Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
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October 8, 2024

The Honorable Lina M. Khan Chair Federal Trade Commission 600 Pennsylvania Avenue NW Washington, D.C. 20580

Dear Chair Khan,

The Committee on Oversight and Accountability is continuing to investigate the politicization of the Federal Trade Commission (FTC) under your leadership. During this election season, you have engaged in partisan political activities with numerous Democrat congressional candidates, undermining the FTC's independence and its mission to protect American consumers regardless of partisan affiliation. Such activities further diminish the FTC's reputation under your leadership and raise serious questions concerning whether you have complied with legal and ethical standards. The Committee is seeking documents and communications to understand your participation in these partisan activities and whether your appearances at campaign-season events with Democrat candidates—as the head of an independent, bipartisan federal commission—complied with all relevant laws and ethical guidelines.

Recent reports show you are appearing or are scheduled to appear at numerous campaign-season events with Democrats seeking re-election or election for the first time to the Senate, including U.S. Senators Bernie Sanders (D-VT) and John Hickenlooper (D-CO), Representatives Alexandria Ocasio-Cortez (D-NY), Rosa DeLauro (D-CT), Joe Neguse (D-CO), Raja Krishnamoorthi (D-IL), Mark Pocan (D-WI), and Greg Casar (D-TX), and Arizona Democrat candidate for U.S. Senate, Representative Ruben Gallego (D-AZ). This blatant partisanship and political activity are consistent with what the Committee has learned in its review of your tenure as Chair. The FTC has subordinated the Commission's independent role to the political will and left-wing ideology of the Biden-Harris Administration and its political allies. 3

¹ See letter from Hon. James Comer, Chairman, H. Comm. on Oversight & Accountability to Hon. Lina Khan, Chair, Fed. Trade Comm'n (Apr. 16, 2024).

² Ben Brody, Lina Khan hits the road with Democrats ahead of election, Punchbowl News (Oct. 2, 2024).

³ See, e.g., Executive Order 14036, Promoting Competition in the American Economy at sec's 2-5, 86 Fed. Reg. 36987 (July 14, 2021); See Letter from Hon. Elizabeth Warren, Senator, et al., to Hon. Lina Khan, Chair, Fed. Trade Comm'n, et al., (Sept. 27, 2023); Letter from Hon. Elizabeth Warren, Senator, et al., to Hon. Lina Khan, Chair, Fed. Trade Comm'n (Sept. 28, 2022); See, e.g., A More Perfect Union at 33-34, Center for American Progress (Jan. 2021).

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During your tenure as Chair, you have consistently demonstrated your disregard for ethical norms and willingness to serve as a political tool of the Biden-Harris Administration. For example, when the Biden-Harris Administration asked you to investigate oil and gas prices to quell its political liability over rising gas prices,⁴ you required parties to several proposed oil and gas mergers to respond to second requests for information under the Hart-Scott-Rodino Act.⁵ And, when the Biden-Harris Administration sought to blame grocers for persistent inflation,⁶ you attempted to block a merger between two grocery chains shortly thereafter.⁷

Then, to provide the Biden-Harris Administration with political cover for its role in sparking and fanning the worst inflation in 40 years, you used FTC time and resources to serve as the political messenger of the Biden-Harris Administration through the "Strike Force on Unfair and Illegal Pricing." From the outset, the Committee suspected the Strike Force was nothing more than a political messaging tool for the Biden-Harris Administration. Samuel Levine, the Director of the FTC's Bureau of Consumer Protection, confirmed that suspicion during a transcribed interview with the Committee. As Director Levine explained:

My understanding is that the strike force might end up highlighting some of [the FTC's] work. But in terms of – the strike force had no impact on the decision of what cases to bring or what policy initiatives to pursue. Absolutely nothing changed within the Bureau. ¹⁰

In other words, the Strike Force was an empty vessel through which the FTC laundered talking points of the Biden-Harris Administration. Indeed, you as Chair led the first meeting of the Strike Force on August 1, 2024, at which you wasted taxpayers' time and money to champion the Biden-Harris Administration for work the FTC would have done regardless of the existence of the Strike Force. 11

Your conduct also demonstrates that you have not always complied with ethical standards. When the FTC challenged Meta Inc.'s (Meta) acquisition of Within Unlimited, Inc.,

⁴ Letter from Brian Deese, Director, National Economic Council, to Hon. Lina Khan, Chair, Fed. Trade Comm'n (Aug. 11, 2021).

⁵ See David French & Diane Bartz, EXCLUSIVE U.S. Slows Down Oil and Gas Mergers-Sources, Reuters (Oct. 21, 2021).

⁶ Speeches and Remarks, Remarks by President Biden at a Political Event at South Carolina's First in the Nation Dinner | Columbia, SC, The White House (Jan. 28, 2024); See Jim Tankersley, Biden Takes Aim at Grocery Chains over Food Prices, The New York Times (Feb. 1, 2024).

⁷ See Press Release, FTC Challenges Kroger's Acquisition of Albertson's, Fed. Trade Comm'n (Feb 26, 2024).

