

Congress of the United States

Washington, DC 20515

December 9, 2020

Mr. Bruce Flatt
Chief Executive Officer
Brookfield Asset Management
Brookfield Place, Suite 300
181 Bay Street
Toronto, ON M5J 2T3

Dear Mr. Flatt:

We write to seek information pertaining to Brookfield Asset Management's 99 year lease agreement with the Kushner Companies for the 666 Fifth Avenue property, a significant financial transaction that involved a fund in which the Government of Qatar is a major investor.

On May 17, 2018, public reports revealed that Brookfield Asset Management (Brookfield) was in the final stages of discussions with Kushner Companies to sign a long term deal to rescue its 666 Fifth Avenue property, a building which was experiencing significant financial distress and for which Kushner Companies was obligated to repay \$1.2 billion in loans by February 2019. According to public reports, the property had been operating at a loss for almost a decade, was more than 30 percent vacant, and generated about only half of its annual mortgage payments.¹

As these discussions became public, Brookfield indicated it was aware of the potential conflicts of interest created by making a substantial investment in an entity owned and operated by members of the Kushner family, given Jared Kushner's employment in the White House as a Senior Adviser to the President. Of particular concern was that the Government of Qatar was a significant investor in Brookfield's real estate fund, Brookfield Property Partners (BPY). In 2014, the Qatari Investment Authority (QIA) invested \$1.8 billion in BPY, giving the Qatari government a 9 percent stake of preferred equity in BPY and making it the second largest investor in the fund. According to a recent *Financial Times* investigation, this would give QIA "significant influence" over Brookfield Property Partners and allow it "to receive confidential information that other investors never see."²

Brookfield's negotiations with Kushner Companies were preceded by several instances in which Mr. Kushner and his father, Charles Kushner, engaged Qatari officials and businessmen in pursuit of financing for the 666 Fifth Avenue property. Throughout 2015 and 2016 Jared Kushner negotiated directly with Sheikh Hamad in Jassim-al-Thani (HBJ). Terms were reportedly agreed to in principle for HBJ to invest up to \$500 million if the Kushners were able to secure capital commitments from other investors.³ These negotiations reportedly fell through when the Kushner family was unable to secure additional outside capital. Shortly after Jared Kushner officially joined the White House, Charles Kushner met with the Qatari Minister of Finance, Ali Sharif Al Emadi, at the St. Regis Hotel in New York City the week of April 24, 2017.⁴

¹ John Cassidy, "Jared Kushner's Conflicts of Interest Reach a Crisis Point," *The New Yorker*, March 2, 2018.

² Mark Vandevelde, "Brookfield: Inside the \$500 billion Secretive Investment Fund," *The Financial Times*, February 5, 2020.

³ Blair Guild, "Report: Kushner sought deal for \$500M bailout from ex-Qatari prime minister," CBS News, July 11, 2017.

⁴ Dexter Filkins, "A Saudi Prince's Quest to Remake the Middle East," *The New Yorker*, April 9, 2018.

During its negotiations with Kushner Companies, Brookfield publicly stated that “no Qatar-linked entity has any involvement in, investment in or even knowledge of this potential transaction.” Brookfield officials indicated they planned to invest in the 666 Fifth Avenue property using a separate fund from BPY in order to prevent Qatari money from being involved in the project.⁵

On August 3, 2018, Brookfield finalized a deal worth approximately \$1.28 billion with Kushner Companies for a 99 year lease on the 666 Fifth Avenue property. While the full terms of the transaction have not been made public, the deal involved an up-front payment of \$1.1 billion in rent that provided the Kushners a significant cash infusion to help pay off \$1.2 billion in loan payments due a few months later.

Despite aforementioned assurances by Brookfield that no Qatar-linked entity would be involved, and that the transaction would not involve its BPY fund to avoid using funding from Qatar, it appears that is exactly what happened.⁶ A few months after the deal was signed, Reuters reported that the Government of Qatar claimed it was unwittingly involved in the transaction and that it had no knowledge it was done through the Brookfield’s BPY fund, which it co-owns.⁷ More recently, *Financial Times* reported that the limited liability company used to sign the lease on 666 Fifth Avenue, BSREP III Nero LLC, was controlled by BPY at the time of the transaction. Furthermore, the same report notes that BSREP III includes \$3 billion in capital from sovereign governments, including \$2 billion from Middle Eastern ones.⁸

While Brookfield has claimed that Qatari representatives had no involvement in the 666 Fifth Avenue transaction, we remain troubled that Qatari funds ended up in a billion dollar rescue for a company directly tied to Jared Kushner while he remained a senior White House official deeply involved in formulation of U.S. policy towards the Middle East. Federal criminal conflicts of interest statutes for senior White House officials extend not only to matters affecting their own financial interests, but that of their direct relatives and spouses. Based on testimony before the House Foreign Affairs Committee by former Secretary of State Rex Tillerson, we have a number of concerns related to whether Jared Kushner in his official capacity advised the President to support a diplomatic blockade against Qatar at a time when members of his family were seeking funding from Qatari and possibly other Middle Eastern officials.

