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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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August 24, 2020

The Honorable William Barr
Attorney General
Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Dear Attorney General Barr,

As the Ranking Member of the Senate Finance Committee, I am writing to you concerning my ongoing investigation of the integrity of correspondent banking services and the application of U.S. economic sanctions, including the Department of Justice's prosecution of Turkish state-owned bank Halkbank and potential improper interference by President Trump in this matter.¹ Halkbank has been indicted in the United States as part of the largest ever scheme utilizing correspondent bank accounts to aid Iran in circumventing U.S. sanctions. Halkbank officials have admitted to conspiring to evade sanctions, and funnel Iranian oil profits back to the country through complex gold purchases disguised as money transfers.²

On February 3, 2020, I wrote to you requesting your assistance with my investigation. My request included specific questions about the troubling actions the Trump administration has taken with respect to Halkbank. On February 7, your Chief of Staff assured me that the Department of Justice would "work to respond to [my] letter in a timely manner."³ In the intervening five months, I have not received any response to the specific requests for assistance in my letter or any update on the Department's work to respond to my requests. The Department's failure to cooperate with these reasonable requests for information related to ongoing investigations raises serious concerns about the Department's independence and willingness to engage with Congress in good faith in a manner that facilitates effective oversight.

¹ *Wyden Launches Investigation Into Halkbank Scandal*, Press Release, Oct. 24, 2019;

<https://www.finance.senate.gov/ranking-members-news/wyden-launches-investigation-into-halkbank-scandal>.

² *Gold dealer turned star witness details alleged bribes to senior Turkish official*, Washington Post, Nov. 29, 2017;

https://www.washingtonpost.com/world/national-security/gold-dealer-turned-star-witness-details-alleged-bribes-to-senior-turkish-official/2017/11/29/271ebcf2-d52e-11e7-b62d-d9345ced896d_story.html.

³ Letter from Mary Blanche Hankey to Hon. Ron Wyden (Feb. 7, 2020).

Subsequent to my first letter, former National Security Adviser John R. Bolton detailed concerns that President Trump was granting personal favors to the autocratic leader of Turkey, and Bolton reports that you shared his concerns about the appearance that President Trump's actions created.⁴ In particular, Bolton asserts that President Trump promised Turkish President Recep Tayyip Erdogan that Trump would use his authority to halt any further enforcement actions against the bank, and that Trump consequently instructed Treasury Secretary Mnuchin to interfere in the matter.⁵ Further, Bolton asserts that on more than one occasion the Department of Justice was aware of Secretary Mnuchin's efforts to halt the investigation and prosecution of Halkbank.⁶ Finally, Bolton asserts that instead of "insulting" Turkish cabinet officials with individual sanctions, Trump misused the 1962 Trade Expansion Act to raise tariffs on Turkish steel and aluminum.⁷

A spokeswoman for you refuted early reports of these Administration interactions⁸ as "gross mischaracterizations," noting in particular that you never stated that you felt the "President's conversations with foreign leaders (were) improper."⁹ However, reports of interference by President Trump are corroborated by the facts uncovered in my own investigation. In a November 20, 2019 letter to me, Treasury Department officials confirmed the following:

As was publicly reported, when Prime Minister Erdogan raised concerns directly with President Trump in April 2019, the President referred the issue to the Executive Branch departments responsible by law for the investigation and enforcement of economic sanctions—the Treasury and DOJ.

Treasury officials went on to identify seven meetings held between Secretary Mnuchin and senior Turkish officials, despite the Secretary's admitted "integral" role in the enforcement of U.S. sanctions generally, and the prosecution of Halkbank specifically. Most concerning was an April 15, 2019 Oval Office meeting with President Trump, Turkish Finance Minister Berat Albayrak, President Erdogan's son-in-law, as well as President Trump's own son-in-law Jared Kushner, and Secretary Mnuchin. This was the second meeting Secretary Mnuchin held with Albayrak in 3 days, and appears to coincide with the admitted interference in the Halkbank prosecution by President Trump. Even more troubling, President Trump, Secretary Mnuchin,

⁴ JOHN BOLTON, *THE ROOM WHERE IT HAPPENED* 412 (2020) ("Barr said he was very worried about the appearances Trump was creating, especially his remarks on Halkbank to Erdogan in Buenos Aires at the G20 meeting, what he said to Xi Jinping on ZTE, and other exchanges").

⁵ *Id.* at 177 ("Trump started by saying we were getting very close to a resolution on Halkbank. He had just spoken to Mnuchin and Pompeo, and said we would be dealing with Erdogan's great son-in-law (Turkey's Finance Minister) to get it off his shoulders. Erdogan was very grateful, speaking in English no less.")

