

Congress of the United States

Washington, DC 20515

December 9, 2020

Scott Gast
Senior Counsel to the President and
Designated Agency Ethics Official
Office of White House Counsel
1600 Pennsylvania Ave NW,
Washington, DC 20500

Dear Mr. Gast:

We write to seek information on any ethics guidance that has been provided to Senior White House Advisor Jared Kushner on potential conflicts of interest related to Kushner Companies, a real estate company owned and operated by his family in which he remains a significant investor. Specifically, we are asking what advice Mr. Kushner has received regarding whether he should recuse himself from issues involving Qatar, Saudi Arabia, and the United Arab Emirates (UAE) in light of these governments possibly helping to rescue a distressed Manhattan property owned by his family. Jared Kushner reportedly has significant influence over U.S. foreign policy in the Middle East. Given Jared Kushner's refusal to properly divest from his family's business, it is crucial that Congress gain an understanding of whether and how his personal financial interests or those of his family may have impacted U.S. foreign policy in the Trump Administration.

Qatar Rebuffs the Kushner Family's Efforts to Seek Foreign Financing

Public reporting indicates that, in the summer of 2017, Jared Kushner may have played a key role in altering the U.S. position towards Qatar. These actions took place shortly after Qatar had declined to invest in 666 Fifth Avenue, a property which the Kushner family purchased in January 2007 – at Jared Kushner's urging – for a record-breaking \$1.8 billion dollars.¹ Most of the purchase was financed with debt and reports indicate that, by 2017, the property remained 30% vacant and generated only about half the money that the Kushners owed on the mortgage.² In the summer of 2017, the Kushner family faced a looming payment of \$1.4 billion, which was coming due in February 2019.³

It was against this backdrop that Jared Kushner's father, Charles Kushner, met in April 2017 with Qatari Finance Minister Sharif Al Emadi, to solicit an investment from Qatar's sovereign wealth fund for the 666 Fifth Avenue property.⁴ According to a financial analyst familiar with the meeting, Charles Kushner asked the Qataris "for just under a billion dollars."⁵ The Qataris reportedly declined, citing the dubious

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

² *Id.*

³ Charles V. Bagli and Kate Kelly, "Deal Gives Kushners Cash Infusion on 666 Fifth Avenue," *The New York Times*, August 3, 2018. Note, some news accounts suggest the debt was \$1.2 billion.

⁴ Dexter Filkins, "A Saudi Prince's Quest to Remake the Middle East," *The New Yorker*, April 9, 2018. According to the *New Yorker*, a financial analyst familiar with the Kushner / al Emadi meeting asked rhetorically: "Here's a question for you: If they had given Kushner the money, would there have been a blockade? I don't think so."

⁵ *Id.* Reports indicate that this may not have been the first time the Kushner family had approached Qataris for money to help pay the debt on 666 Fifth Avenue. The Intercept has reported that, throughout 2015 and 2016 Mr. 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

business logic of Charles Kushner's proposal. Shortly thereafter, and apparently with the involvement of Jared Kushner, U.S. foreign policy towards Qatar began to shift dramatically.

President Trump Abruptly Overrules State and DoD to Support the Saudi/UAE Blockade of Qatar

In Riyadh, Saudi Arabia on May 21, 2017, President Trump gave a speech that had been reviewed by then-Secretary of State Rex Tillerson⁶ in which he referred approvingly to "Qatar, which hosts the U.S. Central Command," as "a crucial strategic partner."⁷ During the same trip, however, Jared Kushner reportedly met privately, and without U.S. diplomats, with officials from Saudi Arabia and the United Arab Emirates. During this private meeting, Saudi and UAE officials reportedly discussed the blockade they were planning to impose on Qatar with him.⁸ This followed earlier communications that Jared Kushner had with Middle Eastern leaders outside of traditional diplomatic channels without the involvement of the State Department.⁹ On June 5, two weeks after President Trump's speech, the blockade was launched, without any prior warning to Secretary Tillerson or then-Secretary of Defense James Mattis.¹⁰ On June 9, Secretary Tillerson called for an end to the blockade and announced that the U.S. would support a Kuwait-led mediation effort.¹¹ Secretary Tillerson strongly objected to the blockade on the grounds that Qatar hosts an important U.S. military base and the blockade disrupted Gulf unity, which is necessary for presenting a united front against Iran. That afternoon, however, apparently without consulting the State Department, the Department of Defense, or the Intelligence Community, President Trump publicly supported the blockade.¹²

