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May 25, 2018

The Honorable Elizabeth Warren  
United States Senate  
Washington, D.C. 20510

The Honorable Richard Blumenthal  
United States Senate  
Washington, D.C. 20510

The Honorable Ron Wyden  
United States Senate  
Washington, D.C. 20510

Dear Senators Warren, Blumenthal, and Wyden:

This concerns your May 14, 2018 letter to AT&T Chairman and CEO Randall Stephenson regarding AT&T's retention of Michael Cohen as a consultant last year. Mr. Stephenson has asked me to respond to your inquiry.

As you know, companies in highly regulated sectors like ours regularly update their roster of Washington, D.C. consultants, particularly at the outset of new presidential administrations, to better anticipate and understand how an administration might approach policy and regulatory issues impacting their businesses. Consistent with this common practice, AT&T retained additional consultants in early 2017 to learn more about the Trump administration's likely views on a range of issues important to us, including regulatory reform at the Federal Communications Commission, corporate tax reform, and antitrust enforcement. We retain such consultants to provide insight and advice to AT&T, not to advocate to public officials on AT&T's behalf. That is neither illegal nor unethical.

It was in this context that Mr. Cohen reached out to us during the presidential transition prior to the Inauguration. He told our External and Legislative Affairs organization that he was leaving the Trump Organization and moving to Washington D.C. to establish a consulting practice for companies that wanted to better understand the new Trump administration. Our External and Legislative Affairs organization hired Mr. Cohen in January 2017, contracting through Mr. Cohen's limited-liability company (Essential Consultants, LLC) at Mr. Cohen's request.

For Mr. Cohen's consulting services, AT&T signed a one-year contract with Essential Consultants that expired in December 2017. The contract called for payments of \$50,000 per month, which resulted in AT&T paying total consulting fees of \$600,000. In our experience, this amount was not abnormal for political consultants in Washington, D.C. Nor is it unusual in our experience for a consultant to establish a corporate entity for his or her consulting practice. AT&T knows nothing one way or the other about what Mr. Cohen did with the consulting fees we paid.

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Our contract with Mr. Cohen was expressly limited to consulting and advisory services, and it did not permit Mr. Cohen to lobby on AT&T's behalf without first notifying us. Mr. Cohen never gave such notification to AT&T because, as far as AT&T is aware, he never engaged in lobbying on our behalf. AT&T did not ask Mr. Cohen to set up any meetings with the President or anyone else in the administration, and he did not set up any such meetings.

Respectfully, we disagree with several characterizations made in your letter. For example, your letter notes that Mr. Cohen used Essential Consultants to pay Stephanie Clifford \$130,000 in October 2016, suggesting that AT&T might have known about those payments. We did not. Like the American public, we first learned of Mr. Cohen's dealings with Ms. Clifford when the *Wall Street Journal* broke the story on January 12, 2018, after our 2017 consulting agreement with Mr. Cohen had already expired.

Finally, in the fall of 2017, we were contacted by the Office of Special Counsel, which sought information from us regarding Mr. Cohen. At all times, AT&T has cooperated fully with the Office of Special Counsel and Department of Justice regarding their interest in Mr. Cohen. Please rest assured that continued cooperation with prosecutors remains our top priority, and the disclosures contained in this letter are guided by this priority.

While our relationship with Mr. Cohen was entirely lawful, hindsight has shown that our association with him was a mistake. On that point, we have spoken to our employees and the public very plainly. AT&T is committed to ensuring that those we hire in the policy arena share our high standards for integrity and ethical behavior. To that end, Mr. Stephenson has placed David McAtee, our Senior Executive Vice President and General Counsel, in charge of our External and Legislative Affairs organization, and Mr. McAtee's top priority is to deliver on this commitment.

Thank you for the opportunity to address this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim McKeone". The signature is written in a cursive, slightly stylized font. The first name "Tim" is written with a large, looped 'T'. The last name "McKeone" follows, with the 'M' and 'K' being prominent. The signature is positioned on a light-colored, possibly white, rectangular background.