

Congress of the United States
Washington, DC 20510

November 23, 2016

Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G St. NW
Washington, D.C. 20548

Dear Mr. Dodaro,

We are writing today to request that the GAO conduct a review of President-Elect Trump's taxpayer-funded transition. We are concerned about reports of "disarray"¹ within a "chaotic" transition,² and ask that your review address several concerns, including conflicts of interest related to business holdings of Mr. Trump and his family; potential violations of protocol and security precautions related to Mr. Trump's communications with foreign leaders; and transparency related to the use of taxpayer funds in the transition. Because the transition will last only until January 20, 2017, we ask that you begin this review as quickly as possible.

To "promote the orderly transfer of the executive power" following a general election, the Presidential Transition Act of 1963 authorizes the General Services Administration (GSA) to provide the President-Elect and his staff with funding "for use in connection with his preparations for the assumption of the official duties as President."³ Intended to furnish the President-Elect with "necessary services and facilities," GSA funding will provide Mr. Trump and his team with staff compensation, office space, travel, and communication, among other services.⁴ Congress has allocated \$9.5 million in taxpayer funds to the GSA to support President-

¹ Julie Hirschfeld Davis, Mark Mazzetti, and Maggie Haberman, "Firings and Discord Put Trump Transition Team in State of Dissaray," *New York Times* (November 15, 2016) (online at http://www.nytimes.com/2016/11/16/us/politics/trump-transition.html?_r=0).

² Phillip Elliot and Zeke J. Miller, "Inside Donald Trump's Chaotic Transition," *Time* (November 17, 2016) (online at <http://time.com/4574493/donald-trump-chaotic-transition/>).

³ General Services Administration, "Presidential Transition Act of 1963 (Public Law 88-277)" (online at <http://www.gsa.gov/portal/content/178083>).

⁴ See General Services Administration, "Presidential Transition Act of 1963 (Public Law 88-277)" (online at <http://www.gsa.gov/portal/content/178083>); Henry B. Hogue, "Presidential Transition Act: Provisions and Funding," *Congressional Research Service* (October 5, 2016) (online at <https://www.fas.org/sgp/crs/misc/RS22979.pdf>); Shalini Hicklin-Coorey, "The Costs of Presidential Transition," *Center for Presidential Transition* (August 3, 2016) (online at http://presidentialtransition.org/blog/posts/160803_the-cost-of-transition.php).

Elect Trump's transition.⁵ Other transition costs—such as Secret Service protection for Mr. Trump during the transition—will also be paid by taxpayers.⁶

All Americans share an interest in a smooth Presidential transition, and Federal laws authorize the use of taxpayer funds for that purpose. The Presidential Transition Act justifies allocation of funds to transition teams by stating that “such transitions [must]...be accomplished so as to assure continuity in the faithful execution of the laws and in the conduct of the affairs of the Federal Government, both domestic and foreign” to avoid any “disruption” in leadership that would be “detrimental to the safety and well-being of the United States and its people.”⁷

But Mr. Trump's apparent conflicts of interest—and his behavior during the campaign and after his election—raise questions about the use of taxpayer funds during the transition, and about the decisions made during the transition that will affect federal government policies under the Trump Administration.

Mr. Trump currently serves as the Chairman and President of the Trump Organization, a “sprawling” international real estate conglomerate with “deep ties to global financiers [and] foreign politicians.”⁸ According to public reports, the Trump Organization has “deep [business] connections” to countries like China, Libya, and Turkey and may expand into Ukraine and Russia.⁹ Several weeks ago, the general counsel for the Trump Organization, Michael Cohen, claimed that Mr. Trump is “not interested in the company anymore.”¹⁰

Just last week, we learned that despite claims that Mr. Trump is not interested in his business anymore, the Trump Hotel in Washington, D.C. hosted “about 100 foreign diplomats, from Brazil to Turkey ... to sip Trump-branded champagne, dine on sliders and hear a sales pitch about the U.S. [P]resident-[E]lect's newest hotel.” Diplomats told the press that “spending money at Trump's hotel is an easy, friendly gesture to the new president.”¹¹ Mr. Trump recently took a break from his preparation for the Presidency to meet “in his office at Trump Tower with

⁵ See H.R. 5325, *Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act*, Sec. 125 (online at <https://www.congress.gov/bill/114th-congress/house-bill/5325>).

⁶ U.S. Secret Service, “Frequently Asked Questions—Who is the Secret Service authorized to protect?” (online at <http://www.secretservice.gov/about/faqs/>).

⁷ General Services Administration, “Presidential Transition Act of 1963 (Public Law 88-277)” (online at <http://www.gsa.gov/portal/content/178083>).

