

Congress of the United States
Washington, DC 20510

January 29, 2019

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Dear Secretary Mnuchin:

We are writing to request information about the Treasury Department's decision to lift sanctions on the aluminum manufacturer United Co. Rusal (Rusal), as well as other entities related to sanctioned Russian oligarch Oleg Deripaska, in light of your potential conflicts of interest regarding that decision. In particular, we are seeking an explanation as to how you managed your own potential conflicts of interest arising from your personal and professional relationships with major Rusal shareholder Len Blavatnik, a key beneficiary from your decision to delist Rusal.

In April 2018, the Treasury Department imposed sanctions against Deripaska, and several companies he owned or controlled, in response to Russia's "malign activities" around the globe. These entities included Rusal and its largest shareholder En+ Group, an entity through which Deripaska maintained a controlling interest in Rusal.¹ At the time the sanctions were enacted, Rusal's second largest shareholder was Sual Partners (Sual).² Sual is co-owned by sanctioned Russian billionaire Viktor Vekselberg and U.S. citizen Len Blavatnik.³ When sanctions against Rusal were announced, Sual Partners stated that they would take "all necessary steps to facilitate the swift lifting of U.S. Treasury Department sanctions on Rusal."⁴ After Rusal reportedly carried out an intensive international lobbying campaign, the Treasury Department announced on December 19, 2018 that it intended to remove these entities from the sanctions list because the companies had "committed to significantly diminish Deripaska's ownership and sever his

¹ Jake Rudnitsky, *Tangled Rusal Ownership Thwarts Easy End to Sanctions: QuickTake*, Bloomberg (Apr. 25, 2018) <https://www.bloomberg.com/news/articles/2018-04-25/tangled-rusal-ownership-thwarts-easy-end-to-sanctions-quicktake>.

² *Id.*

³ *Id.*

⁴ Polina Ivanova, *Rusal Shareholder Calls for New Strategy in Response to U.S. Sanctions*, Reuters (Apr. 30, 2018) <https://www.reuters.com/article/us-usa-russia-sanctions-rusal-sual-idUSKBN1I10WD>.

control.”⁵ On January 27, the Treasury Department formally delisted these entities. Sual reportedly will retain a significant ownership in the reorganized Rusal.⁶

There have been a number of reports describing your personal and business relationships with Sual co-owner Len Blavatnik. For example, in 2013, Mr. Blavatnik reportedly was an initial investor in RatPac Entertainment, the film production company which then partnered with your own company, Dune Entertainment, to form RatPac-Dune.⁷ During the partnership, RatPac-Dune financed a slate of high-profile movies for Warner Brothers.⁸ Press reports describe you and RatPac Entertainment co-founder Brett Ratner as frequent guests on Mr. Blavatnik’s yacht.⁹

In April 2017, Mr. Blavatnik’s firm, Access Entertainment, acquired co-founder James Packer’s stake in RatPac Entertainment. This deal appears to have been made during the period in which your then fiancée, Louis Linton, was serving as interim CEO of Dune Entertainment, and around the same time you divested your own interest in Dune in order to comply with the terms of the ethics agreement you entered upon being confirmed as Treasury Secretary.¹⁰ At least one report—denied by Mr. Blavatnik—suggested that Mr. Blavatnik purchased your interest in Dune.¹¹ Your brother, Alan Mnuchin, through his firm AGM Partners, has a history of business dealings with Mr. Blavatnik, including advising on Mr. Blavatnik’s \$3.3 billion purchase of Warner Music Group in 2011,¹² and brokering the sale of RatPac-Dune’s film library earlier this year.¹³

⁵ Department of the Treasury, *Press Release: OFAC Notifies Congress of Intent to Delist En+, Rusal, and EuroSibEnergo* (Dec. 19, 2018) <https://home.treasury.gov/news/press-releases/sm576>.

⁶ Kenneth Vogel, *Deripaska and Allies Could Benefit from Sanctions Deal, Document Shows*, New York Times (Jan. 21, 2019) <https://www.nytimes.com/2019/01/21/us/politics/oleg-deripaska-russian-sanctions.html>.

⁷ Kim Masters, *Music’s Mystery Mogul: Len Blavatnik, Trump and Their Russian Friends*, Hollywood Reporter (Oct. 10, 2018) <https://www.hollywoodreporter.com/features/why-is-warner-music-group-owner-len-blavatnik-russia-probe-1150550>.

⁸ *Id.*

⁹ *Id.*

¹⁰ Access Industries, *Press Release: Blavatnik Buys Stakes in Venture Behind Warner Bros. Hit Films* (citing a Bloomberg story by Paul Barbagallo) (Apr. 18, 2017) <https://www.accessindustries.com/news/blavatnik-buys-stake-in-venture-behind-warner-bros-hit-films/>.

¹¹ Pamela McClintock and Tatiana Siegel, *Hollywood and Film Financiers: A Torrid Love Affair Hits a Rocky Road*, Hollywood Reporter (July 24, 2017) <https://www.hollywoodreporter.com/news/hollywood-film-financiers-a-torrid-love-affair-hits-a-rocky-road-1023140>.

