LEGISLATIVE PROPOSALS FOR FOSTERING TRANSPARENCY

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES

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LEGISLATIVE PROPOSALS FOR FOSTERING TRANSPARENCY

Thursday, March 23, 2017

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The committee met, pursuant to call, at 10:29 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Duncan, Farenthold, Foxx, Massie, Ross, Walker, Blum, Grothman, Comer, Cummings, Maloney, Connolly, Kelly, Watson Coleman, Plaskett, Demings, Krishnamoorthi, Raskin, DeSaulnier, and Sarbanes.

Chairman CHAFFETZ. The Committee on Oversight and Government Reform will come to order. And without objection, the chair is authorized to declare a recess at any time.

Thank you all for being here. We are talking about some legislative proposals for fostering transparency. I appreciate the witnesses and your flexibility. I think we have had to reschedule this hearing and then, based on the schedule of the day, we bumped this back to 10:30 this morning. So I appreciate your patience and understanding as there are some big legislative things that are happening on the Floor. And again, we appreciate the expertise that you bring here.

We are here because this committee, probably as much as anybody, wants to do everything it can to foster transparency, and it is critical to carrying out our committee's mission. As those of us that have the privilege of serving in Congress, we have an obligation to ensure the American people know how their money is spent and how their government functions. In all the undertakings, we seek to shed light on issues, share information that matters to the taxpayer and advance legislative solutions where necessary.

We are not only the Oversight Committee, but we are also the Committee on Government Reform, and so with the reform in mind, we will examine three legislative proposals and shine light, illuminate the light in here as well, three legislative proposals which strive to improve the way taxpayers access information.

One bill is called the Audit the Fed, referring to the Federal Reserve; a bill that I have championed, the Fanny and Freddie Open Records Act of 2017. Fanny and Freddie have obligations that the American taxpayers have that are literally a staggering amount of number in the hundreds of billions of dollars; and the Open the Government Data Act.

Last Congress, we passed bipartisan Freedom of Information Act or FOIA legislation. It was signed into law and marked a big step forward in reforming the process. We didn't solve all the problems. There are still some that face us moving forward. And I hope we can advance more bipartisan transparency legislation in this Congress.

Audit the Fed, sponsored by Mr. Massie of Kentucky, provides insight into the practices of the Federal Reserve while continuing to support its independence as an instrument of monetary policy.

The Open Government Data Act, sponsored by Mr. Farenthold of Texas, requires Federal agencies to publish data in an open machine-readable format on Data.gov. And the Freddie—I am sorry, the Fannie and Freddie Open Records Act of 2017 applies the Freedom of Information Act to Fannie Mae and Freddie Mac so taxpayers have critical information they need while these two entities are in conservatorship.

Members of the committee may raise additional pieces of transparency legislation in the hearing today, but I think all these three pieces of transparency legislation exemplify the fundamental right of the American people to know what their government is doing and what sort of obligations are in place.

Chairman CHAFFETZ. And with that, I would like to actually yield time to the gentleman from Kentucky, Mr. Massie, who is the chief sponsor of one of these pieces of legislation. Mr. Massie.

Mr. MASSIE. Thank you, Mr. Chairman. And thank you for persevering with this hearing in the face of many weapons of mass distraction today on the Hill.

[Laughter.]

Mr. MASSIE. You have assembled a wonderful panel of witnesses, and I just want to say something about the bill that I have sponsored here.

Over the past century the value of the dollar has declined by over 95 percent, and during those hundred years the Federal Reserve, the organization established by Congress to manage Congress' article 1, section 8, authority to coin money and regulate the value thereof, has operated under a shroud of secrecy.

My bill H.R. 24, the Federal Reserve Transparency Act, would put an end to that reign of secrecy. And it is not a controversial bill. In fact, Americans demand transparency, and the House of Representatives has responded by passing this legislation twice in previous Congresses by huge bipartisan majorities.

But I think it is time for a hearing because a lot of the reasons have been forgotten about why we need this transparency. When the original author of this bill, Representative Ron Paul, first carried Audit the Fed to the Floor in the 112th Congress, it passed by a comfortable veto-proof majority. Then, Representative Paul Broun brought it to the Floor in the 113th Congress, and it passed by an even larger majority, 333 to 92. In fact, members of this very committee who were here in those Congresses, all Republicans and several Democrats, voted for this bill on the Floor. Yet some have still asked and will continue to ask why do we need this legislation. And that is the reason this is such a good hearing.

They ask isn't the Federal Reserve already audited? Well, that question deserves an answer. It is true that the GAO performs a

limited financial audit of parts of the Federal Reserve, but this audit is perfunctory. Due to the limits placed on the GAO by Congress, the U.S. Code makes several critical exceptions to the Fed's audit protocol of its most crucial activities.

Number one, GAO is prohibited from examining Fed transactions or agreements with foreign governments and foreign banks. Number two, GAO is prohibited from examining all Fed actions on monetary policy matters. Number three, GAO is prohibited from auditing transactions made at the discretion of the Federal Open Market Committee. And four, GAO cannot examine any discussion or communication among or between anyone who works at the Fed about any of the activities in the first three areas.

When these restrictions were originally added in the 1970s, GAO themselves testified that they, quote, "could not see how they could satisfactorily audit the Federal Reserve system without the authority to examine the largest single category of financial transactions and the assets that it has." So you see, even though a cursory audit is done, a programmatic audit needs to be completed in order for Congress to understand what the Fed does and why the Fed does it. Without a complete audit, Congress can't provide oversight of an entity that it created.

Let me say that again. Congress created the Federal Reserve. Congress and Congress alone has the constitutional responsibility to coin money and regulate the value thereof. We can outsource the activity, but we can't outsource the responsibility.

This brings me to the other question I frequently hear, which is won't a full audit of the Federal Reserve compromise the Fed's independence? Well, the answer is without a full audit, how can we know it is independent? For instance, how is it independent of the executive branch? The Fed's charter is not to be a second Treasury Department. How can we know that the Fed is operating independently of big bank CEOs and Wall Street?

Given the revolving door of managers between the Fed, the Treasury, and Wall Street, the opportunity for outside pressure and conflicts of interest abound at the Fed. Only a full audit, a full audit can demonstrate that the Fed makes decisions independently of the political whims of the President and independently of the profit goals of commercial banks.

An organization entrusted with daily decisions that affect the value of Americans' paychecks and the value of their retirement savings, an organization whose mission has morphed into facilitating the bailout of foreign banks, folks, this is an organization that requires a full audit and full oversight from the elected body that created it.

I want to thank Chairman Chaffetz for his leadership on this issue throughout many years and for including this bill as part of today's hearing. I urge my colleagues to support the bipartisan Federal Reserve Transparency Act so the people of America can receive the transparency they deserve.

I thank you, and I yield back.

Chairman CHAFFETZ. I thank the gentleman. And I thank you for the tenacious leadership that you have had in bringing this bill forward, and I look forward to having a good, vibrant discussion about

that bill today. I yield back and now recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

The purpose of this hearing is to examine legislation to improve transparency in government. Mr. Chairman selected several bills to focus on today, and we agree on some of those bills. I like the Open Government Data Act, and we disagree on one of them, the Federal Reserve Transparency Act. I appreciate the opportunity for a healthy debate on these measures.

However, I believe that there is one transparency bill the committee should prioritize over all others. The Presidential Tax Transparency Act would require President Donald Trump and all future Presidents and presidential candidates regardless of party to disclose their tax returns to the American people.

This bill was introduced by Representative Anna Eshoo, and it has 73 bipartisan cosponsors. Every Democratic member of this committee is a cosponsor, as well as our Republican colleague, fellow Oversight Committee member Mark Sanford.

Chairman Chaffetz has said what many of us believe, that President Trump should disclose his taxes. Last August, he said this, and I quote, "If you are going to run and try to become the President of the United States, you are going to have to open up your kimono and show everything, your tax returns and your medical records," end of quote.

Other Republican Members agree. Representative Will Hurd, another member of our committee, said, and I quote, "It would be a good move for the President to release his tax returns." But we don't have to just sit around and wring our hands and wait and complain. We are not potted plants. We are lawmakers, and we can pass a law. Just like Congress passed the Ethics in Government Act in 1978 after Watergate to require the President to submit a public financial disclosure, we can pass a law today to require the President to release his tax returns. And that is exactly what this bill does.

There is widespread public support for this. A petition on the White House website that received more than a million signatures titled "Immediately release Donald Trump's full tax returns of all information needed to verify Emoluments Clause compliance," end of quote, every other modern President has done this voluntarily. But President Trump broke with this precedent claiming that he did not release his tax returns, which he said was being audited.

IRS Commissioner John Koskinen has already debunked this argument. When he testified before the Judiciary Committee last September, he was asked whether taxpayers are prohibited from releasing their tax returns while they are being audited. He responded and simply said this, and I quote, "They are not prohibited," end of quote. We need to see the President's tax returns to confirm that he is acting in what he believes is the best interest of the American people rather than his own financial interests.

President Trump's conflicts of interest are very, very real. They are extensive, and they are deeply troubling. He has refused to divest his business interests and place them in a blind trust in direct violation of the advice of the director of the Office of Government

Ethics, as well as Republican and Democratic ethics experts, one of whom is testifying here today.

The President continues to hold an interest in the Trump International Hotel in direct violation of the lease, which explicitly prohibits any elected official from being party or to taking any financial benefit from a contract.

We also need to understand President Trump's entanglements with foreign business interests and foreign governments. Just this week, FBI director James Comey confirmed that the FBI is investigating connections between President Trump's campaign and Russian interference with our election. The American people have a right to know what if any financial connections the President has to the Russian Government or to Russian business interests.

So I ask unanimous consent, Mr. Chairman, to place in the record a March 13, 2017, letter that every Democratic member of this committee is asking that the Presidential Tax Transparency Act be considered at a business meeting before the committee that was supposed to be held on March 16, 2017.

Chairman CHAFFETZ. Without objection, so ordered.

Mr. CUMMINGS. We did not take up the bill at that time. We have another business meeting, by the way, scheduled for next Tuesday, but it is not on the agenda for that markup either. I know there is serious interest in this bill on the Republican side, and I have talked to many Members personally about this. I sincerely hope that we can take it up as soon as possible and pass it out of the committee unanimously. The integrity of our government depends on it.

And with that, I yield back.

Chairman CHAFFETZ. I thank the gentleman.

We will hold the record open for five legislative days for any member who would like to submit a written statement.

I will now recognize our panel of witnesses. I am pleased to welcome Mr. Hudson Hollister, founder and executive director of The Data Coalition; Mr. Norman Singleton, president of the Campaign for Liberty; Mr. John Berlau, a senior fellow at the Competitive Enterprise Institute; Mr. Thomas Fitton, president of Judicial Watch; Mr. Richard Painter, S. Walter Richey professor of corporate law at the University of Minnesota Twin Cities; and also with the Citizens for Responsibility and Ethics in Government, also known as CREW. We welcome you all here today.

Pursuant to committee rules, all witnesses are to be sworn before they testify. If you will please rise and raise your right hand.

[Witnesses sworn.]

Chairman CHAFFETZ. Thank you. Let the record reflect that all witnesses answered in the affirmative.

Many of you have testified before us previously. We would appreciate it if you would limit your verbal comments to no more than five minutes. Your entire testimony will be made part of the record, as well as any attachments or other things that you may have to go along with that testimony. But it will all be made part of the record.

Mr. Hollister, you are now recognized for five minutes.

WITNESS STATEMENTS

STATEMENT OF HUDSON HOLLISTER

Mr. HOLLISTER. Thank you, Mr. Chairman.

Chairman Chaffetz, Ranking Member Cummings, members of the committee, thank you for inviting me to testify.

In 2012, after serving on this committee's staff, I founded The Data Coalition. We represent 36 technology companies, employing over 200,000 Americans. Fourteen of our members are startup companies founded within the last decade. Ten are public companies with a combined market capitalization exceeding $1.5 trillion.

To open up Federal information as a public resource to deliver transparency and fuel economic growth, we enthusiastically support the Open Government Data Act.

This committee's mission is to investigate and exercise effective oversight over the Federal Government to expose waste and fraud and abuse. To support that mission, Chairman Chaffetz, under the rules of this House and this committee, you wield the authority to issue congressional subpoenas. This committee and its staff work hard every day to review the information that you receive in response to those requests and subpoenas to uncover hidden waste, fraud, and abuse, to expose those things through hearings like this one, and to craft reforms that safeguard Americans and their money from government malfeasance in the future.

However, even considering the awesome power of the subpoena and the professionalism of the staff, this committee needs Americans' help. In 2016, the Federal Government took in over $3 trillion and spent roughly $3.5 trillion, accounting for over 1/5 of the gross domestic product. By revenue, that's bigger than the 10 biggest companies in the world combined.

Our Federal Government is not just the largest organization in human history, it's also the most complex. When I was an Oversight Committee staffer, I asked OMB, the GAO, and the Congressional Research Service how many agencies there are in the Federal Government. I received three different answers. To conduct oversight across such a scale and complexity is a daunting challenge.

Fortunately, that is where transparency comes in. By giving Americans direct access to their government's information, we can deputize millions of citizen inspectors general to help this committee fulfill its mission.

This committee pioneered and passed and has championed the Freedom of Information Act for over 50 years, but FOIA's basic model of request and response, although it's still an essential avenue for transparency, is no longer the most efficient one. Because most of the government's operations and decisions are electronic, information technologies now make it possible for the government to operate in the open online without waiting to receive a FOIA request.

The Data Act of 2014, which Ranking Member Cummings, then-Chairman Issa, and this committee championed, makes open data the default for Federal spending information. The major deadline of the Data Act is 47 days from now. By May 9, 2017, every Fed-

eral agency must begin publishing all of its spending as standardized open data.

But the Data Act is limited to spending. Representatives Farenthold and Kilmer are introducing the Open Government Data Act to take the next step. The Open Government Data Act provides that all government information, unless it is legally restricted, should be published online using machine-readable data formats.

The Open Government Data Act won't just help Americans conduct citizen oversight; it will also help agencies cut costs. Most of the expense of big data projects comes from extracting information from different sources, transforming those data sets into the same format, and then loading them into new systems to be analyzed. If Federal data sets were consistently available using machine-readable formats to begin with, those expensive one-off projects would not be necessary.

Finally, the Open Government Data Act specifies that when the government publishes its information, it needs to use nonproprietary data formats, formats that nobody owns. I'm going to close by explaining why that technical detail is so important.

Currently, the Federal Government uses an electronic identification code called the D–U-N–S Number to identify every grantee and contractor receiving Federal funds. The D–U-N–S Number is proprietary. It is owned by Dun & Bradstreet, Incorporated, which is itself a contractor. This means nobody can download Federal procurement or grant information without purchasing a license from Dun & Bradstreet. Taxpayers paid for that information to be compiled, and they paid for the grant and contract awards that this information describes, and yet they can't download or analyze this information without paying again for it every time. The Open Government Data Act challenges Dun & Bradstreet's protected and profitable monopoly by requiring the government to use nonproprietary data formats.

I look forward to the committee's questions. Thank you very much.

[Prepared statement of Mr. Hollister follows:]

DATA
COALITION

Committee on Oversight and Government Reform
United States House of Representatives
March 23, 2017

Testimony of Hudson Hollister
Executive Director, Data Coalition

Empowering Transparency through the OPEN Government Data Act

Chairman Chaffetz, Ranking Member Cummings, members of the Committee: thank you for inviting me to testify.

This Committee's mission is to exercise effective oversight over the federal government and to investigate and expose waste, fraud, and abuse. To support that mission, Chairman Chaffetz, under the rules of this House and this Committee, you wield the authority to issue Congressional subpoenas.[1]

This Committee and its staff[2] work hard every day to review the information received in response to requests and subpoenas; to uncover hidden waste, fraud, and abuse; to expose those things through Committee hearings and reports, and to craft reforms safeguarding Americans and their money from government malfeasance in the future.

However, even considering the awesome power of the subpoena and the professionalism of the staff, this Committee needs Americans' help.

[1] In addition, federal law requires executive agencies to respond to requests for information issued by the Chairman or by any seven members of this Committee 5 U.S.C. sec. 2954 (2015), *available at* www.law.cornell.edu/uscode/text/5/2954 (accessed March 12, 2017).
[2] I was proud to serve on the staff myself from 2009 to 2012. It is an honor to be on the other side of the dais this morning, and, because I know firsthand the power and the professionalism of the people I am addressing, perhaps a little frightening.

In 2016 the federal government took in $3 trillion and spent roughly $3.5 trillion, accounting for over one-fifth of the gross domestic product.[3] By revenue, that's bigger than the ten biggest companies in the world - combined.

Our federal government is not just the largest organization in human history. It is also the most complex. When I was an Oversight Committee staffer, I asked OMB, GAO, and the Congressional Research Service how many agencies there are in the federal government. I received three different answers.

To conduct oversight across such scale and complexity is a daunting challenge.

Fortunately, that is where transparency comes in. By giving Americans direct access to their government's information, we can deputize millions of citizen inspectors general to help this Committee fulfill its mission.

This Committee pioneered, passed, and has championed the Freedom of Information Act for over fifty years. But FOIA's basic model of request and response, while still an essential avenue for transparency, is no longer the most efficient one. Because most of the government's operations and decisions are electronic, information technologies now make it possible for the government to operate in the open, online - without waiting to receive a FOIA request.[4]

The DATA Act of 2014, which Ranking Member Cummings, then-Chairman Issa, and this Committee championed, makes open data the default for federal spending information. But the DATA Act is limited to spending. It is time for Congress to affirm that not just spending, but all federal information, everything that is legally public, should be freely available and electronically searchable.

Representatives Farenthold and Kilmer are introducing the OPEN Government Data Act to take that next step. The OPEN Government Data Act provides that *all* government

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[3] An interactive breakdown of federal revenues and expenditures - and a prime example of an open data business model that delivers transparency to Americans - can be found on Graphiq's InsideGov platform at federal-budget.insidegov.com/ (accessed March 12, 2017).

[4] For example, consider how Utah, Maryland, and most other states treat their spending information. They publish every transaction, using a machine-readable data format, sourced directly from their internal financial systems. Last week I used Transparent.Utah.gov to discover that Governor Gary Herbert spent $460 on office supplies on July 9, 2015, from a vendor called One Moment in Time. And I used the Maryland Funding Accountability website to discover that Governor Larry Hogan spent $2,412.99 on FedEx last fiscal year. Increasingly, these states' financial managers are finding that their transparency websites are easier to use than the internal systems. This means citizens and government are sharing the same view of the same information.

information, unless it is legally restricted, should be published online, using machine-readable data formats.

The OPEN Government Data Act won't just help Americans conduct citizen oversight. It will also help agencies cut costs. Most of the expense of big data projects comes from extracting data sets from different sources, transforming them into the same format, and loading them into new systems to be analyzed. If federal data sets were publically available in consistent, machine-readable formats to begin with, these expensive one-off projects would be unnecessary.

Even in an era of polarized government, the OPEN Government Data Act shows that transparency is bipartisan. It is based on good work by President Obama's administration, is supported by strong leaders on both sides of the aisle, and was unanimously approved by the Senate in the last Congress.

In 2012, I founded the Data Coalition. We represent thirty-six tech and consulting companies, employing over two hundred thousand Americans. Fourteen of our members are startups founded within the last decade. Ten are public companies, with a combined market capitalization exceeding $1.5 trillion.

Open data creates three business models. First, some of our member companies republish federal information on their platforms to inform citizens, investors, and journalists; second, some perform data analytics to illuminate waste, fraud, and abuse; and a third category offer automated reporting to reduce the cost of compliance. All three business models work best when government information is freely available, using machine-readable data formats, instead of trapped in documents and inaccessible databases. That is why we enthusiastically support the OPEN Government Data Act.

Finally, the OPEN Government Data Act specifies that when the federal government publishes its information, it needs to use nonproprietary data formats. I would like to close by explaining why this is important.

Currently the federal government uses an electronic identification code called the DUNS Number to identify every grantee and contractor across all of its systems. The DUNS Number is proprietary. It is owned by Dun & Bradstreet, Inc., which is itself a contractor. This means nobody can download federal procurement or grant information without purchasing a license from Dun & Bradstreet. Taxpayers paid for this information to be compiled, and they paid for the grant and contract awards that this information

describes, and yet they cannot download or analyze this information without paying again, every time.

The federal government's use of the DUNS Number effectively gives Dun & Bradstreet a protected and profitable monopoly on public information - at the double expense of the taxpayers.

The OPEN Government Data Act challenges this monopoly by requiring the government to use nonproprietary formats. Data Coalition members welcome this challenge. Our member companies want to compete fairly to deliver the best value from public information - not to own it and charge the taxpayers for access, the way Dun & Bradstreet does.

I look forward to the Committee's questions.

Chairman CHAFFETZ. Thank you.

Mr. Singleton, you are now recognized for five minutes. Please make sure you bring that microphone up close and personal and push that button and we are off to the races. There you go. Push that talk button there.

STATEMENT OF NORMAN SINGLETON

Mr. SINGLETON. Thank you. On behalf of Campaign for Liberty's almost half-a-million members, I appreciate the opportunity to appear before you today to talk about the Federal Reserve Transparency Act, more popularly known as Audit the Fed.

Campaign for Liberty is a public policy organization founded in 2008 by Dr. Ron Paul to advance the principles of individual liberty, free markets, and limited government. Audit the Fed has been our signature issue since we were founded.

Audit the Fed has been introduced by Representative Massie this year in the House. In the Senate it's introduced by Senator Rand Paul also of Kentucky. It currently has 93 cosponsors in the House and 14 cosponsors in the Senate. As Mr. Massie mentioned, it has twice passed the House in 2012 and 2014, both by overwhelming majorities. In 2016, it received 54 votes in the Senate, just six shy of achieving cloture. It was also supported by every Senator running for President last year, including—and it also has the—had the public support of then-candidate and now President Donald Trump.

Audit the Fed is a simple one-page bill that removes the provisions in law that prevent the General Accounting Office from doing a full audit of the Federal Reserve's conduct of monetary policy. Specifically, the bill allows the GAO to Audit the Fed's dealings with foreign central banks, governments of foreign country, or private international financing organizations. It also allows the GAO to look into deliberations, decisions, or actions on monetary policy measures, including discount window operations, reserves of member banks, securities credits, interest on deposit, and open market operations.

Finally, it allows the GAO to look at transactions made under the direction of the Federal Open Market Committee or as part of discussion or communications among or between members of the board and officers and employees of the Federal Reserve system.

Passage of this bill will remove congressionally imposed limits that prevent the GAO from doing its job and thus allow Congress and, more importantly, the American people to finally know the truth about the Federal Reserve's conduct of monetary policy, which is something that directly affects the economic well-being of every American.

The case for this bill is strengthened when one considers that the Federal Reserve's conduct of monetary policy can charitably be described as disastrous. As Mr. Massie pointed out, since the Fed was created in 1913, the dollar has lost 95 percent of its purchasing power. According to some, you would need $24 today to purchase what you could buy with $1 in 1913 when the Fed was created.

The Federal Reserve is also responsible for the boom-and-bust cycle that has plagued the American economy over the past hundred years. Every economic downturn from the Great Depression to

the 2008 market meltdown can be laid at the feet of the Federal Reserve.

The Federal Reserve—one reason why the Federal Reserve might oppose the audit is revealed by a limited audit that was authorized by the 2000 and—was it '10—Dodd-Frank legislation, which was limited to examining the Fed's response to the 2008 market crash. That audit found that between 2007 and 2010 the Fed committed over $16 trillion, which is more than four times the annual budget of the United States, to foreign central banks and politically influential private companies.

The Federal Reserve also has a history of lobbying to oppose transparency. In fact, according to Dr. Robert Auerbach, a professor of public affairs at the University of Texas, the Fed actively coordinated efforts by financial institutions, which are under the Fed's regulatory jurisdiction, to lobby against an attempt to allow the GAO to fully audit its conduct of monetary policy during—in the '70s. The result of that effort was the restrictions that the current audit bill would lift.

I ask the Members of Congress to consider how you would react if it came out that any other congressionally created agency was working with private industries that were under its jurisdiction to hide the full truth about it its operations from the American people.

In conclusion, Mr. Chairman and members of the committee, Congress has allowed the Federal Reserve to conduct monetary policy in secret for over 100 years. The result has been a steady decline in the dollar's purchasing power, a series of financial crises, the growth of a major government fueled in large part by the Federal Reserve monetization of the national debt, and an increase in income inequality and crony capitalism.

Therefore, on behalf of Campaign for Liberty and, more importantly, the nearly 75 percent of Americans who support auditing the Fed, I urge Congress to take up and pass this bill as soon as possible.

I thank the committee for giving me the opportunity to testify, and I look forward to answering your questions.

