

**Congress of the United States**  
**Washington, DC 20515**

December 14, 2016

The Honorable Denise Turner Roth  
Administrator  
General Services Administration  
1800 F Street, NW  
Washington, D.C. 20405

Dear Administrator Roth:

We write to follow up on our request from November 30, 2016, for 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.<sup>1</sup>

**Briefing from GSA Deputy Public Building Service Commissioner**

First, we would like to thank you for making the Deputy Commissioner of GSA's Public Buildings Service available for the briefing that he provided to our staffs on December 8, 2016. The briefing was very helpful in clarifying GSA's position on a number of issues relating to this lease.

**Most importantly, the Deputy Commissioner informed our staff that GSA assesses that Mr. Trump will be in breach of the lease agreement the moment he takes office on January 20, 2017, unless he fully divests himself of all financial interests in the lease for the Washington D.C. hotel. The Deputy Commissioner made clear that Mr. Trump must divest himself not only of managerial control, but of all ownership interest as well.**

Specifically, section 37.19 of the lease agreement provides: "No member or delegate to Congress, or elected official of the Government of the United States ... shall be admitted to any share or part of this Lease, or to any benefit that may arise therefrom."<sup>2</sup>

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<sup>1</sup> Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, Ranking Member Peter A. DeFazio, House Committee on Transportation and Infrastructure, Ranking Member Gerald Connolly, Subcommittee on Government Operations, and Ranking Member André Carson, Subcommittee on Economic Developments, Public Buildings and Emergency Management, to the Honorable Denise Turner Roth, Administrator, General Services Administration (Nov. 30, 2016) (online at <http://democrats.oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2016-11-30.EEC%20Defazio%20Connolly%20%26%20Carson%20to%20GSA.pdf>).

<sup>2</sup> General Services Administration, *Ground Lease, By and Between the United States of America (as "Landlord")*

The Deputy Commissioner confirmed repeatedly during the briefing that GSA reads this provision as we do, which is a categorical ban on the President of the United States or any other elected official having any financial interest in this lease, or taking any financial benefit from it. He explained that this provision is a standard clause that is included in many GSA leases to create a "level playing field" and protect the interests of the American people.

The Deputy Commissioner also rejected alternative interpretations of this provision offered by others. For example, one former procurement official has suggested that this lease provision theoretically could be interpreted to ban only officials who were elected at the time the lease was signed, but not those who are elected afterwards.<sup>3</sup> The Deputy Commissioner confirmed that GSA's position is that this provision applies to all elected officials, regardless of when they are elected.

Going forward, the Deputy Commissioner explained that if the President-elect does not divest himself of all financial interest in the hotel lease agreement, the contracting official handling the lease agreement at GSA would usually send a letter giving the lessee 30 days to review the matter and respond to GSA. If the breach is not resolved satisfactorily, GSA would then normally bring the matter before the U.S. Civilian Board of Contract Appeals.

### **Communications with Trump Officials About Imminent Breach**

In response to the questions in our letter on November 30, 2016, the Deputy Commissioner informed our staffs that GSA received no communications from Mr. Trump or his associates about this issue after he won the Republican primary, when it became clear that a breach of the lease agreement was at least a possibility.

In addition, the Deputy Commissioner informed our staffs that GSA received no communications from Mr. Trump or his associates about this issue after he won the election in November, when it became clear that a potential breach of this lease agreement was imminent.

In fact, the Deputy Commissioner informed our staffs that GSA has received no communications to date from Mr. Trump's business organization about this issue. This raises serious questions about how Mr. Trump plans to proceed.

When our staffs asked if GSA attempted to contact Mr. Trump or his associates about this issue, the Deputy Commissioner stated that GSA informed the Trump transition team about concerns raised by us and others about the imminent breach, but that GSA has heard nothing in response to date.

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and *Trump Old Post Office, LLC* (as "Tenant") (GS-LS-11-1307) (Aug. 5, 2013) (online at [www.gsa.gov/portal/mediaId/182239/fileName/Segment\\_001\\_of\\_OPO\\_Ground\\_Lease\\_\(2013\).action](http://www.gsa.gov/portal/mediaId/182239/fileName/Segment_001_of_OPO_Ground_Lease_(2013).action)).

