

United States Senate

WASHINGTON, DC 20510

February 25, 2026

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave N.W.
Washington, DC 20230

Dear Secretary Lutnick:

We write regarding the agreement brokered by the Department of Commerce in which the U.S. government provides substantial funding for and acquires an ownership stake in USA Rare Earth, Inc., (USAR) a rare earth mineral mining company.¹ This deal was announced in conjunction with a \$1.5 billion private fundraising effort for USAR brokered by your former firm, Cantor Fitzgerald (“Cantor”) — a deal that could enrich your immediate family.² We have previously raised concerns that you have used your role as Commerce Secretary in ways that could benefit your family and former company,³ and this latest deal raises fresh conflict-of-interest concerns about your activities as Secretary of the Department of Commerce.

Securing a domestic supply of critical minerals — including rare earths — is essential to U.S. national security and economic competitiveness. These materials are required for a range of critical manufacturing industries — from electric vehicles and semiconductors to defense systems.⁴ China accounts for around 60 percent of global rare earth mining output and is responsible for about 91 percent of global production.⁵ Last year, China adopted new export restrictions on critical minerals and magnets that endangered U.S. defense supply chains — highlighting the outsized leverage China can have over supply chains that American industry cannot afford to cede.⁶ Particularly given these vital national interests, it is imperative that

¹ National Institute of Standards and Technology U.S. Department of Commerce, “The Department of Commerce’s CHIPS Program Announces a Letter of Intent with USA Rare Earth to Accelerate Its Domestic and Vertically Integrated “Mine-to-Magnet” Strategy,” press release, January 26, 2026, <https://www.nist.gov/news-events/news/2026/01/departments-commerces-chips-program-announces-letter-intent-usa-rare-earth>.

² USA Rare Earth, “USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently, USA Rare Earth Raises \$1.5 Billion in Private Sector Investment,” press release, January 26, 2025, <https://investors.usare.com/news-releases/news-release-details/usa-rare-earth-announces-letter-intent-us-government-access-16>.

³ Letter from Senator Elizabeth Warren, Senator Edward Markey, Representative Madeleine Dean et. al. to Acting Inspector General Duane Townsend, December 17, 2025, https://www.warren.senate.gov/imo/media/doc/warren_dean_letter_to_commerce_ig.pdf.

⁴ International Energy Agency, “With new export controls on critical minerals, supply concentration risks become reality,” Tae-Yoon Kim, Shobhan Dhir, Amrita Dasgupta, and Alessio Scanziani, October 23, 2025, <https://www.iea.org/commentaries/with-new-export-controls-on-critical-minerals-supply-concentration-risks-become-reality>.

⁵ *Id.*

⁶ Center for Strategic & International Studies, “China’s New Rare Earth and Magnet Restrictions Threaten U.S. Defense Supply Chains,” Gracelin Baskaran, October 9, 2025, <https://www.csis.org/analysis/chinas-new-rare-earth-and-magnet-restrictions-threaten-us-defense-supply-chains>.

federal investments in critical industries be made free from conflicts of interest and on the merits. The circumstances surrounding the USAR deal raise questions about whether that standard has been met.

On January 26, 2026, the Department of Commerce announced a tentative deal worth up to \$1.6 billion with USAR.⁷ Under the terms of the deal, the Department would extend “up to \$277 million in direct funding and up to \$1.3 billion in loans” to USAR for two rare earth mining projects, while acquiring 16.1 million shares of the company, around a 10% stake.⁸ Prior to this tentative announcement, USAR had only held one prior government contract, worth just under \$100,000.⁹

On the same day, USAR also announced it had raised \$1.5 billion in private funds with Cantor Fitzgerald “as the lead placement agent” for the transaction — meaning that Cantor acted as a compensated broker for a company whose financial position was bolstered by a \$1.6 billion public funding agreement from your Department.¹⁰