⁸ Kurt Eichenwald, “How the Trump Organization's Foreign Business Ties Could Upend U.S. National Security,” *Newsweek* (September 14, 2016) (online at <http://www.newsweek.com/2016/09/23/donald-trump-foreign-business-deals-national-security-498081.html>).

⁹ Kurt Eichenwald, “How the Trump Organization's Foreign Business Ties Could Upend U.S. National Security,” *Newsweek* (September 14, 2016) (online at <http://www.newsweek.com/2016/09/23/donald-trump-foreign-business-deals-national-security-498081.html>).

¹⁰ Mark Hensch, “Trump org exec: ‘Trump ‘not interested’ in businesses now,” *The Hill* (November 10, 2016) (online at <http://thehill.com/blogs/ballot-box/presidential-races/305374-trump-org-exec-trump-not-interested-in-businesses-now>).

¹¹ Jonathan O'Connell and Mary Jordan, “For Foreign Diplomats, Trump Hotel is Place to Be,” *Washington Post* (November 18, 2016) (online at https://www.washingtonpost.com/business/capitalbusiness/2016/11/18/9da9c572-ad18-11e6-977a-1030f822fc35_story.html).

three Indian business partners” and his adult children, who will soon take over his company.¹² New reports this week indicate that when Argentinean President Mauricio Mauri called to congratulate Mr. Trump on his victory, Mr. Trump “asked Macri to deal with the permitting issues that are currently holding up” a Buenos Aires office building project planned by Mr. Trump and his Argentinean partners.¹³ At this point, it is not clear if the line between Mr. Trump’s Presidency and his and business ventures is blurred—or entirely nonexistent.¹⁴

Several weeks ago, the general counsel for the Trump Organization, Michael Cohen, explained that Mr. Trump will transfer management of the Trump Organization to his adult children, who will run the company “through a blind trust.”¹⁵ But claims that Mr. Trump’s will set up a “blind” trust do not appear to be consistent with the meaning of that term or with legal requirements that apply to such trusts. A qualified blind trust, which must be approved by the Office of Government Ethics, would allow Mr. Trump to forgo reporting the details of some assets in his financial disclosures. The Ethics in Government Act explicitly prohibits Mr. Trump’s children from managing such a trust. The Act requires that, “Any officer or employee of a trustee or other entity who is involved in the management or control of the trust of a qualified trust” not be “a relative of any interested party.”¹⁶ To date, there has been no information released to the public indicating that Mr. Trump has prepared a blind trust.

Mr. Trump's conflicts of interest raise questions about the taxpayer-funded expenditures associated with the transition. During the early months of the presidential campaign, Mr. Trump charged the Secret Service \$1.6 million for flights, with "the government effectively paying him" because he owned the airline.¹⁷ During the transition, which is based at Trump Tower in New York City, Mr. Trump is traveling back and forth from New York to Washington, DC, using his airline. There is no transparency with regard to transition expenditures, raising additional questions about how taxpayer funds may be flowing into Mr. Trump's pockets.

Publicly available information about the transition also raises questions about national security issues. Foreign leaders, unsure of how to contact the President-Elect, have cold-called the President at his office in Trump Tower.¹⁸ For example, Australian Prime Minister Malcolm

¹² Eric Lipton and Ellen Barry, “Donald Trump Meeting Suggests He Is Keeping Up His Business Ties,” *New York Times* (November 19, 2016) (online at <http://www.nytimes.com/2016/11/20/us/politics/donald-trump-pauses-transition-work-to-meet-with-indian-business-partners.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=a-lede-package-region®ion=top-news&WT.nav=top-news>).

¹³ Talking Points Memo, “Cashing in BIGLY in Argentina” (Nov. 21, 2016) (<http://talkingpointsmemo.com/edblog/cashing-in-bigly-in-argentina>).

¹⁴ Aaron Blake, “Donald Trump’s questionable ‘blind trust’ setup just got more questionable,” *Washington Post* (online at <https://www.washingtonpost.com/news/the-fix/wp/2016/11/11/donald-trumps-questionable-blind-trust-setup-just-got-more-questionable/>).

¹⁵ Darren Samuelsohn, “Trump’s kids to run businesses via ‘blind trust,’ Trump attorney says,” *Politico* (November 10, 2016) (online at <http://www.politico.com/story/2016/11/trump-children-business-blind-trust-2311790>).

¹⁶ P.L. 95-521

¹⁷ Isaac Arnsdorf and Kenneth P. Vogel, “Trump received \$1.6 million from Secret Service,” *Politico* (September 22, 2016) (online at <http://www.politico.com/story/2016/09/donald-trump-secret-service-campaign-travel-payments-228553>).

