

ELIZABETH WARREN
MASSACHUSETTS

COMMITTEES:
BANKING, HOUSING, AND URBAN AFFAIRS
HEALTH, EDUCATION, LABOR, AND PENSIONS
ARMED SERVICES
SPECIAL COMMITTEE ON AGING

United States Senate

UNITED STATES SENATE
WASHINGTON, DC 20510-2105
P: 202-224-4543

2400 JFK FEDERAL BUILDING
15 NEW SUDBURY STREET
BOSTON, MA 02203
P: 617-565-3170

1550 MAIN STREET
SUITE 406
SPRINGFIELD, MA 01103
P: 413-788-2690

www.warren.senate.gov

July 15, 2020

The Honorable Brian D. Miller
Special Inspector General for Pandemic Recovery
U.S. Department of Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Dear Special Inspector General Miller:

I write regarding a recent report that identifies a “Covid Lobbying Palooza” involving dozens of lobbyists with connections to President Donald Trump’s “campaigns, inaugural committee, presidential transition team, or his administration” that have been lobbying the federal government on behalf of clients applying for or receiving, coronavirus disease 2019 (COVID-19) related federal aid.¹ These Trump-connected lobbyists have been “lobbying to obtain special industry carveouts for aid, government approval of their clients’ products and, most commonly, COVID-related aid across a myriad of programs,” and have reportedly secured at least \$10.5 billion in COVID-19 related grants, loans, and corporate bond purchases for close to 30 clients in the last few months.² Several may have violated Executive Order 13770 issued by President Trump, which restricts lobbying by appointees who leave the Trump administration.³

This special interest lobbying by former Trump administration and campaign insiders presents serious concerns about real and perceived conflicts of interest and merits important oversight by your office. As the Special Inspector General appointed to investigate any fraud, waste and abuse of *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) funds,⁴ it is critical that your office examine the details of this influence-peddling to ensure that taxpayer funds are distributed in a manner that best serves families and our economy, rather than the personal financial interests of well-connected insiders. Congress intended CARES Act funding to provide broad, fair, and necessary economic assistance to citizens, workers, small businesses, and large employers to help them survive the economic collapse caused by the coronavirus pandemic. Congress did not design the CARES Act to line the pockets of President Trump’s associates and the businesses that hire them to lobby on their behalf.

¹ Public Citizen, “COVID Lobbying Palooza,” July 2020, <https://www.citizen.org/wp-content/uploads/Covid-Lobbying-Palooza.pdf>.

² *Id.*

³ President Donald J. Trump, Executive Order 13770, entitled “Ethics Commitments by Executive Branch Appointees,” January 27, 2017, available at: <https://www.whitehouse.gov/presidential-actions/executive-order-ethics-commitments-executive-branch-appointees/>.

⁴ Public Law No: 116-136, Section 4018, available at: <https://www.congress.gov/bill/116th-congress/house-bill/748/>.

A new report published by *Public Citizen* earlier this month reveals that the \$2.2 trillion CARES Act has been plagued by a “lobbying bonanza”⁵ and identifies 27 companies that hired at least one Trump-connected lobbyist and ultimately received millions in federal aid. For instance, several of the largest recipients of federal grants and loans identified in the report were represented by a single lobbying firm, Brownstein Hyatt Faber Schreck (Brownstein Hyatt), a firm that employs several Trump-connected lobbyists, including two former senior Trump administration officials and a former Trump campaign fundraiser.⁶

In total, Brownstein Hyatt reportedly represents 45 clients on COVID related issues including two private equity firms—Apollo Global Management and Colony Capital—and several of their portfolio companies. Over the last several months, Apollo Global Management, one of the largest private equity firms in the world, and a company that has extensive financial connections to Jared Kushner, a top adviser to and son-in-law of President Trump,⁷ has been able to secure over \$760 million in federal grants and loans for its health care companies and over \$60 million for one of its airline carriers.⁸ For its services lobbying on behalf of Apollo and its affiliates, Brownstein Hyatt received almost \$1 million in the first quarter of 2020 alone.⁹

The Office of the Special Inspector General for Pandemic Recovery has a mandate to “promote economy, efficiency, and effectiveness in the administration of, and ... to prevent and detect fraud and abuse in” use of CARES Act funds,¹⁰ and to “conduct, supervise, and coordinate audits and investigations of the making, purchase, management, and sale of loans, loan guarantees, and other investments” made through programs established by the Act.¹¹ During your Senate nomination hearing on May 5, 2020, you committed to me, on the record, that you would investigate instances where companies lobbying Congress or the White House receive COVID-19 related financial aid and guaranteed that you would “request and then subpoena” information not made readily available by the Trump administration in order to conduct thorough investigations and make the information available to the public.¹²

We had the following exchange during that hearing:

⁵ Associated Press, “Trump-connected lobbyists reap windfall in federal virus aid,” Brian Slodysko, July 7, 2020, <https://apnews.com/2edf8670a491a702ecfb7312f507f83a>.

