 2018 reportedly wrote that she "owe[s] Dr. Moskowitz a budget" that she was editing with Mr. Perlmutter for a VA "Medical Device Registry Summit."<sup>13</sup>

The VA is supposed serve the health care needs of America's veterans - not the business interests of President Trump's Mar-a-Lago cronies. Given the mounting evidence detailing the breadth and depth of the alleged involvement of Messrs. Perlmutter, Moskowitz, and Sherman in VA contracting, budgeting, and other functions, we believe it is important for the VA Office of the Inspector General to initiate an investigation into the undue influence of these unqualified and unaccountable private citizens.

As previously referenced, in September of this year, when you apparently declined our request to conduct an investigation, you informed us that "[a]s more information becomes available, we will determine the need to take action."<sup>14</sup> More information has become available, and we believe it is appropriate for your office to fully investigate this matter.

The mission of the VA Office of the Inspector General is to serve as an "independent and fair voice for veterans and their families that makes meaningful improvements to VA programs and services, while being responsive to the concerns of veterans service organizations, Congress, VA employees, and the public."<sup>15</sup> The Government Accountability Office (GAO) on November 19, 2018, accepted our request to conduct an investigation into the Mar-a-Lago trio's interference in VA decision-making.<sup>16</sup> However, we believe that the VA Inspector General must conduct its own parallel investigation because it has intimate knowledge of the VA, and access to documents, personnel, and other sources of agency information that may not otherwise be available to GAO. Therefore, we ask that the VA Inspector General should begin its own investigation of this matter, expeditiously, and consistent with its mission to be a voice for veterans and their families.

Thank you for your attention to this matter.

---

<sup>12</sup> ProPublica, "VA Shadow Rulers Had Sway Over Contracting and Budgeting," Isaac Arnsdorf, December 3, 2018, <https://www.propublica.org/article/va-shadow-rulers-had-sway-over-contracting-and-budgeting>.


<sup>13</sup> *Id.*

<sup>14</sup> U.S. Department of Veterans Affairs Inspector General Email Response to Offices of Senators Warren and Schatz, September 11, 2018 [on file with Offices of Senators Warren and Schatz].

<sup>15</sup> U.S. Department of Veterans Affairs Inspector General, Mission, Vision, and Values, <https://www.va.gov/oig/pubs/VA-OIG-Mission-Vision-Values.pdf>.


<sup>16</sup> Senator Elizabeth Warren, "Government Accountability Office Agrees to Investigate Trump 'Mar-a-Lago Cronies' Influence at the Department of Veterans Affairs," press release, November 26, 2018, <https://www.warren.senate.gov/newsroom/press-releases/government-accountability-office-agrees-to-investigate-trump-mar-a-lago-cronies-influence-at-the-department-of-veterans-affairs>.

Sincerely,



---

Elizabeth Warren  
United States Senator



---

Brian Schatz  
United States Senator  
Ranking Member, Subcommittee on  
Military Construction, Veterans  
Affairs, and Related Agencies