



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

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April 23, 2020

Ms. Emily Murphy
Administrator
General Services Administration (GSA)
1800 F Street, NW
Washington, DC 20405

Dear Administrator Murphy:

As the United States confronts the continued health, safety, and economic impacts of the COVID-19 pandemic, we are concerned about reports of the Trump Organization seeking rent relief for its lease for the Trump International Hotel at the General Services Administration (GSA)-owned Old Post Office Building (Trump OPO or OPO) in Washington, D.C. We are writing in order to get assurances from you that GSA will not give preferential treatment to President Trump's business in light of the many conflict of interest issues we have been raising since before the start of the Trump administration. In addition, any Federal financial benefits to the Trump International Hotel may be in violation of the Emoluments Clauses of the U.S. Constitution.

According to media reports, the Trump Organization has made inquiries to GSA regarding its lease payment obligations and as part of this is discussing potential relief including delays of future rent payments.¹ Last week, it was announced that the Trump International Hotel laid off or furloughed over 230 employees,² and more than 1,500 people nationwide have been laid off or furloughed from Trump properties.³

¹ Ben Protess, Steve Eder, & David Enrich, "Trump (the Company) Asks Trump (the Administration) for Rent Relief," *New York Times*, April 21, 2020, accessed here: <https://www.nytimes.com/2020/04/21/business/trump-hotel-coronavirus.html>; Josh Partlow & Jonathan O'Connell, "Trump's company asks federal government to include it in any rent relief offered to tenants," *Washington Post*, April 21, 2020, accessed here: <https://www.washingtonpost.com/business/2020/04/21/trumps-company-asks-federal-government-include-it-any-rent-relief-offered-tenants/>.

² Rebecca Cooper, "Trump Hotel files layoff notices for D.C. property," *Washington Business Journal*, April 15, 2020, accessed here: <https://www.bizjournals.com/washington/news/2020/04/15/trump-hotel-files-layoff-notices-for-d-c-property.html>.

³ Josh Partlow, Jonathan O'Connell, & David A. Farenthold, "Trump Organization has laid off about 1,500 employees as pandemic hits business," *Washington Post*, April 3, 2020, accessed here: https://www.washingtonpost.com/politics/trump-organization-has-laid-off-about-1500-employees-as-pandemic-spreads/2020/04/03/c413e42e-75d6-11ea-ae50-7148009252e3_story.html.

In a call with Committee staff late last month, GSA acknowledged that they had not developed any blanket policies for addressing the economic hardships faced by GSA outlease tenants. GSA indicated at that time there were no closures of Federal buildings that had impacted outlease tenants. They also informed our staff that rent deferrals are governed by each lease; the Lease Contracting Officers are responsible for reviewing requests from tenants; outleases do not include penalties for non-payment; and GSA does not refer tenants to collectors until they have been in arrears for 120 days or more. Trump OPO is unlike any other GSA lease because the redevelopment of the OPO was directly and explicitly authorized by Congress through the Old Post Office Redevelopment Act of 2008.⁴ Under the terms of the Trump International Hotel lease, in particular, the parties can modify or amend the lease upon the written agreement of all parties.⁵ The lease also includes provisions that address the payments of rent and default on rental payments.⁶

The inquiries regarding the potential delays of future rent payments on the OPO lease that were reportedly made by the Trump International Hotel highlight the conflict of interest issues raised at our Committee's September 2019 and January 2020 hearings as well as numerous letters we have sent to you on the Trump International Hotel lease. This is a clear case of President Trump serving as both tenant and landlord. President Trump retains a majority beneficiary interest in the hotel through a revocable trust, and his children are the remaining beneficiaries with sons Donald Trump, Jr. and Eric Trump making day-to-day decisions on behalf of the Trump Organization. At the same time, in your role as GSA Administrator, you serve at the pleasure of the President. This is a clear indication of the conflict of interest issues at play here.

