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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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March 27, 2017

The Honorable Walter M. Shaub, Jr.
Director
U.S. Office of Government Ethics
1201 New York Avenue NW Suite 500
Washington, D.C. 20005

Dear Director Shaub,

I am writing regarding troubling comments made by Steven Mnuchin in his capacity as Treasury Secretary during a live interview with Mike Allen from Axios.¹

In response to a reader question asking for a movie recommendation, Sec. Mnuchin responded “I’m not allowed to promote anything that I’m involved in. So I just want to have the legal disclosure, you’ve asked me the question, and I am not promoting any product. But you should send all your kids to ‘Lego Batman’.” Lego Batman is a movie produced by Ratpac-Dune Entertainment, a film production company founded by Sec. Mnuchin and in which he holds a significant financial interest. Sec. Mnuchin also described Avatar, another film produced by Ratpac-Dune, as his favorite movie, and described The Wolf of Wall Street and The Big Short, two films not produced by Ratpac-Dune, as “complete misrepresentations.”

I am concerned that despite his “legal disclosure,” these comments may constitute a violation of Secretary Mnuchin’s January 10, 2017 ethics agreement. In that agreement, Sec. Mnuchin asserted the following:

Within 120 days of my confirmation, I will divest my interests in Ratpac-Dune Entertainment Holdings LLC. With regard to these interests, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

According to Sec. Mnuchin’s Office of Government Ethics (OGE) form 278e, Ratpac-Dune Entertainment Holdings LLC holds a film agreement with Warner Bros. and Ratpac-Dune

¹ <https://www.c-span.org/video/?425894-1/treasury-secretary-says-hes-optimistic-house-will-pass-health-care-bill-today>

receives an income stream with respect to each film it invests in. Specifically, Sec. Mnuchin's form 278e notes Ratpac-Dune "receives the 'ultimates' for each film 6 weeks after the film is released." Ratpac-Dune also holds an ongoing copyright interest in the films it produces. Therefore, I am concerned that Sec. Mnuchin's comments may be seen to have a predictable effect on the financial interests of the entity.

OGE regulations require Sec. Mnuchin to notify the Finance Committee with evidence of compliance with the terms of his ethics agreement. At this time, Sec. Mnuchin has provided the Committee no evidence that he has divested his interests in Ratpac-Dune Entertainment Holdings LLC, and I assume he still holds this interest.

Regardless of Sec. Mnuchin's personal financial interest in films produced by Ratpac-Dune, OGE regulations state that "An employee shall not use or permit the use of his Government position or title or any authority associated with his public office to endorse any product, service or enterprise" with limited exceptions.² I am concerned that Sec. Mnuchin's comments may also be interpreted as an explicit endorsement of films produced by Ratpac-Dune, in violation of OGE regulations.

As the director of the Office of Government Ethics, you have the authority to review potential ethics violations and notify the employee's agency of any potential violation. I request that you review Sec. Mnuchin's comments, and report any findings to me and the Treasury Department.

Sincerely,



Ron Wyden
Ranking Member

² 5 C.F.R. § 2635.702(c).