⁸ TED: The Economics Daily, Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years, U.D. Bureau of Labor Statistics (July 18, 2022), available at

https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm.

⁹ Statements and Releases, FACT SHEET: President Biden Announces New Actions to Lower Costs for Americans by Fighting Corporate Rip-Offs, The White House (Mar. 5, 2024)

¹⁰ Transcribed Interview of Samuel Levine, Director, Bureau of Consumer Protection, Federal Trade Commission, H. Comm. on Oversight & Accountability at 26, 38 (July 30, 2024).

¹¹ Transcript of Strike Force Virtual Meeting, Fed. Trade Comm'n (Aug. 1, 2024), *available at* https://www.ftc.gov/system/files/ftc_gov/pdf/strike-force-virtualmeeting_-transcript.pdf.

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Comm'n (Feb. 1, 2023).

in 2022, Meta requested your recusal from the matter due to your lengthy history of publicly advocating against Meta's right to pursue mergers. ¹² The Commission's Designated Agency Ethics Official (DAEO) recommended that you indeed recuse yourself from participation in the case. ¹³ But you refused to follow the DAEO's recommendation, demonstrating your willingness to break ethical norms. ¹⁴

As FTC Chair, you should be working to protect the American consumer instead of abusing taxpayer time and resources as an advocate for the Biden-Harris Administration and a campaign prop for Democrat congressional candidates. To assist the Committee in understanding your campaign-related activities and whether your prior or planned appearances at campaign-season events with Democrat candidates while serving as the head of an independent, bipartisan federal commission are appropriate and lawful, please provide the following documents and communications, covering the time period January 1, 2024, to the present, no later than October 22, 2024:

- 1. All documents and communications between you and any other official or component of the FTC or the White House related to the 2024 election cycle or campaign events;
- 2. All documents and communications between you or any other official or component of the FTC and the Democratic National Committee;
- 3. All documents and communications between you or any other official or component of the FTC with the campaigns of Senator Bernie Sanders (D-VT), Senator John Hickenlooper (D-CO), Representative Alexandria Ocasio-Cortez (D-NY), Representative Rosa DeLauro (D-CT), Representative Joe Neguse (D-CO), Representative Raja Krishnamoorthi (D-IL), Representative Mark Pocan (D-WI), Representative Greg Casar (D-TX), Democrat candidate for Senator of Arizona, Representative Ruben Gallego (D-AZ), or any other campaign of a candidate for a congressional office;

12 Press Release, Open Markets Institute Calls on the FTC to Block All Facebook Acquisitions, Open Markets Inst. (Nov. 1, 2017); Press Release, Open Markets Inst., Fines for Facebook Aren't Enough: The Open Markets Institute Calls on FTC to Restructure Facebook to Protect Our Democracy (Mar. 22, 2018); The Bernie Sanders Show, The Greatest Threat to Our Democracy? (May 15, 2018) (starting at 20:29), available at https://www.youtube.com/watch?v=wuCAy10hlHI; Majority Staff Report and Recommendations of H. Subcommittee on Antitrust, Commercial, and Administrative Law of the Committee on the Judiciary, H. Comm. on the Judiciary, 116th Cong., Investigation of Competition in Digital Markets (2020); see Order Denying Petition for Recusal, In the Matter of Meta Platforms, Inc., Mark Zuckerberg, and Within Unlimited, Inc., Docket No. 9411, Fed. Trade Comm'n (Feb. 1, 2023); see also Dissenting Statement of Commissioner Christine S. Wilson, In the

Matter of Meta Platforms, Inc., Mark Zuckerberg, and Within Unlimited, Inc., Docket No. 9411, Fed. Trade

¹³ Chelsey Cox, FTC Chair Lina Khan refused to sit out agency's case against Meta despite ethics concerns, report says, CNBC (Jun. 16, 2023).

¹⁴ See Order Denying Petition for Recusal, In the Matter of Meta Platforms, Inc., Mark Zuckerberg, and Within Unlimited, Inc., Docket No. 9411, Fed. Trade Comm'n (Feb. 1, 2023); see also Dissenting Statement of Commissioner Christine S. Wilson, In the Matter of Meta Platforms, Inc., Mark Zuckerberg, and Within Unlimited, Inc., Docket No. 9411, Fed. Trade Comm'n (Feb. 1, 2023).

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- 4. All documents and communications internal to the FTC related to your appearance with any Democrat congressional candidate at any event during the 2024 election cycle, including but not limited to any documents or communications reflecting consultation by you, your immediate office, or any other official or component of the FTC with the FTC's Designated Agency Ethics Official concerning your appearance or potential appearance at any such event; and
- 5. All documents and communications internal to the FTC that reflect any use by you of official time, federal funds, or other resources, such as for travel or telecommunications, in relation to your appearance with any Democrat congressional candidate at any event during the 2024 election cycle.

To arrange for the delivery of responsive documents or ask any related follow-up questions, please contact the Committee on Oversight and Accountability staff at (202) 225-5074. Attached are instructions for complying with the Committee's request.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for cooperating with this inquiry.

Sincerely,

James Comer

Chairman

Committee on Oversight and Accountability