

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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WASHINGTON, DC 20515-6143

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<http://oversight.house.gov>

April 12, 2018

Steve Calk
Chief Executive Officer
The Federal Savings Bank
300 North Elizabeth St., Suite 3E
Chicago, IL 60607

Dear Mr. Calk:

We are writing to request information about extremely troubling press reports that your bank may have authorized loans of up to \$16 million to President Donald Trump's campaign chairman, Paul Manafort, in exchange for alleged promises to name you to a high-level position within the Trump Administration.

Background

According to press accounts, the bank that you head, The Federal Savings Bank, provided up to \$16 million in loans to Mr. Manafort "as part of a quid pro quo arrangement to secure Mr. Calk a job in Mr. Trump's Administration."¹ According to another report:

The first loan from Calk's bank to Manafort came in December 2016, when a limited liability company connected to Manafort obtained a \$9.5 million loan. A month later, the bank provided two more loans, totaling \$6.5 million, to Manafort and his wife. The loans represented about 23.5 percent of the institution's total capital.²

According to these reports, between late 2016 and early 2017, "Mr. Calk was placing calls to the Pentagon and specifically to Army headquarters, asking for briefings to obtain information and prepare himself for a possible job." According to these reports, "Mr. Calk's overtures raised questions among military leaders as to how to respond."³

¹ *Mueller Examines Manafort Loans*, Wall Street Journal (Feb. 21, 2018) (online at www.wsj.com/articles/mueller-examines-manafort-loans-1519259125).

² *Behind Manafort's Loans, a Chopper Pilot Who Flew Into Trump's Orbit*, Bloomberg (July 25, 2017) (online at www.bloomberg.com/news/articles/2017-07-25/behind-manafort-s-loans-chopper-pilot-who-flew-into-trump-orbit). See also *Banker's Divorce Could Expose Role in Manafort Trump Scandal*, The Rachel Maddow Show, MSNBC (Feb. 26, 2018) (online at www.msnbc.com/rachel-maddow/watch/banker-s-divorce-could-expose-role-in-manafort-trump-scandal-1171278915960) ("about a quarter of the total assets that bank had available to loan").

³ See *Mueller Asking if Manafort Promised Banker White House Job In Return For Loans*, NBC News

In August 2016, before you made these loans to Mr. Manafort, President Trump named you to his campaign's economic advisory panel:

Calk, 52, was an unknown compared with other members of the Trump campaign's initial 13-man economic council—[Howard] Lorber, Thomas Barrack of Colony NorthStar and current Treasury Secretary Steven Mnuchin among them. Exactly how he was chosen for the council remains unclear.⁴

A spokesman for Mr. Manafort, Jason Maloni, defended the loans, stating: "Paul Manafort's loan from Federal Savings Bank is an arms-length transaction and sufficiently over-collateralized. Surely the loan represents a fraction of the bank's total loan book, but that is a question for the bank and its loan committee."⁵

New Information from Department of Defense

On February 27, 2018, we sent a letter to the Department of Defense (DOD) requesting documents and information relating to these reports, including communications with or regarding you, Paul Manafort, Rick Gates, or other individuals affiliated or connected with President Trump's campaign.⁶

On April 2, 2018, Robert R. Hood, the Assistant Secretary of Defense for Legislative Affairs, sent a letter in response to our request that provides two key facts:

- First, DOD reports that, eight days after the President's election, the Army's Chief of Staff "had the opportunity to engage Mr. Calk on November 16, 2016, when he provided remarks at a Business Executives for National Security (BENS) luncheon in Chicago."
- Second, DOD reports that "Army administrative personnel recall receiving a telephone call from Mr. Calk sometime in November of 2016 regarding the confirmation process in general."⁷

(Feb. 21, 2018) (online at www.nbcnews.com/politics/donald-trump/mueller-asking-if-manafort-promised-banker-white-house-job-return-n849916); *Paul Manafort Got \$16 Million in Loans After the Election. Mueller Finds That Very Interesting*, Vox (Feb. 21, 2018) (online at www.vox.com/policy-and-politics/2018/2/21/17036634/paul-manafort-sealed-charges).

⁴ *Trump Unveils All-Male Economic Advisory Team*, Politico (Aug. 5, 2016) (online at www.politico.com/story/2016/08/trump-economic-advisory-team-226709).

⁵ *Behind Manafort's Loans, a Chopper Pilot Who Flew Into Trump's Orbit*, Bloomberg (July 25, 2017) (online at www.bloomberg.com/news/articles/2017-07-25/behind-manafort-s-loans-chopper-pilot-who-flew-into-trump-orbit).

⁶ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, and Ranking Member Stephen F. Lynch, House Subcommittee on National Security, House Committee on Oversight and Government Reform, to James N. Mattis, Secretary of Defense, Department of Defense (Feb. 27, 2018) (online at <https://democrats-oversight.house.gov/news/press-releases/top-dems-request-info-from-pentagon-on-reports-that-manafort-promised-army>).

⁷ Letter from Robert R. Hood, Assistant Secretary of Defense, Legislative Affairs, Department of Defense,

DOD's letter does not explain why you were inquiring about the confirmation process. DOD's response was also limited in that it apparently focused only on your communications with the Department of the Army rather than all DOD elements. The letter states that "the Army was not involved in any personnel decisions regarding Mr. Calk, and did not engage in any communications regarding Mr. Calk with Paul Manafort, Rick Gates, or other individuals affiliated with President Trump's campaign."⁸

This new information provided by DOD appears to confirm at least part of the underlying allegation, which is that you were actively inquiring with the Pentagon within days of the presidential election about a high-level position that would have required the advice and consent of the Senate. For these reasons, we now request information directly from you about why you were seeking that information and whether your actions were related to a *quid pro quo* with President Trump's campaign chairman, Paul Manafort.

Request for Documents

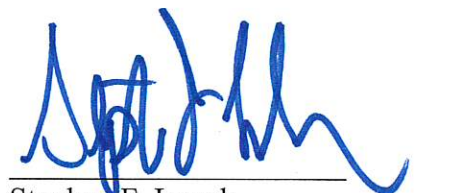
We request that you produce, by April 26, 2018, all documents within your custody, control, or possession referring or relating to:

- (1) all communications between you or anyone on your behalf and Paul Manafort, Rick Gates, or any other individuals affiliated or connected with staff for President Trump's campaign;
- (2) all communications between you and officials with the Trump Campaign, the Trump Transition Team, and the Department of Defense or any of its components;
- (3) all loans discussed, applied for, reviewed, or granted to Mr. Manafort by The Federal Savings Bank, including all related loan documents and attachments, as well as all communications about these loans within The Federal Savings Bank and with any third parties.

If you have any questions about this request, please contact Timothy D. Lynch, Committee Staff, at (202) 225-5051. Thank you for your prompt attention to this request.

Sincerely,


Elijah E. Cummings
Ranking Member


Stephen F. Lynch
Ranking Member
Subcommittee on National Security

to Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform (Apr. 2, 2018).

⁸ *Id.*

Steve Calk, Chief Executive Officer, The Federal Savings Bank
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cc: The Honorable Trey Gowdy, Chairman

The Honorable Ron DeSantis, Chairman
Subcommittee on National Security