

Congress of the United States
Washington, DC 20515

November 30, 2016

The Honorable Denise Turner Roth
Administrator
U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405

Dear Administrator Roth:

We write to request information about how the General Services Administration (GSA) plans to address the imminent breach-of-lease and conflict of interest issues created by President-elect Donald Trump's lease with the U.S. Government for the Trump International Hotel building in Washington, D.C.

Mr. Trump's lease contains a provision specifically barring any "elected official of the Government of the United States" from deriving "any benefit" from the agreement. We do not see this as an ambiguous provision, but as a strict and categorical ban. The contractual breach threatened by Mr. Trump's swearing-in is compounded by the general and egregious conflict of interest posed by his appointing the GSA Administrator who will oversee this lease with his hotel.

This is not a hypothetical conflict—there is a clear and very real conflict that will be triggered the moment Mr. Trump is sworn in as President of the United States unless concrete steps are taken now to avert it.

The 60-year, \$180 million lease for the Old Post Office building, where Mr. Trump opened the Trump International Hotel, is between the "United States of America" and "Trump Old Post Office LLC," a corporation based in Delaware which the lease identifies as being owned by Mr. Trump and his three adult children, Ivanka Trump, Donald Trump Jr., and Eric Trump.¹

¹ General Services Administration, *Ground Lease, By and Between The United States of America (as "Landlord") and Trump Old Post Office, LLC (as "Tenant")* (GS-LS-11-1307) (Aug. 5, 2013) (online at www.gsa.gov/portal/content/305477 and www.buzzfeed.com/aramroston/trump-gave-his-kids-a-big-stake-in-huge-government-deal-docu?utm_term=.qrG9Jlokr#.bv7Xop1LZ).

The lease agreement explicitly prohibits any elected official of the U.S. Government from serving as a lessee or from obtaining any benefit that may arise from the lease. Article 37.19 of the lease, which is posted on GSA's FOIA reading room, states:

No member or delegate to Congress, or *elected official of the Government of the United States* or the Government of the District of Columbia, shall be admitted to any share or part of this Lease, *or to any benefit that may arise therefrom*; provided, however, that this provision shall not be construed as extended to any Person who may be a shareholder or other beneficial owner of any publicly held corporation or other entity, if this Lease is for the general benefit of such corporation or other entity.²

Mr. Trump will become "an elected official of the Government of the United States" when he takes office as President in January 2017. Even if Mr. Trump transfers control of the Trump International Hotel to his children or places it into a trust, he will still derive a financial benefit, thereby violating the terms of the lease.

On November 15, 2016, federal procurement experts Steven L. Schooner and Daniel I. Gordon warned that this deal "presents unprecedented and intolerable conflicts of interest." They explained that "having the president's adult children negotiate with the staff of the president's appointee at GSA presents what any reasonable person would view as the appearance of a conflict of interest." As a result, they urged Mr. Trump and GSA to "negotiate a mutually agreeable termination and transfer to an unrelated firm."³

Federal contracting rules prohibit awarding "a contract to a Government employee or to a business concern or other organization owned or substantially owned or controlled by one or more Government employees." The rationale for this policy is "to avoid any conflict of interest that might arise between the employees' interests and their Government duties, and to avoid the appearance of favoritism or preferred treatment by the Government toward its employees."⁴ While the contract has already been awarded to Mr. Trump's company, the rationale for avoiding conflicts certainly applies to the President-elect.

GSA has authority under Article 5.3 of the lease to obtain "detailed information" from Mr. Trump about "the financial affairs of Tenant."⁵ As a result, GSA has the authority to inquire

² General Services Administration, *Ground Lease, By and Between The United States of America (as "Landlord") and Trump Old Post Office, LLC (as "Tenant")* (GS-LS-11-1307) (Aug. 5, 2013) (online at www.gsa.gov/portal/content/305477) (emphasis added).

³ See, e.g., *Trump Leases His D.C. Hotel From a Government Agency He'll Soon Be in Charge Of*, Washington Post (Nov. 15, 2016) (online at www.washingtonpost.com/posteverything/wp/2016/11/15/trump-needs-to-give-up-his-trump-hotel-lease-right-now/?utm_term=.938c05f9cefd).

⁴ Federal Acquisition Regulation 3.601.

⁵ General Services Administration, *Ground Lease, By and Between The United States of*

now as to how Mr. Trump plans to address this conflict of interest and divest himself of all “benefits” from the lease.

The lease also requires Mr. Trump to make monthly and annual financial reports to GSA, produce an organizational chart, disclose revenues generated by the property, and disclose “whether to the best of Tenant’s knowledge there exists an event or circumstance which constitutes a default or Event of Default by Tenant.”⁶ It appears that an annual statement is required to be filed with GSA by early December.

For the reasons outlined above, we request a briefing no later than December 7, 2016, to address the following questions:

1. What communications, if any, did Mr. Trump or his representatives have with GSA after announcing his intention to run for President regarding the potential impact of his candidacy on the lease for the Old Post Office building?
2. What communications, if any, did Mr. Trump or his representatives have with GSA after the election regarding its impact on the lease for the Old Post Office building?
3. What communications, if any, have Mr. Trump or his representatives had with GSA about his proposed or actual approach to addressing the conflict of interest caused by Mr. Trump’s interest in the Old Post Office building lease?
4. What information has GSA requested from Mr. Trump or his representatives pursuant to the terms of the lease, and what information have they provided?
5. What steps is GSA now taking to protect the interest of taxpayers with regard to the lease?

To further inform this inquiry, we also request unredacted copies of all lease agreements, administration agreements, amendments, attachments, appendixes, and annual and monthly statements between Trump Old Post Office LLC and the United States of America.

America (as “Landlord”) and Trump Old Post Office, LLC (as “Tenant”) (GS-LS-11-1307) (Aug. 5, 2013) (online at www.gsa.gov/portal/content/305477).

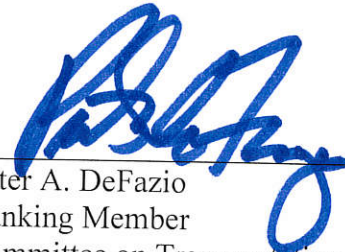
⁶ *Id.*

We appreciate your prompt attention to this matter.

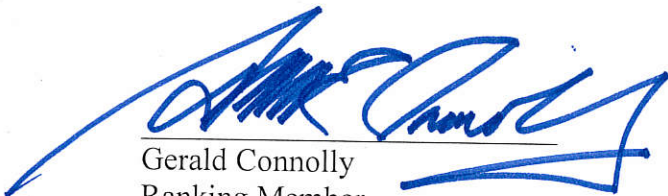
Sincerely,



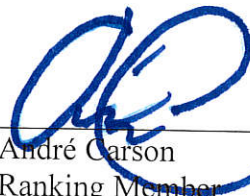
Elijah E. Cummings
Ranking Member
Committee on Oversight and
Government Reform



Peter A. DeFazio
Ranking Member
Committee on Transportation and
Infrastructure



Gerald Connolly
Ranking Member
Subcommittee on Government
Operations



André Carson
Ranking Member
Subcommittee on Economic
Development, Public Buildings and
Emergency Management

cc: The Honorable Jason Chaffetz
Chairman, Committee on Oversight and Government Reform

The Honorable Bill Shuster
Chairman, Committee on Transportation and Infrastructure

The Honorable Mark Meadows
Chairman, Subcommittee on Government Operations

The Honorable Lou Barletta
Chairman, Subcommittee on Economic Developments, Public Buildings and Emergency
Management