⁶ *Id.* at 170 ("Several times, Mnuchin was exuberant he had reached a deal with Turkey's Finance Minister. [. . .] In each case, the deal fell apart when Justice tanked it, which was why trying this route to get Brunson's release was never going to work.")

⁷ *Id.* at 171.

⁸ *Bolton Was Concerned That Trump Did Favors for Autocratic Leaders, Book Says*, *New York Times*, Jan. 27, 2020; <https://www.nytimes.com/2020/01/27/us/politics/john-bolton-trump-book-barr.html>.

⁹ *Justice Department says Bolton 'grossly mischaracterizes' Barr's take on Trump's talks with Xi, Erdogan*, *USA Today*, Jan. 28, 2020; <https://www.usatoday.com/story/news/politics/2020/01/28/john-bolton-book-william-barr-denies-he-shared-concerns-trump/4595133002/>.

and Jared Kushner held this White House meeting despite the fact that Albayrak, along with President Erdogan, appear to be personally implicated in the Halkbank scheme.¹⁰ These reports are part of a larger story highlighting President Trump's efforts to accommodate the intense pressure campaign by the Turkish government to get investigations into Halkbank dropped, including a high-priced lobbying effort by Ballard Partners on Turkey's behalf.¹¹ In 2017, President Trump reportedly asked Secretary of State Tillerson to pressure the Justice Department to drop the case against a co-conspirator in the Halkbank-assisted sanctions evasion schemes, Reza Zarrab, who was reported to have an office in Trump Tower Istanbul and was a client at the time of the President's attorney Rudy Giuliani.¹² In a 2015 interview, President Trump stated about Turkey, "I have a little conflict of interest because I have a major, major building in Istanbul."¹³

According to Treasury officials in a November 20, 2019 letter to me, President Trump assigned you to assist with President Erdogan's requests involving Halkbank, and that he relayed this to Erdogan during an April 2019 phone call. Around June of 2019, you also reportedly had a phone call with your Turkish counterpart, Abdulhamit Gul, where you discussed Turkey accepting a deferred prosecution agreement, and that a deal would need to be made with the U.S. attorney in Manhattan.¹⁴

Although Halkbank was eventually charged in the Southern District of New York in a six-count indictment related to the bank's participation in a multibillion-dollar scheme to evade U.S. sanction on Iran on October 15, 2019,¹⁵ these charges came just days after the Turkish invasion

¹⁰ Federal prosecutors alleged the following in their indictment, "Though some at HALKBANK, the defendant, supported continuing the scheme, Halkbank General Manager-1 initially was reluctant to do so because of concern that Zarrab's arrest and notoriety would draw unnecessary attention to the scheme. At Zarrab's request, however, the then-Prime Minister of Turkey and his associates, including a relative of the then-Prime Minister who later held multiple Turkish cabinet positions, instructed HALKBANK to resume the scheme, and HALKBANK agreed." Erdogan was prime minister during the Halkbank scheme, and Albayrak then had been the Turkish Minister of Energy. *Turkish Bank Charged in Manhattan Federal Court for Its Participation in a Multibillion-dollar Iranian Sanctions Evasion Scheme*, Department of Justice Press Release, Oct. 15, 2019; <https://www.justice.gov/opa/pr/turkish-bank-charged-manhattan-federal-court-its-participation-multibillion-dollar-iranian>.

¹¹ *Trump-Erdogan Call Led to Lengthy Quest to Avoid Halkbank Trial*, Bloomberg, Oct. 16, 2019; <https://www.bloomberg.com/news/articles/2019-10-16/trump-erdogan-call-led-to-lengthy-push-to-avoid-halkbank-trial>.

¹² *Trump Urged Top Aide to Help Giuliani Client Facing DOJ Charges*, Bloomberg, Oct. 9, 2019; <https://www.bloomberg.com/amp/news/articles/2019-10-09/trump-urged-top-aide-to-help-giuliani-client-facing-doj-charges>; *Trump Tower: Dictators' Home Away From Home*, Daily Best, Sep. 30, 2015 Updated April, 14, 2017; <https://www.thedailybeast.com/trump-tower-dictators-home-away-from-home>.

