

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

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

September 12, 2018

Mr. Donald F. McGahn II  
Counsel to the President  
The White House  
Washington, D.C. 20500

Mr. George A. Sorial  
Executive Vice President and  
Chief Compliance Counsel  
The Trump Organization  
725 Fifth Avenue  
New York, NY 10022

Dear Mr. McGahn and Mr. Sorial:

I am writing to request that you produce documents relating to President Donald Trump's failure to comply with the federal law that required him to report debts and payments made to his personal attorney, Michael Cohen, to silence women alleging extramarital affairs with the President before the election.

On August 21, 2018, Mr. Cohen admitted in federal court that President Trump, through the Trump Organization, paid him a total of \$420,000 in monthly installments of \$35,000 over the course of 2017. Mr. Cohen stated that the payments he received were reimbursement for payments he made "in coordination with and at the direction of" Mr. Trump, then a candidate for President, to silence women "for the principal purpose of influencing the election."<sup>1</sup>

Mr. Cohen's testimony—and documents obtained by the Department of Justice—reveal that these payments were far greater than previously reported and far higher than President Trump listed in his financial disclosure forms pursuant to federal law. These payments include a number of increases, bonuses, and anomalies that raise even more questions about the nature and scope of the services President Trump obtained from Mr. Cohen.

---

<sup>1</sup> *Michael Cohen Says He Arranged Payments to Women at Trump's Direction*, New York Times (Aug. 21, 2018) (online at [www.nytimes.com/2018/08/21/nyregion/michael-cohen-plea-deal-trump.html](http://www.nytimes.com/2018/08/21/nyregion/michael-cohen-plea-deal-trump.html)); Department of Justice, *Michael Cohen Pleads Guilty in Manhattan Federal Court to Eight Counts, Including Criminal Tax Evasion and Campaign Finance Violations* (Aug. 21, 2018) (online at [www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax](http://www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax)).

When President Trump filed his first financial disclosure form on June 14, 2017, he did not disclose any debts or payments to Mr. Cohen before the election in 2016.<sup>2</sup> On April 4, 2018, President Trump stated on Air Force One that he knew nothing about the payment of \$130,000 to Stephanie Clifford, the adult film star known as Stormy Daniels, in exchange for her silence before the election.<sup>3</sup>

On May 3, 2018, Rudy Giuliani, President Trump's personal lawyer, contradicted President Trump's statement and admitted during an interview with Sean Hannity that the President repaid Mr. Cohen \$130,000. But Mr. Giuliani focused on whether the payment was a campaign violation rather than a financial disclosure violation. He argued: "That money was not campaign money, sorry, I'm giving you a fact now that you don't know. It's not campaign money. No campaign finance violation." When Mr. Hannity stated, "They funneled it through a law firm," Mr. Giuliani responded, "Funneled it through a law firm and the President repaid it."<sup>4</sup>

Less than two weeks later, on May 15, 2018, President Trump filed another financial disclosure form, reporting this time that he "fully reimbursed Mr. Cohen in 2017" for the payments made before the election in 2016. Nowhere did President Trump explain why he failed to report his debts to Mr. Cohen in his first financial disclosure form. In listing the amount President Trump paid to Mr. Cohen, he reported: "The category of value would be \$100,001 - \$250,000."<sup>5</sup>

In contrast, according to Mr. Cohen's testimony and documents obtained by the Department of Justice, President Trump actually paid Mr. Cohen \$420,000. Mr. Cohen reportedly requested \$180,035 from the Trump Organization as reimbursement for the payment to Ms. Clifford, as well as a \$35 wire fee and "tech services" solicited in connection with the campaign. However, after receiving Mr. Cohen's request, unnamed executives from the Trump Organization reportedly doubled Mr. Cohen's payment in order to "gross up" the payment for "tax purposes." On top of these amounts, they reportedly added a "bonus" of \$60,000 for a total of \$420,000.<sup>6</sup>

---

<sup>2</sup> President Donald J. Trump, *Executive Branch Personnel Public Financial Disclosure Report* (June 14, 2017) (online at [www.documentcloud.org/documents/4464412-Trump-Donald-J-2018Annual278.html](http://www.documentcloud.org/documents/4464412-Trump-Donald-J-2018Annual278.html)).

<sup>3</sup> *Trump Says He Didn't Know About Stormy Daniels Payment*, CNN (Apr. 6, 2018) (online at [www.cnn.com/2018/04/05/politics/donald-trump-stormy-daniels/index.html](http://www.cnn.com/2018/04/05/politics/donald-trump-stormy-daniels/index.html)).

<sup>4</sup> *Rudy Giuliani on Potential Trump Interview for Mueller*, Fox News (May 2, 2018) (online at [www.foxnews.com/transcript/2018/05/02/rudy-giuliani-on-potential-trump-interview-for-mueller.html](http://www.foxnews.com/transcript/2018/05/02/rudy-giuliani-on-potential-trump-interview-for-mueller.html)).

<sup>5</sup> President Donald J. Trump, *Executive Branch Personnel Public Financial Disclosure Report* (May 15, 2018) (online at <https://oge.app.box.com/v/Trump2018Annual278>).

<sup>6</sup> Department of Justice, *Michael Cohen Pleads Guilty in Manhattan Federal Court to Eight Counts, Including Criminal Tax Evasion and Campaign Finance Violations* (Aug. 21, 2018) (online at [www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax](http://www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax)).