For example, the Trump International Hotel is ineligible for the \$500 billion in loans administered by the U.S. Department of Treasury under a conflict of interest provision in the CARES Act, which bars businesses directly or indirectly controlled by the President, Vice President, head of an Executive Department, Member of Congress and their spouse, child, son-in-law, or daughter-in-law from being eligible for Department of Treasury loans. Any companies applying for loans must certify that the entity is eligible.⁷ A "controlling interest" is defined as 20 percent equity interest and "equity" is defined as including "an interest in a limited liability company or of a limited partner in a limited partnership."⁸ President Trump currently holds an almost 80 percent ownership interest in the hotel.⁹ This too is a clear indication of the conflict of interest issues at issue here.

Within the private sector, landlords are asking businesses to demonstrate proof of hardship before providing financial relief due to the economic fallout of the coronavirus. Within government programs, we, as Members of Congress, have been urging the Federal government to prioritize assisting businesses that are seeking to retain their employees and have few, if any, other options for financial relief. As stated above, to date, the Trump International Hotel has laid off or furloughed

⁴ Old Post Office Redevelopment Act of 2008, P.L. 110-359 (2008).

⁵ Ground Lease by & between the U.S. (as "Landlord") & Trump Old Post Office LLC (as "Tenant"), Lease No.: GS-LS-11-1307 Sec. 37.5 (Aug. 5, 2013), accessed here: <https://www.gsa.gov/reference/freedom-of-information-act-foia/electronic-reading-room>.

⁶ Ground Lease by & between the U.S. (as "Landlord") & Trump Old Post Office LLC (as "Tenant"), Lease No.: GS-LS-11-1307 Art. V, Art. XXXVII (Aug. 5, 2013), accessed here: <https://www.gsa.gov/reference/freedom-of-information-act-foia/electronic-reading-room>.

⁷ Coronavirus Aid, Relief, and Economic Security Act (CARES Act), P.L. 116-136 Div. A §4019 (2020).

⁸ Coronavirus Aid, Relief, and Economic Security Act (CARES Act), P.L. 116-136 Div. A §4019 (2020).

⁹ See Contracting Officer Letter from GSA to the Trump Organization Exhibit 2, Mar. 23, 2017, accessed here: <https://www.gsa.gov/reference/freedom-of-information-act-foia/electronic-reading-room>.

over 230 employees, and the Trump Organization has not indicated that benefits from the rental abatement would be used to bring back employees.¹⁰

With all of this in mind, we request that you provide answers to the following questions and the documents requested below to the Committee by May 7, 2020:

1. Please provide any and all copies of correspondence between the Trump Organization, including but not limited to the Trump International Hotel Washington and Trump Old Post Office LLC, and GSA related to the reported request for rent deferrals, rent abatement, and any other temporary or permanent changes to the lease. This request may be limited to January 1, 2020, to present.
2. Private sector landlords are asking businesses to provide proof of financial hardship before granting them any financial relief due to the economic fallout of the coronavirus. Has the Trump Organization documented any financial hardship to GSA?
3. Please provide any and all copies of documents related to GSA's considerations of rent abatements for outleases where 20 percent or more of a Federal building is outleased. This request may be limited to January 1, 2020, to present.
4. It is our understanding that, at the outset of the lease of the Old Post Office building by the Trump Organization, the Trump Organization was required to place certain funds in escrow to demonstrate the financial viability of the agreement. Under the terms of the agreement between GSA and the Trump Organization, is the Trump Organization permitted to use those funds toward rent payments?

We understand that we are in unprecedented times, but it is critical that the Committee do this oversight given our role in overseeing GSA's Public Buildings Service.

Please deliver one set of these records electronically to the Majority and one set of records electronically to the Minority Staff. To make arrangements for electronic delivery of the records, or if you have any questions regarding this request, please have your staff contact Lauren Dudley, Investigations & Oversight Counsel with the Committee, at (202) 225-4472.

Sincerely,



PETER A. DeFAZIO
Chair



DINA TITUS
Chair
Subcommittee on Economic
Development, Public Buildings, and
Emergency Management

¹⁰ Rebecca Cooper, "Trump Hotel files layoff notices for D.C. property," *Washington Business Journal*, April 15, 2020, accessed here: <https://www.bizjournals.com/washington/news/2020/04/15/trump-hotel-files-layoff-notices-for-d-c-property.html>.

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cc: The Honorable Sam Graves, Ranking Member

The Honorable John Katko, Ranking Member, Subcommittee on Economic Development,
Public Buildings and Emergency Management