[Prepared statement of Mr. Singleton follows:]

Testimony of Norman Kirk Singleton

President, Campaign for Liberty

Hearing on Legislative Proposals for Increasing Transparency

Before the House Committee on Oversight and Government Reform

Wednesday March 15, 2015

Chairman Chavez, Ranking Member Cummings, and all members of the Committee, on behalf of Campaign for Liberty's almost half-a-million members, thank you for allowing me to testify in support of the Federal Reserve Transparency Act (H.R.24/S. 216), popularly known as Audit the Fed.

Audit the Fed was introduced in the House by Representative Thomas Massie and in the Senate by Senator Rand Paul on the first day of the 115 TH Congress. It currently has 91 cosponsors in the House and 14 cosponsors in the Senate.

Audit the Fed has twice passed the House of Representatives. In 2012 it passed by a vote of 327—98 and in 2014 it passed by a vote of 333-92. In 2016, the bill received 54 votes in the Senate, and was supported by every Senator running for President, as well as then candidate Donald Trump.

Audit the Fed is a simple one-page bill that removes the restrictions preventing the General Accounting Office (GAO) from conducting a full audit of the Federal Reserve's conduct of monetary policy. Specifically the bill allows the GAO to audit:

1. Transactions for or with a foreign central bank, government of a foreign country, or a private international financing organization;
2. Deliberations, decisions, or actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, and open market operations;
3. Transactions made under the direction of the Federal Open Market Committee; or as part of a discussion or communication among or between members of the Board and officers and employees of the Federal Reserve System related to clauses (1)–(3) of this subsection.

These Congressionally-imposed limits on GAO's ability to do its job prevent Congress and, more importantly, the American people from learning the full truth about the Federal Reserve's conduct of monetary policy, something which affects every American's economic well-being.

The case for an audit is strengthened when one considers that the Federal Reserve's management of monetary policy can only be described as disastrous. Today, it takes $24 to purchase what one dollar would have bought when the Fed was created. The Fed is also responsible for the boom-and-bust business cycle that has plagued the Americans economy for the past century.

Every economic downturn of the past 100 hundred years from the Great Depression to the 2008 market meltdown can be laid at the feet of the Federal Reserve.

Federal Reserve' monetization of debt also facilities the growth of government as deficit spending that threatens our prosperity and our liberty.

One of the few worthwhile provisions of Dodd-Frank authorized a limited, one-time audit of the Fed's response to the financial crises of 2007-2008. This audit found that between 2007 and 2010 the Federal Reserve committed over $16 trillion — more than four times the annual budget of the United States — to foreign central banks and politically influential private companies.

According to Roger AuerBach, University of Texas Professor of Public Affairs, financial institutions under the Federal Reserve's regulatory control participated a Federal Reserve-organized lobbying campaigned to stop a prior attempt to allow the GAO to contact a full audit of the Federal Reserve's conduct of monetary policy.

Members of the Committee, can you think of any other Congressionally-created agency that would get away with working with private industries to keep its operations shielded from Congress and the public? How do you think Congress would react if it was revealed that the FDA was organizing's lobbying effort by drug companies to defeat efforts to make its drug approval process more transparent?

Mr. Chairman, and members of the Committee, Congress has allowed the Federal Reserve to conduct monetary policy in secret for over 100 years. The result has been a steady decline in the dollar's purchasing power, a series of continuing series of financial crisis, the growth of a welfare-warfare state, and an increase in economy inequality and crony capitalism.

Therefore, on behalf of Campaign for Liberty, and the nearly 75% of American who support this bill. I urge Congress to take up and pass Audit the Fed as soon as possible, I thank the Committee for giving the opportune to testy and I look forward to answering your questions.

- Federal Reserve Officials Impair GAO Audits By Destroying Their Source Records, Roger Abacha, Huffington Post May 12, 2015

Chairman CHAFFETZ. Thank you.

Mr. Berlau, you are now recognized for five minutes. Again, bring that microphone nice and close.

STATEMENT OF JOHN BERLAU

Mr. BERLAU. Yes. Thank you, Mr. Chairman.

Chairman Chaffetz, Ranking Member Cummings, and honorable members of this committee, thank you for this opportunity to present testimony on behalf of my organization, the Competitive Enterprise Institute.

CEI is a Washington-based free-market think tank that studies the effects of all types of regulation on job growth and economic well-being. We propose ideas to regulate the regulators and hold them accountable so that innovation and job growth can flourish in all sectors.

A first step towards such accountability is for government agencies that exercise power over American entrepreneurs, investors, and consumers to be as transparent as possible. How can citizens hold these agencies accountable if we cannot see what they are doing? That is why my colleagues at CEI and I have long sought to bring sunshine to regulatory agencies through Freedom of Information Act requests and insistence on public meetings.

I am pleased that the bills and legislative proposals being discussed at the hearing today, including the bipartisan Open Government Data Act and Federal Reserve Transparency Act, as well as the chairman's own Fannie Mae and Freddie Mac Open Records Act and Congresswoman Norton's Open and Transparent Smithsonian Act, take significant steps to move transparency laws into the 21st century by ensuring that new technologies are used to enhance government transparency rather than to evade it. These bills should begin to correct the major problem of excessive secrecy we have seen at Federal financial regulatory and housing agencies over the last decade.

For instance, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 promised to bring accountability to the financial sector. However, it created new bureaucracies that are unaccountable to the President and Congress and have been able to skirt some of Congress' basic laws for openness. Dodd-Frank, for instance, exempts the Financial Stability Oversight Council which it created from the Federal Advisory Committee Act's open meetings laws and gives the council vast leeway to hold meetings closed to the public and shield details of those meetings from the public.

The council is tasked with designating firms as systemically important, essentially too big to fail. It keeps only minimal records of its meetings and provides virtually no information as to how it designates financial firms as systemically important even though such decisions can dramatically affect financial markets in the wider economy.

Legislation requiring openness and policy deliberations about the government-sponsored enterprises Fannie Mae and Freddie Mac such as that proposed by Chairman Chaffetz is especially important. These are corporations chartered by Congress that are now under the conservatorship of the Federal Government. Taxpayers have propped them up after the housing collapse to the tune of

$185 billion. As long as they remain under a government conservatorship or receivership, taxpayers deserve some sunshine in return for the money they have spent on these two entities.

Government officials' deliberations on the fate of the GSEs must also be made public. The Obama administration incredibly claimed executive privilege when private-sector shareholders of Fannie and Freddie asked for information regarding the Treasury Department's third amendment of 2012 in which the government began to confiscate and asserted the right to confiscate all of the GSE profits even after the GSEs paid the government back for bailing them out.

We have urged the Trump administration to reverse its predecessor's unprecedented use of executive privilege, which should be reserved only for rare information requests that may compromise national security. We also urge this committee to investigate the Obama administration's secretive practices in this regard.

Finally, we urge passage of transparency legislation.

Thank you again for inviting me to testify. I look forward to your questions.

[Prepared statement of Mr. Berlau follows:]

COMPETITIVE ENTERPRISE INSTITUTE

Testimony before the House Oversight and Government Reform Committee

John Berlau
Senior Fellow
Competitive Enterprise Institute

Prepared for the hearing:
Legislative Proposals for Fostering Transparency

U.S. House of Representatives
2154 Rayburn House Office Building
Washington, D.C. 20515

Thursday, March 23, 2017
9:00 AM

Chairman Chaffetz, Ranking Member Cummings, and honorable members of the Committee, thank you for this opportunity to present testimony on behalf of my organization, the Competitive Enterprise Institute (CEI). CEI is a Washington-based free-market think tank that studies the effects of all types of regulation on job growth and economic well-being. We propose ideas to "regulate the regulators" and hold them accountable so that innovation and job growth can flourish in all sectors.

A first step toward such accountability is for government agencies that exercise power over American entrepreneurs, investors, and consumers to be as transparent as possible. How can citizens hold these agencies accountable if we cannot see what they are doing? That is why my colleagues at CEI and I have long sought to bring sunshine to regulatory agencies through Freedom of Information Act (FOIA) requests and insistence on public meetings.[1]

I am pleased that the bills and legislative proposals being discussed at the hearing today—including the bipartisan Open Government Data Act and Federal Reserve Transparency Act as well as the chairman's own Fannie Mae and Freddie Mac Transparency Act—take significant steps to move transparency laws into the 21st century by ensuring that new technologies are used to enhance government transparency rather than to evade it. These bills should begin to correct

[1] Christopher C. Horner, "FOIA Productions: An Incomplete Story," Competitive Enterprise Institute, March 2, 2017, https://cei.org/blog/foia-productions-incomplete-story

the major problem of the excessive secrecy we have seen at federal financial regulatory and housing agencies over the last decade.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 promised to bring accountability to the financial sector. However, it created new bureaucracies that are unaccountable to the President and Congress[2]—and have been able to skirt some of Congress' basic laws for openness.

The powerful Consumer Financial Protection Bureau (CFPB), which was created by Dodd-Frank, claimed exemption from the Federal Advisory Committee Act (FACA), which mandates that task forces convened by the government with participants from the private sector must open their meetings to the public and produce thorough public records of those meetings. The CFPB has held meetings in various cities throughout the country, but has closed them to the public, casting doubt on its stated mission to produce a more transparent marketplace for consumers.[3] Fortunately, in late 2015, President Obama signed a bill formally subjecting the CFPB to the Federal Advisory Committee Act.[4] We will continue to monitor to ensure the CFPB complies with this law and has open meetings with diligent records kept.

Unfortunately, other affronts to transparency in Dodd-Frank still stand uncorrected. Dodd-Frank still exempts the Financial Stability Oversight Council, which it also created, from FACA and gives the Council vast leeway to hold meetings closed to the public and shield details of those meetings from the public. The Council is tasked with designating firms as "systemically important"—essentially "too big to fail." It keeps only minimal records of its meetings and provides virtually no information as to how it designates financial firms as "systemically important," even though such decisions can dramatically affect financial markets and the wider economy.[5]

Legislation requiring openness in policy deliberations about the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac, such as that proposed by Chairman Chaffetz, is especially important. These are corporations chartered by Congress that are now under the conservatorship of the federal government. Taxpayers have propped them up after the housing collapse to the tune of $185 billion. As long as they remain under a government conservatorship or receivership, taxpayers deserve some sunshine in return for the money they have spent on these two entities.

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[2] Hester Peirce and Robert Greene, "A New Year for Unaccountable Financial Regulators," RealClear Markets, January 17, 2013, http://www.realclearmarkets.com/articles/2013/01/17/a_new_year_for_unaccountable_financial_regulators_100094.html

[3] Matthew Orso and Joshua Davey, "Chipping Away At the CFPB's Clandestine Activities, Law360, May 4, 2015 https://www.law360.com/articles/648299/chipping-away-at-the-cfpb-s-clandestine-activities

[4] The Consolidated Appropriations Act of 2016 (H.R. 2029, Pub.L. 114–113), Section 704

[5] Aaron Klein and Justin Schardin, "UK Regulator's Transparency Should Be a Model for U.S. FSOC," Bipartisan Policy Center, July 10, 2015, https://bipartisanpolicy.org/blog/uk-regulators-transparency-should-be-a-model-for-u-s-fsoc/

Government officials' deliberations on the fate of the GSEs must also be made public. The Obama administration claimed executive privilege when private sector shareholders of Fannie and Freddie asked for information regarding the Treasury Department's Third Amendment of 2012, in which the government began to confiscate all the GSE profits even after the GSEs paid the government back for bailing them out.[6]

We have urged the Trump administration to reverse its predecessor's unprecedented use of executive privilege, which should be reserved only for rare information requests that compromise national security. We also urge the committee to investigate the Obama administration's secretive practices in this regard. Finally, we urge passage of transparency legislation.

Thank you again for inviting me to testify. I look forward to your questions.

Appendix:

John Berlau, "Mnuchin Must Bring Transparency to Fannie Mae and Freddie Mac," Competitive Enterprise Institute, February 20, 2017, https://cei.org/blog/mnuchin-must-bring-transparency-fannie-mae-and-freddie-mac

[6] See Appendix.

Appendix

Mnuchin Must Bring Transparency to Fannie Mae and Freddie Mac

John Berlau • February 20, 2017

fannie-mae-house.png

Now that he has been confirmed, Treasury Secretary Steven Mnuchin has a lot on his plate. He needs to do what he can administratively to reduce the crushing burden of the Dodd-Frank Act on small banks and credit unions. He also needs to work with Congress on major legislative fixes such as the forthcoming Financial Choice Act from House Financial Services Committee Chairman Jeb Hensarling (R-TX), a restructuring of the convoluted housing finance system, and comprehensive tax reform.

But first, Mnuchin must do everything he can to reverse the extreme secrecy practiced by the Obama Treasury Department. The Obama administration has been judged by a major news service as the least transparent of modern presidencies, and much of the source of this secrecy – for whatever reason – was in housing and finance policy.

A 2015 analysis by the Associated Press found that "the Obama administration set a record again for censoring government files or outright denying access to them last year under the U.S. Freedom of Information Act." The AP added that the administration "also acknowledged in nearly 1 in 3 cases that its initial decisions to

withhold or censor records were improper under the law—but only when it was challenged."

But Freedom of Information Act requests were just the tip of the iceberg for the Obama administration's secrecy, much of which had nothing to do with the legitimate exception of national security. Under Dodd-Frank, the administration set up the Consumer Financial Protection Bureau (CFPB) and the Financial Stability Oversight Council (FSOC) to be exempt from many open meetings and (especially with FSOC) open records requests.

In 2015, thanks to constant pushing by CEI and Rep. Sean Duffy (R-WI), Congress finally made the CFPB subject to the Federal Advisory Committee Act that requires open meetings. Congress should now do the same for FSOC. And since Mnuchin is chairman of FSOC as Treasury Secretary, he should move immediately to open up its meetings and—with minor exceptions such as discussions of trade secrets of private firms—make its records available to the public.

But probably the most egregious example of Obama-era secrecy concerns the management of the government-sponsored housing enterprises (GSEs) Fannie Mae and Freddie Mac. As important as the role Fannie and Freddie play in the housing market, it is hard for anyone to argue that their actions somehow affect national security.

Yet when asked to produce documents in litigation by Fannie and Freddie's shareholders, the Obama administration made the unbelievable claim of "executive privilege." According to *New York Times* financial columnist Gretchen Morgenson, "the government has invoked presidential privilege on 45 documents created either by officials at the Treasury or the FHFA, the regulator charged with conserving Fannie and Freddie's assets."

Fannie and Freddie were chartered by Congress around forty-five years ago as companies with private shareholders but lines of credit with the government. In September 2008, the Bush administration found that Fannie and Freddie were on the brink of failing. Under new powers from the Housing and Economic Recovery Act (HERA) passed two months earlier, it took them into a "conservatorship" in

which the government took 79.9 percent of the entities' stock in exchange for bailing them out, a "conservatorship" that continued into the Obama administration and to this day.

The series of actions now being called "Fanniegate" began in August 2012, when then-Treasury Secretary Tim Geithner issued the "Third Amendment" to the GSE conservatorship. The Third Amendment, with no authorization from the HERA law, required all of the GSEs' profits to be siphoned off to the U.S. Treasury Department in perpetuity — even after the GSEs paid back what they owed to taxpayers.

This arbitrary action has spawned more than 20 lawsuits from Fannie and Freddie's private shareholders. The suits charge the government with everything from violating the Administrative Procedures Act to unconstitutionally taking property without just compensation.

The Third Amendment has also raised concerns that the profit sweep is leaving Fannie and Freddie with very little capital reserves, furthering the chance for more taxpayer bailouts should something go awry with the housing market again. See, on this point, this excellent paper coauthored by then- Cato Institute Director of Financial Regulation Studies Mark Calabria, who just became chief economist for Vice President Mike Pence.

But the really amazing thing is that we know very little about what prompted Obama and Geithner to pursue this highly controversial policy, because according to the *Times'* Morgenson, the Obama administration "fought every discovery request made by the Fannie and Freddie shareholders."

Recently, one of these shareholder lawsuits—*Fairholme v. United States*—prompted Judge Margaret Sweeney to compel the government to produce some of these documents in order to satisfy a discovery request from the mutual fund plaintiff. Last month, the U.S. Court of Appeal for the Federal Circuit panel largely upheld Sweeney's decision.

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Mnuchin should immediately reverse the Obama administration's secrecy and release these papers not only to the plaintiffs, but to the American public. Then, the Justice Department and Congress must conduct a full investigation of Fanniegate.

Chairman CHAFFETZ. Thank you.

Mr. Fitton, you are now recognized for five minutes.

STATEMENT OF THOMAS FITTON

Mr. FITTON. Thank you, Chairman Chaffetz, and thank you, Congressman Cummings, for allowing me to testify today on this important topic.

Judicial Watch is a conservative nonpartisan educational foundation dedicated to promoting transparency and accountability in government, politics, and the law. We were founded in 1994, so we have a lot of experience using and litigating under the Freedom of Information Act.

Without a doubt, we're the most active FOIA requester and litigator operating today under that law. Unfortunately, during the Obama administration, Judicial Watch had to work overtime making FOIA requests obviously, but when the administration ignored those requests and obstructed access to public records, we had to file lawsuits to force executive agencies to comply with this vital open-records law.

Our nation faces a transparency crisis. To be frank, the Obama administration was an enemy of open government and transparency. The administration's casual lawbreaking, especially its defend-everything-approach with the Clinton email scandal, is President Obama's real legacy on transparency.

Judicial Watch filed nearly 3,000 Freedom of Information Act requests with the Obama administration. We've had to file I think over 200 FOIA lawsuits oftentimes just to get a yes or no answer from the agencies as opposed to just fighting over what documents they were or weren't giving us. There is a way forward out of this transparency crisis, and part of that is using a committed Congress to pave the way for outside watchdog groups like Judicial Watch and citizen activists to investigate and expose corruption and malfeasance within the government.

Judicial Watch shows that even in a hostile political environment, one citizen group using the Freedom of Information Act independent oversight can help the American people bring their government back down to earth and under control how much more effective we'd be only if Congress were to enact further transparency reform.

And Judicial—I would note that despite this culture of secrecy we've had with the last two administrations, Judicial Watch has frequently succeeded in prying loose documents that have been denied even to Congress. We saw that with Benghazi, we saw that with the IRS. As a result of Judicial Watch's disclosures on Benghazi, we had a Select Committee, and even the Select Committee couldn't—still couldn't get documents that Judicial Watch was continuing to receive in terms of breaking open news on how that Benghazi attack occurred and the circumstances of the cover of behind it.

We have of course one of the most egregious violations of Federal transparency law since FOIA was passed nearly 50 years ago, which was the Clinton email scandals. And obviously our work on that is history, but there would be no knowledge about her emails if it weren't for our FOIA litigation. It really wasn't the Benghazi

Select Committee that developed that information or forced the disclosure of her email practices. It was our FOIA litigation that forced the agency to finally admit to the courts that they had these emails that hadn't been reviewed as required according to law.

You know, before suggesting ideas for greater transparency, let me reflect on some of the problems we're currently having. Many people ask, including members here, how does Judicial Watch get documents when they're not able to? And the easy answer is that FOIA is straightforward, and it gives access to citizens and groups like Judicial Watch to documents under court order oftentimes. Congressional investigations even with subpoenas are political by nature and require, under the current practice, effective enforcement in court with the cooperation of a conflicted Justice Department.

We had an example of that with the Fast and Furious matter where Eric Holder was held in contempt over documents that were not turned over to Congress. Congress sued in court, couldn't get anywhere with that litigation until Judicial Watch had a separate FOIA victory that essentially broke open the dam on that. So it wasn't—Congress couldn't even get the information once it even went to court.

Judicial Watch has urged President Trump to commit to a transparency revolution, and today, we asked Congress to join in that transparency revolution by reforming FOIA and giving private citizens and groups like us stronger and better tools to hold the government to account.

And speaking of FOIA reform, Congress should apply the freedom-of-information concept to itself and to the Federal courts, the two branches of the Federal Government which many of your voters will be surprised to hear are exempt from transparency laws that the President and his executive agencies must follow. Certainly in the least, the administrative functions of Congress and the courts should be subject to the same transparency rules as the executive branch.

Now, in the meantime, we're interested in at least two of the proposals for increased transparency, the Fannie and Freddie Mac transparency effort and the Smithsonian Institution transparency effort. We filed a Freedom of Information Act request back in 2009 for Fannie and Freddie documents about their political giving, and we were told in one of the first major decisions by the Obama administration on transparency issues, despite the FHFA taking custody and control of all those records, they were not subject to FOIA.

Unfortunately, the courts in the end concluded the agency could withhold that information from us because even though they had custody and control of these records of agencies that were now controlling pretty much all the mortgage market and have $5 trillion in taxpayer liabilities attended to that, because the agency supposedly, quote, "did not use these documents," we couldn't get access to any of that information. That is a remarkable standard. We can get documents from the CIA, the NSA, but not FHFA. And that has got to change. And obviously this legislation can help change that.

And then we have the issue of the Smithsonian Institution, another taxpayer-funded entity that is not subject to FOIA. The

Smithsonian, which operates as a government instrumentality or a trust, received $840 million of taxpayer funds in fiscal year 2016. Most of their employees are Federal employees, but the Freedom of Information Act doesn't apply to the Smithsonian. At least the courts have interpreted the law. And as a result, Americans must rely on voluntary disclosures by the government—by this government institution.

Judicial Watch, for instance, is trying without success to obtain documents from the Smithsonian about its decision-making regarding this inclusion of Justice Clarence Thomas in its African American Museum. And rather than relying on the kindness of strangers to find out how billions of dollars are being spent, we ask that the—this committee strongly consider Delegate Holmes Norton's bill to apply FOIA explicitly to the Smithsonian Institution.

Thank you for your time.

[Prepared statement of Mr. Fitton follows:]

Written Statement
Tom Fitton, President
Judicial Watch

Public Hearing
Committee on Oversight and Government Reform
U.S. House of Representatives

Concerning
"Legislative Proposals for Fostering Transparency"

Wednesday, March 15, 2017
10:00 AM
2154 Rayburn House Office Building
Washington, D.C.

Good morning, my name is Tom Fitton, President of Judicial Watch. Thank you, Chairman Chaffetz and Congressman Cummings for allowing me to testify on the very important topic of this hearing: "Legislative Proposals for Fostering Transparency."

Judicial Watch is a conservative, non-partisan, educational foundation dedicated to promoting transparency, accountability and integrity in government, politics and the law. Our motto is, "Because no one is above the law!" We are the nation's largest and most effective government watchdog group.

Founded in 1994, Judicial Watch has almost a quarter-century's worth of experience using the Freedom of Information Act (FOIA) to advance the public interest, and we come before you today supporting congressional action to augment its strengths and mitigate its weaknesses.

Judicial Watch is, without a doubt, the most active FOIA requestor and litigator operating today. During the Obama administration, Judicial Watch worked overtime, making FOIA requests and—when the administration ignored the requests and obstructed access to public records—filing FOIA lawsuits to force executive agencies to comply with this vital open-records law.

Our nation faces a transparency crisis. The United States government is bigger than ever and also the most secretive in recent memory. To be frank, the Obama administration was an enemy of transparency. President Obama promised the most transparent administration in history, but federal agencies turned into black holes in terms of disclosure.

The Obama administration's casual law breaking, especially its "defend everything" approach to the Clinton email scandal, is President Obama's real legacy on transparency.

Judicial Watch filed nearly 3,000 FOIA requests with the Obama administration. And, our staff attorneys were forced to file nearly 200 FOIA lawsuits in federal court against that administration. Most of these lawsuits were filed just to get a "yes or no" answer from the administration.

There is a way forward out of the D.C. transparency and corruption crisis but it requires action on the part of a committed Congress to pave the way for outside watchdogs like Judicial Watch and activist citizens to investigate and expose corruption and malfeasance within the government. Judicial Watch shows that even in a hostile political environment, one citizen group, using the Freedom of Information Act and independent oversight can help the American people bring their government back down to earth and under control. How much more effective we would be if only Congress were to enact further transparency reform.

Despite the culture of secrecy of the modern administrative state, Judicial Watch has frequently succeeded in prying loose documents that had been denied even to Congress. For example, right after the Benghazi terrorist attack occurred, Judicial Watch uncovered a newly declassified email showing then-White House Deputy Strategic Communications Adviser Ben Rhodes and other Obama administration public relations officials—not "intelligence officials"—putting out the lie that the Benghazi attack was "rooted in an Internet video, and not a failure of policy." These documents had been withheld from Congress and half-a-dozen or so congressional committees had been made to look very foolish indeed. As a direct result of this disclosure, then-Speaker Boehner reversed his opposition to convening a Select Committee on Benghazi.

Even with a Select Committee investigation, Judicial Watch became the go-to source on Benghazi facts as we continued through the courts to uncover revelation after revelation about the Benghazi terrorist attack and the Obama administration's efforts to cover up the details.