The Trump Organization also apparently concealed the nature of these payments to Mr. Cohen, accounting for them as “legal expenses” in its own financial records.<sup>7</sup>

In addition, Mr. Cohen admitted that he coordinated with President Trump and David Pecker, the Chairman of American Media Inc., which owns the National Enquirer, to arrange a separate payment to silence another woman before the election, believed to be former Playboy model Karen McDougal. Mr. Pecker agreed with Mr. Cohen that American Media Inc. would purchase her account of her extramarital affair with President Trump, subject to a pledge by Mr. Cohen that the company would be reimbursed. American Media reportedly purchased the rights to her story for \$150,000.<sup>8</sup>

These revelations raise a number of questions including, but not limited to, the following:

- If the amount President Trump paid to Mr. Cohen was \$420,000—which appears supported both by Mr. Cohen and the documents obtained by the Department of Justice—why did President Trump inaccurately report no debts or payments last year, and then report less than \$250,000 in his financial disclosure form this year?
- Why has President Trump not amended his most recent amended financial disclosure to report these higher payments to Mr. Cohen which—even without the \$60,000 bonus—exceeded the \$250,000 category the President reported?
- Why were the funds paid to Mr. Cohen doubled in order to “gross up” the amount for “tax purposes”—presumably to cover Mr. Cohen’s taxes on the payment—if these were reimbursement expenses rather than income to Mr. Cohen?
- What actions did Mr. Cohen take to warrant a “bonus” of an additional \$60,000?
- Why did President Trump not report as a liability America Media’s purchase of Ms. McDougal’s account?
- Did President Trump or the Trump Organization make other similar payments that have not yet been disclosed?

---

<sup>7</sup> *Id.*

<sup>8</sup> Department of Justice, *Michael Cohen Pleads Guilty in Manhattan Federal Court to Eight Counts, Including Criminal Tax Evasion and Campaign Finance Violations* (Aug. 21, 2018) (online at [www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax](http://www.justice.gov/usao-sdny/pr/michael-cohen-pleads-guilty-manhattan-federal-court-eight-counts-including-criminal-tax)); David Pecker, *Chief of National Enquirer’s Publisher, Is Said to Get Immunity in Trump Inquiry*, New York Times (Aug. 23, 2018) (online at [www.nytimes.com/2018/08/23/us/politics/david-pecker-immunity-trump.html](http://www.nytimes.com/2018/08/23/us/politics/david-pecker-immunity-trump.html)).

Unfortunately, the Oversight Committee has failed to conduct any investigation of these questions. On May 4, 2018, I sent a letter to Chairman Trey Gowdy raising serious concerns about President Trump's failure to report these payments to Mr. Cohen on his first financial disclosure form.<sup>9</sup> In addition, on August 22, 2018, I sent a follow-up letter asking Chairman Gowdy to hold a hearing to obtain testimony directly from Mr. Cohen after he pleaded guilty and indicated that he was willing to testify before Congress.<sup>10</sup>

Chairman Gowdy never responded to these requests, and the Committee took no action, requested no documents, conducted no interviews, obtained no briefings, and held no hearings.

The Ethics in Government Act requires federal officials, including the President, to publicly disclose financial liabilities that could affect their decision-making. The law requires filers to "include a full and complete statement with respect to ... [t]he identity and category of value of the total liabilities owed to any creditor ... which exceed \$10,000 at any time during the preceding calendar year."<sup>11</sup> The Office of Government Ethics has issued regulations that require federal officials to disclose any liability over \$10,000 "owed to any creditor at any time during the reporting period," as well as the "name of the creditors to whom such liabilities are owed."<sup>12</sup> It is a crime under federal law to knowingly and willfully make a false or fraudulent representation to a federal office or entity or to use "any false writing or document" that contains such a false or fraudulent representation.<sup>13</sup>

For these reasons, I now request that the White House and the Trump Organization produce the following documents by September 29, 2018:

- (1) all documents and communications referring or relating to payments by President Trump or the Trump Organization to Mr. Cohen, including but not limited to payments through Essential Consultants LLC;
- (2) all documents and communications referring or relating to the reporting of liabilities in President Trump's June 2017 and May 2018 financial disclosure

---

<sup>9</sup> Letter from Ranking Member Elijah E. Cummings to Chairman Trey Gowdy, House Committee on Oversight and Government Reform (May 4, 2018) (online at <https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2018-05-04.EEC%20to%20Gowdy%20re%20Daniels%20Reimbursement.pdf>).

<sup>10</sup> Letter from Ranking Member Elijah E. Cummings to Chairman Trey Gowdy, House Committee on Oversight and Government Reform (Aug. 22, 2018) (online at <https://democrats-oversight.house.gov/news/press-releases/cummings-seeks-testimony-from-trump-s-personal-lawyer-after-he-directly>).

<sup>11</sup> 5 U.S.C. app. § 102(a)(4).

<sup>12</sup> 5 C.F.R. § 2634.305.

<sup>13</sup> 18 USC § 1001. *See also* 5 U.S.C. app. § 104(a)(1) (providing for a civil action in any appropriate United States district court against any individual who knowingly and willfully falsifies or who knowingly and willfully fails to file or report any information that such individual is required to report).



Mr. Donald F. McGahn II  
Mr. George Sorial  
Page 5

reports, including but not limited to payments made by President Trump or the Trump Organization to Mr. Cohen;

- (3) all documents and communications referring or relating to the Trump Organization's treatment of reimbursement payments to Mr. Cohen for tax purposes;
- (4) all bills and invoices for legal services provided by Mr. Cohen to President Trump or the Trump Organization in 2016 and 2017;
- (5) all documents and communications referring or relating to President Trump and employees or officers of the Trump Organization related to payments for services provided by Mr. Cohen; and
- (6) a complete statement of the expenditures made by Mr. Cohen in 2016 and reimbursed by President Trump, as required by federal law and regulations.

Thank you for your prompt attention to this request.

Sincerely,



---

Elijah E. Cummings  
Ranking Member

cc. The Honorable Trey Gowdy, Chairman