¹⁸ Julie Hirschfeld Davis, Mark Mazzetti, and Maggie Haberman, “Firings and Discord Put Trump Team in State of Dissaray,” *New York Times* (November 15, 2016) (online at http://www.nytimes.com/2016/11/16/us/politics/trump-transition.html?_r=0).

Turnbull had a fifteen-minute conversation with Mr. Trump on the President-Elect's personal cell line, after acquiring Mr. Trump's cell phone number from an Australian golfer with ties to Trump.¹⁹ There is no indication of whether this call or Mr. Trump's other phone calls with foreign leaders were on secure phone lines. Before Mr. Trump's first meeting with a foreign leader, Japan's Shinzo Abe, the State Department had no involvement with protocol and preparation;²⁰ subsequent photos of the meeting appear to indicate that Mr. Trump's daughter attended, but that there was no State Department translator in attendance.

Other reports indicate logistical problems with the transition. For example, as of November 23, 2016, some of Mr. Trump's "landing teams"—a group of surrogates who work with members of the Obama administration to facilitate executive agency transitions—have yet to begin their work.²¹

We are fully supportive of efforts to fund and effectively implement Mr. Trump's transition, and all presidential transitions. But we have significant questions about the extent to which Mr. Trump's conflicts of interest and other problems are affecting his transition are compromising the use of taxpayer funds. Therefore, we respectfully ask that GAO assess the following questions:

1. To what extent have Mr. Trump's conflicts of interest affected his presidential transition? What is the impact and potential impact of his refusal to set up a qualified blind trust to prevent conflicts of interest? Has Mr. Trump conducted Trump Organization business during the transition? Is there transparency with regard to his activity with his business interests? Have his conflicts potentially affected the policy positions of his new Administration? Have his family members maintained appropriate distance between the business of the Trump Organization and the presidential transition? How have Mr. Trump's actions to prevent conflicts compared to actions taken by previous presidents?
2. Has the Trump transition used taxpayer dollars efficiently and effectively? Have funds from the transition or associated with the transition (such as reimbursements from the Secret Service) gone to companies owned by Mr. Trump? If so, how much was the total amount paid to Mr. Trump's business entities? Have the payments been fair and reasonable?

¹⁹ Matthew Rozsa, "Australia's Prime Minister could only reach Donald Trump by getting his unsecured cellphone number from a golfing buddy," *Salon* (November 17, 2016) (online at <http://www.salon.com/2016/11/17/australias-prime-minister-could-only-reach-donald-trump-by-getting-his-unsecured-cell-phone-number-from-a-golfing-buddy/>).


²⁰ Alistair Bell and Ginger Gibson, "Confusion over Trump's first talks with foreign leader," *Reuters* (November 17, 2016) (online at <http://www.reuters.com/article/us-usa-trump-idUSKBN13B1UR>).

²¹ "Trump dispatching 'landing teams' to Obama agencies, as Cabinet vetting heats up," *Fox News* (November 17, 2016) (online at <http://www.foxnews.com/politics/2016/11/17/trump-dispatching-landing-teams-to-obama-agencies-as-cabinet-vetting-heats-up.html>); Tal Kopan, "What is Donald Trump's staff doing in Washington?" *CNN* (November 18, 2016) (online at <http://www.cnn.com/2016/11/18/politics/donald-trump-transition-agency-landing-teams/>); Brent Griffiths, "Trump transition announces the next wave of landing teams," *Politico* (November 21, 2016) (online at <http://www.politico.com/blogs/donald-trump-administration/2016/11/trump-transition-announces-the-next-wave-of-landing-teams-231706>).

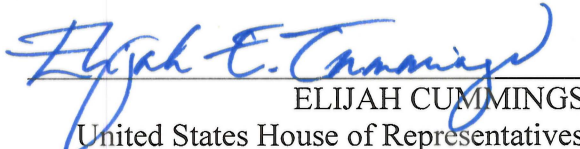
3. Has the transition appropriately followed rules, protocol, and precedent for communicating with foreign governments? Have telephonic, electronic, and any other communications by Mr. Trump and other transition members followed appropriate security procedures?
4. Has the “disarray” within Mr. Trump’s transition team affected his ability to effectively serve the American public beginning on January 20, 2017?

We also ask that you provide any recommendations necessary to ensure that future Presidential transitions are not marred by conflicts of interest or other problems.

Sincerely,



ELIZABETH WARREN
United States Senate



ELIJAH CUMMINGS
United States House of Representatives