¹³ *Trump's Decision on Syria Crystallizes Questions About His Business – And His Presidency*, Washington Post, Oct. 7, 2019; <https://www.washingtonpost.com/politics/2019/10/07/trumps-decision-syria-crystallizes-questions-about-his-business-his-presidency/>

¹⁴ *Trump-Erdogan Call Led to Lengthy Quest to Avoid Halkbank Trial*, Bloomberg, Oct. 16, 2019; <https://www.bloomberg.com/news/articles/2019-10-16/trump-erdogan-call-led-to-lengthy-push-to-avoid-halkbank-trial>.

¹⁵ *Turkish Bank Charged in Manhattan Federal Court for Its Participation in a Multibillion-dollar Iranian Sanctions Evasion Scheme*, Department of Justice Press Release, Oct. 15, 2019; <https://www.justice.gov/opa/pr/turkish-bank-charged-manhattan-federal-court-its-participation-multibillion-dollar-iranian>.

of northern Syria and the resulting political backlash.¹⁶ I am concerned that absent these unrelated actions by the Turkish government, the Administration's interference in favor of Turkey's Halkbank requests could have undermined years of effort by U.S. law enforcement, and may still do so.

My investigation seeks to ensure that the Trump Administration is properly enforcing our U.S. sanctions and trade laws. To assist this investigation I once again ask that you respond to the following:

1. Did President Trump, or did anyone at his direction, ever instruct or suggest you to take any action with regard to Halkbank, or any co-conspirators such as Reza Zarrab? If so, when and what were you asked to do? Did any such request raise any concerns about undue influence by President Trump in the investigation of the matter?
2. Did President Trump, or did anyone at his direction, attempt to interfere, intervene, or otherwise engage with the Justice Department's independent inquiry of the Halkbank scheme, or of any co-conspirators such as Reza Zarrab? If so, when and in what manner?
3. In a 2015 interview, President Trump stated about Turkey, "I have a little conflict of interest because I have a major, major building in Istanbul." Given his admitted conflict of interest, and the direct ties between Halkbank executives and Trump Towers Istanbul, do you feel it is appropriate for President to be communicating with the Department of Justice about this matter?
4. Did you ever discuss Halkbank with Abdulhamit Gul? If so, when did those conversations take place? Did you ever discuss the topic of a deferred prosecution agreement for Halkbank with Abdulhamit Gul? If so, when did those conversations take place? Did you ever mention or suggest to Abdulhamit Gul that Turkey discuss such an agreement with the U.S. Attorney for the Southern District of New York, or SDNY staff? Did you ever suggest or in any way offer the idea, to anyone, that Turkey take a deferred prosecution agreement for Halkbank?
5. Have you ever had meetings or conversations related to Halkbank with anyone at the Justice Department? If so, when did those take place? Have you been, in any way, involved with the Halkbank investigation? If so, describe the nature of your involvement.
6. Identify any meetings or conversations you or any other senior Justice Department officials have held with President Erdogan, Finance Minister Berat Albayrak, or any other senior Turkish officials since your confirmation, identify the participants in those conversations and meetings, and the nature of those discussions including whether or not they included Halkbank.

¹⁶ *Trump Defends Syria Decision Amid Republican Backlash*, CNN, Oct. 8, 2019; <https://www.cnn.com/2019/10/07/politics/mitch-mcconnell-republican-response-syria-kurds/index.html>.

7. Identify any meetings or conversations you or any other senior Justice Department officials have held with Ballard Partners or any other lobbyists on behalf of the Turkish government since your confirmation, identify the participants in those conversations and meetings, and the nature of those discussions including whether or not they included Halkbank.
8. Did you or any other senior Justice Department officials ever appeal directly to the Treasury Department, at any level, on behalf of President Trump concerning Turkey or the Turkish government?
9. According to a statement by the Department of Justice about the conversation between you and former National Security Advisor Bolton, "There was no discussion of 'personal favors' or 'undue influence' on investigations, nor did Attorney General Barr state that the President's conversations with foreign leaders (were) improper."¹⁷ Do you feel it was improper for President Trump to meet Turkish President Erdogan in the Oval Office or to meet with other senior Turkish officials there, after they had been implicated by the prosecutors in Halkbank's sanctions evasion scheme?
10. Given the serious nature of the disclosures in the Treasury Department's response to my investigation and in recent reporting, will you commit to recusing yourself from any further involvement in the investigation and prosecution of Halkbank?

Please provide answers to these questions no later than September 14, 2020. Thank you for your attention to this matter.

Sincerely,



Ron Wyden
Ranking Member

¹⁷ *Bolton Was Concerned That Trump Did Favors for Autocratic Leaders, Book Says*, New York Times (June 17, 2020); <https://www.nytimes.com/2020/01/27/us/politics/john-bolton-trump-book-barr.html>.