⁶ Brownstein Hyatt Faber Schreck, “Geoffrey G. Burr,” accessed on July 15, 2020, <https://www.bhfs.com/people/policy/gburr>; Brownstein Hyatt Faber Schreck, “Emily Felder,” accessed on July 15, 2020, <https://www.bhfs.com/people/attorneys/c-f/efelder>; Washington Post, “Trump victory could mean big business for K Street,” Catherine Ho, November 9, 2016, <https://www.washingtonpost.com/news/powerpost/wp/2016/11/09/trump-blasted-lobbyists-on-the-campaign-trail-but-his-victory-could-mean-big-business-for-k-street/>.

⁷ Letter from Senator Warren et al. to Mr. Leon Black, Chairman, CEO and Director of Apollo Global Management LLC., April 13, 2018, <https://www.warren.senate.gov/oversight/letters/warren-cummings-carper-peters-press-citigroup-and-apollo-on-concerns-about-kushner-family-business-loans>.

⁸ Public Citizen, “COVID Lobbying Palooza,” July 2020, pp.35-36, <https://www.citizen.org/wp-content/uploads/Covid-Lobbying-Palooza.pdf>.

⁹ Public Citizen, “COVID Lobbying Palooza,” July 2020, <https://www.citizen.org/wp-content/uploads/Covid-Lobbying-Palooza.pdf>.

¹⁰ See, e.g., Inspector General Act of 1978, §2(2), as referenced in Public Law No: 116-136, § 4018(c)(3).

¹¹ Public Law No: 116-136, Section 4018, available at: <https://www.congress.gov/bill/116th-congress/house-bill/748/>.

¹² U.S Senate Committee on Banking, Housing, and Urban Affairs, “Nomination Hearing,” May 05, 2020, <https://www.banking.senate.gov/hearings/04/28/2020/nomination-hearing>.

WARREN: What I'm trying to ask is do you think lobbying and then getting money is a potential for abuse that you would investigate?

MILLER: It's possible, Senator.

WARREN: It's possible and so if it is possible, would you investigate?

MILLER: And I would investigate it if it were lobbying Congress or the White House.

WARREN: Good. That's all I wanted. And then a third one. And that is, even if the Treasury Department doesn't put any restrictions in the loan documents or ask for information about how the money would be used or restrict corporate lobbying or avoid potential conflicts of interest, will you request that information from the companies that receive loans under this program?

MILLER: I will investigate all potential conflicts of interest and if they don't--if I don't have the information through the Department of Treasury, I will request and then subpoena the information if I don't get it.

WARREN: Good, and will you make that information public so that taxpayers can see what's going on?

MILLER: My goal is to make all information public and to inform the taxpayer. The only possible exception, Senator, would be if it is part of a criminal referral to the Department of Justice.

The lobbying and influence peddling revealed by this new report is exactly the scenario that we discussed during your confirmation hearing. I therefore request that you honor your commitment and conduct a thorough investigation of the role lobbyists and former Trump administration and campaign insiders are playing in helping companies secure CARES Act related financial aid, and the process through which federal executive departments and agencies responsible for the dispensation of CARES Act grants, loans, and corporate bond purchases are addressing conflicts of interest and ethics issues. In particular, I request that your upcoming inaugural quarterly report to Congress and all the following quarterly reports—as mandated by the CARES Act¹³—include, an analysis of:

¹³ Public Law No: 116-136, Section 4018, available at: <https://www.congress.gov/bill/116th-congress/house-bill/748/>.

1. The role lobbyists are playing in the dispensation of CARES Act funds – and whether the involvement of lobbyists has influenced decision-making in any specific cases.
2. Whether there are specific or systemic ethics and conflicts of interest issues related to the dispensation of these CARES Act funds, and whether any conflict of interest law, rule, or executive orders may have been violated by individuals lobbying for or distributing CARES Act funds.
3. Whether the processes and procedures in place for officials in federal executive departments and agencies responsible for the dispensation of CARES Act funds to make decisions on grants, loans and corporate bond purchases are sufficient to prevent potential conflicts of interest or ethics problems.
4. The extent to which Treasury Department officials are following existing policies and procedures.
5. Whether Treasury Department and agency officials are making decisions in a transparent process, based on consistent application of factual analysis, free of political interference from individuals inside or outside the administration.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Warren", written over a horizontal line.

Elizabeth Warren
United States Senator