¹² Michael J. De La Merced and Ben Sisario, *Warner Music is Sold, Ending a Long Auction*, New York Times (May 6, 2011) <https://dealbook.nytimes.com/2011/05/06/warner-music-to-sell-itself-to-access-for-3-3-billion/>.

¹³ Mike Fleming, Jr., *Warner Bros Exercises Matching Rights to Win RatPac Dune Library: \$290M-\$300M*, Deadline Hollywood (Jan. 2, 2019) <https://deadline.com/2019/01/ratpac-dune-library-warner-bros-300-million-dollar-deal-vine-alternative-investments-wonder-woman-batman-vs-superman-dunkirk-american-sniper-1202528281/>.

Given your reported business and family ties to Mr. Blavatnik, we are requesting the following information about your role and potential conflicts of interest in the decision to lift sanctions against Rusal, any role Sual Partners may have played in that decision, and your relationship with Mr. Blavatnik:

1. Please describe your personal and business relationship with Mr. Blavatnik.
2. According to Hollywood Reporter, Mr. Blavatnik was an initial investor in RatPac Entertainment, a company your own Dune Entertainment partnered with beginning in 2013.¹⁴ Please state whether this report is accurate, and if so, please describe Mr. Blavatnik's ownership interest in RatPac and subsequent role in the RatPac-Dune venture.
3. In April 2017, Mr. Blavatnik announced that he was purchasing RatPac Entertainment co-founder James Packer's interest in RatPac.¹⁵ Please describe when this transaction took place and describe any financial transactions, benefits, and communications you had with Mr. Blavatnik, Mr. Packer, Ms. Linton, or any other party concerning this transaction, and provide all supporting documents.
4. In June 2017, you certified that you had completed the sale of your interest in Dune Entertainment, and the RatPac-Dune venture, as required by your ethics agreement.¹⁶ Please identify the purchasing party or parties and the terms of the transaction and any role or approval that Mr. Blavatnik executed in consummating this divestiture or benefit received by him as a result of the transaction, and provide all supporting documents.
5. Please describe any steps you took to minimize any conflicts of interest, or the appearance of such conflicts, in the Rusal matter stemming from your relationship with Mr. Blavatnik, including all documents related to any consultation with an agency ethics official.
6. Please describe any communications, meetings, and social engagements, you have had with Mr. Blavatnik, his agents, or his representatives, since being nominated to be Treasury Secretary. Please provide copies of any such communications and dates and summaries of any meetings or engagements.

¹⁴ Kim Masters, *Music's Mystery Mogul: Len Blavatnik, Trump and Their Russian Friends*, Hollywood Reporter (Oct. 10, 2018) <https://www.hollywoodreporter.com/features/why-is-warner-music-group-owner-len-blavatnik-russia-probe-1150550>.

¹⁵ Access Industries, *Press Release: Blavatnik Buys Stakes in Venture Behind Warner Bros. Hit Films* (citing a Bloomberg story by Paul Barbagallo) (Apr. 18, 2017) <https://www.accessindustries.com/news/blavatnik-buys-stake-in-venture-behind-warner-bros-hit-films/>.

¹⁶ Steven T. Mnuchin, Certification of Ethics Agreement Compliance (June 19, 2017) [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/A660A5801E88974B8525813200685C6B/\\$FILE/Mnuchin,%20Steven%20T%20EA%20Cert%201%20&%20Cert%202.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/A660A5801E88974B8525813200685C6B/$FILE/Mnuchin,%20Steven%20T%20EA%20Cert%201%20&%20Cert%202.pdf).

7. When sanctions against Rusal were announced, Sual Partners stated that they would take “all necessary steps to facilitate the swift lifting of U.S. Treasury Department sanctions on Rusal.”¹⁷ Please describe any communications between Sual Partners or their agents or representatives and the Treasury Department concerning this matter. Please provide copies of any communications and dates and summaries of any meetings.
8. Rusal reportedly undertook structural and governance changes as a condition of sanctions relief.¹⁸ Please describe those changes and identify how they affect Sual’s interest in the company.
9. Please provide documents sufficient to show Sual’s past and current ownership structure, including whether they are a blocked entity due to Mr. Vekselberg’s ownership interest.

An attachment to this letter provides additional instructions for responding to our request. Please provide copies of this information to the House Committee on Oversight and Reform and the Senate Committee on Finance by February 11, 2019.

Thank you for your attention to this matter.

Sincerely,



Elijah E. Cummings
Chairman
Committee on Oversight and Reform,
U.S. House of Representatives



Ron Wyden
Ranking Member
Committee on Finance,
U.S. Senate

cc: The Honorable Chuck Grassley, Chairman, Committee on Financial Services
The Honorable Jim Jordan, Ranking Member, Committee on Oversight and Reform

¹⁷ Polina Ivanova, *Rusal Shareholder Calls for New Strategy in Response to U.S. Sanctions*, Reuters (Apr. 30, 2018) <https://www.reuters.com/article/us-usa-russia-sanctions-rusal-sual-idUSKBN1I10WD>.

¹⁸ Department of the Treasury, *Press Release: OFAC Notifies Congress of Intent to Delist En+, Rusal, and EuroSibEnergo* (Dec. 19, 2018) <https://home.treasury.gov/news/press-releases/sm576>.