

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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September 25, 2019

The Honorable Elijah E. Cummings  
Chairman  
Committee on Oversight and Reform  
2157 Rayburn House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

We are in receipt of a letter, dated September 16, 2019, sent by you and Rep. Raja Krishnamoorthi to Transportation Secretary Elaine Chao seeking documents related to her family's business and her asset divestiture prior to joining the Trump Administration. Your letter, which you sent without consulting Republicans, largely rehashes old allegations and ignores information unhelpful to your political objectives. This inquiry appears to be nothing more than an attempt to manufacture controversy to smear Secretary Chao and her family. This is not the fair and responsible oversight that you promised.

Your letter identified no facts that have not been previously reported publicly. The news accounts cited in the letter as evidence of the allegations were published months ago.<sup>1</sup> The Department of Transportation has since provided evidence and statements that debunk these old allegations.<sup>2</sup> You did not consult Republicans prior to sending your letter, and so we have no insight to what due diligence—if any—informed your inquiry. However, because you made such serious allegations against a sitting Cabinet official, we can only assume that you were aware of this information unhelpful to your narrative and chose to omit it.

First, although your letter recycled allegations from a June 2019 *New York Times* article, it failed to include the Department's response that the *Times* "wove 'together a web of innuendos and baseless inferences' in linking Ms. Chao's work at Transportation to her family's business operations."<sup>3</sup> The Department noted that it "had been a champion of the American maritime industry" under Secretary Chao and "that several proposed cuts [to the Department] had been

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<sup>1</sup> Letter from Rep. Elijah Cummings, Chairman, H. Comm. on Oversight & Reform, to Hon. Elaine Chao, Sec'y, U.S. Dep't of Trans. (Sept. 16, 2019) [hereinafter September 16 Letter]. The letter cites news publications from May 6, 2018, May 28, 2019, and June 2, 2019.

<sup>2</sup> Michael Forsythe, et al., *A 'Bridge' to China, and Her Family's Business, in the Trump Cabinet*, NY TIMES (Jun. 2, 2019), <https://www.nytimes.com/2019/06/02/us/politics/elaine-chao-china.html>; see also Letter from Judith Kaleta, Designated Agency Ethics Official, U.S. Dep't of Trans., to Hon. Emory Rounds III, Dir., Office of Gov't Ethics (Jun. 13, 2019).

<sup>3</sup> Michael Forsythe, et al., *A 'Bridge' to China, and Her Family's Business, in the Trump Cabinet*, NY TIMES (Jun. 2, 2019), <https://www.nytimes.com/2019/06/02/us/politics/elaine-chao-china.html>.

The Honorable Elijah E. Cummings

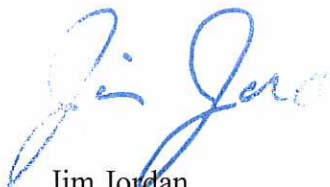
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made by previous administrations and that the Trump Administration had since moved to bolster funding.”<sup>4</sup>

Second, your letter omitted relevant information about Secretary Chao’s divestiture of Vulcan Materials prior to joining the Trump Administration.<sup>5</sup> In your letter, you cited a letter from the Department’s Designated Agency Ethics Official, Judith Kaleta, to the Office of Government Ethics stating that the Secretary’s financial disclosure reports “contained inadvertent misstatements of fact” based on information provided by her accountant.<sup>6</sup> However, you ignored Ms. Kaleta’s finding that Secretary Chao’s financial interests did not present a conflict of interest and the inadvertent errors in the financial disclosure did not change this conclusion.<sup>7</sup> In addition, although Ms. Kaleta concluded that Secretary Chao’s financial interest in Vulcan Materials did not present a conflict of interest, Secretary Chao still promptly divested of her shares in Vulcan after discovering the errors.<sup>8</sup>

We understand that the Department intends to respond to your request, but we found this matter egregious enough to raise with you directly. This is not the first time that you have used cherry-picked information to attack the Trump Administration. Fair and responsible oversight, which you promised, requires more than simply recirculating old, discredited allegations. We encourage you to abandon your politicized oversight of the Trump Administration and work with Republicans to conduct responsible oversight. Thank you for your attention to this matter.



Jim Jordan  
Ranking Member

Sincerely,



Mark Meadows  
Ranking Member  
Subcommittee on Government Operations

cc: The Honorable Elaine Chao  
Secretary  
Department of Transportation

The Honorable Raja Krishnamoorthi  
Chairman  
Subcommittee on Economic and Consumer Policy

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<sup>4</sup> *Id.*

<sup>5</sup> September 16 Letter.

<sup>6</sup> September 16 Letter (citing Letter from Judith Kaleta, Designated Agency Ethics Official, U.S. Dep’t of Trans., to Hon. Emory Rounds III, Dir., Office of Gov’t Ethics (Jun. 13, 2019).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*; see also Letter from Hon. Elaine Chao, Sec’y, U.S. Dep’t of Trans., to Judith Kaleta, Designated Agency Ethics Official, U.S. Dep’t of Trans. (Jun. 12, 2019).