Prior to entering the Trump Administration, you owned and led Cantor for years.¹¹ Your ethics agreement required that you divest this interest — and you did so by transferring your stake in the company to your adult sons, who now lead the company.¹² As ethics experts noted, the “fact that the [USAR] deal is brokered by the Wall Street firm formerly run by the commerce secretary — and now headed by his sons — is reason to worry that the public interest is being subordinated, yet again, to the profit seeking of Trump cronies.”¹³

Commerce’s Investment in USAR Overlaps with Cantor’s Financial Interests

We have serious concerns about the Commerce Department’s decision to enter this deal in which your former firm, run by your sons, has a clear financial interest. The USAR deal, which you publicly touted and reportedly were personally involved in, is the latest example of how official

⁷ National Institute of Standards and Technology U.S. Department of Commerce, “The Department of Commerce’s CHIPS Program Announces a Letter of Intent with USA Rare Earth to Accelerate Its Domestic and Vertically Integrated “Mine-to-Magnet” Strategy,” press release, January 26, 2026, <https://www.nist.gov/news-events/news/2026/01/departments-commerces-chips-program-announces-letter-intent-usa-rare-earth>.

⁸ Id; Reuters, “Trump admin to take 10% stake in USA Rare Earth in \$1.6 bln deal, sources say,” Ernest Scheyder, January 25, 2026, <https://www.reuters.com/business/us-inject-16-billion-into-rare-earths-miner-10-stake-ft-reports-2026-01-25/>.

⁹ USASpending.gov, “PIID W912HZ24P0132” https://www.usaspending.gov/award/CONT_AWD_W912HZ24P0132_9700_-NONE_-NONE-.

¹⁰ New York Times, “Trump Administration Takes Another Stake in Rare Earth Sector,” Ana Swanson, January 26, 2026, <https://www.nytimes.com/2026/01/26/us/politics/trump-rare-earth-howard-lutnick.html>; USA Rare Earth, “USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently, USA Rare Earth Raises \$1.5 Billion in Private Sector Investment,” press release, January 26, 2025, <https://investors.usare.com/news-releases/news-release-details/usa-rare-earth-announces-letter-intent-us-government-access-16>.

¹¹ Reuters, “US Commerce Secretary Lutnick transfers Cantor Fitzgerald stakes to children,” May 19, 2025, <https://www.reuters.com/world/us/us-commerce-secretary-lutnick-transfers-cantor-fitzgerald-stakes-children-2025-05-19/>.

¹² *Id.*

¹³ New York Times, “Trump Administration Takes Another Stake in Rare Earth Sector,” Ana Swanson, January 26, 2026, <https://www.nytimes.com/2026/01/26/us/politics/trump-rare-earth-howard-lutnick.html>.

Commerce Department business has intersected with Cantor Fitzgerald's financial interests during your tenure.¹⁴

You reportedly played a key role in the Commerce Department's investment in USAR, meeting with USAR's CEO in early November 2025.¹⁵ Soon after, USAR met with Commerce Department officials managing CHIPS and Science Act funding.¹⁶ The company was also invited to an interagency meeting led by your agency at the Pentagon with the Department of Defense and the Department of Energy.¹⁷ You reportedly asked the company's CEO, "what would it take [for USA Rare Earth] to go faster and to scale further?"¹⁸

As a prerequisite for securing up to \$1.6 billion in public funds from Commerce, it appears USAR had to raise matching private funds. The CEO of USAR, Barbara Humpton, said that "first condition is we were asked to go raise private money [by Commerce]."¹⁹ USAR turned to Cantor to raise the capital it needed to unlock public funds, taking on your former company to act as its agent.²⁰ Humpton went on to say that USA Rare Earth had an initial goal to raise \$500 million in funding from private sources but ended up surpassing that goal with \$1.5 billion of private investment in public equity (PIPE) funding.²¹ In its press release announcing the Commerce deal, USAR confirmed that, "[i]n conjunction with [the federal government investment], USAR has raised a common stock PIPE" and that "Cantor Fitzgerald & Co. acted as lead placement agent" for this transaction.²²

