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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

November 20, 2017

Marcella Goodridge-Keiller
Designated Agency Ethics Official
U.S. Department of Education
400 Maryland Avenue, SW
Room 6E225
Washington, DC 20202

Dear Ms. Goodridge-Keiller:

I write regarding the Department's conflict of interest and ethics compliance review processes in light of recent revelations surrounding the use of offshore tax shelters by high-net-worth members of the Administration. Over the past year, this Administration has repeatedly demonstrated the need for robust financial disclosure: people across the country deserve to know that Cabinet Secretaries are putting the public interest ahead of their own financial interests.

As you are aware, on November 5, 2017, the International Consortium of Investigative Journalists (ICIJ) published over 13 million documents that detail the construction and use of offshore investment vehicles ("the Paradise Papers") by entities seeking to reduce their tax exposure. Among the 120,000 individuals, organizations, and corporations linked to these papers were senior officials within the Trump Administration, including White House National Economic Council Director Gary Cohn and Secretary of State Rex Tillerson.¹ While use of these vehicles is not illegal or necessarily in violation of specific ethics rules and pledges, I am deeply concerned by the challenge they pose to the Federal Government's broader ethics program.

Secretary of Commerce Wilbur Ross' finances provide a salient example of this challenge. As revealed by the Paradise Papers, Secretary Ross retains an interest in a number of offshore entities that pose significant conflicts of interest and that are closely linked to Russian nationals currently sanctioned by the Department of the Treasury.² Given that they were largely masked behind offshore investment vehicles, these connections received minimal scrutiny over the course of Secretary Ross' confirmation. The public has a substantial interest in fully understanding the nature of and potential conflicts associated with Secretary Ross' financial holdings, especially considering Russia's well-documented efforts to influence the 2016 Presidential Election. As Richard W. Painter, who served as chief ethics lawyer for President

¹ "Explore: US president Donald Trump and his 12 allies in the Paradise Papers." Paradise Papers. November 5, 2017. Accessed November 13, 2017. <https://www.icij.org/investigations/paradise-papers/us-president-donald-trumps-influencers/>.

² Chavkin, Sasha, and Martha M. Hamilton. "Commerce Secretary Wilbur Ross Benefits from Business Ties to Putin's Inner Circle." Paradise Papers. November 5, 2017. Accessed November 13, 2017. <https://www.icij.org/investigations/paradise-papers/donald-trumps-commerce-secretary-wilbur-ross-and-his-russian-business-ties/>

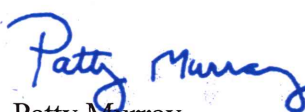
George W. Bush, noted, we should be greatly concerned with senior Administration officials profiting off ethically questionable dealings with Russian nationals.³

As disclosed in her original Office of Government Ethics Form 278e⁴ and May 18, 2017 Form 278-T⁵ filings, Secretary DeVos has retained investments in offshore investment vehicles based in countries recognized as "tax havens." With the concerns raised by the use of these investment vehicles by other members of the Administration, I ask that you clarify the following questions regarding your administration of the federal ethics program by no later than December 4, 2017:

1. How do you, in your capacity as the Designated Agency Ethics Official (DAEO), evaluate offshore investment vehicles, especially those based in jurisdictions recognized as "tax havens," including Jersey, the Isle of Man, Bermuda, the British Virgin Islands, and others?
2. How do you, in your capacity as the DAEO, reconcile obscured offshore investment vehicles with existing ethics statutes, rules, and pledges?
3. What course of action would you take, in your capacity as the DAEO, should a member of the Department use offshore investment vehicles to effectively circumvent existing ethics statutes, rules, and pledges?

Thank you in advance for your prompt attention to this matter. If you have any questions, or would like to further discuss this inquiry, please contact Carly Rush with my HELP Committee Staff at (202) 224-6403.

Sincerely,



Patty Murray
United States Senator
Ranking Member, Senate Health, Education,
Labor, and Pensions Committee

³ Mike McIntire, Sasha Chavkin And Martha M. Hamilton. "Commerce Secretary's Offshore Ties to Putin 'Cronies'." The New York Times. November 05, 2017. Accessed November 13, 2017. https://www.nytimes.com/2017/11/05/world/wilbur-ross-russia.html?_r=0.

⁴ DeVos, Elisabeth P. "Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)." January 19, 2017. Accessed November 13, 2017. [https://extapps2.oge.gov/201/Presiden.nsf/PASIndex/E554507378A61BDF852580AE002C70E1/\\$FILE/DeVos,%20Elisabeth%20P.%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PASIndex/E554507378A61BDF852580AE002C70E1/$FILE/DeVos,%20Elisabeth%20P.%20%20final278.pdf).

⁵ DeVos, Elisabeth P. "Executive Branch Personnel Public Financial Disclosure Report: Periodic Transaction Report (OGE Form 278-T)." May 18, 2017. Accessed November 13, 2017. [https://extapps2.oge.gov/201/Presiden.nsf/PASIndex/FEBCD192842A975C852581250026EC9C/\\$FILE/Elizabeth-P-DeVos-04.28.2017-278T.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PASIndex/FEBCD192842A975C852581250026EC9C/$FILE/Elizabeth-P-DeVos-04.28.2017-278T.pdf).