

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074
<http://oversight.house.gov>

March 20, 2019

Mr. Victor Wahba
Chairman and Chief Executive Officer
Mazars USA LLP
135 West 50th Street
New York, N.Y. 10020

Dear Mr. Wahba:

The Committee is requesting documents related to services provided by your firm or its predecessor, WeiserMazars LLP, to Donald J. Trump and the Trump Organization.

On February 27, 2019, the President's former attorney, Michael Cohen, testified before the Committee that President Trump changed the estimated value of his assets and liabilities on financial statements prepared by your company—including inflating or deflating the value of assets depending on the purpose for which he intended to use the statements.

For instance, Mr. Cohen testified that President Trump provided inflated financial statements “to Deutsche Bank on one occasion where I was with them in our attempt to obtain money so that we can put a bid on the Buffalo Bills.” Mr. Cohen also testified that the President provided financial statements with inflated assets to an insurance company. Mr. Cohen further testified that President Trump may have deflated certain assets to “reduce his real estate taxes.” He explained: “What you do is you deflate the value of the asset, and then you put in a request to the tax department for a deduction.”¹

Mr. Cohen produced to the Committee financial statements from 2011, 2012, and 2013 that raise questions about the President's representations of his financial affairs on these forms and on other disclosures, particularly relating to the President's debts. Several of these documents appear to have been signed by your firm. However, they also included the following note:

The objective of a compilation is to assist Donald J. Trump in presenting financial information in the form of financial statements without undertaking to obtain or provide

¹ Committee on Oversight and Reform, *Hearing with Michael Cohen, Former Attorney to President Trump* (Feb. 27, 2019).

any assurance that there are no material modifications that should be made to the financial statement.²

Some of the specific concerns raised by the financial statements include the following:

- Net Worth. In a nine-month period between June 30, 2012, and March 31, 2013, the value of the President's assets appears to have skyrocketed by \$4.2 billion. The bulk of this increase—\$4 billion—is attributable to a single line item for “Brand Value” that was absent in the President's financial statements for 2011 or 2012. It is unclear how this item was valued, why it was included in 2013 but not in prior years, and whether the President or someone else directed your firm to insert it.
- Omission of Chicago and Las Vegas Real Estate Assets and Liabilities. The 2012 Statement of Financial Condition prepared by your firm states:

The accompanying statement of financial condition does not include the following for Trump International Hotel & Tower Chicago and Trump International Hotel & Tower Las Vegas: 1) real property and related assets, 2) mortgages and loans payable, and 3) guarantees which Donald J. Trump may have provided.

According to the first publicly filed financial disclosure made by then-Candidate Trump in 2015, President Trump incurred more than \$75 million in debt connected to the Chicago property in 2012. According to the same financial disclosure, the President also valued assets connected to his Las Vegas holdings at more than \$50 million.³ It is unclear why certain debts connected to the Chicago property and assets related to the Las Vegas property were omitted and whether the omission was directed by President Trump or someone else.

- Valuation of “Real Estate Licensing Developments.” Under a section entitled “Real Estate Licensing Developments,” the 2011 financial statement states:

[T]his financial statement does not reflect the value of Donald J. Trump's worldwide reputation, except to the extent it has become associated with properties either operative or under development. ... The goodwill attached to the Trump name has proven financial value in that potential users of real property around the world have demonstrated willingness to pay a significant premium for ownership or use of a Trump related residence. ... Mr. Trump has formed numerous associations with others

² See, e.g., WeiserMazars LLP, Donald J. Trump: Statement of Financial Condition (June 30, 2011) (on file with Committee).

³ Office of Government Ethics, *OGE Form 278e for Donald J. Trump* (July 15, 2015) (online at www.documentcloud.org/documents/3035802-Donald-Trump-2015-Financial-Disclosure.html).

for the purpose of developing properties and is currently negotiating with others. The estimated current value of \$110,000,000 was based on an assessment made by Mr. Trump in conjunction with his associates and outside professionals.

The 2012 financial statement includes the same note under “Real Estate Licensing Developments,” but the “estimated current value” for the line item that year was \$85,000,000.

- Other Liabilities. Also under the “Real Estate Licensing Developments” section, both the 2011 and 2012 financial statements state:

Mr. Trump has pledged \$19,760,000 of the fees derived on certain of these agreements to his former partner in the Trump World Tower at United Nations Plaza. This debt is reflected in this financial statement as a liability under the caption “Mortgages and loans payable secured by other assets.”

According to contemporaneous reports during construction of Trump World Tower, the President’s former partner was the Korean conglomerate Daewoo, which was dissolved following a widespread corruption investigation, as well as Deutsche Bank and another German financial institution.⁴ It is unclear to whom President Trump owed this debt and whether he still owes it.

- Interest Rate from Deutsche Bank Reduced. According to the 2012 Statement of Financial Condition, President Trump obtained a \$125 million loan from Deutsche Bank for the Trump National Doral at the rate of either the London Interbank Offered Rate (LIBOR) plus 2.25% or prime minus 0.50%. However, in the President’s 2015 public financial disclosure—filed shortly after he became a federal candidate for office—the interest rate for the loans was listed at reduced rates: LIBOR plus 1.75% or prime minus 0.75%. Under the LIBOR formula, the reduction represents about \$625,000 less in interest payments on the full principal owed by President Trump per year.
- Non-Interest-Bearing Membership Deposits. The 2011 and 2012 financial statements indicate that President Trump received significant membership deposits at his golf clubs that do not accrue interest but require repayment thirty years after receipt if the member resigns or certain terms are met. These deposits totaled \$188 million in 2011 and \$157 million in 2012. For several of the clubs, the statements explain: “The fact that Mr. Trump will have the use of these funds for that period without cost and that the source of repayment will most likely be a replacement membership has led him to value this liability at zero.”

