

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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September 21, 2018

The Honorable Michael R. Pence
Vice President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

General John F. Kelly
Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Vice President Pence and General Kelly:

In light of new documents released by federal prosecutors in the criminal trial of President Trump's former campaign chairman, Paul Manafort, we are writing to request that you produce additional documents relating to efforts by senior White House officials—including Jared Kushner—to try to secure a high-level position in the Trump Administration for Steve Calk, the CEO of The Federal Savings Bank, as part of an apparent *quid pro quo* for providing millions of dollars in loans to Mr. Manafort.

For the past six months, we have been trying, with limited success, to obtain information about these serious allegations, but our efforts have been frustrated by the refusal of Republicans on the Committee to conduct any investigation at all. Chairman Trey Gowdy not only refused all of our requests to obtain documents, but he also blocked all of our efforts to bring this matter before the Committee to allow Members to vote for themselves on whether to investigate.

Mr. Manafort's Denial

In February, multiple press outlets reported that the 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 one report:

¹ *Mueller Examines Manafort Loans*, Wall Street Journal (Feb. 21, 2018) (online at www.wsj.com/articles/mueller-examines-manafort-loans-1519259125). See also *Mueller Asking if Manafort Promised Banker White House Job In Return For Loans*, NBC News (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

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

In response to these allegations, a spokesman for Mr. Manafort, Jason Maloni, denied any wrongdoing on the part of Mr. Manafort, 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.⁴

The Bank's Refusal to Produce Documents

On April 12, 2018, we requested information directly from The Federal Savings Bank relating to the actions of Mr. Calk and Mr. Manafort. We asked the Bank to produce communications between Mr. Calk and Mr. Manafort, Rick Gates, and other officials associated with the campaign, the Transition Team, or the Department of Defense. We also requested documents relating to any loans discussed, applied for, reviewed, or granted to Mr. Manafort by the Bank, as well as communications about these loans within the Bank and with any third parties.⁵

(Feb. 21, 2018) (online at www.vox.com/policy-and-politics/2018/2/21/17036634/paul-manafort-sealed-charges).

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 *Mueller Examines Manafort Loans*, Wall Street Journal (Feb. 21, 2018) (online at www.wsj.com/articles/mueller-examines-manafort-loans-1519259125). See *Mueller Asking if Manafort Promised Banker White House Job In Return For Loans*, NBC News (Feb. 21, 2018) (online at www.nbcnews.com/politics/donald-trump/mueller-asking-if-manafort-promised-banker-white-house-job-return-n849916); See also *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 *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).

⁵ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, and Ranking Member Stephen F. Lynch, Subcommittee on National Security, House Committee on

On April 26, 2018, the Bank responded with a one-page letter arguing that the “news media speculation is false.”⁶ The Bank produced only a single document—a copy of the Special Counsel’s already public Superseding Indictment against Mr. Manafort—and argued that it “demonstrates that the bank was a victim of Manafort’s fraudulent conduct.” The Bank did not produce any of the documents or information we requested.

The Pentagon’s Partial Production of Documents

On February 27, 2018, we wrote to the Department of Defense (DOD) requesting documents relating to Mr. Calk’s communications regarding a future position.⁷ DOD responded on April 2, 2018, and provided two key facts. First, according to DOD, just eight days after President Trump’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 reported that Mr. Calk contacted the Army “sometime in November of 2016 regarding the confirmation process in general.”⁸

The information DOD provided appears to confirm at least part of the underlying allegation, which is that Mr. Calk was 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.

However, DOD’s letter did not explain why Mr. Calk was inquiring about the confirmation process. DOD’s response was also limited in that it apparently focused only on Mr. Calk’s communications with the Department of the Army, rather than all DOD elements. For example, the letter stated 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.”⁹

Oversight and Government Reform, to Steve Calk, Chief Executive Officer, The Federal Savings Bank (Apr. 12, 2018) (online at <https://democrats-oversight.house.gov/news/press-releases/pentagon-confirms-banker-who-gave-manafort-loans-inquired-about-position-with>).

⁶ Letter from Ryan T. Murphy, Compliance Manager and In-House Counsel, The Federal Savings Bank, to Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, and Ranking Member Stephen F. Lynch, Subcommittee on National Security, House Committee on Oversight and Government Reform (Apr. 26, 2018) (online at <https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/TFSB%20Response%20to%20Committee%20on%20Oversight.pdf>).

⁷ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, and Ranking Member Stephen F. Lynch, Subcommittee on National Security, to General James N. Mattis, Secretary of Defense (Feb. 27, 2018) (online at <https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018-02-27.EEC%20%26%20Lynch%20to%20DOD%20re.Stephen%20Calk.pdf>).

⁸ Letter from Robert R. Hood, Assistant Secretary for Legislative Affairs, Department of Defense, to Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform (Apr. 2, 2018).

⁹ *Id.*

New Information from Prosecutors Regarding Mr. Kushner's Role

During the criminal trial of Mr. Manafort, prosecutors submitted as evidence communications that occurred between Mr. Manafort and Jared Kushner, Senior Advisor to President Trump, relating to Mr. Calk.