Revelations such as those we managed to uncover on Benghazi did not come easy; they came about through multiple federal lawsuits and court orders requiring the administration to comply with FOIA. But, our efforts did bear fruit.

Judicial Watch document disclosures over the years have led to questions about criminal violations, obstruction of justice, and perjury by top officials of the last administration. For example, with respect to the Obama IRS scandal, Judicial Watch litigation forced the agency to admit that Lois Lerner emails were supposedly lost. And it was Judicial Watch FOIA litigation that forced the IRS to admit that her emails were not necessarily lost. And, only Judicial Watch uncovered the troubling revelation that the Obama IRS and Justice Department were collaborating on prosecuting the same groups that the IRS had lawlessly suppressed. While Congress seems to have lost interest in the IRS scandal, Judicial Watch continues to do the job of oversight and investigation, and we remain the

key vehicle for revelations about the continuing law breaking and abuse of power by the IRS.

Just two weeks ago, for instance, after stonewalling and slow walking FOIA requests and lawsuits for years, the IRS finally admitted to the court that the tax agency needs to search 6,924 previously unreported documents—documents they sat on for an entire year, an election year, I might add—in response to a 2015 Judicial Watch FOIA lawsuit over IRS targeting of conservative groups. Again, apparently, Judicial Watch has to pry loose documents not provided to Congress—these newly identified records are presumably not records that were contained in the "Congressional Database," which the IRS created in 2013 to house records responsive to congressional inquiries into the IRS scandal. The IRS finally agreed to begin producing documents by March 10 but refused to provide a timetable for completion of the review.

And then we have perhaps one of the most egregious violations of federal transparency law since FOIA was passed nearly 50 years ago: the Hillary Clinton email scandals.

Before the revelation by *The New York Times* on March 2, 2015 that then-Secretary Clinton used at least one non- "state.gov" email account to conduct official government business during her entire tenure as the Secretary of State, Judicial Watch had filed six FOIA lawsuits seeking Clinton's email on ethics matters and the Benghazi terrorist attack. After the revelation, JW filed some 15 lawsuits having to do directly or indirectly with Clinton's emails. Today, there are at least 20 lawsuits, 19 of which are active in federal court, and upwards of 200 Judicial Watch FOIA requests that could be affected by Mrs. Clinton and her staff's use of secret email accounts to conduct official government business. Judicial Watch's litigation against the State Department exposed key documents about both Benghazi and the Clinton pay-to-play cash scandals.

I also must tell you that we dismissed several lawsuits based on lies by the State Department that it had searched all of Hillary Clinton's emails and couldn't find anything. In two cases, federal judges actually reopened closed FOIA lawsuits—practically unheard of—after it came to light that information had been unlawfully withheld from Judicial Watch and the court. In two instances, federal judges also granted Judicial Watch discovery in cases concerning Clinton emails because it appeared there had been government misconduct in the handling of the FOIA requests.

Indeed, as with Lois Lerner's emails, our litigation forced the State Department to publicly disclose Hillary Clinton's secret email accounts. The rest is history.

Before suggesting ideas for fostering greater transparency in government, let me reflect for just a couple of minutes about what we know works and doesn't work.

Many people ask, including members of both parties in Congress, how is it Judicial Watch gets documents and forces action that Congress can't get even under subpoena? The easy answer is that FOIA is a straightforward tool, for all its flaws, that quickly gives

Judicial Watch, other media, and citizens access to the federal courts in order to ensure compliance with lawful records requests.

Congressional investigations, even with subpoenas, are political by nature and require, under the current practice, effective enforcement in court with the cooperation of a conflicted Justice Department.

The Fast and Furious scandal is a perfect example of this issue. Obama Attorney General Eric Holder was held in contempt of Congress, and in response, President Obama made a remarkable assertion of executive privilege to protect his attorney general and thwart Congress. Rather than enforcing the contempt citation, the Justice Department ignored it. Only after Judicial Watch secured key court victories separately against the Justice Department did Congress, after two years of getting nowhere, obtain many of the documents it had been seeking.

It is time to put an end to the obsessive and destructive secrecy in government. But, to be successful, a commitment to transparency and openness must cut across partisan lines.

Judicial Watch has urged President Trump to commit to a transparency revolution, and today we ask the Congress to join in that transparency revolution by reforming FOIA and giving private citizens and groups like us stronger and better tools to hold our government to account.

We are pleased to see renewed congressional interest in reforming FOIA. We ask only that such reforms be real, be significant, and provide greater access to information for the American people. And speaking of FOIA reform, Congress should apply the freedom of information concept to itself and the courts, the two branches of the federal government exempt from the transparency laws that presidents and executive agencies must follow. Certainly, in the least, the administrative activities of Congress and the federal courts should be subject to the same transparency rules as the Executive Branch.

In the meantime, Judicial Watch is interested in two proposals for increased transparency with respect to Fannie Mae/Freddie Mac and the Smithsonian institution.

Judicial Watch has tried to investigate scandals behind the collapse of Fannie Mae and Freddie Mac and their role in helping trigger the global financial and related housing crises. A key component of this investigation involved the role political corruption played in the failure of adequate congressional oversight and the catastrophic collapse of these "government-sponsored enterprises" in 2008.

That is why we filed a Freedom of Information Act (FOIA) lawsuit (*Judicial Watch, Inc. v. U.S. Federal Housing Finance Agency*, USDC Case No. 9-1537; http://www.judicialwatch.org/judicial-watch-v-u-s-federal-housing-finance-agency) against the Obama administration to get a hold of documents related to Fannie's and Freddie's campaign contributions.

Since American taxpayers are on the hook for trillions of dollars, potentially including already $187 billion alone for Fannie and Freddie, we deserve to know how and why this financial collapse occurred and who in Washington, D.C., is responsible.

Unfortunately, the Obama administration disagreed.

The Federal Housing Finance Agency (FHFA), the agency responsible for Fannie Mae and Freddie Mac, responded to our FOIA lawsuit by telling us that all of the documents we seek are not subject to FOIA.

Here is the exact language the Obama agency used in its court filing (http://www.judicialwatch.org/files/documents/2010/jw-v-fhfa-defmem4sj- 01292010.pdf):

> ...Any records created by or held in the custody of the Enterprises (Fannie Mae and Freddie Mac) reflecting their political campaign contributions or policies, stipulations and requirements concerning campaign contributions necessarily are private corporate documents. They are not "agency records" subject to disclosure under FOIA.

And here is why the Obama administration's reasoning is flat-out wrong, as detailed in a court motion (http://www.judicialwatch.org/files/documents/2010/jw-fhfa-opp2sj-cm4sj-03052010.pdf) our lawyers filed in response (on March 5, 2010):

> At issue in this Freedom of Information Act ("FOIA") lawsuit is whether FHFA, the federal agency that has custody and control of the records of Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Company ("Freddie Mac"), must comply with a FOIA request for records relating to those previously independent entities. Until they were seized by FHFA in September 2008, Fannie Mae and Freddie Mac were private corporations with independent directors, officers, and shareholders. Since that time, FHFA, a federal agency subject to FOIA, has assumed full legal custody and control of the records of these previously independent entities. Hence, these records are subject to FOIA like any other agency records.

Unfortunately, the courts have ruled (*Judicial Watch, Inc. v. FHFA*, 646 F.3d 924 (D.C. Cir. 2011)) that as long as these records are not "used," the records are not subject to FOIA.

The decision to keep these Fannie/Freddie records secret is the most significant anti-transparency decision of the Obama administration. You can obtain documents from the Central Intelligence Agency, the National Security Agency, and other "secretive" government agencies that deal with life-and-death matters. But not one document from the government Fannie and Freddie mortgage monsters would *ever* be disclosed under the freedom of information law that governs most every other executive branch agency.

Legislation that would address this Fannie/Freddie transparency gap is long overdue.

(Along with FOIA, the Federal Advisory Committee Act (FACA) was passed by Congress to shed light on federal advisory committees. Among other topics, it has a special emphasis on open meetings, chartering, public involvement, and reporting. Because the Consumer Finance Protection Bureau (CFPB) was established in the Federal Reserve System, the CFPB is exempt from FACA even though it regularly uses and relies on four advisory boards and councils. Bills have been introduced in previous sessions, and we believe such legislation should be reintroduced. Even though the CFPB claims it complies with the spirit of FACA, without a statutory fix, there is no available mechanism for Judicial Watch, other good government groups, and the public to insure compliance.)

Then there's the issue of the Smithsonian Institution, another taxpayer-funded entity that is not subject to FOIA. The Smithsonian, which operates as a trust, received $840 million in taxpayer funds in FY2016. The Institution, established in 1846, is governed by a board of regents which, by law, is composed of the vice president of the United States, the chief justice of the United States, three members of the Senate, three members of the House of Representatives and nine citizen members (who are approved by Congress and the President). The chief justice of the United States has traditionally served as chancellor of the Smithsonian.

Most of the Smithsonian's permanent staff are federal employees and its Secretary is appointed by public officials and other government appointees.

Courts have ruled that the Freedom of Information Act doesn't apply to the Smithsonian. As a result, Americans must rely on voluntary disclosures by this government institution. Judicial Watch, for instance, is trying without success to obtain documents from the Smithsonian about its decision-making regarding the inclusion of Justice Clarence Thomas in its African American Museum.

Rather than relying on the "kindness of strangers" to find out how billions of tax dollars are spent, Congress would do well to consider Delegate Holmes Norton's bill to apply FOIA explicitly to the Smithsonian Institution.

Thank you. I am happy to answer any questions the committee may have.

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Chairman CHAFFETZ. Thank you. I appreciate it.
Mr. Painter, you are now recognized for five minutes.

STATEMENT OF RICHARD PAINTER

Mr. PAINTER. Thank you very much, Mr. Chairman, Congressman Cummings, other members of the committee.

I strongly support the Open Government Data Act and with some qualifications support the other two bills. Open government data is absolutely critical, and it needs—we need a regime where government data is accessible to ordinary Americans, and that's not what we have right now.

I would strongly urge, however, that this bill be expanded to include a mandate that the White House visitor logs be disclosed to the public, and that should include Jackson Place where a lot of those meetings are taking place outside the gates, and we know what's been going on there for a while, and also the government agencies and Congress. I have the right to know when campaign contributors, lobbyists, and others are visiting my Congressman to try and get him to waste my taxpayer money on something. I have the right to know who's coming in and out of the government agencies and the halls of Congress. So I support this bill but would expand it significantly.

With respect to the Fannie and Freddie open records or applying the Freedom of Information Act to Fannie and Freddie, I approve of that or a similar measure, but it should expand beyond the period that these entities are in conservatorship. The idea is to prevent another financial crisis. And similar disclosure requirements should apply to other banks that are securitizing mortgages. This wasn't just by Fannie and Freddie. It was by Lehman Brothers, Merrill Lynch, Bear Stearns, and the rest of them.

If shareholders of those banks had had access to records to find out what was going on instead of the nonsense that was shoveled at them in the 10–K forms by those banks, which quite frankly I think were fraudulently prepared, it's quite clear that those private entities that were securitizing mortgages were lying to their shareholders. We wouldn't have been in the situation that we were in in 2008 if there had been more transparency from all of the financial institutions, including but not limited to Fannie and Freddie, which were securitizing mortgages. So I think that's a good bill, but once again, that concept of exposure—of disclosure needs to be expanded to the rest of the mortgage securitization industry, which has such a dramatic impact on our economy.

With respect to the Federal Reserve, I support this bill in principle. The question is whether the Comptroller General should conduct the audit or someone else. And it's critical that we understand the transparency at the Fed and good management is crucial to public confidence in the Federal Reserve Bank. We—I've written on the history of the Federal Reserve. We tried twice to establish a Bank of the United States under Alexander Hamilton and Nicholas Biddle, and one of the reasons those efforts did not survive is corruption and lack of public confidence. We need to have public confidence in the Federal Reserve Bank and the Federal Reserve Board.

But I also am strongly opposed to the attacks on the Federal Reserve, the populist rhetoric that we've had going all the way back to William Jennings Bryan, who was attacking sound money in the years before we had a Federal Reserve. This is not the way to manage economy through ill-informed attacks on our Federal Reserve system and on sound money. And I know that there are always going to be politicians who want to push the Fed to have easy money, particularly in election years, and if we politicize the Fed and we destroy the independence, we undermine the independence of the Fed, we are in serious trouble.

Now, turning to the Presidential Tax Transparency Act, I strongly support this bill. We have a right to know about money that is coming into our President's business interests, particularly from outside the United States. While this committee was spending hours and hours fussing around with Hillary Clinton's emails, we had espionage conducted inside the United States by Russia and apparently with the assistance of Americans. We don't know who they were, but whoever they are, those people committed treason.

And I do not mean to suggest that the President of the United States was involved, but we have the right to the information on the following forms: Return of U.S. persons with respect to certain foreign partnerships, statement of specified foreign financial assets, annual return to report transactions with foreign trusts in receipt of certain foreign gifts, information returned by a shareholder of a passive foreign investment company or qualified electing fund, information return of U.S. persons with respect to certain foreign corporations.

These are among the many forms that need to be filled out by a U.S. taxpayer who is receiving money from abroad. We have the right to that information from our President. He has failed to disclose his tax returns. Every other President has disclosed his tax returns. In an environment where espionage has been conducted against the United States and some Americans may have engaged in acts of treason, we have the right to that information from our President. I urge this Congress to pass that bill as soon as possible.

[Prepared statement of Mr. Painter follows:]

Testimony of Richard W. Painter
Before the Committee on Oversight and Government Reform
United States House of Representatives
Hearing entitled
Legislative Proposals for Fostering Transparency
March 23, 2017

Mr. Chairman, Ranking Member and Members of the Committee:

I am here to testify in support of the OPEN Government Data Act, and with some qualifications the Fannie and Freddie Open Records Act and the Federal Reserve Transparency Act. I will address the latter two bills in more detail in this testimony.

I have spent most of my career in law practice and law teaching in the field of financial services regulation. As I discuss in my 2015 coauthored book on bankers' ethics[1], I believe strongly that transparency and accountability are critical to the health of the financial services industry and the American economy which depends upon safe and sound financial services.

For this reason I support, in concept at least, both the Fannie and Freddie Open Records Act and the Federal Reserve Transparency Act.

Fannie Mae and Freddie Mac

These two mortgage giants, through mismanagement and concealment, contributed substantially to the financial collapse of 2008. That story has already been told, including in my own book[2], and I will not retell it here.

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[1] Bettter Bankers, Better Banks: Promoting Good Business Through Contractual Commitment (U Chicago Press 2015) (with Claire Hill)
[2] Id.

Increased transparency at both institutions will go a long way toward avoiding a repeat of past mistakes. Public access to records – whether through the Freedom of Information Act or other similar means – will help assure sound management and safe practices in their business of securitizing home mortgages.

Fannie Mae and Freddie Mac, however, were not alone in causing the financial crisis. Many other institutions, most of them publicly held corporations traded on the New York Stock Exchange, participated in the securitization of bad mortgage loans and foisting them off on unsuspecting investors. Some of the most prominent institutions – Lehman Brothers, Merrill Lynch and Bear Stearns – were managed so badly that they became insolvent and either declared bankruptcy or were bailed out by the federal government and merged into other institutions. Public financial disclosure by these companies on Forms 10-K and other filings with the Securities Exchange Commission was very inadequate and arguably fraudulent.

It would make little sense – and indeed be very hypocritical – for Congress to impose greater transparency measures on Fannie Mae and Freddie Mac without imposing similar measures on other financial institutions that securitize billions of dollars of mortgages and other debt and that, through their business practices, have a similar impact on our economy.

I am not suggesting that these large financial institutions be subject to the Freedom of Information Act or similar laws focused on governmental entities, but a very good argument can be made for giving shareholders in these companies similar access to information that would be available from Fannie Mae and Freddie Mac under this bill. If this bill or other legislation does not give shareholders such a right to specific information going beyond the general statements made – and sometimes misrepresented -- in annual disclosure Form 10-K and other securities filings, the

sloppy business practices that characterized the entire industry for so long will simply migrate from Fannie Mae and Freddie Mac, where there will be more disclosure on account of this new law, over to other parts of the financial services industry where there will be less disclosure. This will not only create an uneven playing field disadvantaging Fannie Mae and Freddie Mac, but could have potentially disastrous consequences for investors, for the economy and American workers.

In sum I am in favor of more transparency and open records, but across the entire industry of mortgage securitization, not just at Fannie and Freddie.

The Federal Reserve

The Federal Reserve also is an institution in need of greater transparency. Markets are more stable if investors are not taken by surprise by decisions made by the Fed. Transparency reduces the risk of scandal because information that is withheld by the Fed is prone to leaks and potential abuse in insider trading. Finally, economists, investors and the public should be aware of factors considered by the Fed in setting interest rate policy as well as the Fed's stance on regulatory matters. There are legitimate and important differences of opinion on these matters, and sound policy is most likely to emerge from robust public debate.

On the other hand, protection of the Fed's independence from the elected branches of government is critical. The Fed's mission is to promote sound long term economic growth and minimize inflation. The Fed's role is not to time growth cycles to correspond with election cycles for the President or Members of Congress. Neither is the Fed charged with being a propaganda ministry for the executive branch, telling people that the economy is doing better than it is. The political branches of government can live in an "alternative facts" universe if they so choose and voters tolerate it.

The Fed's job is to tell the truth about economic facts because investors need this information. Indeed, it is a crime for anyone, including a person associated with the Fed to knowingly or recklessly make a false statement that affects the price of a publicly traded security.[3]

By sharp contrast to the level of care in stewardship of the economy and candor expected of the Fed, we see hyperbole at best, as well as extremely short time horizons in the elected branches of government. The President – not yet two months in office – has Tweeted about jobs statistics linked to policies in place long before he took office. We regularly see August and September job statistics given disproportionate weight in economic policy debates in November elections, with one candidate claiming the economy is going gangbusters and the other insisting that we are veering into a recession. The Fed should have no role in such political theatre. In order to assure that the Fed stays well clear of such politicized economics, it is critical that the Fed continue to be as independent as possible from the Executive and Legislative branches of government.

A balance thus must be struck between accountability and transparency of the Fed on the one hand, and independence of the Fed on the other. I believe this bill strikes the right balance, but I strongly urge that this Committee solicit the opinions of present and past members of the Federal Reserve Board to make sure that this bill does not undermine the independence of the Fed or otherwise interfere with Fed policy. It should be possible to achieve accountability and transparency at the Fed while preserving the Fed's independence, and if this Committee is careful in its deliberations over this bill, and with the details embedded therein, that balance can be achieved.

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[3] See Section 10b of the 1934 Securities Exchange Act and Rule 10b-5 thereunder.

Transparency and Accountability Expectations of Federal Officials

In addition to the transparency and accountability expectations of Fannie Mae, Freddie Mac and the Federal Reserve that are set forth in these bills, Congress needs to consider amending federal financial disclosure laws for executive branch officials to require more transparency in their own financial dealings, particularly dealings with large lending institutions.

Unfortunately, the public financial disclosure form 278 filed by senior executive branch officials does not require disclosure of borrowing and other infusions of capital at the corporate level for entities owned in whole or in part by the public official. The entity itself is listed on Schedule A of Form 278 but its debt obligations and other capital infusions are not listed on Schedule B (liabilities) unless the office holder himself or herself is liable on the debt which is rarely the case. This means that office holders through undisclosed corporate level debt or other capital infusions could be financially dependent upon persons and entities unknown anywhere in the world. This raises serious questions under the Emoluments Clause of the Constitution if foreign sovereign wealth funds or state owned banks are involved, and in any event is a serious deficiency in the transparency we ordinarily expect of public officials.

This issue is most pronounced in the public financial disclosure form 278 of President Trump, particularly when coupled with his refusal to disclose his tax returns. But this is an issue likely to affect other high net worth public officials as well. Such a disclosure lapse with respect to large scale corporate level transactions in entities controlled by public officials is unacceptable in a government where transparency is critical for there to be accountability.

Congress should amend the disclosure statute to require disclosure of debt and other capital infusions into privately held entities that are majority owned by public officials filing Form 278, including but not limited to the President of the United States. I would be pleased to discuss specifics of such an amendment in answer to your questions.

Because much of this information can be obtained from the tax returns of a person controlling such entities, I would also strongly support legislation requiring senior public officials, including the President, to disclose their tax returns.

Thank you

Chairman CHAFFETZ. I thank you all for your testimony.

I will now recognize Mr. Massie of Kentucky for five minutes.

Mr. MASSIE. Thank you, Mr. Chairman.

My first question is for Mr. Singleton. Can you talk about the role the Fed played in the housing bubble in 2008? Was there any role there? Press your microphone, please.

Mr. SINGLETON. Sorry. Yes, sir. There was a tremendous role. The Federal Reserve under Alan Greenspan following the collapse of the .com bubble in a Federal—which is a Federal Reserve-created bubble, consciously began to pump money into the economy, as it does. That money flowed this time into the housing market because the Bush administration was making a decision to emphasize housing through working with vehicles like Fannie Mae and Freddie Mac, and the Federal Reserve was also very cognizant and supportive of this policy.

Without the Federal Reserve pumping money into the economy, you would not see that money flowing into specific sectors, whether it's .com in the '90s, whether it's housing in the aughts, which sends distorted signals of pricing and supply and demand to investors and businesses and workers, who then go and overheat those markets. At some point it becomes clear that they misread the underlying fundamentals of the economy and the whole thing collapses. And that's what we saw in '07 and '08.

If you actually go back and read what my former boss Dr. Ron Paul was saying when he was a member of the House Financial Services Committee in 2003, 2004, he predicted exactly what would happen. And exactly what he said would happen in '03 and '04 happened in '07 and '08. And it's not that Dr. Paul has some great soothsaying ability. It's that he understands the fundamentals of the economy. He understands why the Federal Reserve is dangerous.

And that is why—one of the reasons why he founded Campaign for Liberty was to try to continue his efforts to shape and make Congress take a more aggressive role in promoting sound economics by doing things like auditing the Federal Reserve so that we—so that more people could understand what exactly this organization is doing and how its policies affect the American economy and the American people.

Mr. MASSIE. So you mentioned there were a lot of people that—Dr. Paul among them but he wasn't unique in this regard—that were warning that it might have been superheated, yet the Federal Reserve, the board proceeded with this monetary policy. Are you in any way saying that Congress should be responsible for setting interest rates?

Mr. SINGLETON. Oh, no. No.

[Laughter.]

Mr. SINGLETON. God forbid. No offense ——

Mr. MASSIE. Well, who would—how would interest rates be set or how should the Fed do it differently?

Mr. SINGLETON. Interest rates, like everything else, should be set by the market. Money is fundamentally a unit of exchange. The value of that should be set by the market as it reflects individuals' preferences. The interest rate is a time preferences of how individuals view having money for current consumption versus their will-

ingness to forgo current consumption in order to save it, in order to invest it in the future. That needs to be set free of government interference in order for it to accurately reflect the preferences of the individuals.

That does not happen when you have a Federal Reserve which artificially distorts the interest rates. And that is the root of the boom-bust cycle and things like the '08 market meltdown, the .com implosion of the—of 2000 and 2001, and even of the Great Depression.

Mr. MASSIE. Well, this is not the subject of this legislation but it is the subject of another piece of legislation very similar to the bill come to be known as Audit the Fed, which is some have proposed rule-based monetary policy as a way of making sure that Congress doesn't set the monetary policy and that the Fed is actually less perhaps political or inclined to try to manage the economy. Would rule-based monetary policy provide the transparency or some check on the Fed?

Mr. SINGLETON. Campaign for Liberty does not take a position on whether or not the rules-based monetary—on the legislation proposing rules-based monetary policy. I think there are some concerns that have been raised by our chairman and others that it would still allow the Federal Reserve to influence and set the interest rates, and so it would not totally clear out the distortionary problems caused by having a central bank that has this—the power to set monetary—to determine the value of the dollar unhinged from any other outside influence such as being tied to a precious metals standard, for example.

Mr. MASSIE. All right. Thank you, Mr. Chairman. My time is expired.

Mr. DUNCAN. [Presiding] Thank you, Mr. Massie. Mr. Cummings?

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Mr. Painter, on Monday you published an op-ed in USA Today together with Ambassador Norm Eisen, the ethics lawyer for President Obama entitled, quote, "Trump's Unprecedented War on Ethics," end of quote. You and Mr. Eisen wrote, and I quote, "The problem starts with the tone-deafness at the top. Trump's hotels, golf courses, and other enterprises continue to do business with foreign and domestic entities that have interests before the government he heads," end of quote.

You also wrote, and I quote, "This unprecedented situation is exacerbated by the fact that we do not yet know the full extent of Trump's conflicts. That is because he has failed to disclose his tax returns, as we were just reminded, when two pages of his 2005 returns turned up," end of quote.