⁴ *Trump Starts a New Tower Near the U.N.*, New York Times (Oct. 16, 1998) (online at www.nytimes.com/1998/10/16/nyregion/trump-starts-a-new-tower-near-the-un.html).

To assist our review of these issues, please provide the following documents and information to the Committee by April 3, 2019:

With respect to Donald J. Trump, Donald J. Trump Revocable Trust, the Trump Organization Inc., the Trump Organization LLC, the Trump Corporation, DJT Holdings LLC, the Trump Old Post Office LLC, the Trump Foundation, and any parent, subsidiary, affiliate, joint venture, predecessor, or successor of the foregoing:

1. All statements of financial condition, annual statements, periodic financial reports and independent auditors' reports prepared, compiled, reviewed, or audited by Mazars USA LLP or its predecessor, WeiserMazars LLP;
2. Without regard to time, all engagement agreements or contracts related to the preparation, compilation, review, or auditing of the items described in Request Number 1;
3. All underlying, supporting, or source documents and records used in the preparation, compilation, review, or auditing of items described in Request Number 1, or any summaries of such documents and records relied upon, or any requests for such documents and records; and
4. All memoranda, notes, and communications related to the preparation, compilation, review, or auditing of the items described in Request Number 1, including, but not limited to:
 - a. all communications between Donald Bender and Donald J. Trump or any employee or representative of the Trump Organization; and
 - b. all communications related to potential concerns that records, documents, explanations, or other information, including significant judgments, provided by Donald J. Trump or other individuals from the Trump Organization, were incomplete, inaccurate, or otherwise unsatisfactory.

Unless otherwise noted, the time period covered by this request is from January 1, 2009, to the present.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. In addition, House Rule X, clause 3(i) specifically charges the Committee with conducting oversight of "the operation of Government activities at all levels, including the Executive Office of the President."

An attachment to this letter provides additional instructions for responding to the Committee's request. If you have any questions regarding this request, please contact Committee staff at (202) 225-5051.

Mr. Victor Wahba
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Thank you for your prompt attention to this request.

Sincerely,

A handwritten signature in blue ink that reads "Elijah E. Cummings". The signature is stylized and written in a cursive-like font.

Elijah E. Cummings
Chairman

Enclosure

cc: The Honorable Jim Jordan, Ranking Member

Responding to Oversight Committee Document Requests

1. In complying with this request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. Produce all documents that you have a legal right to obtain, that you have a right to copy, or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party.
2. Requested documents, and all documents reasonably related to the requested documents, should not be destroyed, altered, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in this request is or has been known by any name other than that herein denoted, the request shall be read also to include that alternative identification.
4. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, thumb drive, or secure file transfer) in lieu of paper productions.
5. Documents produced in electronic format should be organized, identified, and indexed electronically.
6. Electronic document productions should be prepared according to the following standards:
 - a. The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - b. Document numbers in the load file should match document Bates numbers and TIF file names.
 - c. If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - d. All electronic documents produced to the Committee should include the following fields of metadata specific to each document, and no modifications should be made to the original metadata:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM, CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,

INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,
BEGATTACH.

7. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, zip file, box, or folder is produced, each should contain an index describing its contents.
8. Documents produced in response to this request shall be produced together with copies of file labels, dividers, or identifying markers with which they were associated when the request was served.
9. When you produce documents, you should identify the paragraph(s) or request(s) in the Committee's letter to which the documents respond.
10. The fact that any other person or entity also possesses non-identical or identical copies of the same documents shall not be a basis to withhold any information.
11. The pendency of or potential for litigation shall not be a basis to withhold any information.
12. In accordance with 5 U.S.C. § 552(d), the Freedom of Information Act (FOIA) and any statutory exemptions to FOIA shall not be a basis for withholding any information.
13. Pursuant to 5 U.S.C. § 552a(b)(9), the Privacy Act shall not be a basis for withholding information.
14. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
15. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) every privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author, addressee, and any other recipient(s); (e) the relationship of the author and addressee to each other; and (f) the basis for the privilege(s) asserted.
16. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (by date, author, subject, and recipients), and explain the circumstances under which the document ceased to be in your possession, custody, or control.
17. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, produce all documents that would be responsive as if the date or other descriptive detail were correct.

18. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data, or information not produced because it has not been located or discovered by the return date shall be produced immediately upon subsequent location or discovery.
19. All documents shall be Bates-stamped sequentially and produced sequentially.
20. Two sets of each production shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2105 of the Rayburn House Office Building.
21. Upon completion of the production, submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control that reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, data, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone call, meeting or other inter-office or intra-office communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape, or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, mail, releases, electronic

message including email (desktop or mobile device), text message, instant message, MMS or SMS message, message application, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information that might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neutral genders.
4. The term “including” shall be construed broadly to mean “including, but not limited to.”
5. The term “Company” means the named legal entity as well as any units, firms, partnerships, associations, corporations, limited liability companies, trusts, subsidiaries, affiliates, divisions, departments, branches, joint ventures, proprietorships, syndicates, or other legal, business or government entities over which the named legal entity exercises control or in which the named entity has any ownership whatsoever.
6. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual’s complete name and title; (b) the individual’s business or personal address and phone number; and (c) any and all known aliases.
7. The term “related to” or “referring or relating to,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is pertinent to that subject in any manner whatsoever.
8. The term “employee” means any past or present agent, borrowed employee, casual employee, consultant, contractor, de facto employee, detailee, fellow, independent contractor, intern, joint adventurer, loaned employee, officer, part-time employee, permanent employee, provisional employee, special government employee, subcontractor, or any other type of service provider.
9. The term “individual” means all natural persons and all persons or entities acting on their behalf.