In a PIPE transaction, stocks and equity of an already public company are typically sold at a "discount to market price" to a restricted pool of private investors.²³ A placement agent – in this

¹⁴ CNBC, "How the USA Rare Earth deal with the Trump administration came together," Spencer Kimball, January 26, 2026, <https://www.cnbc.com/2026/01/26/how-the-usa-rare-earth-deal-with-the-trump-administration-came-together.html>; USA Rare Earth, "USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently, USA Rare Earth Raises \$1.5 Billion in Private Sector Investment," press release, January 26, 2025, <https://investors.usare.com/news-releases/news-release-details/usa-rare-earth-announces-letter-intent-us-government-access-16>.

¹⁵ CNBC, "How the USA Rare Earth deal with the Trump administration came together," Spencer Kimball, January 26, 2026, <https://www.cnbc.com/2026/01/26/how-the-usa-rare-earth-deal-with-the-trump-administration-came-together.html>.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*, '2:40-3:00'.

²⁰ USA Rare Earth, "USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently, USA Rare Earth Raises \$1.5 Billion in Private Sector Investment," press release, January 26, 2025, <https://investors.usare.com/news-releases/news-release-details/usa-rare-earth-announces-letter-intent-us-government-access-16>.

²¹ CNBC, "How the USA Rare Earth deal with the Trump administration came together," Spencer Kimball, January 26, 2026, <https://www.cnbc.com/2026/01/26/how-the-usa-rare-earth-deal-with-the-trump-administration-came-together.html>.

²² USA Rare Earth, "USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently, USA Rare Earth Raises \$1.5 Billion in Private Sector Investment," press release, January 26, 2025, <https://investors.usare.com/news-releases/news-release-details/usa-rare-earth-announces-letter-intent-us-government-access-16>.

²³ Securities and Exchange Commission, "Frequently Asked Questions about PIPEs," Anna T. Pinedo and James R. Tanenbaum, 2006, "https://www.sec.gov/info/smallbus/gbfor25_2006/pinedo_tanenbaum_pipefaq.pdf.

case, Cantor – typically sells the discounted equity while receiving a fee for the shares they sell.²⁴ If the PIPE funds were raised under these circumstances, then it appears that, in order to secure public funds from the government agency you lead, USAR paid your family’s company to raise matching private funds.

The Department of Commerce’s decision to invest in USAR therefore raises a number of potential ethics concerns. Cantor, led by your two sons, likely received a cut for selling stocks of a company that needed capital to receive up to \$1.6 billion in public investment assurances from the agency you lead.²⁵ Under the terms of your ethics agreement, you agreed that “for a period of one year after [your] resignation or for as long [you] continue to have an ownership interest in Cantor Fitzgerald L.P., whichever is later, [you would] not participate personally and substantially in any particular matter involving specific parties in which . . . Cantor Fitzgerald L.P., or its subsidiaries, is a party or represents a party.”²⁶ Depending on the relationship between Commerce’s USAR investment and Cantor’s USAR investment deal — your involvement, if any, in facilitating the USAR deals may have implicated federal ethics law.

Given your close ties to Cantor, and Cantor’s apparent financial interest in USAR, the Commerce Department’s investment should be closely scrutinized. The Department of Commerce should disclose the full terms of its agreement with USAR, including negotiated milestones, cost-sharing agreements, and reporting requirements for the duration of the contract. The Department must also make clear at what point it became aware Cantor was representing USAR in the PIPE transaction, and if representatives of Cantor met with Commerce officials or with you personally.