Why is it important that President Trump disclose his tax return? We need your mic. We have got to hear this. We want the President to hear you.

Mr. PAINTER. First and foremost, as I mentioned, we need to know about any financial relationships between the President of the United States and foreign powers, whether it is a foreign power that spied on Americans, conducted espionage here in the United States, apparently with the assistance of Americans who may have been working for the Trump campaign. Whoever it is, as I say,

committed treason. But we have the right to know our President's relationship with all foreign countries, not just Russia, including these forms which I just mentioned. I'm happy to have a member submit to the record if you so please. That is of critical importance.

The President is also conducting trade negotiations with foreign countries, including China, where he has many trademarks that he has just received. We have a right to know how much money is coming under the table to the President while he's conducting trade negotiations that affect American jobs. So this is important to our national security. It's important to our stance on trade.

Mr. CUMMINGS. When you were the ethics counselor for President George W. Bush, did President Bush release his tax returns to the public?

Mr. PAINTER. Absolutely, as did President Obama, President Clinton did. Every other President has released his tax returns because if Americans are going to be expected to pay taxes, we have the right also to know that our President is paying his or her fair share. We have the right to know what is going on with respect to our President's financial relationships inside and outside the United States.

Last, we have the right to know whether our President is in debt to people inside or outside the United States. How much is he in debt? How much does he depend on the banks who may very well be deregulated when the administration proposes the repeal of Dodd-Frank? All of this is information the American people have a right to.

Mr. CUMMINGS. Did President Bush require the individuals being considered for Cabinet positions in his administration disclose their tax returns as part of the nominations process?

Mr. PAINTER. I told everybody that came into my office when I talked to them that the Senate committee that was considering them for confirmation might very well demand their tax returns, and many of those committees did, particularly in areas that were relative to the national defense or the economy. I specifically remember Senator Grassley of Iowa being very meticulous about the tax returns of anybody we sent over for the Treasury Department. So everybody had to be prepared to publicly disclose their tax returns just like the President did.

Mr. CUMMINGS. On January 5, Representative Anna Eshoo introduced the Presidential Tax Transparency Act. This bill would amend the Ethics in Government Act to require the current President, as well as future Presidents and candidates for the Office of President to disclose tax returns for the most recent three years to the Office of Government Ethics with their financial disclosures. Since President Trump has refused to release his tax returns on his own, do you believe that Congress should actually require him to release the tax returns?

Mr. PAINTER. I believe that Congress should pass the bill, but I would make that five or eight years. I'd like to know how much money was coming in from foreign powers to someone I was going to vote for for President of the United States, and I'd like that information a little bit further back than just three years.

Mr. CUMMINGS. Would requiring President Trump and future Presidents and presidential candidates to release their tax returns

be out of line with what past Presidents have required of their nominees for Cabinet positions?

Mr. PAINTER. This is unprecedented, a President refusing to release his tax returns and indeed the White House made it very clear that the tax returns, people need to sign a tax return waiver with the IRS so they could be considered for positions because the White House may very well want to take a look at it and the Senate committees that are confirming may want to see it. And most of those committees indeed do for some of the most important positions.

Mr. CUMMINGS. Mr. Chairman ——

Mr. PAINTER. Tax returns must be ——

Mr. CUMMINGS. Mr. Chairman, as I close, all Democratic members of the committee have cosponsored Representative Eshoo's legislation. Congressman Mark Sanford, our colleague on the committee from across the aisle, has also cosponsored the bill, and all Democratic members of this committee have sent a letter to our chairman urging H.R. 305 be considered at the next markup. And I want to thank you.

Chairman CHAFFETZ. I thank the gentleman.

Mr. CUMMINGS. I yield back.

Chairman CHAFFETZ. I now recognize the gentleman from Tennessee, Mr. Duncan, for five minutes.

Mr. DUNCAN. Well, thank you, Mr. Chairman, and thank you for holding this hearing and for the work that you are doing on these bills.

Mr. Singleton, I am fascinated by or I guess astounded by this $16 trillion figure. Would you go into a little more detail about where that came from and how they have the authority to do that? I mean, that just—I know nobody can humanly comprehend of a trillion-dollar figure, but tell us more about that, about where that money went and so forth.

Mr. SINGLETON. That is from the Dodd Fed audit that was authorized in—like I said in the bill—Dodd Fed Bill, and that money basically comes from the Federal Reserve's open-market operations when they buy treasury securities, which is how also they managed to support a lot of the spending that goes on across the street in the capital.

And one of the problems is that the Fed has—if you look at the Federal Reserve statutes, there are parts of it—the specific sections escape me now—but that actually do give the Fed very open-ended authority to intervene and buy assets, private-sector assets of both domestic and international companies, foreign banks, foreign reserves.

And we don't really have a good handle on what they're doing with this. We don't have a good handle on their future plans. We don't have a good handle on how they're going to—on how they have intervened in a situation like Greece or how they're going to intervene in future situations. What we do have is this limited amount of knowledge that they did make dealings to the amount of $16 trillion. I believe it was buying reserves, buying other assets during this period.

And their excuse was they needed to prop up the economy. That was also their excuse for the unprecedented intervention in the

economy by the Federal Reserve under the name of quantitative easing, which was supposed to—when they saw that their record-low interest rates—which, by the way, I believe interest rates are still at a near or record low amount despite the Fed's recent actions in raising them—that that has failed to generate an economic growth, even a phony economic growth that it has in the past.

And these are all reasons why, unfortunately, the fact that you won't get a clear answer, Mr. Duncan, to your question until Congress passes the Audit the Fed bill. Fortunately, whatever else you think of his other policies, President Trump is on record as wanting to sign an Audit the Fed bill as supporting the Audit the Fed bill.

And also, as I mentioned before, this bill does have broad bipartisan support. It was supported by every Senator running for President. And when I said that, I don't just mean the Republican Senators. Senator Sanders voted for the bill last year, and he has been a longtime champion of Federal Reserve transparency. I—I'm not 100 percent about this but I'm pretty sure that you won't find many issues that can unite Rand Paul, Ted Cruz, Marco Rubio with Senator Bernie Sanders.

Mr. DUNCAN. Well ——

Mr. SINGLETON. And so I would suggest that—so I would again suggest that it's very—that this is very important. If Congress ——

Mr. DUNCAN. Well ——

Mr. SINGLETON.—really is serious about changing the economic direction of this country, that you start with great transparency and start by considering Audit the Fed, along with the Fannie and Freddie transparency bills.

Mr. DUNCAN. Okay. Well, I'm running out of time so let me just say very quickly I appreciate the work that all of the witnesses, all of you are doing in these areas.

Mr. Hollister, I hope you can end this Dun & Bradstreet monopoly.

And, Mr. Fitton, I appreciate your work that you have done. You have been before this committee before, but Fannie Mae and Freddie Mac, we have a report here, government-sponsored luxury paying $3.9 million to the chief financial officer, $4.5 million to the general counsel, $4.6 million to the chief financial officer of Fannie Mae, $5.1 million to general counsel for Freddie Mac, $7.8 million to the chief executive officer, $9.3 million to the chief executive officer for Fannie Mae.

I mean, it is ridiculous that these entities have been losing this money during years that they were losing money they were spending all this money to pay these excessive salaries and then golden parachute packages to leave. And now recent reports say Fannie Mae is spending $56 million to relocate its headquarters in downtown D.C. They are out of control, and we need more specifics both on this $16 trillion and also on what Fannie Mae and Freddie Mac are doing, Mr. Fitton. And I applaud you for your work there, and I yield back the balance of my time.

Chairman CHAFFETZ. I thank the gentleman.

I want to recognize the gentlewoman from New York, Mrs. Maloney, for five minutes.

Mrs. MALONEY. Thank you, Mr. Chairman, and I thank all of the panelists for their hard work and their testimony today.

I support the Open Data Act and H.R. 305, the Presidential Tax Transparency Act, which Ranking Member Cummings and Mr. Painter so eloquently spoke about the need to know about the influence of foreign money in our elections.

But I want to say that I am strongly opposed to what I believe is a dangerous bill, H.R. 24, which would seriously undermine the independence of the Federal Reserve. First of all, we are still reeling from the financial crisis where some people say it was $16 trillion, others say it was $18 trillion. But we do know it was trillions of dollars of loss to our economy, millions lost their homes, millions lost their jobs, and it was the first economic crisis that Dr. Hall, a Bush appointment to head the Bureau of Labor Statistics, said was totally a result of mismanagement, corruption, greed in the private sector. It was preventable.

Christina Romer testified before this Congress that the economic impacts of that crisis was five times greater than the Great Depression, yet we survived. I can remember constituents calling and screaming at me we are going down, we are going under, our banks are going under, money markets are going under, and many people are given credit for helping us survive, Congress, the President, and certainly the Federal Reserve that moved in many ways quickly and effectively to respond to the financial crisis.

Even though it began in our country—by all accounts, we came back stronger and faster than any other country in the world. We had 38 months of economic growth, the longest span in history out of the biggest depth of depression we have ever had. Would we have liked to have been more? Yes. But when President Obama went into office, this country was shedding 700,000 jobs a month. It was a huge financial crisis.

And I want to be clear that the Federal Reserve is already audited. The Fed's financial statements are audited by an independent accounting firm every year, and those audits are publicly available. GAO has also conducted extensive audits of the Federal Reserve. The only thing that GAO is prohibited from auditing is the Federal Reserve's monetary policy decision-making. Everything else that the Fed does the GAO can already audit.

But this bill would change that longstanding rule and would allow the GAO to audit the Fed's monetary policy decisions. This would have a number of harmful effects. It would seriously undermine the Fed's independence, would cause the markets to lose confidence in the Fed's ability to conduct sound monetary policy, and would lead to a rise in inflation fears and general interest rates. This would ultimately be harmful for the economy, for economic growth, for jobs in this country.

And the Federal Reserve did not cause the economic crisis. They were part of the solution in helping us bound back. In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act expanded the types of audits GAO may conduct, as well as the data that must be disclosed to the public. The Dodd-Frank act opened to GAO audit discount window operations authorized under section 11(s) of the Federal Reserve Act, and the Dodd-Frank Act's provisions were crafted to expand transparency surrounding the Federal Reserve's operations without undermining its independence.

Further exposing the Federal Reserve's deliberations could influence the deliberations that are conducted and the policies that are chosen, degrading the independence of the Federal Reserve and its monetary policy decisions. Members of Congress could actively seek to influence the Federal Reserve's deliberations by the types and subjects of audits they request from GAO. They could also seek to obtain the matter materials GAO assesses in performing audits, including documents related to the Federal Reserve's deliberations.

Now, I would like unanimous consent to place in the record a list of questions relating to this issue with the Federal Reserve and also the very important bill that the chairman mentioned.

Mrs. MALONEY. But this is a very, very serious matter, and I feel strongly about it. I feel that it would be dangerous to our economic policy, and I urge a no vote on H.R. 24. Thank you.

Chairman CHAFFETZ. I thank the gentlewoman.

And questions for the record may go to the panel if any member will have a couple of legislative days in which to submit those. And we appreciate the panel getting us a timely response.

I will now recognize myself for five minutes. And, Mr. Fitton, I would like to start with you, and I really want to talk about the Federal Housing Finance Agency which in September of 2008, as you know, seized Fannie Mae and Freddie Mac. What is the financial liability? Do you know off the top of your head the liability taxpayers have for that? It is something like $5 trillion in mortgage liabilities. Is that about your ——

Mr. FITTON. Between two agencies it's about ——

Chairman CHAFFETZ. Microphone, sir.

Mr. FITTON. I'm sorry. Between two agencies they either directly own or insure about $5 trillion worth in mortgages.

Chairman CHAFFETZ. I just want people to settle in on that, that taxpayers are on the hook for this amount of money. And it is true, right, that the Federal Housing Finance Agency is subject to a Freedom of Information Act request, correct?

Mr. FITTON. Generally speaking, yes.

Chairman CHAFFETZ. In May of 2009, Judicial Watch put in a FOIA request for documents related to political contributions made by Fannie Mae and Freddie Mac. How did the FHFA respond to that FOIA request?

Mr. FITTON. They acknowledged the records were in their custody and control but they were not agency records subject to disclosure under FOIA.

Chairman CHAFFETZ. And the FHFA denied the FOIA request sing the agency, quote, "did not control them." So are Fannie and Freddie wholly operated by the Federal Government now? Who is actually running that agency—those entities?

Mr. FITTON. It is—they've acknowledged repeatedly that they do run the two entities, Fannie and Freddie, the Federal Housing Finance Administration.

Mr. PAINTER. They're under a conservatorship. They're under a conservatorship, were taken over in 2008 under the powers the government has under the Housing and Economic Recovery Act

——

Chairman CHAFFETZ. Thank you. Thank you. I understand. I understand.

The statute granting the FHFA conservatorship over Fannie and Freddie states that the FHFA has, quote, "all rights, titles, powers, and privileges of Fannie and Freddie and of any stockholder, officer, or director," end quote. Mr. Fitton, is that your understanding of it as well?

Mr. FITTON. Yes, and it's been acknowledged by the agency itself.

Chairman CHAFFETZ. I believe that the statute also says that FHFA has, quote "title to the books, records, and assets of any other legal custodian of," end quote, Fannie and Freddie. Is that your understanding, Mr. Fitton?

Mr. FITTON. Yes.

Chairman CHAFFETZ. Is it true that under FOIA an agency record is subject to disclosure unless a specific exemption applies, Mr. Fitton?

Mr. FITTON. Yes. Generally speaking, yes.

Chairman CHAFFETZ. So did FHFA suggest to Judicial Watch Fannie and Freddie records were somehow exempt from FOIA?

Mr. FITTON. They did not subject—they did not say they were subject to FOIA but exempt from disclosure. They said they were not subject to FOIA at all.

Chairman CHAFFETZ. So how does one conclude that Fannie and Freddie are not subject to FOIA?

Mr. FITTON. Well, that's for the—you know, judges figured that out for us, and they said that an agency, even though they had the records, unless they, quote "used them," they weren't subject to FOIA, which just struck me as wrong and still strikes me as wrong, but that's the court decision. And so it's going to be up to Congress to fix that.

Chairman CHAFFETZ. So that's why I introduced this bill. And to members on both sides, what are we afraid of in terms of exposing the liabilities that Fannie and Freddie are creating for us? And there are exorbitant sums of money going out the door, again, that the American taxpayers are liable for.

I have got to shift gears here to Mr. Hollister just a little bit. I want to talk about the data collection. If you can kind of explain in layman's terms how the D–U-N–S Number works because things were given a code and Dun & Bradstreet, a contractor, that system is owned by Dun & Bradstreet. Could you kind of explain that to us and how that works and what it costs the taxpayers to do?

Mr. SINGLETON. Yes, sir. In the 1990s the General Services Administration contracted with Dun & Bradstreet to track Federal contractors governmentwide. Dun & Bradstreet operates the system that does this. Now, that's pretty normal as far as Federal practice goes. What's unique is that the contract doesn't just give Dun & Bradstreet the ownership of the system that's used to track the contractors; it also gives Dun & Bradstreet an interest in the identification code itself. This means that nobody can use the information that's encoded using that number unless they purchase a license from Dun & Bradstreet.

Now, the Federal Government has a governmentwide license, applies to most agencies. It doesn't apply to special-purpose entities like the Recovery Board, which is why Recovery Act spending had to go dark because they didn't have a license. But it doesn't apply to citizens. Citizens, researchers, journalists, they can't download

and analyze information about Federal spending unless they purchase a license from Dun & Bradstreet. That means they pay for the information twice.

Chairman CHAFFETZ. So the American taxpayers, they pay for the government, right, and the government has a contract, but you are saying that the taxpayers who have already paid once have to go back and get another license?

Mr. HOLLISTER. That's right, sir. They have to pay again because there is a—Dun & Bradstreet, which itself a private-sector contractor, has an ownership interest in the information about contractors.

Chairman CHAFFETZ. And they get to see it first then I would assume?

Mr. HOLLISTER. They do get to see it first and they use it for their other business. For example, in order to maintain all of this information and its Federal transparency, you might need a few data fields. You need to know the name of the company, you need to know the address. You might need to know what kind of business they're operating. Dun & Bradstreet uses its monopoly. It requires every contractor to register with that company. And they don't just collect that—those few pieces of information. They collect 1,500 additional pieces of information and then they sell that.

They use their monopoly on this identification code not just to make money off the taxpayers who want to download the information but also to coerce the—those who must register with them to provide additional information that they then sell as a vendor.

Chairman CHAFFETZ. And it is something we need to spend some more time on because it is quite a monopoly and given to them by the American people, paid for by the American people, and they want to charge it again. And we do have a bill, a good bill here I think in order to tackle that.

My time is far expired. I will now recognize the gentlewoman from Illinois, Ms. Kelly, for five minutes.

Ms. KELLY. Thank you, Mr. Chair.

Mr. Hollister, in 2014 Congress enacted the Data Act. That law requires agencies by May of this year to report spending data in accordance with governmentwide data standards. If it is implemented properly, the Data Act will result in a major improvement in the transparency of government spending data. Do you agree with that?

Mr. HOLLISTER. Yes, Ms. Kelly, I do, and we appreciate your vigorous oversight as the ranking member of the subcommittee on the implementation of the Data Act.

Ms. KELLY. Thank you. The Open Government Data Act will take another step toward expanding the availability of government data. It would in part codify an Executive order President Obama issued in 2013 that set as the official policy of the Federal Government that government information be open and machine-readable whenever possible, even though that is not what we have heard here today. Is that right?

Mr. HOLLISTER. Yes, that's right, and in fact that's why the Congressional Budget Office has scored the Open Government Data Act at zero.

Ms. KELLY. In a January 7, 2017, blog post you said that President Obama's Executive order, and I quote, "succeeded brilliantly in changing the culture of open data." Why should Congress codify that Executive order?

Mr. HOLLISTER. Well, Ms. Kelly, I think that we've seen today that it's very difficult to pass transparency reforms when there is a current political controversy. For example, this idea of presidential tax returns, there is certainly a political controversy about that right now, and so there's a division.

However, with the Data Act, as you might remember, it passed unanimously. Everyone agreed that we ought to have consistent access to Federal spending data. If it's fully implemented, it's going to reveal things that nobody anticipated. It might reveal those GSA lease payments, for instance, and yet it was supported by everybody in Congress. That's why it's important to now, when there's not a political controversy, for Congress to affirm as a permanent matter we're going to publish and we're going to standardize Federal data.

Ms. KELLY. Okay. The Open Government Data Act would also require agencies to use open licenses for government data when possible. There's no doubt that open data supports jobs, innovation, and entrepreneurs. Can you speak to the potential for our economy and in particular the startup economy that open government data could have or create?

Mr. HOLLISTER. Yes, I can, Ms. Kelly. There are 14 startup companies in The Data Coalition, and all of them want to do things with government data. Some of them want to apply analytics and find insights. Some of them want to republish it on platforms. And some of our companies want to automate compliance, reducing the need for lawyers and accountants. All that becomes possible when the government adopts consistent data formats.

I can give you one example. Bernie Madoff could have been caught if we had consistent data formats. The—Mr. Madoff's firm was reporting to the Securities and Exchange Commission two different offices, but because they didn't identify themselves electronically the same way, those different SEC offices never knew about each other's investigations. If we had consistent data formats, it would be possible for data analytics, including maybe the products that are offered by the tech industry, to find connections like that. It's great for the tech business. It's also good for oversight.

Ms. KELLY. Much of the potential depends on proper implementation of these policies. That's why the Obama administration created an eight-step plan for implementing the Data Act. One of the steps of that plan encouraged agencies to inventory their data. Would the inventory requirement under the Open Government Data Act be duplicative or do you think there is a benefit in including it in the new law?

Mr. HOLLISTER. Good question, Ms. Kelly. The inventory requirement in the Open Government Data Act was modeled on the one that's in the Executive order.

Ms. KELLY. Right.

Mr. HOLLISTER. And I think agencies therefore could comply with it simultaneously.

Ms. KELLY. And are these lessons learned from the implementation of the Data Act that could improve implementation of the inventory requirements in the Open Government Data Act?

Mr. HOLLISTER. Yes. We've learned from the implementation of the Data Act, which we'll have the first results of that on—in May 2017. We'll see if agencies are able to report a consistent data set covering all their spending.

The most important lesson there I think is that standards matter. There needs to be somebody insisting that the information has got to be structured the same way across all the agency stovepipes, and that insight is going to carry us after the Open Government Data Act becomes law.

Ms. KELLY. Thank you so much. It is critical that we make government data as accessible as possible, and the Open Government Data Act would improve the accountability of agencies by making government data more transparent and usable.

Thank you so much.

Mr. HOLLISTER. Thank you, ma'am.

Ms. KELLY. And I yield back.

Mr. FARENTHOLD. [Presiding] Thank you very much.

We will now recognize the gentleman from Wisconsin for five minutes.

Mr. GROTHMAN. Okay, Mr. Fitton, I want to talk a little bit more about Fannie Mae and Freddie Mac. One thing, you know, they have been very active politically giving almost $5 million in in political contributions the last 10 years. The biggest recipient of those was Senator Dodd, former chairman of the U.S. Senate committee on Banking, Housing, and Urban Affairs, which is kind of disturbing. One of the biggest recipients was then-Senator Obama. Despite being a new Senator they took, you know, apparently a big interest in him, you know, developing apparently a very close personal relationship with him. Do you think information about the amount of money that a powerful important Senator Dodd was getting or then-Senator Obama was getting—do you think that is easily accessible enough to the public?

Mr. FITTON. Thank you. Certainly, it's not accessible in terms of what the Fannie and Freddie decision-making were related to their political contributions. They took care of politicians on both sides of the aisle, and certainly there was a particular focus on those that were friendly to them in terms of oversight.

Secondly, they put both Republicans and Democrats on their boards as well. So if we're looking to find out the failures of Fannie and Freddie and why they were allowed to take on so much problematic debt or encouraged problematic housing activities with—and put the taxpayer potentially on the hook for billions of losses, one of those reasons we'd want to find out, well, did they manipulate the system or benefit from political giving and their relationships with Members of Congress in terms of Congress providing protection from significant oversight and reform?

Mr. GROTHMAN. Okay.

Mr. FITTON. None of that's available under law right now, although the documents arguably might be there and should be looked at, but they ——

Mr. GROTHMAN. Why are the documents shrouded in secrecy? How did we wind up that way with such an important—I guess you'd say the governmental or quasigovernmental agency?

Mr. FITTON. Well, it was a decision made early on by the Obama administration not to make these documents available to the public. I recognize initially when the government took over all these government agencies—when the government took over these two agencies that, my gosh, well, FOIA has to apply here. I also kind of think the same about GM at the time. But, you know, we didn't get into that as much.

But the administration took the position that we're not going to release any of these records, they're not subject to FOIA, and ——

Mr. GROTHMAN. Can the administration release them to this day?

Mr. FITTON. Well, this administration can change that policy in a heartbeat.

Mr. GROTHMAN. Okay. Now, we will go to Mr. Singleton. In your testimony you cited a provision of Dodd -rank which authorized a one-time audit in 2007, 2008. What did this audit reveal about the Federal Reserve?

Mr. SINGLETON. Basically, as I said in my testimony and in response to Mr. Duncan's questions that during the market meltdown of—or following the market meltdown between '07 and 2010, the Fed, as part of their policies in an attempt to re-inflate the economy, they committed over $16 trillion to foreign central banks and private companies. That's just a—actually, a fraction of—I believe of their total activities. If you look at since that time they've had the quantitative easing program, which involved more intervention into the private economy in an attempt to re-inflate the economic bubble that had burst in '07.

Mr. GROTHMAN. We don't get a lot of time here. We had somebody from I think the Fed—I think it was on this committee; I am not sure. Could you explain quantitative easing to me and the degree to which it benefitted private companies?

Mr. SINGLETON. Quantitative easing was the Federal Reserve went in and they bought private assets in order to put more money into the economy.

Mr. GROTHMAN. Did they pay fair value for those assets?

Mr. SINGLETON. You know, off the top of my head I'm not sure. They would probably say that they did. This is—might be one reason—another reason why we need an audit, to find out more about what they do. I know their financial statements are audited, but I think we do need more details about their transactions in order to fully answer some of these questions.

Mr. GROTHMAN. Okay. I will ask you again. Okay. When they funded $16 trillion into foreign entities, could you elaborate on that a little bit more?

Mr. SINGLETON. I can try and find the details. Off the top of my head, I'm not familiar with every—with all of the details for that.

Mr. GROTHMAN. And which countries would have benefited? You can't?

Mr. SINGLETON. I'm sorry. I'm—I can get you that information.

Mr. GROTHMAN. Okay. Well, we'll wait to get that information. Thank you.

Mr. FARENTHOLD. Thank you very much.