An Investment Firm Linked to UAE and Qatar Bails out the Kushners

More than a year later, the Kushner family eventually received the financing it had been so desperately seeking from Brookfield Assets Management, which has links to both Qatar¹³ and the UAE.¹⁴

investors. These talks fell through when the Kushners were unable to secure additional sources of funding. *See*, Ben Walsh, Ryan Grim, and Clayton Swisher, "Jared Kushner Tried and Failed to Get a Half-Billion-Dollar Bailout From Qatar," *The Intercept*, July 10, 2017 (online at: <https://theintercept.com/2017/07/10/jared-kushner-tried-and-failed-to-get-a-half-billion-dollar-bailout-from-qatar/>).

⁶ *See* Tillerson Transcript at 88-89

⁷ *President Trump's Speech to the Arab Islamic American Summit*, May 21, 2017 (online at: <https://www.whitehouse.gov/briefings-statements/president-trumps-speech-arab-islamic-american-summit/>). Note: President Trump decided to make Saudi Arabia the destination of his first foreign trip as president at the urging of Kushner, despite the opposition of the Departments of State and Defense. Peter Bergen, *Trump and His Generals: The Cost of Chaos* (New York: Penguin Press, 2019), p. 171.

⁸ *See* House Foreign Affairs Committee, transcribed interview with former Secretary of State Rex Tillerson, at 84-85 (online at: https://foreignaffairs.house.gov/_cache/files/e/7/e7bd0ed2-cf98-4f6d-a473-0406b0c50cde/23A0BEE4DF2B55E9D91259F04A3B22FA.tillerson-transcript-interview-5-21-19.pdf).

⁹ For instance, Saudi Arabia's de facto leader Mohammad Bin Salman Al Saud visited Washington, DC in March 2017. This trip was reportedly planned primarily through WhatsApp messages between Kushner and MBS, with the State Department cut out of the decision-making. *See*, Ben Hubbard, *MBS: The Rise to Power of Mohammed Bin Salman* (New York: Tim Duggan Books, 2020), p. 113.

¹⁰ House Foreign Affairs Committee, transcribed interview with former Secretary of State Rex Tillerson at 91.

¹¹ Mark Perry, "Tillerson And Mattis Cleaning Up Kushner's Middle East Mess," *American Conservative*, June 27, 2017.

¹² Patrick Wintour, "Donald Trump tweets support for blockade imposed on Qatar," *The Guardian*, June 6, 2017.

¹³ *See* Brookfield Property Partners L.P. 2017 Annual Report, at 116 (online at: <https://bpy.brookfield.com/~media/Files/B/Brookfield-BPY-IR/BPY%202017%20Annual%20Report.pdf>) (noting that Qatar Investment Authority owns 7% of BPY).

¹⁴ *Id.* at 09 (noting that one of the directors of BPY is Soon Young Chang, "Director of Dubai World; Senior Advisor of Investment Corporation of Dubai").

In May 2018, there were reports that Canadian private equity firm Brookfield Asset Management was “in advanced talks” with Kushner Companies to rescue its struggling 666 Fifth Avenue Property.¹⁵ On August 3, 2018, Brookfield finalized a \$1.28 billion deal to purchase a 99-year lease on the 666 Fifth Avenue property, allowing Kushner Companies to pay the \$1.4 billion debt it owed a few months later. The transaction was executed through BPY, in which the Qatar Investment Authority (QIA) owned a 7% stake, according to BPY’s 2017 Annual Report.¹⁶ Furthermore, according to news reports, \$3 billion of the private fund used to lease 666 Fifth Avenue comes from sovereign countries, including \$2 billion from the Middle East. Along with Qatar, BPY also has significant connections to the United Arab Emirates, including owning properties in that country.¹⁷ Notably, only a month before the reports that Brookfield was seeking to bail out Kushner Companies, President Trump appeared to withdraw his support for the blockade of Qatar.¹⁸

This sequence of events, especially the stunning reversal in U.S. policy towards Qatar, raises serious questions about what role Jared Kushner—and the financial interests of his family—may have played in influencing U.S. foreign policy regarding the blockade.