Commerce Deal with USAR May Have Benefited Administration Allies

SEC disclosure filings reveal that among a wide pool of investors, billionaire allies of the Trump administration appear to have bought discounted shares of USAR in this private fundraising sale brokered by Cantor.²⁷ These include Steve Schwarzman,²⁸ Ken Griffin,²⁹ and Steven A Cohen,³⁰

²⁴ *Id.*

²⁵ Bloomberg Law, “Finance, Overview – PIPE Transactions (Practice Points),” <https://www.bloomberglaw.com/external/document/X1KSNTAK000000/finance-overview-pipe-transaction-practice-points>.

²⁶ U.S. Office of Government Ethics, “Lutnick, Howard Final Ethics Agreement”, January 24, 2025, p. 2, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/\\$FILE/Lutnick%2C%20Howard%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/$FILE/Lutnick%2C%20Howard%20%20finalEA.pdf); 5 CFR § 2635.502.

²⁷ Securities and Exchange Commission, “Form S-1 Registration Statement Under The Securities Act Of 1933, USA Rare Earth, Inc.” February 3, 2026, <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001970622/000121390026011595/ea0269018-02.htm>

²⁸ Federal Election Commission, “Schedule A Itemized Receipts – MAGA Inc.” January 2, 2026, <https://docquery.fec.gov/cgi-bin/fecimg/?202601029793901888>; Bloomberg, “Schwarzman, OpenAI’s Brockman Boost \$102 Million Trump War Chest”, Bill Allison, January 2, 2026 <https://www.bloomberg.com/news/articles/2026-01-02/schwarzman-openai-s-brockman-boost-102-million-trump-war-chest>.

²⁹ CNBC, “Major corporate interests and megadonors gave \$239 million to fund Trump’s inauguration,” Ben Kamisar, April 21, 2025, <https://www.cnbc.com/2025/04/21/major-corporate-interests-and-megadonors-gave-239-million-to-fund-trumps-inauguration.html>.

³⁰ CNBC, “Trump’s inaugural committee raised a record \$106.7 million — here’s who donated,” Jacob Pramuk, April 19, 2017, <https://www.cnbc.com/2017/04/19/trumps-inaugural-committee-raised-a-record-106-7-million--heres-who-donated.html>.

who collectively steered tens of millions towards the President’s campaigns and inauguration funds.

Cantor facilitated the sale of 69.8 million shares of USAR, more than one-third of the company’s available stock, to private investors at \$21.50 a share.³¹ Although the stock’s price has continued to fluctuate since the announcement, reports at the time assessed that this PIPE offer “represents a discount to the stock’s closing price of \$24.77 during the market session preceding the company’s announcement.”³² As experts have noted, “[b]ecause of these discounts and warrants, PIPE investors earn substantially higher returns than investors who buy and sell stocks of issuing firms’ or comparable firms at market prices.”³³ Following the announcement of the Commerce-USAR deal, USAR’s stock price climbed by 29%, before settling at more than \$26 a share.³⁴

It is unclear how or why these supporters of the Trump administration became involved in the USAR PIPE, or the extent to which they were aware of the Commerce Department’s direct investment in USAR. However, if they had inside information on the Commerce Department, it could potentially implicate federal ethics rules – as well as raising questions about corruption related to financial rewards for wealthy supporters of President Trump and his administration.

Conclusion and Questions

This latest USAR deal is yet another example of a Commerce Department action that appears to align with Cantor Fitzgerald’s financial interests. It follows in a long string of actions that you have taken in your capacity as the Secretary of Commerce that could stand to enrich your immediate family and former company.³⁵ Given the conflict-of-interest concerns raised by the Department’s deal with USAR, we request that you answer the following questions by March 11, 2026:

1. What was your involvement in the Commerce Department decision to invest in USAR?
 - a. Did you receive any advice from ethics officials regarding your involvement? If so, please provide a written copy of any guidance provided by ethics officials, including any documentation of recusals.
 - b. Please provide any records of your meeting with USAR’s CEO in November 2025.