I will now recognize the gentlewoman from New Jersey for five minutes.

Mrs. WATSON COLEMAN. Thank you very much, Mr. Chairman, and thank you, gentlemen, for your testimony and being here today.

I certainly support transparency in Federal Government. I think taxpayers need to know how government is functioning and whether or not we are functioning effectively, efficiently, and without corruption.

Mr. Filfitton?

Mr. FITTON. Fitton, yes.

Mrs. WATSON COLEMAN. Fitton. Hi. My question is to you first. Do you have a FOIA request in to see the current President's tax returns?

Mr. FITTON. No, we don't. They're not subject to FOIA. The White House is not subject to FOIA specifically.

Mrs. WATSON COLEMAN. Do you think that they should be?

Mr. FITTON. Tax returns? Well, typically tax returns would not be subject to the Freedom of Information Act. Sometimes disclosure records related to—that may have information from the tax returns do but ——

Mrs. WATSON COLEMAN. But we do have very consistent legacy of past Presidents releasing their tax returns.

Mr. FITTON. We have an inconsistent legacy I would say

Mrs. WATSON COLEMAN. Do you believe that the tax returns could reveal more information regarding obligations, debts, spending, earnings, and sources of earnings than is available on disclosure statements?

Mr. FITTON. Yes.

Mrs. WATSON COLEMAN. Thank you.

Mr. Painter, in an interview with the ABC news in September 2016, then candidate Donald Trump said, and I quote, "I released the most extensive financial review of anybody in the history of politics. It is either 100 or maybe more pages of names of companies, locations of companies, et cetera, et cetera, and it is a very impressive list and everybody says that, but I released a massive list, far more than you—you don't learn much in a tax return."

Just to be clear, was Mr. Trump required by law to file a financial disclosure form as a presidential candidate, or was this something he was doing voluntarily?

Mr. PAINTER. He was required to file form 278 ——

Mrs. WATSON COLEMAN. Thank you.

Mr. PAINTER.—as a candidate.

Mrs. WATSON COLEMAN. Thank you. To your knowledge, has any modern President had business entanglements that are as large and complex as those of President Trump that we can understand given the limited information that he shared with us?

Mr. PAINTER. Nowhere close.

Mrs. WATSON COLEMAN. Mr. Painter, last year, you published an editorial, together with Norman Eisen, the ethics lawyer to former President Barack Obama entitled, quote, "What Trump's Tax Returns Could Tell Us about His Dealings with Russia," close quote. You and Mr. Eisen wrote, and I quote, "Trump says his tax returns

reveal nothing that is not already disclosed on his official candidate financial disclosure called form 278e. As ethics counsels to the past two Presidents, we dealt with both their tax filings and their form 278s. And so we know that Trump is wrong," close quote. What would we learn from a tax return that would not be contained in the financial disclosure?

Mr. PAINTER. I will assume that the tax return is truthfully filled out and not loaded up with alternative facts. But if it is truthfully filled out, it will disclose in detail information about payments received by pass-through entities, LLCs, and corporations. Where there is pass-through taxation, the entity doesn't pay a separate corporate tax, but the taxpayer, if you're the President, pays and I read into the record a number of the tax forms that would disclose information about dealings with foreign entities that to me is of utmost concern to our national security. But there is much, much more information as well.

The key difference between the tax forms and form 278 is that the 278 financial disclosure form he filled out lists these entities that he has a controlling interest in, sometimes a 100 percent controlling interest in, but schedule 278 does not list the liabilities of those entities and the income streams of those entities. None of that is listed. Schedule B, which has liabilities, only has to list the liabilities that he is personally liable for or that he has personally guaranteed.

So the entity on schedule A could owe hundreds of millions of dollars to the Chinese Government, the Russian Government. We don't know who and we're never going to find out. A lot of that you find out through the tax returns. We're entitled to that information from our President.

Mrs. WATSON COLEMAN. And tax returns are auditable, but these other financial disclosure forms are not auditable per se. Is that so?

Mr. PAINTER. That is true. We are on an honor system within the financial disclosure forms. Of course, if you make a false statement

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Mrs. WATSON COLEMAN. Yes.

Mr. PAINTER.—that's a criminal offense. But there is an audit, the IRS, of the tax returns. The President apparently has an awful lot of returns with an awful lot of audits if that's his excuse for not releasing them.

Mrs. WATSON COLEMAN. Well, we are certainly finding out each and every day that there's greater concern as to this President's entanglements and the impact on his ability to govern this country in a safe and secure manner. It is simply not the case that what he has given to us is sufficient thus far, and we need to continue to require that he gives us a full disclosure.

And with that, I believe that this committee should consider and pass the Presidential Tax Transparency Act to require that President Trump discloses taxes so that we can have a more complete view of his finances and so we can find a degree of confidence in his governance.

And with that, I yield back. Thank you very much.

Mr. FARENTHOLD. The gentlewoman's times expire.

We will now go to the gentleman from Iowa, Mr. Blum.

Mr. BLUM. Thank you, Mr. Chairman, and thank you to our panel today for being here.

Time and time again, John Koskinen, the head of the IRS, has asserted, quote, "We produced all the emails," end quote. He also has asserted numerous times, quote, "We spent a significant amount of time trying to provide all of the information we had," end quote. Mr. Fitton, do you know approximately when John Koskinen made these claims?

Mr. FITTON. He made them repeatedly over the last few years, and the IRS generally has been making similar claims in court saying they've looked everywhere they needed to look and there's nothing else to be found. And just recently, the IRS acknowledged there was a category of a least—a group of at least 7,000 or so documents that they needed to search in response to one of our Freedom of Information Act lawsuits about improper auditing that they hadn't searched. And these were records not only responses to Judicial Watch's FOIAs but my understanding is would have been responsive to congressional investigations on those subject matters.

Mr. BLUM. How long does it take them to receive these? When did he make these claims that we've turned over all the emails?

Mr. FITTON. Well, the IRS told us that they didn't need it—that they were done searching and there was nothing else to be found reasonably a year-and-a-half ago. We've been fighting on this very issue about where they were—needed to search for many years though since the scandal was first uncovered in 2013, and we've been faced with nothing but obstruction and ——

Mr. BLUM. Seven thousand emails ——

Mr. FITTON. There was another group ——

Mr. BLUM.—18 months later, is that correct?

Mr. FITTON. We don't know when we're going to get all those responsive records yet either.

Mr. BLUM. Why in your opinion, Mr. Fitton, is this significant?

Mr. FITTON. Well, we need to know that our tax agency is being used for lawful purposes. And we need to have the laws protect us in that regard in terms of assuring that's occurring, and that—one of the key laws, one of the few ones that the citizens can use is the Freedom of Information Act. It doesn't allow us to get access to anyone's individual tax returns, but we can get access to decision-making about their policies and such, and to get that information out has been—required extraordinary legal efforts.

Mr. BLUM. Do you think the IRS Commissioner was lying when he said we produced all the emails, we've spent a significant amount of time to pry out all the information we have? Do you think he was lying?

Mr. FITTON. Well, I'm sure they spent a lot of time, but they didn't produce all the emails. And the IRS Commissioner specifically made a decision not to inform Congress for several months about a major issue they had with email production specifically with relation to Lois Lerner and the fact that emails from her were not backed up or were backed up but, depending on what time of day it was, they got a different story out of the IRS. But the Commissioner was not forthcoming with Congress for months on that issue.

Mr. BLUM. Not forthcoming. We call that something different in Iowa, but I will accept that.

So, Mr. Fitton, nearly five years after Lois Lerner preempted the inspector general with a planted question that the IRS was in fact targeting people for their political beliefs, still, still 18 months later no one has been held accountable and documents are apparently still outstanding, correct?

Mr. FITTON. It's longer than 18 months. It's 2013 and we're now going into 2017. So it's four years and we're still waiting for documents on that issue.

Mr. BLUM. This is exactly why transparency is so important. It's exactly why this hearing is important. It should not take years of FOIA requests, congressional investigations, and court battles for Americans to get answers. The folks in my district applaud—when I say no one, including no one in Washington, D.C., is above the law.

Thank you for your testimony. I yield back my time.

Mr. FITTON. Thank you.

Mr. FARENTHOLD. Thank you very much. The gentleman yields back.

I will now recognize the gentleman from Maryland, Mr. Sarbanes.

Mr. SARBANES. Thank you, Mr. Chairman. I want to thank the panel.

Mr. Painter, I am glad you are here, and I want to thank you for your work and your focus on these issues of conflicts of interest.

You said, and I certainly agree, that the example, the standard of transparency disclosure, accountability has to be set from the very top, that the President of the United States has to demonstrate a clear commitment to those principles. And obviously, when you served when your colleague Norm Eisen served, that was the kind of standard that was adhered to. I don't think we are seeing that from the current administration, and I think that the examples set or lack of examples set is kind of trickling down, finding its way into the various Cabinet appointments into the way those agencies are operating, which puts an extra responsibility on Congress and on committees like this one, the Oversight and Government Reform Committee, to press for that kind of transparency and accountability.

I think this committee could be doing a lot more in that regard frankly and some other standing committees in the House and the Senate to press on the administration for the accountability and transparency that we would like to see.

We have pulled together a task force, Democracy Reform Task Force, which I chair and is vice-chaired by a number of my colleagues to try to push on this issue of conflicts of interest. And we have been cataloguing all of the efforts that have been undertaken by Members of Congress on our side of the aisle over the last six, seven weeks to try to elicit some decent information about what is happening with the Trump White House and with the various agencies.

Legislation has been introduced, and I will turn in a moment to the Tax Transparency Act to speak to that, but there are many other bills that have been introduced by members of Congress to

try to get more information and accountability. We have been introducing amendments in various committees to insist upon that disclosure. Democrats have brought privileged resolutions to the Floor of the House seeking disclosure of the President's tax returns for all of the reasons that you have enumerated.

In committees we have been filing resolutions of inquiry, which are one of the few tools we have available to us when the leadership of those committees doesn't, on its own initiative, seek to get the kinds of answers that we need. And we have sent, through standing committees and Members on their own initiative have sent nearly 120 letters to representatives of the Trump administration on a whole variety of topics where we are seeking good information.

Those have gone unanswered. So it has been very frustrating, but I come back to the notion that transparency, disclosure, those standards begin at the top. And of course the President has refused to disclose his tax returns, which I think has kind of set the tone.

And, you know, when I talk to people across the country on this issue, and 70 to 80 percent of Americans would like to see those tax returns, and they want to see them because they just want their anxieties to be addressed. I think people are worrying that there may be some divided loyalty here, that the President isn't putting his responsibility and the public trust that goes in the Office of the Presidency ahead of these other business concerns. Maybe he is, but without getting the information, there is no way we can know that.

And I think that is why the public is expressing this degree of anxiety and saying, look, just come clean. Let us just see, as all other Presidents have done, what is in your tax returns.

I am running out of time but I want you to address again the fact that, you know, the average person, when they file a tax return, they don't have all of these assets and foreign entanglements and business interests so they may not realize what kind of information you can actually get from an extended tax return. Can you just touch on one more time the various schedules and what they provide in terms of information and how important that is for us to get some assurance with respect to our concerns about conflicts of interest?

Mr. PAINTER.—President we already have substantial reason to believe that he may owe his job to Vladimir Putin. We ought to at least know whether he has financial dealings with the Russians, with the Chinese, any other foreign governments with oligarchs in those countries.

The schedules I read into the record are very relevant here. Most of them focus on that flow-through taxation. If you own an entity, a corporation, or an LLC and it does not separately file a tax return and pay taxes, the profits and losses, the debt payments, all of those flow through to your taxes, the taxpayer. And so you would fill out these forms that would disclose those payments, income and debt payments to those entities such as the form on information return of U.S. persons with respect to certain foreign corporations or information return of a shareholder of a passive foreign investment company of qualified electing fund, annual return to report transactions with foreign trusts in receipt of certain foreign gifts, state-

ment of specified foreign financial assets, return of U.S. persons with respect to certain foreign partnerships.

Those are only a few of the many return forms that would divulge this information. None of it is on schedule A of a form 278. This is information that particularly in this context, given what foreign governments have done to conduct espionage inside the United States, given the apparent cooperation of Americans with that, we have the right to this information about our President. He should be disclosing it voluntarily, immediately without having to have a bill passed by Congress.

Mr. FARENTHOLD. Thank you. The gentleman's time is expire.

I will now recognize the gentleman from Kentucky, Mr. Comer, for five minutes.

Mr. COMER. Thank you, Mr. Chairman.

I yield my five minutes to my fellow Kentuckian, Congressman Massie.

Mr. FARENTHOLD. The gentleman is recognized.

Mr. MASSIE. I thank the gentleman from Kentucky for yielding.

I wanted to ask Mr. Singleton—I didn't get a chance to ask this before—what has happened to the Fed's balance sheet since 2008?

Mr. SINGLETON. It's exploded. The Federal Reserve has a lot of—more assets again in its attempt to reignite the economy from the highs of the '04, '05 when the housing market was really exploding to the crash of '07 and '08. And there's a lot of concern expressed by a lot of people that the Fed needs to start unwinding these—the balance sheet.

Mr. MASSIE. Can they unwind the balance sheet without having any economic ramifications?

Mr. SINGLETON. And that's the other problem. If they just—if they start dumping these assets onto the market, it's going to cause major turmoil, and it's also going to negatively impact the Fed's position because if you have a lot of things that you want to get rid of, if you put them all out at once, it's going to decrease the value of any given—any individual asset. So the Fed is really kind of stuck between a rock and a hard place right now in terms of the need to unwind the balance sheet.

Mr. MASSIE. So, you know, and going back to 1977 I think it was there was a Reform Act where Congress imposed a mandate on the Federal Reserve that is called a dual mandate ——

Mr. SINGLETON. Right.

Mr. MASSIE.—but there are actually three mandates in their which are price stability, moderate long-term rates, and maximum sustainable employment. Are those always complementary goals?

Mr. SINGLETON. I think in the free market they actually are. With the Federal Reserve monetary policy and the way that it's traditionally been looked at, no, there is the argument that you can have inflation or unemployment, that there's a choice between them. I think that the experience in the '70s—and hopefully, we're not coming to that but it could happen again with stagflation, show that you can actually have high unemployment and high inflation at the same time.

I think that, you know, saying that we're going to trust the secretive central bank in 1977 was six years after Richard Nixon severed the last link between the Federal Reserve and gold, which

really kind of cemented our fate in terms of the problems that we would have from a fiat monetary system, is that the idea that the Fed can just somehow pinpoint the exact right interest rates, the exact right level of inflation that will lead to the exact right level of unemployment where you won't have long-term unemployment, you'll just have the regular unemployment you have as people change jobs, retire, et cetera, is wrong.

I mean, we hear a lot about Russia today at this hearing from critics of the current administration, but one thing I think we need to consider looking at Russia is didn't their experience in the last century teach us that Soviet—that central planning doesn't work, and if central planning didn't work for Soviet Union agriculture, what makes you think that it's going to work for America and the world monetary policy system?

Mr. MASSIE. It doesn't seem like it is working for us, at least not in the last several decades.

Mr. Painter, in the time I have remaining, you expressed some reservations about this particular bill, but you were somewhat supportive of auditing the Federal Reserve more fully. Can you expand on that?

Mr. PAINTER. I believe there needs to be full disclosure of what's going on at the Federal Reserve. I think transparency is critical for public confidence. But I think the statements made today about the Federal Reserve by Mr. Singleton and the statements that I have heard repeated by the far left and the far right about the Federal Reserve are dangerous. It is dangerous for this Congress to take any steps with respect to the Federal Reserve without bringing in professional economists, perhaps former governors of the Federal Reserve and others, to explain to you how it works.

This is a situation where if we equate the Federal Reserve with Soviet Russia and we proceed to make policy in that way, we are exposing our economy to financial collapse ——

Mr. MASSIE. So what ——

Mr. PAINTER.—and that's a very dangerous situation.

Mr. MASSIE. What areas of transparency do they not now have that you would support providing?

Mr. PAINTER. I believe that the audit that is suggested here, whether it be the—by the Comptroller General or by somebody else, that would be very helpful to know more about what is going on with respect to monetary policy, to have more transparency, to make sure that nothing leaks out of the Fed so that there's insider trading based on projections about what might happen by people who have inside information.

It's absolutely critical to have public confidence in the Fed, and if more transparency will give that to us, that is wonderful, but what I am very scared about is these conspiracy theories that are being pushed, equating the Federal Reserve with Soviet Russia. That is just false. And if you take that testimony and enact legislation based on that type of testimony without consulting economists, without consulting experts who know what the Federal Reserve does ——

Mr. MASSIE. Let me ask you, are you concerned about their balance sheet tripling in the last ——

Mr. PAINTER. I am concerned ——

Mr. MASSIE.—decade?

Mr. PAINTER.—but I want you to hear from people ——

Mr. MASSIE. So I don't think that is a conspiracy theory or the fact that they played an adverse role in the housing bubble.

Mr. PAINTER. They did, but Wall Street did, too. Privately-owned banks, Lehman Brothers, Bear Stearns, Merrill Lynch ——

Mr. MASSIE. A lot of those folks work at the Fed. All right. Thank you. I yield back.

Mr. FARENTHOLD. The gentleman's time has expired.

I will now recognize the gentleman from Maryland for five minutes.

Mr. RASKIN. Mr. Chairman, thank you very much.

Mr. Painter, I have admired you since I knew you slightly in college as a high-ranking official in the Bush administration. As chief ethics officer, you have always been a little conservative for me but most people are, so I am not going to hold that against you.

You are one of the Nation's leading ethics authorities if not the leading ethics authority in the United States of America today, and the questioning from my friend from Kentucky puts me in mind of a letter that was written by James Madison to a Kentucky farmer where he said that, "popular government without popular information is but a prologue to a farce or a tragedy. The people who mean to be their own governors must arm themselves with the information and the power that knowledge brings."

So I want to ask you about the Emoluments Clause which prevents the President and all of us from collecting payments from foreign governments, princes, kings, and foreign offices and states. In your experience as an ethics official for President Bush, if a President were to receive a trinket, a painting, a statue, or something from a foreign government, what would you do if you wanted to keep it according to the terms of the Constitution?

Mr. PAINTER. Well, you would have to have consent of Congress.

Mr. RASKIN. So how do you go about getting the consent of Congress?

Mr. PAINTER. Through a bill ——

Mr. RASKIN. Okay. So ——

Mr. PAINTER.—or through a resolution of Congress ——

Mr. RASKIN. so just tell me technically if you are working with the President and the President says I am concerned I am getting all this money from abroad, I am getting presents and gifts, I want to make sure I am clean with the people of the United States and the Constitution, what do I do?

Mr. PAINTER. Step one, disclose it. If it's over the amount already authorized under the Foreign Gifts and Declarations Act, sit down with Congress. Here President Trump could sit down with a Republican-controlled Congress and say this is what I've got. How much can I keep?

Mr. RASKIN. So who would you ask, your White House counsel, your ethics officer to go to, who, the Speaker of the House?

Mr. PAINTER. I would go—I'd have the White House counsel work with the lawyers in both chambers and discuss and discuss what the President has and disclose what the President has.

Mr. RASKIN. Did you ever do that as the White House ethics officer?

Mr. PAINTER. Oh, no, because the President wasn't receiving payments from foreign countries.

Mr. RASKIN. Okay.

Mr. PAINTER. We didn't have that kind of thing going on in the Bush administration.

Mr. RASKIN. Okay. And do you know of other cases in the past where Presidents have received a painting or a gift that they want to keep and they go to Congress to receive it. Are you aware of that?

Mr. PAINTER. Not recent—not in recent memory. They ——

Mr. RASKIN. Okay.

Mr. PAINTER. The gifts would be declined or turned over to the United States Government.

Mr. RASKIN. Okay.

Mr. PAINTER. If someone tried—a Saudi prince tried to give a Rolex watch to someone in the security—in the White House in the national security area, and I think we said no, that's not going to work.

Mr. RASKIN. Okay. And without going to Congress you just refused it?

Mr. PAINTER. No, we don't take Rolex watches from the Saudis.

Mr. RASKIN. Okay. So let me ask you this question then. We have never had a President at least in our lifetimes who has the kind of extensive foreign business empire that this President has with the Trump hotels and the Trump golf courses and the business contracts, the trademarks, the deals all over the world, entanglements directly with foreign governments, as well as corporations controlled by foreign governments. And there are lots of allegations that he has been collecting emoluments from day one. There has been no attempt to come to Congress to ask us for our consent.

Now, the question is if he had to disclose his tax returns and they divulged a relationship with a foreign government that suggested emoluments were taking place, we would be able to act affirmatively. But this President, the first President in modern memory not to disclose his tax returns, hasn't given us that information so we don't know. Do you think that we need to legislate as the U.S. Congress to compel the President of the United States to turn over his tax returns?

Mr. PAINTER. I think you may have to because this President will not turn them over. But what this committee should also do is use its subpoena power with respect to the Trump organization and every one of those entities listed on schedule A of his 278 to find out what money is going to those entities from foreign governments with a focus first and foremost on the foreign government that has conducted known espionage inside the United States. And that could be done by using the subpoena power with the support ——

Mr. RASKIN. What are some of the entities you are talking about?

Mr. PAINTER. Any of the corporate entities that are owned by the President. There are hundreds—they're right—they're listed on form 278 schedule A. They own everything from trademarks to licensing arrangements to buildings. With the buildings we don't know where the debt is coming from.

Mr. RASKIN. Got you. Let me pause you just there because I am running out of time. All of the Democrats on this panel have said

that we should have a legal obligation for the President to turn over the tax returns. Most of the Republicans said there is a moral obligation, he should do it. Do you think it is a moral obligation or do you think it should be a legal obligation, too?

Mr. PAINTER. I think it's a moral obligation right now. You should make it a legal obligation by passing this bill. And, as I say, this committee should subpoena all the relevant information. The Intelligence Committee should be subpoenaing the relevant information from the Trump business entities even before that bill passes. This is absolutely critical that we get this information, and I think it's unfortunate this is a Democrat/Republican issue.

You opened up by saying that I was more conservative. You are—I guess I am. I still believe in sound money. I guess the Republicans are walking away from that stance. And I believe in open government and disclosure, and that includes the President's tax returns, and I think those are conservative principles and everybody needs to stand up for open government from the very top on down. That's what these bills—that's what they're about, and that includes the President.

Mr. RASKIN. Thank you very much for your testimony. And I would yield back, Mr. Chairman. Thanks for your indulgence.

Mr. FARENTHOLD. Thank you. The gentleman's time is expired.

I will now recognize myself for five minutes.

And we are going to shift gears a little bit. And in the spirit of this hearing and full disclosure, the Open Data Act that I am going to ask some questions about is actually legislation Representative Derek Kilmer and I are authoring and will be reintroducing later on in this Congress.

And as I am sure you have heard, it is the legislation that basically by default makes government information public. We want it out in open-source, easily accessible, machine-readable format. You know, Americans' tax dollars went to create this data, and the American people ought to have easy access to this data.

And with the state of innovation going on in the tech community and actually all throughout the world today, we have no idea what information we will be able to glean out of this, how the government might be able to save money, what new inventions might be coming, what scientific advances may happen.

But I do want to be open-minded on this and ask an open question to the entire panel. Do you guys see any problems with this bill or anything that needs to be added to it to make it better? And, I tell you what, since I am sure Mr. Hollister has the longest answer, this will go in the other direction and start with Mr. Painter.

Mr. PAINTER. It is a very sound bill, yes. There are things I would like to add to it. I would like the White House visitors log, including, as I say, Jackson Place, what is going on over there, the Federal agencies. We ought to know who is going in and out of the Federal agencies and lobbying. When the campaign contributors are making their pitch, there ought to be a lot more information about those types of contacts and also Members of Congress.

There's a healthcare bill that's going to be voted on later today. There are a lot of people in my district, the second, in Minnesota who feel strongly that that bill isn't going to give them anything other than take away their health insurance. We'd at least like to

know who is talking to our Congressman Jason Lewis about that bill. So I'm sure that members of your districts would like to know who's coming in and out and talking about that healthcare bill that's going to have such a dramatic impact on their lives.

So I think there ought to be more disclosure about what's going on in government that I'd send over to Congress as well as the executive branch, but this bill is an excellent start.

Mr. FARENTHOLD. Great. Mr. Fitton?

Mr. FITTON. Oh, I can come up with all sorts of amendments along the lines as Mr. Painter suggested, but I don't have any comments specifically on the ——

Mr. FARENTHOLD. All right. And if you all want to submit those in writing at some point, I certainly would be open to hearing what they are.

Mr. FITTON. Thank you.

Mr. FARENTHOLD. And, Mr. Berlau. I am sorry. I mispronounced your name. Could you ——

Mr. BERLAU. Berlau. Everybody does.