In order to better understand how funds linked to the Government of Qatar and possibly other Middle Eastern countries became involved in the 666 Fifth Avenue transaction, please respond to the following questions no later than December 23, 2020:

1. During negotiations with Kushner Companies, were any representatives from Brookfield Asset Management aware that Mr. Kushner and his family had held previous discussions with Qatari government officials and businessmen, including the April 24, 2017 meeting between Charles Kushner and Minister Ali Sharif Al Emadi?

⁵ Michael Kranish et. al., "Canadian firm in talks to bail out troubled Kushner building," *The Washington Post*, May 17, 2018.

⁶ Michael Kranish et. al., "Canadian firm in talks to bail out troubled Kushner building," *The Washington Post*, May 17, 2018.

⁷ Dmitry Zhdanniok et. al., "Qatar revamps investment strategy after Kushner building bailout," *Reuters*, February 11, 2019.

⁸ Mark Vandeveld, "Brookfield: Inside the \$500 billion Secretive Investment Fund," *The Financial Times*, February 5, 2020.

2. Why did Brookfield Asset Management decide to sign a 99 year lease through its Brookfield Property Partners fund, despite previous claims it would not do so to avoid potential conflicts of interest?
3. At what date was any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government made aware that Brookfield Asset Management and Brookfield Property Partners were negotiating with Kushner Companies regarding an investment in the 666 Fifth Avenue Property?
4. According to public reports, Brookfield began selling off parts of its BSREP III Fund, allowing for new investors to acquire portions of the 666 Fifth Avenue lease agreement. Has Brookfield opened up its BSREP III Fund to additional foreign investors since signing the 666 Fifth Avenue lease with Kushner Companies?
5. With respect to Brookfield Asset Management, including, but not limited to, any of its subsidiaries, affiliates, partnerships, groups, special purpose entities, joint ventures, predecessors, successors, or any other entity in which they have or had a controlling interest, any employee, shareholder, partner, member, consultant, independent contractor, agent, attorney or other representative of any of those entities, (hereafter referred to collectively as "Brookfield") please provide the following:
 - a. Any document related to the matters identified in items 1 -3 above generated by, received by or possessed by Brookfield.
 - b. Any document related to any communication notifying any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government of Brookfield's efforts to sign a 99 year lease agreement between the entities BSREP III NERO LLC and 666 Fifth Associates LLC.
 - c. Any document related to Brookfield's lease of any portion of the building at 666 Fifth Avenue that was provided to any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government, including any communication with any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government that was related to the lease.
 - d. A complete copy of the lease agreement between BSREP III Nero LLC and 666 Fifth Associates LLC, including but not limited to the full list of all the terms and conditions.
 - e. A full list of all investors in Brookfield's BSREP III fund, which reportedly owns BSREP III Nero LLC and the rights to the 666 Fifth Avenue property. Please include a detailed and itemized list of all investors (and the amounts they invested) in funds affiliated with Brookfield Asset Management that have participated in the 99 year lease with Kushner Companies for the 666 Fifth Avenue Property.
 - f. A detailed list of all meetings with the Kushner Companies and/or any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government, in which Brookfield's employees participated, in person, by telephone or video conference. Please also included a detailed description of issues discussed during these meetings and any summaries of formal or informal agreements reached in these meetings, including any meeting notes, agendas, transcripts or memoranda memorializing or documenting any aspect of these meetings.

- g. Any document related to any analysis (including any financial analysis) or evaluation of the lease agreement between BSREP III Nero LLC and 666 Fifth Associates LLC as well as any other any lease or investment arrangement involving all or any portion of the 666 Fifth Avenue building considered or proposed by Brookfield.
- h. Any document that addresses any advantage or disadvantage of or reason for or against, Brookfield making a full, up-front payment of most of the amount that would be owed to 666 Fifth Associates LLC over the 99 year term of the lease.

You may contact Senator Wyden's Senate Finance Committee investigative staff at 202-224-4515 or Representative Castro's Oversight and Investigations Subcommittee staff at 202-225-3236. Thank you for prompt attention to this important matter.

Sincerely,



Ron Wyden
Ranking Member
Senate Finance Committee



Joaquin Castro
Chairman, Subcommittee on
Oversight & Investigations
House Foreign Affairs Committee