³¹ The Motley Fool, “Key Takeaways From USA Rare Earth’s Big Deal,” Scott Levine and Lee Samaha, February 10, 2026, <https://www.fool.com/investing/2026/02/10/key-takeaways-from-usa-rare-earths-big-deal/>.

³² *Id.*

³³ Harvard Law School Forum on Corporate Governance, “The Economics of PIPEs,” Jongha Lim, Michael Schwert, and Michael S. Weisbach, November 16, 2017, <https://corpgov.law.harvard.edu/2017/11/16/the-economics-of-pipes/>.

³⁴ CNBC, “USA Rare Earth shares rally as Commerce Department takes equity stake,” Spencer Kimball, January 26, 2026, <https://www.cnbc.com/2026/01/26/usa-rare-earth-shares-jump-20percent-as-commerce-department-takes-equity-stake.html>; Barron’s “USA Rare Earth Is the Latest to Get Trump Deal. What It Means for the Stock,” George Glover and Al Root, January 26, 2026, https://www.barrons.com/articles/usar-stock-price-trump-usa-rare-earth-deal-4e44c612?reflink=desktopwebshare_permalink.

³⁵ Letter from Senator Elizabeth Warren, Senator Edward Markey, Representative Madeleine Dean et. al. to Acting Inspector General Duane Townsend, December 17, 2025, https://www.warren.senate.gov/imo/media/doc/warren_dean_letter_to_commerce_ig.pdf.

2. When did you become aware of Cantor’s representation of USAR in the PIPE transaction that was announced in conjunction with the federal government investment in USAR?
 - a. When did the Department of Commerce become aware of Cantor’s representation of USAR in the PIPE transaction?
 - b. To what extent was the Commerce Department involved in this transaction?
 - c. To what extent were you personally involved in this transaction?
 - d. Did you or any other Commerce Department officials provide any information to any entity, person, or company involved in the PIPE prior to the public announcement of the federal government’s deal with USAR?
 - e. Were USAR officials required to maintain confidentiality about the federal government investment prior to the January 26, 2026 announcement?
3. What was the nature of the interagency meeting between USAR and the Departments of Defense, Commerce, and Energy at the Pentagon?³⁶
 - a. Please provide the date, list of attendees, and any transcripts, notes, or agendas, from the meeting.
4. Have you or anyone else in the Department of Commerce communicated with Brandon Lutnick, Kyle Lutnick, or any other Cantor representative about critical minerals or rare earth mining investments since February 18, 2025?
 - a. Have you or anyone else in the Department of Commerce met with representatives of Cantor Fitzgerald since February 18, 2025 regarding USAR? If so, please provide the date, any transcripts, and the names of Commerce officials involved.
5. Please provide a copy of the Department of Commerce’s negotiated agreement with USAR, including any negotiated milestones, cost-sharing agreements, and reporting requirements for the duration of the contract.
 - a. Please provide a copy of the negotiated agreement between USAR and the U.S. Department of Energy’s National Energy Technology Laboratory.
6. Did the Department of Commerce have any involvement in USAR’s PIPE transaction?
 - a. If so, please describe the nature and extent of Commerce’s involvement.
7. Were you involved in USAR’s PIPE transaction in which Cantor acted as a placement agent?
 - a. If so, do you believe that you complied with former employer recusal requirements under 5 CFR § 2635.502 and your ethics pledge? If so, why?

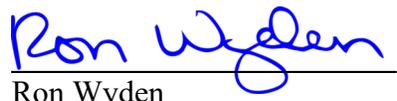
Thank you for your attention to this important matter.

³⁶ CNBC, “How the USA Rare Earth deal with the Trump administration came together,” Spencer Kimball, January 26, 2026, <https://www.cnbc.com/2026/01/26/how-the-usa-rare-earth-deal-with-the-trump-administration-came-together.html>.

Sincerely,


Elizabeth Warren
United States Senator


Chris Van Hollen
United States Senator


Ron Wyden
United States Senator
Ranking Member, Committee
on Finance