On November 30, 2016, Mr. Manafort sent an email to Mr. Kushner recommending Mr. Calk for a "major appointment" in the Trump Administration, along with two other candidates. In his email, Mr. Manafort wrote that Mr. Calk "should be a part of the Trump Administration." He wrote that Mr. Calk supported Mr. Trump "before the nomination was secured," was "active in the campaign," would "advance DT agenda," and "will be totally reliable and responsive to the Trump White House."¹⁰

Mr. Manafort also offered a strong endorsement of Mr. Calk:

Calk was active supporter of campaign since April. HE [sic] served on the National Economic Policy Advisory Committee for Trump campaign and has made over 40 television interviews during the course of the General Election. His background is strong in defense issues, management and finance. His preference is Secretary of the Army.

Recommended Position: Secretary of the Army

Alternative Positions

Undersecretary of the Treasury for Domestic Finance
Undersecretary of the Treasury for International Affairs
Deputy Secretary of Commerce¹¹

In response, Mr. Kushner sent an email back the same day, stating: "On it!"¹²

Mr. Manafort also sent an email on November 24, 2016, to Rick Gates, who has now pleaded guilty to charges involving his role as Mr. Manafort's deputy. He wrote to Mr. Gates that they needed "to discuss Steve Calk for Sec of Army" because Mr. Manafort had heard "the list is being considered this weekend."¹³

¹⁰ Email from Paul Manafort to Jared Kushner (Nov. 30, 2016) (online media1.s-nbcnews.com/i/today/z_creative/502_Redacted.pdf).

¹¹ *Id.*

¹² Email from Jared Kushner to Paul Manafort (Nov. 30, 2016) (online at media1.s-nbcnews.com/i/today/z_creative/502_Redacted.pdf).

¹³ *Manafort Suggested Chicago Banker Calk as Army Secretary, According to Gates*, Chicago Sun Times (Aug. 7, 2018) (online at <https://chicago.suntimes.com/news/manafort-suggested-chicago-banker-calk-as-army-secretary-according-to-gates/>).

Request for Documents

These documents raise significant questions about the actions Mr. Kushner or others took in response to Mr. Manafort's request. Mr. Manafort had been fired from the Trump campaign months earlier and was the subject of a publicly-known FBI investigation, yet Mr. Kushner responded on the same day appearing to agree to take swift action. However, the documents do not include any information about the actions of Mr. Kushner or others he may have communicated with about this matter.

On May 1, 2018, we wrote to Chairman Gowdy requesting that he issue a subpoena to The Federal Savings Bank to produce documents it was withholding regarding communications between Mr. Calk and Mr. Manafort.¹⁴ He declined. On May 21, 2018, Ranking Member Cummings wrote to ask Chairman Gowdy to place a subpoena motion on the agenda for the Committee's business meeting on May 23, 2018.¹⁵ He declined. At the business meeting on May 23, 2018, Republicans blocked all consideration of subpoena motions.¹⁶

For these reasons, we request that each of you, in your respective capacities as head of the Trump transition team and White House custodian of documents, produce the following documents by October 4, 2018:

- (1) all documents and communications referring or relating to Mr. Calk, including but not limited to documents relating to his potential or actual appointment to a position in the Trump campaign, Trump transition team, or Trump Administration;
- (2) all documents and communications to, from, or copying Mr. Calk, including but not limited to communications to, from, or copying the Trump transition team, the White House Office of Presidential Personnel, or the Office of White House Counsel; and

¹⁴ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, and Ranking Member Stephen F. Lynch, Subcommittee on National Security, House Committee on Oversight and Government Reform, to Chairman Trey Gowdy, House Committee on Oversight and Government Reform (May 1, 2018) (online at <https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2018-05-01.EEC%20Lynch%20to%20Gowdy%20re.Federal%20Savings%20Bank-loans%20to%20Paul%20Manafort.pdf>).

¹⁵ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform to Chairman Trey Gowdy, House Committee on Oversight and Government Reform (May 21, 2018) (online at <https://edit-democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2018-05-21.EEC%20to%20TG%20re.%2012%20Subpoena%20Requests.pdf>).

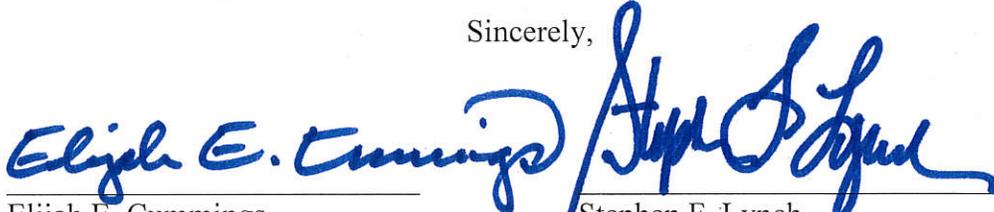
¹⁶ House Committee on Oversight and Government Reform, *GOP Blocks 12 More Subpoena Motions* (May 23, 2018) (online at <https://edit-democrats-oversight.house.gov/news/press-releases/gop-blocks-12-more-subpoena-motions>).

The Honorable Michael Pence
General John Kelly
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- (3) all communications between Mr. Manafort and officials in the Trump Campaign, Trump Transition, or Trump Administration relating to potential appointments or nominations in the Trump Administration.

Thank you for your prompt attention to this request.

Sincerely,



Elijah E. Cummings
Ranking Member

Stephen F. Lynch
Ranking Member
Subcommittee on National Security

cc: The Honorable Trey Gowdy, Chairman

The Honorable Steve Russell, Chairman
Subcommittee on National Security