<sup>3</sup> *To Move Into White House, Trump May Have to Dump DC Hotel*, Associated Press (Dec. 1, 2016) (online at [www.seattletimes.com/business/lawyers-trump-has-to-sell-dc-hotel-before-taking-office/](http://www.seattletimes.com/business/lawyers-trump-has-to-sell-dc-hotel-before-taking-office/)).

### **Current Conflicts of Interest**

The Deputy Commissioner was very helpful in explaining the current status of the lease agreement and GSA's interpretation of its provisions, but his briefing raised a host of concerns about serious conflicts of interest that already exist and may become even more exacerbated going forward.

For example, the Deputy Commissioner explained that, over the past several years, the top official from Mr. Trump's business organization that GSA has worked with on the lease is Mr. Trump's daughter, Ms. Ivanka Trump. The Deputy Commissioner explained that Ms. Trump has been GSA's primary contact from the Trump Organization regarding the negotiations for, and implementation of, the lease for the Old Post Office Building. At the same time, Ms. Trump also serves on the Trump transition team—which GSA contacted to convey concerns about how to handle the breach of the hotel lease.<sup>4</sup>

In other words, Ms. Trump is all of the following—the President-elect's daughter, a top presidential transition team official, a lessee under the contract GSA oversees, and the primary contact for GSA on the lease. The conflicts of interest are obvious.

### **Future Conflicts of Interests**

Going forward, our staffs asked about the possibility that a new GSA Administrator or General Counsel selected by Mr. Trump might seek to overrule current career officials handling this lease agreement. Specifically, our staffs asked how GSA would respond if a new Administrator or General Counsel of GSA directed career officials to amend the lease agreement to remove the prohibition against elected officials, reversed GSA's legal interpretation of the lease provision, or simply refused to support the agency's position before the U.S. Board of Contract Appeals or any subsequent legal action.

In response, the Deputy Commissioner asserted that GSA contracting officials are independent, base their decisions on the laws and regulations governing the contracts they oversee, and would not change their positions based on political influence. However, he did not address the broader conflicts of interest that this issue poses, stating that GSA relies on the Office of Government Ethics and the Department of Justice for guidance on these questions.

### **Requests for Additional Information**

As our staffs discussed at the briefing with the Deputy Commissioner, we request the following documents—in unredacted form—to continue investigating this issue:

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<sup>4</sup> *Trump Adds Vice Chairs to Transition Team, Including Several Women*, Politico (Nov. 29, 2016) (online at [www.politico.com/blogs/donald-trump-administration/2016/11/trump-adds-vice-chairs-to-transition-team-including-several-women-231975](http://www.politico.com/blogs/donald-trump-administration/2016/11/trump-adds-vice-chairs-to-transition-team-including-several-women-231975)).

1. a list of any currently available, unleased space within the hotel;
2. a copy of the fifth amendment to the lease;
3. a copy of Exhibit G to the lease, which lists the ownership of the leasing corporate entity;
4. all monthly expense and profit projections;
5. any legal memos regarding potential conflict of interest of Mr. Trump having an ownership interest in the hotel and serving as President;
6. the first monthly report submitted to GSA by the Trump Organization in November describing revenues and expenses for September and, when it is provided this month, the next monthly report describing revenues and expenses for October; and
7. a summary or analysis of the bankruptcy of the previous tenant leasing the Old Post Office.

Please provide these documents by Friday, December 20, 2016. Thank you for your continued cooperation on this request.

Sincerely,



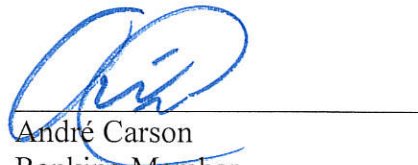
Elijah E. Cummings  
Ranking Member  
Committee on Oversight and  
Government Reform



Peter A. DeFazio  
Ranking Member  
Committee on Transportation and  
Infrastructure



Gerald E. Connolly  
Ranking Member  
Subcommittee on Government  
Operations



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

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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