Congress of the United States
House of Representatives
Washington, D.C. 20515

June 27, 2018

The Honorable Peggy E. Gustafson
Inspector General
U.S. Department of Commerce
1401 Constitution Avenue, Northwest
Washington, DC 20230

Dear Ms. Gustafson:

We write to request that you review Secretary Ross's compliance with federal ethics requirements, his ongoing issues with conflicts of interest, and his potentially false statements regarding certain financial holdings. To the extent that your office already may be conducting an investigation related to these matters, we request that you expand your review in light of recent reports.

This request follows troubling information reported in a June 18, 2018, *Forbes* article, which reported:

> For most of last year, Ross served as secretary of commerce while maintaining stakes in companies co-owned by the Chinese government, a shipping firm tied to Vladimir Putin's inner circle, a Cypriot bank reportedly caught up in the Robert Mueller investigation and a huge player in an industry Ross is now investigating.[1]

Rather than fully divesting these assets as he committed to do in his confirmation hearings, Secretary Ross appears to have placed certain assets into a trust that benefits his family members.[2]

Secretary Ross also reportedly shorted stock in Navigator Holdings, a shipping company tied to the Russian energy company Sibur,[3] "positioning himself to make money on the

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[1] *Lies, China And Putin: Solving The Mystery Of Wilbur Ross' Missing Fortune*, Forbes (Jun. 18, 2018) (www.forbes.com/sites/danalexander/2018/06/18/lies-china-and-putin-solving-the-mystery-of-wilbur-ross-missing-fortune-trump-commerce-secretary-cabinet-conflicts-of-interest/#38c6ad347e87).

[2] *Id.*

[3] *Commerce Secretary Shorted Stock as Negative Coverage Loomed*, New York Times (Jun. 19, 2018) (www.nytimes.com/2018/06/19/us/politics/wilbur-ross-shorted-stock.html).

[4] *Lies, China And Putin: Solving The Mystery Of Wilbur Ross' Missing Fortune*, Forbes (Jun. 18, 2018) (www.forbes.com/sites/danalexander/2018/06/18/lies-china-and-putin-solving-

investment when share prices dropped."[4] Secretary Ross's holdings in Navigator, his sale of those holdings, and his lack of transparency with regard to those holdings, are especially troubling given that he is responsible for promoting the interests of U.S. companies and for implementing sanctions against Russia.

Secretary Ross signed and filed a certification of ethics agreement compliance in November 2017 with the Office of Government Ethics in which he asserted he had completely divested all holdings required to be divested by his ethics agreement.[5] Secretary Ross signed a previous certification in June 2017 in which he asserted:

> I have divested all holdings required by my ethics agreement to be sold within 90 days except that there was an unanticipated delay with regard to the divestitures of my holdings in Air Lease Corp., Bank of Cyprus, and BankUnited but these have also now been divested.[6]

A recently released ethics disclosure indicates, however, that as late as December 2017, Secretary Ross held assets in companies in which he was formerly employed or served as a director, in direct violation of his ethics agreement. Secretary Ross committed in a January 31, 2017, ethics agreement to divest his financial interests in his former employer, Invesco, within 90 days of his confirmation.[7] On December 19 and 20, 2017, Secretary Ross sold between $10 and $50 million of stock in Invesco, seven months after he was required to divest.[8] Secretary

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the mystery-of-wilbur-ross-missing-fortune-trump-commerce-secretary-cabinet-conflicts-of-interest/#38c6ad347e87).

[4] *Lies, China And Putin: Solving The Mystery Of Wilbur Ross' Missing Fortune*, Forbes (Jun. 18, 2018) (www.forbes.com/sites/danalexander/2018/06/18/lies-china-and-putin-solving-the mystery-of-wilbur-ross-missing-fortune-trump-commerce-secretary-cabinet-conflicts-of-interest/#38c6ad347e87).

[5] Office of Government Ethics, *Certification of Ethics Agreement Compliance* (Nov. 1, 2017) (https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/A0A1D4D7FB3BA224852581D0006CE4D5/$FILE/Ross,%20Wilbur%20EA%20Certification%20Combined%201-3.pdf).

[6] Office of Government Ethics, *Certification of Ethics Agreement Compliance* (Jun. 2, 2017) (https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/A0A1D4D7FB3BA224852581D0006CE4D5/$FILE/Ross,%20Wilbur%20EA%20Certification%20Combined%201-3.pdf).

[7] Letter from Wilbur L. Ross, Nominee for Secretary of Commerce, to David Maggi, Alternate Designated Agency Ethics Official, Department of Commerce (Jan. 31, 2017) (https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/C4D33DB26307189E852580C8002C7A72/$FILE/Ross,%20Wilbur%20L%20finalAmendedEA.pdf).

[8] Office of Government Ethics, *Executive Branch Personnel Public Financial Disclosure Report: Periodic Transaction Report (OGE Form 278-T)* (Jun. 2018)

Ross stated: "In December 2017, I discovered that the previously held stock had not been sold. I then promptly sold these shares."[9]

On December 14, 2017, Secretary Ross sold between $250,000 and $500,000 of shares in the Greenbrier Companies, a railroad equipment and services provider.[10] Secretary Ross served as Director of Greenbrier Companies from 2009 to 2012.[11] According to his revised financial disclosure, "these holdings were inadvertently not included" in his nominee report.[12]

American taxpayers deserve assurances that Secretary Ross can serve the public trust in a manner that is unbiased and free from conflicts of interest.

We respectfully request that you review whether Secretary Ross violated conflict of interest and other ethics rules, whether he has any ongoing conflicts of interest, and whether he has any additional holdings he has not reported or divested in compliance with his ethics agreement.

(https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/F65307D0E7C6CA00852582B0006DEA10/%24FILE/Wilber-L-Ross-12.21.17-278T.pdf).

[9] *Id.*

[10] *Id.*

[11] *Id.*

[12] *Id.*

Thank you for your immediate attention to this matter.

Sincerely,

Frank Pallone, Jr.
Ranking Member
Committee on Energy
and Commerce

Eliot L. Engel
Ranking Member
Committee on Foreign Affairs

Maxine Waters
Ranking Member
Committee on Financial Services

Jerrold Nadler
Ranking Member
Committee on the Judiciary

Eddie Bernice Johnson
Ranking Member
Committee on Science, Space
and Technology

Nydia M. Velázquez
Ranking Member
Committee on Small Business

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

Raúl M. Grijalva
Ranking Member
Committee on Natural Resources