Mr. FARENTHOLD. Berlau.

Mr. BERLAU. It's an ——

Mr. FARENTHOLD. I am sorry. I ——

Mr. BERLAU. It's an excellent bill and I like that it makes the data user-friendly that, you know, data can be of no use when it's just in a data dump and people—you can't separate the wheat from the chaff to use the analogy, but that it makes a user-friendly and accessible to—so the taxpayers can focus in on what governments are doing.

But again, I think there are more things Congress can do. The Financial Stability Oversight Council, which has almost as much power as the Fed in terms of deciding whether a financial firm is too big to fail which can, you know, both adversely affect the firm with more regulation and as well as give it, you know, advantage it by giving it—you know, saying the government would bail it out, and yet we don't know anything about those deliberations so that that agency, like the Fed, needs to be made less secrecy, and we need to investigate why in the world there was executive privilege claimed with regard to going beyond FOIA, an actual lawsuit in the discovery process in Fannie Mae ——

Mr. FARENTHOLD. Now ——

Mr. BERLAU.—so those other abuses as far secrecy need to be addressed.

Mr. FARENTHOLD. And I don't want to run out of time; I want to give everybody a chance. Mr. Singleton?

Mr. SINGLETON. From what I know of the bill, I don't have any problems with it. As a former congressional staffer, I do think that there might be some concerns with making information about congressional schedules and particularly what constituents they meet with. Contrary to—I'm going to call it a conspiracy theory that Mr. Painter seemed to be painting here, not everyone that you meet with in Congress is some evil lobbyist that's going to line your pockets. A lot of time it is average citizens exercising their First Amendment rights to petition their government, and I don't know if we need to violate the confidentiality of their meetings in order to have a more transparent government.

Mr. FARENTHOLD. Thank you very much.

Mr. Hollister?

Mr. HOLLISTER. Mr. Farenthold, I think your bill is wise because it makes a distinction between operations and deliberations. If we were to mandate that the Jackson Place logs be made public, as Mr. Painter is recommending, wouldn't everybody just move across the street to Pete's Coffee? By making that distinction, which is what the FOIA makes, we focus on the decisions and the operations of the Federal Government, and that's where you'll find the really valuable transparency.

Mr. Berlau talked about transparency of the Federal—the Financial Stability Oversight Council. While separately the Financial Transparency Act, which we thank you for cosponsoring, would require the agencies of the Financial Stability Oversight Council, specifically by amending their statutes, to adopt standardized data formats for all the things that they do. Sometimes there's a need to focus in on a particular area like financial regulation, which is what that bill does.

But I have no changes to recommend for the Open Government Data Act because it sets that foundation.

Mr. FARENTHOLD. Thank you very much. I see my time is expired.

I will now recognize the gentleman from California for five minutes.

Mr. DESAULNIER. Thank you, Mr. Chairman.

And I want to thank all of the witnesses, but I really want to focus on Mr. Painter. You are in a very unique position both from your business background and your public service I think, and also obviously as other members have stated, your service in the Republican administration of George W. Bush.

So my understanding the Ethics in Government Act in 1978 that was passed by bipartisan effort in 1998, significant amendments, those were done with bipartisan efforts. Is that your understanding?

Mr. PAINTER. Absolutely.

Mr. DESAULNIER. And they came out of the consequences and the tribulation of Watergate, correct?

Mr. PAINTER. Absolutely.

Mr. DESAULNIER. So to me this shouldn't be a partisan issue, and I try to tell people who, when I bring this up in the district, that if Mr. Trump decided to be a liberal Democrat tomorrow, which I think is conceivable given his history, that I would feel the same way as you do, that this is much more important than Republican or Democrat.

So getting to that point, as you have said, the history of the act in good faith going consistent with the act but not legally prescribed for the act, since President Ford, every President has submitted his tax returns and every President—well, President Carter, Reagan, H.W. Bush, Bill Clinton, George W. Bush, Barack Obama have all put their assets in a blind trust, correct?

Mr. PAINTER. Yes. They put some of the assets in blind trust. Other assets have been conflict-free assets, mutual funds, bank accounts, treasury securities, and other conflict-free assets.

Mr. DESAULNIER. So from my understanding on that press conference President Trump did before he got inaugurated with his attorney who I think background is real estate attorney, they made the argument—and I am not a lawyer—that this was a unique situation, to put it in a blind trust would not be possible for him because of the nature of his international involvement. So would you respond to that? Is there anything in the law that you have discovered that allows for a President or an administration to say normal business practices should be different or handled differently?

Mr. PAINTER. Well, the law applies to the President like it applies to everybody else, and the Emoluments Clause of the Constitution prohibits him or any entity that he owns from receiving payments and benefits from foreign governments. So that had to be dealt with as of January 20. I do not believe it was dealt with, and that's why Citizens for Responsibility and Ethics in Washington has filed a lawsuit up in New York to seek discovery as to what's going on with emoluments.

There are other laws as well, bribery and gratuity statutes that could be triggered when the President owns businesses and his sons are running all over the world trying to cut deals with people with Secret Service in tow.

There's a lot of risk for the President, and that's why I urge that he dispose of these businesses as soon as he was elected. He could have done that. And the notion that he can't sell these businesses, that he can't sell real estate and these companies—I mean, he is the author of the book The Art of the Deal. He's got lawyers, New York lawyers working for him. I've never heard anybody up there in New York say, well, real estate isn't liquid. They're buying and selling it all the time and securitizing it, moving it out the door. So he could sell it, and that's what he should have done to avoid these conflicts.

Mr. DESAULNIER. So following on my colleague from Maryland who has more expertise in the legal aspects of this, but it is my understanding that President Washington asked permission from Congress to accept a gift of a painting that was alluded to. President Jackson I think came to Congress to ask for a gift of a medal. So how do we get to the point first politically to get us to feel in a partisan—given the history of bipartisan way that this should be separate from Republican or Democrat?

And then secondarily, you are involved in a lawsuit, without disclosing anything that you feel uncomfortable with disclosing, how would you force this discussion? Because every day this goes by my assumption is, given due process and the assumption of innocence, but it certainly circumstantially looks at whether you are here in Washington, D.C., at the Trump hotel, whether you are in Indonesia or whether you are in New York or Azerbaijan, it certainly appears that he is accepting gifts under the Emoluments Clause.

So how do you get to a point in this environment, given the history both of the Ethics Act but the Constitution? What are the triggers, to follow up on my friend from Maryland, to get us to a conclusion here where we find out whether he is in violation or not, that he gives us his tax returns and we find out about these relationships?

Mr. PAINTER. This committee should be subpoenaing the relevant information from the Trump business organization. The way to make this bipartisan is to discuss this with the people in your districts. Republicans and Democrats feel the same way about transparency in government with respect to the President and everyone else, and that's why Republicans and Democrats would support this bill with respect to transparency and making the records accessible.

And I am fully supportive of that, but I think the American people also expect to see what's going on with the President's tax returns and his dealings particularly with foreign governments, particularly a year in which a foreign government has conducted espionage inside the United States.

So the way to make this bipartisan is to go back to your districts. We are going to be discussing it in the Minnesota 2nd Congressional district where I live. We are going to be discussing it all through our State. I think it's going to be time for every member of this committee, Democrat and Republican, ask the people who sent you here how they feel about a President who will not disclose his tax returns, and then come back to Congress and represent the people who elected you.

Mr. DESAULNIER. Thank you, Mr. Painter.

Thank you, Mr. Chairman.

Mr. FARENTHOLD. The gentleman's time is expired.

I will now recognize the gentlelady from the Virgin Islands.

Ms. PLASKETT. Thank you, Mr. Chairman.

Good afternoon, gentlemen.

It seems that every day there is a new revelation about the contacts between the President's campaign or the President's associates and Russian officials. And we are having a discussion today about transparency, so I thought this topic might be kind of relevant to what we are discussing.

First, there have been reports that former foreign policy advisor Carter Page traveled to Moscow in July of 2016, gave a speech. He was critical of the United States. The campaign has admitted that it was aware of Mr. Page's trip. Then, after initially denying it, Mr. Page admitted that he had another meeting with the Russian Ambassador last year. There are reports about Roger Stone's connections to WikiLeaks after their reports have indicated that Paul Manafort, Rick Gates have connections to pro-Russian groups in the Ukraine. Mr. Manafort abruptly resigned at that point as chairman of the campaign. And just yesterday, the A.P. reported on a secret agreement between Paul Manafort and a Russian oligarch to receive millions of dollars to work for, quote "benefits of the Putin government."

President Trump fired General Michael Flynn from his role as national security advisor after it was revealed that he secretly communicated with a Russian Ambassador about U.S. sanctions and then lied about the communications to Vice President Pence and the public. And I tell you it is very difficult for me to say the words that the individual lied because that is a very strong characterization, but in this case there is nothing else that we can call it.

Then, there were reports about connections to Russian interests involving the President's son-in-law Jared Kushner, his son Donald

Trump Junior, and J.B. Gordon, a foreign policy advisor. In fact, according to media reports, Donald Trump Junior stated at a 2008 business conference that, quote, "Russians make up a pretty disproportionate cross-section of a lot of our assets," end quote.

It was revealed that Attorney General Sessions claimed under oath that, and I quote, "I did not have communications with the Russians" was demonstrably false and the Attorney General then recused himself from the investigation into Russian interference in the 2016 election.

Never mind the nexus in terms of government and the Russians. We have been spending a lot of time talking about the President's tax returns, but we do know what assets he has and the assets that are very—as Donald Junior said, a cross-section of assets with the Russian Government or with Russian assets on the ground.

Mr. Felton—is it Fitton?

Mr. FITTON. Fitton.

Ms. PLASKETT. Okay.

Mr. FITTON. Fitton.

Ms. PLASKETT. We know that it is not appropriate to have a FOIA request about transition activities and what happens in the President's transition requests, but do you intend to have a FOIA request for the activities related to this Russian—the investigations that are going on in the same way that you had investigations and brought the Congress' attention issues with Benghazi? I mean, you have stated how we rely on you for that ——

Mr. FITTON. Right.

Ms. PLASKETT.—and that is important.

Mr. FITTON. Yes, we have well over a dozen Freedom of Information Act requests pending on the very issues you're talking about. Also, we have filed at least two lawsuits that—over requests that have gone unanswered and, you know, I have a particular interpretation of what went on, but the documents are going to show what went on hopefully if we get full disclosure.

And it's an opportunity for the administration to clear the air on all of this and, you know, I think personally it would probably benefit the administration to release this material as quickly as possible.

Ms. PLASKETT. It is interesting that you say you have a different interpretation. Will you allow the documents to speak for themselves or are you going to try and interpret them?

Mr. FITTON. Well, we'll get all the documents out. Our practice is to release the documents we get and, you know, we'll highlight things we think are important, but all the documents are available to the public.

Ms. PLASKETT. And will the importance of the things that you highlight be the things that you would like us to think about or the things that you think the American public are interested in ——

Mr. FITTON. You mean ——

Ms. PLASKETT.—because I see a line of—your testimony seems to be geared towards a specific administration that you find more fault for than necessarily this upcoming one as well.

Mr. FITTON. Well, you know, I think of the information we have for sure we know that classified material was illegally leaked presumably by the prior administration, and that ought to be very

concerning. It doesn't mean that everything the Trump transition did either before or after the election was appropriate, and there may be documents there that show it wasn't appropriate. And we've asked for the questions in a way that we'll get it all ——

Ms. PLASKETT. Great. And what I am concerned with ——

Mr. FITTON.—good or bad for President Trump.

Ms. PLASKETT. What I am concerned with not so much as what happened before but what is going to be going on in the next three years with his relationship to the Russian Government, his assets, and the growth of his own interests and fortune and his placement as President of the United States with the Russians and those assets. Are you concerned with that?

Mr. FITTON. I think it's an area of oversight certainly. He's a President who has a massive business wealth and business assets, and people are going to want to ask questions. I think—unlike Mr. Painter, I think he's taken ——

Ms. PLASKETT. Because we don't want him to grow his business on our backs. That is I think the concern.

Mr. FITTON. We don't—no one wants the President to abuse his office for personal gain, that's for sure.

Ms. PLASKETT. Thank you.

Mr. PAINTER. Treason is an issue of oversight.

Mr. FARENTHOLD. The gentlelady's time is expired.

We will now recognize the gentlewoman from Florida for five minutes.

Mrs. DEMINGS. Thank you so much, Mr. Chairman.

Good afternoon to our witnesses. Thank you so much as well for being here.

Mr. Painter, I will start with you. In 2009 President Obama began releasing the logs that disclosed who came to the White House for meetings, tours, or social events. This was widely viewed as an improvement to White House transparency. I believe you have already spoken about this one but I will ask you again. Do you agree that this widely improved White House transparency?

Mr. PAINTER. I will concede that point.

Mrs. DEMINGS. The Obama administration visitors logs revealed a significant amount of information. Just recently, it was revealed that Secretary of State and former ExxonMobil CEO Rex Tillerson lobbied the Obama administration against sanctions for Russia. Should President Trump—and this is to you again, Mr. Painter—continue the practice of the Obama administration and release his visitor logs?

Mr. PAINTER. Absolutely. And that release should extend to the executive branch agencies as well. We need more transparency with respect to who is coming and going, whether it's lobbyists, whether it's foreign nationals, whether it's people who are foreign agents. A lot of them apparently don't feel like registering under the Foreign Agents Registration Act. We need that information about who's coming and going from the top executive branch agencies, including the White House. The American people are entitled to that information.

Mrs. DEMINGS. Thank you. Mr. Fitton, in August of 2009 Judicial Watch sued the Secret Service for access to White House visitors logs that had been withheld in previous disclosures. You said, and

I quote, "The courts have affirmed that these White House visitor records are subject to release under FOIA law. If the Obama administration is serious about transparency, they will agree to the release of these records under the Freedom of Information Act," unquote.

Do you believe, Mr. Fitton, that President Trump and his administration should release their White House visitors logs?

Mr. FITTON. We believe they should at least follow the voluntary disclosure of the Obama administration. Unfortunately, the appellate court here in the District ruled they're not FOIA records. We think that they—he—they should reinstitute the policy first changed by President Bush, continued by President Obama, to pretend they weren't government records subject to FOIA, and President Trump should stop that. That's fake law in my view to use a poor turn of phrase, and start following the law in FOIA.

These are records maintained by the Department of Homeland Security's Secret Service. Those are agencies under FOIA. And the idea that those records aren't subject to FOIA is, you know, to me at odds with the law the way I would read it. The courts have read it differently, but the President can choose to follow the law here. We shouldn't rely on voluntary disclosures of that type of information in this circumstance.

Mrs. DEMINGS. That is correct. As you said, following the court's decision that President Obama, and I quote, "doesn't want people to know who is visiting him" and that he, quote, "took the ball from Bush and ran with it." You also testified earlier that the administration could make a policy change in Freddie and Fannie Mae if they wanted to, so I am assuming you believe that the administration could make a change as it pertains to this as well.

Mr. FITTON. I often jokingly say I'm waiting for the Trump administration to come to power and they should enforce FOIA the way they're enforcing immigration law.

Mrs. DEMINGS. Mr. Hollister, President Trump has not said whether he plans to continue President Obama's practice of disclosing visitor logs. The White House website for visitor access records currently includes no visitors log. The website says, and I quote, "This page is being updated. It will post records of White House visitors on an ongoing basis once they become available." Do you agree that President Trump should disclose his visitor logs?

Mr. HOLLISTER. Yes, ma'am, I do. I think the Trump White House should continue the practice that the Obama administration followed of releasing the visitor logs.

As I mentioned in response to some earlier questions, though, I think we need to remember that these logs are going to be of limited usefulness. A lot of meetings take place in the coffee shops in the area, and you're never going to get all the deliberations.

What's really important is to track what the government is doing, the decisions and the operations and particularly the money. That's harder to hide, and you see the results there.

Mrs. DEMINGS. Thank you. I yield back, Mr. Chair.

Mr. FARENTHOLD. Thank you very much.

I will now recognize the gentleman from Virginia, Mr. Connolly, for five minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

Mr. Fitton, I was just listening to you talk about your passion for FOIA. Was Judicial Watch equally passionate about wanting to see the names of the energy executives with whom then-Vice President Dick Cheney met with in the White House, which the White House refused to disclose you will recall?

Mr. FITTON. Yes, we sued the Cheney Energy Task Force under the Federal Advisory Committee Act. We also had multiple lawsuits I think on the Freedom of Information Act on the Energy Task Force, and we took that issue all the way up to the Supreme Court. In fact, we sued the Bush administration twice as often as we did the Clinton administration under the Freedom of Information Act.

Mr. CONNOLLY. Good for you. By the way, on FOIA, I was in local government in Virginia, unbelievably strict FOIA requirements. I had like five working days to respond to any FOIA request.

Mr. FITTON. That's right. There are a few State Legislatures subject to FOIA.

Mr. CONNOLLY. But that is what I was going to say. You have got some work to do in the General Assembly in Richmond. They have exempted themselves from their own FOIA laws, and I would love to see them subjected to the same laws they subjected us to.

Mr. FITTON. One of the other rules Virginia has you have to be a Virginia resident to ——

Mr. CONNOLLY. But, you know, the interesting thing was it worked. For 14 years I was subject to some of the strictest FOIA requirements in the country, and you know what, it did not disrupt the operations of government. It actually worked. Openness can be inconvenient for some politicians, but it certainly allowed the public and special groups within the public to know what was going on and to make sure we were accountable. And I would rather take my chances with that ethos than what we are dealing with right now.

I assume you would agree that every President should release his or her tax returns in the spirit of this transparency.

Mr. FITTON. Yes, the more transparency the better. I would ——

Mr. CONNOLLY. Okay. Absent cooperation voluntarily, do you support statutory requirement for such?

Mr. FITTON. Well, I just heard about the legislation yesterday, and I have a constitutional concern about requiring Presidents to release their tax returns and particularly targeting this President through legislation specifically, which seems to be the excuse for the legislation ——

Mr. CONNOLLY. All right.

Mr. FITTON. It's not the broader issue; it's about getting Trump's tax returns, which may have some constitutional infirmities associated with that.

Mr. CONNOLLY. Professor Painter, your view on the subject?

Mr. PAINTER. I do not think there's a constitutional problem here. On the other hand, I have urged in my testimony that we ought to require disclosure of the information that's on tax returns with respect to everyone who is high up in the government with respect to national defense. We ought to have information about foreign government money coming in and out of closely held enti-

ties owned by the President, the Vice President, the Secretary of Defense, Secretaries of Army, Navy, Air Force. Matter of fact, we had some Secretaries—I think was Army and Navy nominees who pulled back because they didn't want to go through the process. I have no idea why.

Mr. CONNOLLY. And I respect the constitutional concerns, separation of powers, and so forth, but frankly, the public right-to-know it seems to me also has to be weighed here, and if you don't get voluntary compliance, that we have to look at the statutory recourse.

Mr. PAINTER. Absolutely right. And you can require it because 278 can simply be amended to require a schedule of the tax returns. And you could apply it to people other than the President if that's going to be a concern that he's singled out. Fine, we'll add those other people.

Mr. CONNOLLY. Okay. Professor Painter, because of my time because I know, Mr. Fitton, you want to comment, but I have very little time left unfortunately.

Professor Painter, my set of concerns is what could go wrong with that. Absent knowing questions of debt obligation, relationships, taxes owed or earned, we look at situations like, you know, Trump investments in the Philippines, Trump investments in Turkey, Trump investments all over the world. And one asks oneself, well, what could go wrong with that, not knowing all of the details and not addressing the inherent conflict of interest through no fault of his own. He is a businessman, successful, that is now President, but you are President. What could go wrong with all that?

Mr. PAINTER. We don't know yet. But where would we have been in December 1941 if President Roosevelt had owned buildings in Frankfurt and Berlin and a $300 million revolving line of credit from Deutsche Bank? We don't know what the next crisis is going to be, but our President is going to face dangerous situations around the world, and he needs to be loyal only to the United States.

We have had a foreign government that has conducted espionage in the United States and has interfered in our elections, and now we have a President who will not disclose his dealings with foreign governments, with foreigners, and with others. We need those tax returns. We need them now. You can pass the bill, you can subpoena the information from the Trump business organization. We need that information now.

Mr. CONNOLLY. Thank you.

Mr. FARENTHOLD. Thank you. And I would like to thank our witnesses for being here with us today and for their testimony.

I would like to ask unanimous consent that members may have five legislative days to submit questions for the record.

Mr. CONNOLLY. Mr. Chairman? Reserving my right to object but I will not object, I forgot to enter into the record—may I ask unanimous consent while you are on it to enter into the record statements of support for the Presidential Tax Transparency Act from a number of groups, including Public Citizen, Every Voice, Democracy 21, Center for American Progress, and Americans for TaxFairness?

Mr. FARENTHOLD. Without objection, they will be made part ——

Mr. CONNOLLY. I thank the chair and I withdraw my objection.

Mr. FARENTHOLD. All right. So let's just do it again just to make sure. Unanimous consent that all members have five legislative days to submit questions for the record.

All right, without objection, that is so ordered.

If there is no further business, without objection, the committee will stand adjourned.

[Whereupon, at 12:46 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

JASON CHAFFETZ, UTAH
CHAIRMAN

ONE HUNDRED FIFTEENTH CONGRESS

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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WASHINGTON, DC 20515–6143
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March 13, 2017

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As part of our Committee's annual commemoration of "Sunshine Week," during which Congress and open government organizations across the country focus on measures to enhance government transparency, we request that you place H.R. 305, the Presidential Tax Transparency Act, on the agenda for the Committee's business meeting on Thursday, March 16, 2017. This is a bipartisan bill to require the President disclose his tax returns for public release, and it was referred to the Oversight Committee on January 5, 2017.

For more than 40 years, Presidents and presidential candidates have released their tax returns so the American people have information about their financial and business dealings. President Donald Trump broke with this precedent, stating that he could not release his tax returns while he was being audited.

However, when asked during testimony before the Judiciary Committee on September 21, 2016, whether taxpayers are prohibited from releasing their tax returns while they are being audited, IRS Commissioner John Koskinen responded: "They are not prohibited."

As lawmakers, Members of Congress have the ability to pass legislation to ensure that this information is available to the American public. This is not a partisan issue. H.R. 305 is a common-sense bill that would apply to future presidents of both political parties.

If it is not possible to schedule H.R. 305 for consideration on Thursday, then we respectfully request that the Committee consider the bill at our next regularly scheduled business meeting. Thank you for your consideration of this request.

Sincerely,

March 22, 2017

The Hon. Jason Chaffetz, Chairman
The Hon. Elijah Cummings, Ranking Member
House Oversight and Government Affairs Committee
2157 Rayburn House Office Building
Washington, D.C. 20515

RE: Support the Presidential Tax Transparency Act (H.R. 305)

Dear Chairman Chaffetz and Ranking Member Cummings:

Every president since Jimmy Carter has made their tax returns available for scrutiny by the American public. President Donald Trump is the first to refuse to do so over the last 40 years.

Breaking this precedent of transparency of the president's financial holdings is a cause of great concern and deep suspicion. Public Citizen, Every Voice, Democracy 21 and Center for American Progress urge the committee to address this issue.

The noble tradition began in the wake of the Watergate scandal as an important means for the White House to assure the American public that the actions of the administration are being done in the public's interest and not for self-dealing purposes. This tradition of transparency by the White House has never been more critical than today in the case of Donald Trump, whose vast business empire spills into hundreds of business interests. These business interests pose a wide array of financial conflicts of interest that could easily sway official actions by the White House for personal enrichment.[1]

Not only is the concern today just the possibility of self-dealing by the President and his family, but the concern now even extends into national security issues. Several recent foreign policy actions by the Trump administration have raised considerable suspicions that foreign interests, including foreign governments, may be attempting to manipulate American foreign policy by pandering to the global business interests of the Trump family.[2]

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[1] See attachment by Public Citizen and Every Voice, "Broken Promises," that discusses the problems posed by these conflicts of interests.

[2] See, for example, Craig Holman, "The president's conflicts of interest are not in America's interest," The Hill (Mar. 22, 2017), available at: http://thehill.com/blogs/pundits-blog/international-affairs/325036-the-presidents-business-interests-are-not-in. See also Liz Kennedy and Danielle Root, "Top 10 risks and remedies for Trump's conflicts of interest," Report issued by the Center for American Progress (Feb. 24, 2017), available at: https://www.americanprogress.org/issues/democracy/reports/2017/02/24/426939/top-10-risks-and-remedies-for-trumps-conflicts-of-interest/

President Trump does not seem to recognize the importance of full transparency of his family business interests as a means both for the public to keep a check on White House actions that pose serious conflicts of interest, and as a means for the public to have reasonable confidence in the integrity of official actions. If President Trump fails to understand the importance of transparency of his business interests, then it is imperative that Congress step up to the plate and mandate that every president from now on disclose their tax returns in the same tradition America has seen for the last 40 years.