Jared Kushner’s Financial Interests Present a Conflict of Interest

Mr. Kushner, the President’s son-in-law, has made the unprecedented choice to serve as Assistant and Senior Adviser to the President while still retaining his stake in a substantial amount of real estate holdings and assets directly linked to Kushner Companies, a family business in which he served as the Chief Executive Officer until joining the Administration. Jared Kushner’s initial public financial disclosure form filed in 2017 indicates that he retained almost 90 percent of his real estate holdings, which at the time were valued between \$132 million and \$407 million.¹⁹ According to media reports, Jared Kushner’s 2018 financial public disclosure form showed that he retained the “bulk of his stake in the company,” from which he continued generating millions in profits.²⁰

To the extent Jared Kushner no longer directly owns certain assets, public reports indicate that, rather than truly divest himself, he sold those assets to his brother, Joshua Kushner, and a family trust controlled by his mother, Seryl Kushner. For example, Jared Kushner sold his equity stake in the 666 Fifth Avenue property to the aforementioned family trust where he is not a beneficiary, but his siblings reportedly are.²¹ Despite these transactions, it’s clear that his immediate family would stand to gain from any foreign backed bailout of the 666 Fifth Avenue property.

¹⁵ Charles V. Bagli and Jesse Drucker, "Kushners Near Deal With Qatar-Linked Company for Troubled Tower," *The New York Times*, May 17, 2018.

¹⁶ *Supra*, note 14.

¹⁷ Mark Vandevelde, "Brookfield: Inside the \$500 billion Secretive Investment Fund," *The Financial Times*, February 5, 2020.

¹⁸ In early 2018, President Trump hosted Qatari Emir Tamim bin Hamad Al Thani at the White House and praised him for combating terrorist financing. President Trump had cited Qatar’s alleged support for terrorist financing as why he supported the blockade initially. See, "Trump praises Qatar's efforts on combating terrorist financing," BBC News, April 11, 2018. Later that month, Secretary of State Mike Pompeo flew to Riyadh and reportedly pressed Saudi Arabia to end the blockade. See, Gardiner Harris, "Pompeo’s Message to Saudis? Enough Is Enough: Stop Qatar Blockade," *The New York Times*, April 28, 2018.

¹⁹ Public Financial Disclosure Report (OGE Form 278e), Jared Kushner, Data Revised on March 31, 2017 (online at: <https://www.politico.com/f/?id=0000015b-2713-d4bd-a5df-bfd3e5af0000>)

²⁰ Jesse Drucker and Agustin Armendariz, "Ivanka Trump and Jared Kushner Report Up to \$135 Million in 2018 Income," *The New York Times*, June 14, 2019. Public Financial Disclosure Report (OGE Form 278e), "Jared C. Kushner," May 5, 2018 (online at: https://s3.amazonaws.com/storage.citizensforethics.org/wp-content/uploads/2018/06/11212822/KUSHNER-JARED_2018-Annual-Report_Pending-Certification20180611.pdf).

²¹ Drucker and Armendariz, "Ivanka Trump and Jared Kushner Report Up to \$135 Million in 2018 Income."

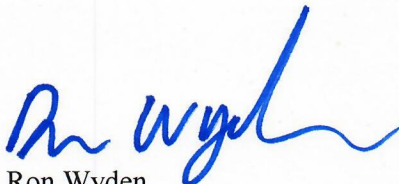
The Code of Federal Regulations, which contains civil ethics rules, prohibits any White House employee from “using his public office for his own private gain...or for the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity.”²² Similarly, criminal conflict of interest statutes for White House employees prohibit Mr. Kushner from being involved in matters affecting his financial interests as well as those of his spouse and relatives.²³

In order to better understand Jared Kushner’s potential conflicts of interest, as well as to ensure that they have not influenced U.S. policy in the Middle East, and to consider any necessary legislative responses, I ask that you provide answers to the following questions, as well as the documents requested below no later than December 23, 2020:

1. Has Jared Kushner or anyone acting on his behalf ever sought or received advice or an opinion, whether formally or informally, from the Office of Government Ethics or White House Counsel with regard to his work on Middle East policy? If so, please provide copies of any and all documents related to such advice or opinion.
2. Has the Office of Government Ethics or White House counsel ever provided, or been asked to provide advice or an opinion, whether formal or informal, regarding any member of the Kushner family or any entity associated with Jared Kushner? If so, please provide copies of any and all documents related to such advice or opinion.
3. Please provide a full and complete list of issues, countries, companies and/or matters from which Jared Kushner has been advised to consider recusing himself and/or did, in fact, recuse himself. For each such item, please provide dates, topics, and a full description of the reason for such recusal

Our Offices are prepared to work cooperatively with you to facilitate the production of these documents. 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

²² 5 CFR § 2635.702

²³ 18 U.S. Code § 208