Public Citizen, Every Voice, Democracy 21 and Center for American Progress strongly encourage the House Oversight and Government Reform Committee to approve the Presidential Tax Transparency Act championed by Rep. Anna Eshoo (D-Cal.) and co-sponsored by 73 other members of Congress.

Attachment.

Sincerely,

Craig Holman, Ph.D.
Government affairs lobbyist,
Public Citizen's Congress Watch division
215 Pennsylvania Avenue SE
Washington, D.C. 20003

David Donnelly
President and CEO
Every Voice
1211 Connecticut Ave NW, Suite 600
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Center for American Progress
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Washington, D.C. 20005

Broken Promises

How Trump Is Profiting Off the Presidency and Empowering Lobbyists and Big Donors

By Every Voice and Public Citizen

A large portion of President Donald Trump's claim to mass support was built on his rhetorical rejection of insider politics during his campaign. On the campaign trail, in debates and through campaign ads, he made ongoing pledges to "drain the swamp" in Washington, and said he'd fight the power of big donors and lobbyists. However, since the start of his presidency he has embraced the opposite, turning control of his policymaking over to the wealthy special interests and their ethically conflicted representatives, and refusing to change his own business practices. He has received wide criticism for these choices.

In January, in part, in response to this criticism, Trump released a plan to at least *appear* to be trying to address the glaring conflicts of interest he faces. As the owner of businesses that face regulation by the agencies he now oversees, have ties to foreign governments that America engages with diplomatically, or could otherwise be used by those trying to buy access and favor with the most powerful man in the world, he is obviously in a position to reap massive benefits from his office.

At the press conference where he released his plan, Trump stated, "the President can't have a conflict of interest," while simultaneously offering a wholly insufficient plan to address his ethical issues. His plan did not address the many concerns of outside ethics experts—and even the head of the nonpartisan Office of Government Ethics, remained very concerned.

Two months into his presidency, from what we can assess (though the lack of transparency makes certainty about ethical transgressions impossible), Trump has so far failed to keep even the weak promises contained in his plan, according to analysis by Every Voice and Public Citizen.

"The President Can't Have a Conflict"

Trump offered a plan to deal with his business empire that fell far short of the standards set by other presidents and suggested by ethics experts. So far, he has not delivered on the promises offered by this already-weak plan.

Promise 1: Trump will "isolate" himself from the management of the company.

"We believe this structure and these steps will serve to accomplish the president-elect's desire to be isolated from his business interests and give the American people confidence that his sole business and interest is in making America great again."—Trump attorney Sheri Dillon

Instead of fully divesting from his businesses, as ethics experts, good government watchdogs, and the Office of Government Ethics (OGE) all called for, Trump promised to simply "isolate" himself from the management of the Trump Organization, putting his sons in charge of the day-to-day operations of the company. This was always a meaningless promise. Trump can't un-know what his businesses do or where his investments are. And since Inauguration Day, dozens of stories have highlighted that it's impossible to tell where Trump the businessman ends and Trump the president starts.

- **Trump's business partners were invited to his inauguration.** Days after Trump promised that he would be walled off from his business interests, Mother Jones reported that "at least two of his wealthy foreign business partners attended his inauguration as VIPs, where they watched the swearing-in from prime seats, partied with Trump insiders, and posed for pictures with Trump's children and grandchildren."

- **Trump mentioned his Scottish golf course in a press conference.** In a joint press conference with British Prime Minister Theresa May, his first such event as president with another world leader, Trump mentioned his Scottish golf course, Trump Turnberry. "And I happened to be in Scotland at Turnberry cutting a ribbon when Brexit happened and we had a vast amount of press there," he said. Back in November, he reportedly urged a prominent British politician to do something about the wind farms impacting the course.

- **Trump's Muslim ban excluded countries where he has business interests.** The night Trump announced his immoral seven-country Muslim ban, Bloomberg News noted something interesting: "His proposed list doesn't include Muslim-majority countries where his Trump Organization has done business or pursued potential deals." After courts ruled against his initial ban, the White House released a revised one that also omitted those countries.

- **Trump's business managers schmooze with Senators at Supreme Court announcement.** When Trump announced his choice for the Supreme Court, the Trump Organization's business managers–his sons–were in the audience at the White House talking with U.S. Senators, policymakers who could laws or roll back regulations that could directly benefit his companies. As Talking Points Memo pointed out, "Their appearance served as a reminder that the dividing line between the Trumps' political and financial interests is far from clear."

- **Trump used the National Prayer Breakfast to publicly pray for ratings for a show he has a financial stake in.** At the National Prayer Breakfast, a solemn annual event in Washington, D.C., Trump used his speech to pray for better ratings for the Apprentice, a show for which he has an executive producer credit, meaning he makes money off the show and may make more money if the show does better. "And I want to just pray for Arnold, if we can, for those ratings, OK," Trump said.

- **Trump's Wall Street policies could benefit his company's bottom line.** Trump announced his plans to roll back the Dodd-Frank reforms aimed at preventing a repeat of actions on Wall Street that led to the 2008 collapse. "I have so many people, friends of mine, that have nice businesses, they can't borrow money," he said when announcing the effort. But, it's not just his friends: deregulating Wall Street could also help him. Banks who'll benefit from deregulation hold a lot of Trump's debt and could look more kindly at him for repealing Dodd-Frank. But also, as George W. Bush's ethics czar Richard Painter points out, "Deregulation is likely to lead to a bubble in the real estate market, as it has in the past. That ups the value of his real estate holdings, which the Trump Organization could then sell at the top of the market."

- **Melania Trump's lawyer said her husband's presidency is a good opportunity to build her brand and make money.** In a lawsuit filed against a news organization, an attorney for Trump's wife Melania argued that defamation by the news outlet would prevent her from cashing in on the presidency.

Specifically, the lawsuit stated, "Plaintiff had the unique, once-in-a-lifetime opportunity, as an extremely famous and well-known person…to launch a broad-based commercial brand in multiple product categories, each of which could have garnered multi-million dollar business relationships for a multi-year term during which plaintiff is one of the most photographed women in the world." After this received attention, the lawsuit was updated to remove that line.

- **Trump bullied an American company for dropping his daughter's clothing line.** After retailer giant Nordstrom announced it would stop carrying Ivanka Trump merchandise due to poor sales, Trump tweeted an attack on the company: "My daughter Ivanka has been treated so unfairly by @Nordstrom. She is a great person—always pushing me to do the right thing! Terrible!" By doing so, Trump demonstrated that if you hurt his family's businesses he won't shy away from using his position as president to attack you in retribution. And, in case that wasn't clear enough, he retweeted the message from the official account of the president–@POTUS. Sales of Ivanka's clothing line hit record heights since this incident.

- **A top adviser to the President violated ethics rules by promoting Ivanka Trump's clothing line.** White House employee Kellyanne Conway said during a Fox News interview in the White House Briefing room, "Go buy Ivanka's stuff, is what I would tell you"…"I'm going to give it a free commercial here, go buy it today." This led to letters of concern from both the Office of Government Ethics and the House Oversight Committee that Conway violated ethics rules by using her official position to promote the brand. After it was clear Conway would go unpunished, the OGE wrote another letter stating, "Not taking disciplinary action against a senior official under such circumstances risks undermining the ethics program." It harms the public's faith in elected officials and serves as a sign to other staff that violating the rules won't be cause for punishment.

- **Ivanka Trump joins her husband, Jared Kushner, as White House advisers while maintaining stakes in their vast business enterprises.** Both Ivanka Trump and Kushner have divested some of their financial conflicts of interest, but both have also decided to keep ownership of much of their business enterprises, and turn other business investments over to close family members to control rather than follow the model of placing these investments in a genuine blind trust run by independent executors. They claim as White House officials the conflicts of interest laws do not apply as they do to employees of government agencies.

- **Kuwaiti Embassy event raises questions about foreign bribery clause violations.** Late last year, the Kuwaiti Embassy announced it would move its annual National Day celebration to Trump's D.C. hotel–after canceling its reservation at another hotel in the city–raising questions as to whether it was a way for the country to curry favor with Trump's administration. Whether the move was designed to buy influence is just one question raised by the event. As ethics expert Norm Eisen tells NPR, it could also violate the foreign bribery clause of the constitution that prohibits presidents from accepting gifts from foreign governments.

- **Trump's rollback of environmental protections will benefit his golf courses.** The same day Trump delivered a speech before a joint session of Congress in which he pledged to "promote clean air and clean water," he issued an executive order to rescind and rewrite a clean water regulation that would also benefit his many golf courses. In fact, the golfing trade association that lobbied against the rule "includes more than 20 Trump employees."

- **Trump has visited his properties every weekend of his presidency, offering invaluable free advertising to these businesses.** Trump has spent five weekends at Mar-a-Lago, golfed at Trump International in Palm Beach, had dinner at the steakhouse at his hotel in D.C., and spent a Saturday at his Virginia golf course, holding a "cabinet meeting" in the club's

dining room. One weekend at Mar-a-Lago, he rewarded long-time club members with access to Japanese Prime Minister Shinzo Abe. According to CNN, Trump made Abe talk with some newlyweds at the resort. He said, "They've been members of this club for a long time. They've paid me a fortune." One weekend, he crashed the wedding of a super PAC donor's son and on another, his Attorney General greeted guests at a fundraiser being hosted there. This past weekend, Vice President Mike Pence was spotted on Instagram at Mar-a-Lago with Trump donor Nick Loeb. Though Mar-a-Lago raised its membership rates to $200,000 this year, there's no disclosure of the lobbyists, corporate CEOs, or others who get access to the president and his team while at the resort. Trump's visit to his hotel in D.C. has already spurred a lawsuit by local wine bar owners, alleging his affiliation with the property puts other area restaurateurs at a disadvantage.

Promise 2: The Trump Organization will not pursue "new" foreign deals.

"The trust agreement as directed by President Trump imposes severe restrictions on new deals. No new foreign deals will be made whatsoever during the duration of President Trump's presidency."—Trump attorney Sheri Dillon.

By retaining an ownership stake in the Trump Organization, which has investments around the world, the president opened his administration up to opportunities for bribery by foreign governments. To address these concerns, Trump said that during his time in office, the Trump Organization would not pursue "new deals" in foreign countries.

This promise has already been broken.

- **After a decade of inaction, the Trump Organization quietly re-started a licensing project with a wealthy family in the Dominican Republic that could lead to new hotels or other Trump-branded projects in the country.** While the Trump Organization's defense is this was just the continuation of an old project, it shows just how meaningless the "no new deals" pledge is. There were no Trump Hotels in the Dominican Republic before Trump's presidency, but there will be after. They will involve negotiations with local government zoning officials, loans from banks, or investors who may have ties to the government.
- **A fight over trademarks of Trump's name in China was suddenly settled weeks after his inauguration.** The application to register Trump's name in China was finally approved just weeks after Trump took the oath of office, paving the way for the Trump Organization to develop branded businesses in the country. The news came just days after Trump asserted the U.S. government's support for the "One China policy," raising the question of whether the trademarks were approved as quid pro quo. As one intellectual property expert in Hong Kong noted, "For all these marks to sail through so quickly and cleanly, with no similar marks, no identical marks, no issues with specifications—boy, it's weird." The approval of these trademarks could also be seen as a violation of the emoluments clause of the constitution, which prohibits the president from receiving anything of value from foreign governments.
- **As the Trump administration backs off promise to have Mexico pay for the border wall, the country approves his trademarks.** The Mexican Institute of Industrial Property granted the trademarks to the Trump Organization as his administration backs off a major promise of his campaign to have the country pay for the proposed wall along the border. The approval of these Trump trademarks and the business deals now available to the Trump Organization, which Trump maintains an ownership stake in, could also violate the emoluments clause.
- **A businesswoman with ties to Chinese intelligence just bought a penthouse from Trump.** The "no new foreign deals" pledge shouldn't be limited to licensing agreements or hotel expansions abroad, but any time he profits off new arrangements

with people who aren't American—especially if those people have ties to foreign intelligence agencies. Mother Jones reported recently that the woman who just paid $15.8 million for a penthouse in one of Trump's buildings in New York City doesn't just work for a consulting firm with the goal of linking U.S. businesses with Chinese powerbrokers, she also has ties to a front group for Chinese intelligence. He has another penthouse for sale too.

Promise 3: He will donate foreign profits from the Washington, D.C. hotel to the U.S. treasury.

"So, President-elect Trump has decided, and we are announcing today, that he is going to voluntarily donate all profits from foreign government payments made to his hotel to the United States Treasury. This way, it is the American people who will profit."—Trump attorney Sheri Dillon

The goal of this component of his conflicts plan was to address potential violations of the emoluments clause of the constitution, which was created to prevent bribery by foreign governments.

We know Trump's D.C. hotel has hosted foreign governments—the previously mentioned Kuwaiti embassy event for example. So far, he has not donated these profits and the Trump Organization said last Friday that the donation would be made at the end of the year.

Of course, it's not as simple as writing a check. As reported at the time of his conflicts announcement, this arrangement only further entangles his businesses with the U.S. government and *still* violates the emoluments clause.

First, we don't know what they mean by "profit," which can be calculated in a variety of ways. Secondly, luxury hotels like Trump's D.C. property generally have a profit margin of around six to 15 percent, meaning that his hotel could keep up to 85 percent of the money it receives from foreign governments for stays, conferences, or cocktails. And finally, he has properties around the world that could be hosting overnight stays or events by government officials. Members of Trump's clubs have reciprocity with others, offering any foreign members with ties to their country's government access to domestic properties like Mar-a-Lago, which Trump makes a profit from.

While we now know the Trump Organization plans to donate these profits at the end of the year, we don't know what disclosure of that will look like and, as USA Today noted, "how Trump hotels and similar businesses will separate profits from foreign governments' rentals of rooms and suites, conference rooms and banquet facilities, or payments for other services at its hotels."

Promise 4: Appoint independent ethics officer for Trump Organization.

"Because any new deal could—and I emphasize could—be perceived as causing a conflict or as exploiting the office of the presidency, new deals must be vetted with the ethics adviser, whose role will be to analyze any potential transactions for conflicts and ethics issues. The ethics adviser will be a recognized expert in the field of government experts."—Trump attorney Sheri Dillon

Trump announced that he would appoint an ethics officer at the Trump Organization to be in charge of approving "deals, actions, and transactions that could potentially raise ethics or conflicts of interest concerns." However, instead of appointing a truly independent outside official known as a recognized expert in the field, he appointed a loyal Republican election lawyer and a long-time attorney for the Trump Organization, men who have a vested interest in keeping the president happy and the company profitable.

Early reports indicate that if they are vetting these deals, the process isn't very thorough. Selling property to someone with ties to Chinese intelligence should have been a red flag, ethics experts agree, but that's just what happened in the first deal the Trump Organization completed after his inauguration, as mentioned above. The company refuses to explain its vetting process.

"The Trump Organization, in deals that I've seen so far, they either never do due diligence, or they do due diligence and they don't care," said Jessica Tillipman, a George Washington University law professor and expert on ethics and corruption.

His sons don't seem too worried about it either. According to an article in Forbes, in which they interviewed Eric Trump, "The Trump fils took an informal approach to vetting potential partners, relying, like their dad, as much on gut as numbers and analyses"

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In response to Trump's failure to divest and disclose his interests, several lawmakers have introduced resolutions and legislation encouraging or requiring such action. Sen. Ben Cardin (D-Md.) has introduced a resolution urging Trump to completely divest from his businesses. Sen. Elizabeth Warren (D-Mass.) and Rep. Katherine Clark (D-Mass.) have introduced legislation requiring presidents and vice presidents to divest and disclose their assets. Sen. Ron Wyden (D-Oregon) has a bill that would require Trump to disclose his interests in a foreign country before beginning new trade negotiations. Rep. Jerry Nadler (D-N.Y.) introduced a resolution of inquiry—buried by a vote in the House Judiciary Committee—requiring the Attorney General to release all materials related to investigations into his conflicts of interest, especially those related to payments from foreign countries.

Senate and House Democrats have also sent more than two-dozen letters of oversight and concern on these issues to the White House, Office of Government Ethics, the General Services Administration, the FBI, and House and Senate committee chairs.

"Draining the swamp of government corruption."

On the campaign trail, Trump presented himself as the candidate who would eliminate government corruption, claiming in speeches and social media posts that he would make government "honest" again, close loopholes that allow people to influence public policy without registering as a lobbyist, and "drain the swamp" of wealthy special interests. After Trump became president, his actions and personnel choices have disappointed government reform advocates and delighted the wealthy and corporate interests whose influence candidate Trump seemed determined to quash.

In the final weeks of the presidential campaign, candidate Trump presented himself as a reformer by releasing a "five-point plan for ethics reform."

The ethics executive order that Trump eventually signed is a half-hearted attempt to fulfill some of the pledges made in the five-point plan. In a reference to the executive order during his speech to the joint session of Congress, Trump said "We have begun to drain the swamp of government corruption." Nevertheless, the order scales back the ambitions of this plan and, compared to the Obama administration's ethics executive order, significantly weakens ethics oversight in the executive branch. And as for the points of the plan that require congressional movement, even less progress has been made on that front. Far from being drained, the swamp is rather, as a result of President Trump's actions, deeper than ever.

The promise made in the five-point ethics plan and analyses of how the Trump administration followed through on it follows.

Promise 1: Re-institute five-year ban on executive branch officials lobbying the government and asking Congress to pass legislation that does the same.

First: I am going to re-institute a 5-year ban on all executive branch officials lobbying the government for 5 years after they leave government service. I am going to ask Congress to pass this ban into law so that it cannot be lifted by executive order.

In some ways, the revolving door restrictions on agency staff leaving the federal government to become lobbyists seem stronger than the Obama restrictions. Where Obama's executive order prohibited

outgoing executive branch employees from lobbying for two years, Trump's extends the prohibition to five years. More importantly, Trump's five-year ban on lobbying includes "lobbying activities" rather than just "lobbying contacts," which should include all the strategic planning and research behind a lobbying campaign.

This provision of the executive order appears partially to fulfill the promise made in the first point of the five-point ethics plan Trump made on the campaign trail. However, this apparent effort to strengthen lobbying restrictions comes with major caveats.

Trump's ethics executive order includes a new definition of "lobbying activities" that excludes "rulemaking, adjudication and licensing" from the five-year ban on any appointee who leaves an agency returning to lobby the agency where he or she served. The exclusion of rulemaking is particularly concerning, as rulemaking is the main activity that executive branch agencies perform. It is possible that a narrow definition of the term rulemaking could avoid opening loopholes for lobbyists, and would simply refer to the process through which federal agencies receive comments from the general public. If, however, rulemaking is broadly defined to include agencies' entire process of promulgating rules, then Trump's executive order exempts nearly everything the executive branch does, and the lobbying ban is virtually meaningless. In effect, these former officials would not even have to become unregistered "shadow lobbyists" to skirt Trump's ethics executive order; they could do so as registered lobbyists and begin immediately lobbying the executive branch by focusing on rulemaking rather than legislation.

Promise 2: Ask Congress to pass a five-year lobbying ban.

Second: I am going to ask Congress to institute its own 5-year ban on lobbying by former members of Congress and their staffs.

Trump has not yet asked Congress to pass legislation preventing members of Congress from becoming lobbyists after leaving government service.

Promise 3: Expand the definition of lobbyist to strengthen lobbying regulations and limit shadow lobbying.

Third: I am going to expand the definition of lobbyist so we close all the loopholes that former government officials' use by labeling themselves consultants and advisors when we all know they are lobbyists.

Trump's ethics executive order makes it easier for lobbyists to work in the White House and executive branch agencies. Specifically, the Trump executive order loosens the Obama administration's restrictions on lobbyists being appointed to work for federal agencies they recently lobbied. While Obama's ethics executive order included a prohibition against lobbyists joining the staff of an agency they lobbied within the last two years (and was subsequently seen as mostly effective in diminishing lobbyist influence), Trump's executive order allows lobbyists to join the staff of an agency they lobbied immediately upon de-registering as a lobbyist. Literally, a lobbyist may deregister on Monday and serve in the Trump administration on Tuesday—and many are doing precisely that.

As a result of this loosening of restrictions, lobbyists are taking the reins of federal agencies they once sought to influence from the outside. A lobbyist for for-profit colleges has joined the Department of Education. A lobbyist for the construction industry who lobbied against worker wage and safety regulations is helping lead the Department of Labor. Among the dozens of lobbyists ProPublica identified as part of the administration's "beachhead teams"—temporary political appointees deployed to agencies at the start of a new administration—are lobbyists for the pharmaceutical industry and health insurance companies who joined the Department of Health and Human Services.

However, Trump's ethics executive order preserved one element of Obama's lobbying restrictions, at least in words. Former lobbyists appointed to the administration will have to recuse themselves from "particular matters" they lobbied within the last two years, including any "specific issue area" in which they lobbied. This language is

borrowed straight from Obama's ethics executive order. The problem is that Trump's White House Counsel, charged with interpreting and enforcing the executive order, either has not defined "specific issue area" or is not enforcing the order. Several new hires into the Trump administration are in fact working in the same specific issue areas that they previously lobbied. Shahira Knight, for example, lobbied on tax and retirement issues for the financial services giant Fidelity. She has now been appointed as Trump's special assistant on tax and retirement policy.

Like Obama's ethics executive order, Trump's also makes it possible for individuals to be granted waivers from these restrictions, thus allowing lobbyists to join the administration and work on the specific issue area in which they lobbied. Obama's ethics executive order stated that waivers would be granted by the director of the White House Office of Management and Budget in consultation with the White House Counsel in circumstances when "the literal application was inconsistent with the purposes of the restriction" or if it was determined to be "in the public interest." Trump's executive order, on the other hand, states that granting waivers is a responsibility of the president or his designee and provides no legal standard for granting waivers.

For Trump, the standard for granting waivers is simply political. He can decide to let a former lobbyist work on issues they lobbied on whenever he wishes and whenever it's convenient for him. And while Obama's waivers were regularly disclosed via an annual public report, this transparency measure has been omitted from Trump's executive order, and the web page where such waivers should appear remains blank. Sen. Jon Tester (D-Mt.) has sent a letter to the administration asking if these disclosures will indeed cease, as seems likely.

Additionally, there is a significant provision in Trump's ethics executive order that conceivably could be useful in managing the financial conflicts of interest rampant among his administration appointees. The Trump order borrows directly from Obama's ethics executive order a key provision to manage conflicts: all appointees, whether or not a former lobbyist, pledge to recuse themselves from official actions that affect their former employers or clients of the last two years. Zealously enforced by Obama, this provision helped make the Obama administration virtually scandal free in terms of conflicts of interest. But again there is no indication that any Trump administration appointees are being informed of this conflict of interest provision and no indication that the White House Counsel is enforcing this restriction. George David Banks, a Trump appointee, reported that no one in the White House Counsel's office has ever talked to him about the ethics restrictions. And without any disclosure of waivers to the ethics rules, implementation and enforcement of this conflict of interest restriction is entirely at the whim of White House Counsel Don McGahn, who has a history of shunning such rules.

Promise 4: Permanently ban executive branch officials from representing a foreign government as a lobbying client.

Fourth: I am going to issue a lifetime ban against senior executive branch officials lobbying on behalf of a foreign government.

The lifetime ban for executive branch appointees from lobbying on behalf of foreign governments or foreign political parties in Trump's ethics executive order would seem to impose stronger restrictions than Obama's executive order.

This provision of the executive order appears to fulfill the promise made in the fourth point of the five-point ethics plan Trump made on the campaign trail. However, this is another apparent reform that comes with major caveats.

The lifetime ban on lobbying on behalf of foreign entities prevents a relatively unlikely scenario that was already tightly restricted, as demonstrated by Trump's former national security advisor, Michael Flynn, belatedly registering with the Justice Department for his lobbying activities on behalf of a Turkish company. (Rep. Bill Pascrell, D-N.J., has asked the White House if the ban will in fact actually apply to Flynn.) At the same time, as a CREW analysis points out, the

provision does nothing to prevent outgoing appointees from capitalizing on their White House experience via business dealings with foreign governments, a situation that is not unlikely considering Trump's cabinet of corporate CEOs.

Promise 5: Ask Congress to pass reform legislation to block lobbyists for foreign governments from spending in U.S. elections.

Fifth: I am going to ask Congress to pass a campaign finance reform that prevents registered foreign lobbyists from raising money in American elections.

Trump also has failed to press Congress to pass campaign finance reform legislation to place limits on the influence of registered foreign lobbyists.

Until the provisions of Trump's ethics executive order are actually enforced, questions about the efficacy of Trump's ethics pledge will remain. There are signs, however, that the repeated pledge to "drain the swamp" and restore ethics to the executive branch are more rhetoric than substance. For starters, Don McGahn, Trump's appointee for White House Counsel, is the official who is primarily responsible for interpreting and enforcing the ethics executive order. As an enforcer of ethics rules, McGahn, a Republican Party lawyer who has dedicated his career to undermining campaign finance laws and increasing the influence of big money in politics, inspires little confidence. Sen. Claire McCaskill (D-Mo.) has sent a letter to the administration requesting more information about how the order will be enforced. ProPublica, meanwhile, has already identified three instances where former lobbyists are working in the Trump administration on issues they lobbied on, in apparent contravention of Trump's already weakened ethics rules. And finally, the administration seems to be willfully turning a blind eye to precisely the kinds of conflicts of interest the ethics executive order is intended to prevent. Just look at the case of billionaire investor and Trump advisor Carl Icahn, for example, who is pushing for the adoption of self-dealing policies that will bloat his business' profits by more than $100 million.

So, in terms of executive actions that fulfill the five-point pledge, only the lifetime ban on lobbying for foreign governments appears to address the campaign promises made by candidate Trump, and even that may be misleading. For the items in the five-point pledge that require congressional action, even less can be said. Where he has changed the scope of the lobbyist revolving door restrictions, it has had the impact of weakening, rather than strengthening, these restrictions.

Conclusion

These broken promises on his businesses and the influence of lobbyists are part of the bigger picture of an administration clouded by corruption and conflicts. Trump has filled his administration with the same major donors, Wall Street executives, and special interest "puppets" he said he'd fight if elected.

In just the first couple months of the Trump administration, the number of conflicts of interest scandals separate from Trump's own business dealings has been exhausting. Trump's "special adviser" on regulations, Carl Icahn, is in the middle of engineering regulatory changes that'll benefit his bottom line. The president's sons who manage the vast Trump Organization have announced plans to expand the business, perhaps doubling the number of markets in which Trump's hotels reach—putting local governments in fear of retribution for simple zoning decisions and possibly creating run-ins with federal agencies.

The financial conflicts of interest pervasive in the Trump family and throughout the administration not only raise concerns of self-dealing, but also concerns about the opportunities for manipulation by others, including foreign governments. In addition to the Chinese trademarks issue mentioned above, the family of his top adviser, his son-in-law, is negotiating a $400 million real estate deal with a Chinese company tied to the country's leading Communist Party families. Similarly,

Trump has about $300 million in business deals with Deutsche Bank, the German bank that has been under investigation by the Department of Justice for laundering money for very wealthy Russian clients.

As the administration enters its third month, Trump and members of his administration have shown no interest in fulfilling his pledge to "drain the swamp" and instead have pursued policies that boost the financial interests of contributors, friends, and family at the expense of millions of people who voted for Trump. With the conflicts of interest unchecked, the Trump administration is well on its way to becoming the most scandal-ridden administration in history.

AMERICANS FOR TaxFairness

March 22, 2017

The Honorable Anna Eshoo
241 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Eshoo:

On behalf of Americans for Tax Fairness' 425 endorsing organizations, I write in support of your bill, **H.R. 305, The Presidential Tax Transparency Act**, to require the president and presidential nominees of major political parties to publicly release their three most recent federal income tax returns.

During the campaign, then-candidate Donald Trump repeatedly said that he would release his tax returns, telling NBC's *Today* show in February 2016 that he would do so "probably over the next few months." Over the course of the campaign, Mr. Trump shifted to saying that his tax returns would be released once they were no longer under IRS audit. However, since then the president has abruptly changed course and said that he is never going to release his tax returns because the American people don't "care at all."

Contrary to that assertion, a Washington Post-ABC News poll conducted in mid-January found that 74% of Americans thought Trump should release his tax returns, including 49% of his own supporters. And since January 20, more than 1 million people have signed a petition on the White House website calling on President Trump to immediately release his tax returns. Americans want transparency, not broken promises.

The Presidential Tax Transparency Act simply codifies the practice that has been in place for the last 40 years—that every major presidential candidate and sitting president has released their tax returns. In fact, every sitting president since Jimmy Carter (and President Nixon too) has released their tax returns while in office. This is not an issue of partisanship, but instead one of precedent and transparency.

President Trump and his senior advisors have repeatedly pointed to the fact that the president has filed the financial disclosures required by law. Candidate Trump even claimed that "I released the most extensive financial review of anybody in the history of politics...You don't learn much in a tax return." However, the Pulitzer Prize-winning Politifact labeled this claim "false," pointing to the fact that financial disclosures are limited by large gaps in the information provided, and that they only list assets in broad ranges, as opposed to the much more detailed information tax returns provide—including earnings down to the dollar.

The public deserves to know how presidential candidates and presidents conduct their financial affairs, whether they will have conflicts of interest while in office, what tax loopholes they are taking advantage of, and how their proposed tax policies—and those proposed by Congress—will benefit them personally.

The Presidential Tax Transparency Act is needed since 40 years of accepted practice apparently isn't enough to compel President Trump to act. With no legislation requiring them to do so, and President Trump having inaugurated a new tradition of nondisclosure, why would future presidential candidates and presidents release their tax returns?

Therefore, we strongly support H.R. 305, The Presidential Tax Transparency Act, to ensure that the longstanding practice of presidents and presidential candidates releasing their tax returns continues.

Sincerely,

Frank Clemente
Executive Director

DATA
COALITION

March 30, 2017

Hon. Jason Chaffetz, Chairman
Hon. Elijah Cummings, Ranking Member
House Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington DC 20515

Re: Transparency of federal grant and contract information

Dear Chairman Chaffetz and Ranking Member Cummings:

Thank you again for inviting me to testify before the House Committee on Oversight and Government Reform on Thursday, March 23, 2017.[1] I appreciated the opportunity to commend the Committee's bipartisan efforts – both oversight and legislative – to ensure that our government is transparent to Americans, and in particular to support the OPEN Government Data Act.[2]

We are excited that the OPEN Government Data Act has now been introduced in both the House of Representatives and the Senate by leaders of both parties.

The Data Coalition believes that all federal information, unless important security or privacy concerns apply, should be published online as open data – easily downloaded, scrutinized, and analyzed. This means federal information should be freely available to Americans "with no restrictions on copying, publishing, distributing, transmitting, citing, or adapting."[3]

In my written and verbal testimony last Thursday, I discussed Dun & Bradstreet, Inc.'s proprietary interest in federal grant and contract information because it exemplifies the need for the OPEN Government Data Act. Federal grant and contract information, as published on the government's USASpending.gov portal and elsewhere, is crucial for transparency and accountability, is of great interest to American taxpayers, and carries no security or privacy concerns.

However, under Dun & Bradstreet's government-wide contract with the General Services Administration (GSA), Dun & Bradstreet owns the identification code – the Data Universal Numbering System Number (DUNS Number) – that is universally used to identify the awardees receiving grants and contracts. Dun & Bradstreet wields its ownership of the DUNS Number to restrict taxpayers from downloading or analyzing this

information in a meaningful way, unless they purchase a license to it from Dun & Bradstreet.

At the hearing on Thursday, I pointed out that the government's use of a proprietary identification code for grantees and contractors restricts grant and contract information, which means such information is not "open" within the meaning of the OPEN Government Data Act. By its proprietary nature, the DUNS Number forces Americans to pay multiple times to download and analyze information they already have paid for as taxpayers. Members of the Committee agreed.

Dun & Bradstreet has written a letter to the Committee[4] that misrepresents taxpayers' access to federal grant and contract information, distorts the substance of its contract with GSA, and misstates my own testimony before the Committee. Today, I write briefly to correct the record.

Taxpayers must purchase licenses from Dun & Bradstreet in order to download and analyze information that includes the DUNS Number.

Taxpayers can browse through information identifying federal grantees and contractors on two federal portals, USASpending.gov and SAM.gov. However, under the contract between GSA and Dun & Bradstreet, they cannot download or analyze it without purchasing an additional license.

At the top of the front page of USASpending.gov, a prominent disclaimer warns users: "You must click here for very important D&B information." The disclaimer links to a legal notice explaining that users of the portal are prohibited from "[s]ystematic access (electronic harvesting) or extraction" of information that includes the crucial DUNS Number,[5] *i.e.*, downloading it. A similar legal notice is linked from the front page of SAM.gov.

Dun & Bradstreet contends that "[t]axpayers are not required to pay in order to access, or use, Dun & Bradstreet-sourced data used to identify an awardee."[6] These words skirt the real issue.

Offering taxpayers the opportunity to browse through data that identifies awardees, but not to download or analyze for themselves, does not provide true transparency. Such restrictions contravene the definition of open data, expressed by the OPEN Government Data Act and commonly by the public-interest community.

Until taxpayers are permitted to freely "copy[ ], publish [ ], distribut[e], transmit[ ], cit[e], and adapt[ ]"[7] grant and contract information however they see fit, they can only use the native search and display functions of the government's portals. They cannot perform their own, independent analyses of grant and contract information – which would require full downloads.

Dun & Bradstreet and GSA's 2016 contract modification did not remove the crucial restrictions on information that includes DUNS Number.

In 2016, Dun & Bradstreet and the GSA modified their contract. The GSA paid Dun & Bradstreet over $20 million. In exchange, Dun & Bradstreet expanded the ways in which the public can use some ancillary data fields – primarily company name and address – but did not lift all restrictions on these data fields.

The USASpending.gov and SAM.gov legal notices show the impact of this modification. Both legal notices inform users that they may now download these ancillary data fields, but not "in bulk," and must credit Dun & Bradstreet wherever they use such data.[8]

However, the contract modification did not give users the right to download information that contains the DUNS Number. Without the DUNS Number itself, grant and contract information is difficult to use. For example, a USASpending.gov search for "Lockheed" reveals dozens of different affiliates and subsidiaries of Lockheed Martin, with minor various between many of their names. Without the DUNS Number, it is impossible to tell whether spelling variants signify a different legal entity or not.

Without the DUNS Number, it is also impossible to match grant and contract information together with agency-specific data sources, or non-governmental ones. Dun & Bradstreet holds the only key to any entity matching that involves federal grantees and contractors.

The ancillary data fields, though they are now somewhat less restricted, still do not qualify as open data the contract modification. By continuing to restrict "bulk" downloads of even these fields, the contract modification prevents taxpayers from creating their own data sets covering all federal spending. Taxpayers must continue to purchase licenses if they want completeness. Moreover, ty requiring a citation to Dun & Bradstreet, the modification imposes a manual step every time the information is reused.

Both restrictions contradict the principles of open data, even though the USASpending.gov and SAM.gov legal notices both now use the term "open data" to describe the ancillary data fields.

The OPEN Government Data Act will set a presumption in favor of unrestricted, open data. It will challenge, but not directly ban, Dun & Bradstreet's unique monopoly over grant and contract information.

The OPEN Government Data Act does not restrict the government's ability to purchase information from commercial sources. Instead, it provides that if the government chooses to publish that information, or any information, it should not impose restrictions on taxpayers' reuse, to the extent practicable.[9] But Dun & Bradstreet's letter conflates these two very different issues.

In my testimony, I pointed out that the OPEN Government Data Act sets a presumption that government information should be freely "available under open licenses,"[10] and because of Dun & Bradstreet's proprietary interest in the DUNS Number, grant and contract information is *not*. Because the bill sets this presumption only "to the extent practicable,"[11] it will not invalidate the contract between Dun & Bradstreet and GSA. Instead, it will require GSA to consider whether it is practicable to renegotiate the contract to lift the restrictions on grant and contract information, so that it can be freely available as open data.

A monopoly is established if there is a single source of a good or service with virtually total control of a sector. Under its contract with GSA, Dun & Bradstreet is the only source for information about federal grants and contracts, because (1) federal agencies exclusively use the DUNS Number to track their grants and contracts and (2) the DUNS Number is owned by Dun & Bradstreet. Nobody can download procurement and grant information and translate the DUNS Numbers into some other code without purchasing a Dun & Bradstreet license.

Even though other identification codes exist, grant and contract information is not tracked using these other codes, and has to be sourced from Dun & Bradstreet, under a license, before any translation can be done. Even though other information vendors exist, GSA has given Dun & Bradstreet sole control over grant and contract information.

As far as I am aware, Dun & Bradstreet's protected and profitable monopoly is unique across all federal management, spending, and performance. I know of no other circumstance where information about the operations of the federal government, all funded by taxpayers, is owned by a private-sector vendor, restricting taxpayers' ability to reuse the information. If such other circumstances existed, the Data Coalition would advocate for similar changes.

Dun & Bradstreet contends that I interpret the OPEN Government Data Act to limit the government's ability to procure commercial data.[12] This is incorrect. I see no impact on commercial data procurement, unless vendors seek to impose restrictions that follow the data all the way through to eventual publication. I do see a challenge to restricted data *publication* – and a challenge to Dun & Bradstreet's unique monopoly.

The Committee should take additional steps to make grant and contract information freely open for unrestricted reuse.

The Data Coalition believes that grant and contract information should be freely available as open data, not restricted by a proprietary identifier the way it is today. Of our thirty-six members, a few provide business information services to federal agencies, just as Dun & Bradstreet does. However, none of these companies, nor any other Data Coalition member, is seeking to provide a proprietary identification number to track federal grantees and contractors and then charge taxpayers for licenses to download or analyze the information. In that sense, no Data Coalition member competes with Dun & Bradstreet's current arrangement, or wants to.

Should our vision of fully transparent, unrestricted grant and contract information be realized, Dun & Bradstreet and its peer companies can compete to synthesize public information to create marketable insights.

We appreciate the Committee's attention to this issue, both through its consideration of the OPEN Government Data Act and through future oversight and legislation. Congressional oversight of the use of proprietary identifiers is having an impact already. For example, GSA has begun a review of its contract with Dun & Bradstreet that could result in a decision to replace the DUNS Number with a nonproprietary identifier, so that grant and contract information will be freely available without restrictions.[13]

Thank you for the opportunity to respond.

Sincerely,

/s/ Hudson Hollister

Hudson Hollister
Executive Director, Data Coalition
datacoalition.org

CC: Members of the Committee on Oversight and Government Reform

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[1] *See* https://oversight.house.gov/hearing/legislative-proposals-fostering-transparency/ (accessed March 30, 2017)
[2] OPEN Government Data Act, H.R. 1770, S. 760, *available at* https://www.congress.gov/bill/115th-congress/house-bill/1770
[3] OPEN Government Data Act at sec. 3561(11).
[4] Letter from Joshua L. Peirez, President and Chief Operating Officer, Dun & Bradstreet, to Reps. Jason Chaffetz and Elijah Cummings, March 29, 2017 ("Dun & Bradstreet Letter").
[5] *See* https://www.usaspending.gov/pages/db.aspx (accessed March 30, 2017).
[6] Dun & Bradstreet Letter at 2.
[7] OPEN Government Data Act at sec. 3561(11).
[8] *See, e.g.,* https://www.usaspending.gov/pages/db.aspx (accessed March 30, 2017).
[9] OPEN Government Data Act at sec. 3652(b).
[10] *Id.*
[11] *Id.*
[12] Dun & Bradstreet letter at 1-2.
[13] *See* https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=46419b596deed9dd757b2d6729c3a765 (accessed March 30, 2017).

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April 20, 2017

Hon. Jason Chaffetz, Chairman
Hon. Elijah Cummings, Ranking Member
House Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington DC 20515

Re: Responses to Questions for the Record from March 23, 2017, Committee Hearing Titled "Legislative Proposals for Fostering Transparency"

Dear Chairman Chaffetz and Ranking Member Cummings:

I appreciate the opportunity to respond to additional questions for the record from the House Committee on Oversight and Government Reform following its hearing on Thursday, March 23, 2017.[i]

The Committee's questions concern Dun & Bradstreet, Inc.'s unique monopoly over important federal grant and contract information. The monopoly stems from Dun & Bradstreet's proprietary interest in the electronic identification code that is universally used to identify the entities that receive grantees and contractors. This proprietary interest is affirmed by Dun & Bradstreet's government-wide contract with the General Services Administration (GSA).

The Data Coalition believes that all federal information, unless important security or privacy concerns apply, should be published online as open data – easily downloaded, scrutinized, and analyzed. This means federal information should be freely available to Americans "with no restrictions on copying, publishing, distributing, transmitting, citing, or adapting."[ii] Dun & Bradstreet's monopoly prevents the federal government's official records of grant and contract spending from being available as open data.

Under its GSA contract, Dun & Bradstreet administers the system that registers and tracks federal grantees and contractors. That alone is not objectionable.

However, the contract also provides Dun & Bradstreet with a proprietary interest in the Digital Universal Numbering System (DUNS) Number, the electronic code that identifies those entities. Dun & Bradstreet wields its ownership of the DUNS Number to restrict taxpayers from downloading or analyzing this information in a meaningful way, unless they purchase a license to it from Dun & Bradstreet.

The Committee's questions, and my answers to them, follow.

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1. *In your statement, you state that: "Taxpayers paid for this information to be compiled, and they paid for the grant and contract awards that this information describes, and yet they cannot download or analyze this information without paying again, every time."*

    a. *The Committee understands that the Dun & Bradstreet agreement does not limit taxpayers' ability to download or to analyze this data, including D&B data. What situation are you referring to where taxpayers have to pay for this data?*

The Committee is misinformed. Taxpayers can browse through information identifying federal grantees and contractors on two federal portals, USASpending.gov and SAM.gov. However, under the contract between GSA and Dun & Bradstreet, they cannot download or analyze it without purchasing an additional license.

At the top of the front page of USASpending.gov, a prominent disclaimer warns users: "You must click here for very important D&B information." The disclaimer links to a legal notice explaining that users of the portal are prohibited from "[s]ystematic access (electronic harvesting) or extraction" of information that includes the crucial DUNS Number,[iii] *i.e.*, downloading it. A similar legal notice is linked from the front page of SAM.gov.

Under this notice, users who wish to download or analyze information that identifies federal grantees and contractors using the DUNS Number – without which the information is not meaningful – cannot do so without a license.

    b. *According to the original selection criteria of the DUNS Number outlined in the 1994 report, Streamlining Procurement through Electronic Commerce, by the government "most government trading partners already have a DUNS Number". Considering Dun & Bradstreet has 250M+ records in its database, is it accurate to say that taxpayers paid for this information to be compiled?*

Taxpayers did pay for this information to be compiled through their purchase of the GSA's government-wide license to it, for which they had already paid over $150 million as of the Government Accountability Office's 2012 report on this issue.[iv] It may be true that Dun & Bradstreet would compile and maintain company information to sell to private-sector customers even if it had no federal business. However, it is also true that the GSA's payments to Dun & Bradstreet are consideration for this work.

Therefore, it is accurate to say that taxpayers who want to use this information are forced to pay in multiple ways: first, by funding the grant and contract awards that this information describes; second, through the GSA's purchase of a government-wide license to it; and third, by purchasing additional licenses if they wish to download or

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analyze it. I know of no other goods and services that the government purchases for which a similar situation exists.

2. *In your statement, you state that: "The federal government's use of the DUNS Number effectively gives Dun & Bradstreet a protected and profitable monopoly on public information – at the double expense of the taxpayers"*

    a. *A "monopoly" established if there is a single source of a good or service and has virtually total control of a sector. In the case of the assignment of unique identifiers and entity validation services, it seems that the government has alternatives, although they may not have chosen them to standardize on instead of the DUNS Number. With Tax ID, CAGE Code, LEI, and even other competitive numbers like the Austin Tetra number that was previously used in CCR.gov alongside the DUNS, isn't this just a case of the government having a preferred solution provider?*

Under this definition of "monopoly," Dun & Bradstreet has a monopoly over the federal government's official grant and contract information. First, federal agencies exclusively use the DUNS Number to track the entities that receive grants and contracts. Second, under Dun & Bradstreet's contract with the GSA, Dun & Bradstreet retains a proprietary interest the DUNS Number.

As a result, Dun & Bradstreet is the only source for official and complete information on federal grant and contract spending. Nobody can download procurement and grant information and translate the DUNS Numbers into some other code without first purchasing a Dun & Bradstreet license.

Even though other identification codes do exist, grant and contract information is not tracked using these other codes, and has to be sourced from Dun & Bradstreet, under a license, before any translation can be done. Even though other information vendors exist, GSA has given Dun & Bradstreet sole control over official federal grant and contract information.

As far as I am aware, Dun & Bradstreet's protected and profitable monopoly is unique across all federal management, spending, and performance. I know of no other circumstance where information about the operations of the federal government, all funded by taxpayers, is owned by a private-sector vendor, restricting taxpayers' ability to reuse the information. If such other circumstances did exist, the Data Coalition would advocate for change, just as we are advocating for the federal government to stop using a proprietary identification code for grantees and contractors.

    b. *It is my understanding that under the GSA agreement there is not a cost for taxpayers to register in the government systems nor to download or*

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interact with the data. It is also my understanding that using a solution such as the LEI that you have advocated for, carries annual costs for businesses, large and small alike. What are those costs?

It is not correct to claim that "there is not a cost for taxpayers ... to download or interact with the data." Under the GSA agreement, taxpayers may browse through information that identifies grantees and contractors using the DUNS Number, but they cannot download it. This is proved by the text of the legal notice published on USASpending.gov and SAM.gov, cited above.

In 2016, Dun & Bradstreet and the GSA modified their contract. The GSA paid Dun & Bradstreet over $20 million. In exchange, Dun & Bradstreet expanded the ways in which the public can use some ancillary data fields – primarily company name and address – but did not lift all restrictions on these data fields. The USASpending.gov and SAM.gov legal notices show the impact of this modification. Both legal notices inform users that they may now download these ancillary data fields, but not "in bulk," and must credit Dun & Bradstreet wherever they use such data.[v]

However, the contract modification did not give users the right to download information that contains the DUNS Number. Without the DUNS Number itself, grant and contract information is difficult to use. For example, a USASpending.gov search for "Lockheed" reveals dozens of different affiliates and subsidiaries of Lockheed Martin, with minor various between many of their names. Without the DUNS Number, it is impossible to tell whether spelling variants signify a different legal entity or not.

Without the DUNS Number, it is also impossible to match grant and contract information together with agency-specific data sources, or non-governmental ones. Dun & Bradstreet holds the only key to any entity matching that involves federal grantees and contractors.

If the nonproprietary Legal Entity Identifier (LEI) were adopted as the government's official identification code for grantees and contractors, then federal grant and contract information would be freely downloadable and reusable by taxpayers and others, with no need to secure a license. The LEI system is managed by the Global LEI Foundation, a nonprofit organization. When a government agency chooses to adopt the LEI for the entities it regulates or tracks, it requires them to register for an LEI – either through a registration platform it administers itself, or else through a separate registering body. The LEI system is funded by fees paid by the entities to their registration platform. These fees vary depending on jurisdiction-specific decisions, but are nominal, and would represent a very small proportion of the overall cost of complying with federal procurement or assistance regulations.

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3. *Isn't it true that Dun & Bradstreet provides a government-specific call center service under this contract and that they only collect data elements required for SAM registration through that call center?*

I do not know.

Even if Dun & Bradstreet does provide a government-specific call center service to assist in registering federal grantees and contractors under the GSA contract, this does not justify providing Dun & Bradstreet with a proprietary interest in the electronic identification code that identifies such entity and a resulting monopoly over federal grant and contract information.

4. *Are any members of your coalition, Dun & Bradstreet competitors?*

The Data Coalition believes that grant and contract information should be freely available as open data, not restricted by a proprietary identifier the way it is today. Of our thirty-six members, a few provide business information services to federal agencies, just as Dun & Bradstreet does. However, none of these companies, nor any other Data Coalition member, is seeking to provide a proprietary identification number to track federal grantees and contractors and then charge taxpayers for licenses to download or analyze the information. In that sense, no Data Coalition member competes with Dun & Bradstreet's current arrangement, nor wants to.

Should our vision of fully transparent, unrestricted grant and contract information be realized, Dun & Bradstreet and its peer companies can compete to synthesize this public information to create marketable insights.

Thank you again for the opportunity to respond to the Committee's questions.

Sincerely,

/s/ Hudson Hollister

Hudson Hollister
Executive Director, Data Coalition

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[i] *See* https://oversight.house.gov/hearing/legislative-proposals-fostering-transparency/ (accessed March 30, 2017).
[ii] OPEN Government Data Act, H.R. 1770, S. 760, *available at* https://www.congress.gov/bill/115th-congress/house-bill/1770, at sec. 3561(11).
[iii] *See, e.g.*, https://www.usaspending.gov/pages/db.aspx (accessed March 30, 2017).
[iv] Government Accountability Office, *Government is Analyzing Alternatives for Contractor Identification Numbers*, June 12, 2012, *available at* http://www.gao.gov/assets/600/591551.pdf.
[v] *See, e.g.*, https://www.usaspending.gov/pages/db.aspx (accessed March 30, 2017).

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