

September 15, 2017

The Honorable Jefferson Beauregard Sessions III
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Sessions:

We are writing to urge the Department of Justice (DOJ) to initiate an investigation into purchases by the Executive Branch of goods and services at businesses owned directly or indirectly by President Donald Trump which violate the Domestic Emoluments Clause of the United States Constitution.

As you well know, the Domestic Emoluments Clause prohibits the President of the United States from accepting gifts or payments other than the President's fixed compensation while serving in office. The goal of the Clause is clear: the President must not put individual personal interests above those of the nation.

Property of the People, a 501(c)(3) nonprofit organization dedicated to transparent government, recently obtained documents through the Freedom of Information Act (FOIA) from the United States Coast Guard reflecting expenditures by the National Security Council, United States Embassy, and Department of Homeland Security at properties owned by President Trump, including Mar-a-Lago and Trump hotels in Panama, Las Vegas, and Washington, D.C. These transactions, charged to official government charge cards, reflect a clear violation of the Domestic Emoluments Clause and raise grave questions about the extent to which President Trump's refusal to divest from his businesses has caused and is continuing to cause violations of the Constitution. The Domestic Emoluments Clause provides, "The President shall, at stated Times, receive for his Services, a Compensation, . . . and he shall not receive within that Period any other Emolument from the United States, or any of them." U.S. Const. Article II, Section 1, Clause 7. As evidenced in the September 8, 2017 FOIA release, the United States, through the White House National Security Council, paid over \$1,000 to Trump's Mar-a-Lago resort earlier this year. This payment constitutes an "emolument" as that term is used in the Domestic Emoluments Clause, and represents a violation of both the letter and spirit of the Constitution.

The Office of Legal Counsel (OLC), interpreting the word "emolument," has looked to dictionaries which define the term as a "profit or gain arising from station, office, or employment: reward, remuneration, salary" and "advantage, benefit, comfort."¹ OLC has not addressed the question of when business transactions, in contrast to gifts, are emoluments. However, the text and history of the Domestic Emoluments Clause support the conclusion that

¹ See President Reagan's Ability to Receive Retirement Benefits from the State of California, 5 Op. O.L.C. 187, 188 (1981).

both “sweetheart deals” and fair market value transactions that result in any economic profit or benefit to the President may constitute emoluments.²

The dictionary definition of “emolument” cited by OLC includes “profit or gain” if it “aris[es] from station, office, or employment.” *Id.* Mr. Trump obtained “profit or gain” from the payment by the National Security Council to Mar-a-Lago. The resort charged the National Security Council the “rack rate,”³ meaning that the business would have received a profit or gain from the transaction. Further, given Mr. Trump’s 99.99% ownership in Mar-a-Lago Club, LLC,⁴ the profit from the transaction accrues to him personally.

It is also clear that the payment obtained from the National Security Council arose from President Trump’s office. The National Security Council paid over \$500 per night for lodging at a luxury resort in Palm Beach, Florida only because Donald Trump is President. This situation stands in sharp contrast to the situations in which OLC has found no violation of the Domestic Emoluments Clause because the profit or gain did not stem from the officeholder’s service as President. Thus, President Kennedy could continue to receive naval retirement pay and President Reagan could receive retirement benefits from California. *Id.* at 189. They were both entitled to these benefits as a matter of law. *Id.*

The spirit of the Domestic Emoluments Clause is also violated by the expenditures at Mar-a-Lago and President Trump’s ongoing refusal to divest himself of his business enterprises. The Framers designed the Domestic Emoluments Clause to serve the important purpose of protecting the independence of the President by avoiding attempts to “corrupt his integrity, by appealing to his avarice.” *The Federalist Papers* No. 73 (A. Hamilton). Thus, the President “can of course have no pecuniary inducement to renounce or desert the independence intended for him by the Constitution.” *Id.* According to a leading account of the history of the Domestic Emoluments Clause, the Framers’ views on emoluments were shaped by a history of members of Parliament being “pulled to the view of the king, and away from the view of the people they were intended to represent.”⁵ Their “concern was not just a single episode. It was a practice. The fear was not just that a particular minister might be bribed. It was that many ministers might develop the wrong sensibilities.” *Id.* Thus, as one legal commentator put it, the Framers crafted a broad, prophylactic rule designed to deter not only *quid pro quo* bribery, but also “the subtle, varied,

² See Ill. Sen. Res. 539, “Impeach Pres. Trump” (100th General Assembly, 2017-18) (“The term ‘emoluments’ includes a broad range of financial benefits, including but not limited to monetary payments, purchase of goods and services even for fair market value, subsidies, tax breaks, extensions of credit, and favorable regulatory treatment.”)

³ “A hotel rack rate is the ‘published rate,’ or ‘the maximum a property charges for a room,’ according to Frommer’s Travel Guides. . . . The only people likely to pay the rack rate are those who are unaware they can obtain a discount.” Mark Spivak, “What is the Rack Rate at Hotels,” *USA Today*, available at <http://traveltips.usatoday.com/rack-rate-hotels-107299.html>.

⁴ United States Office of Government Ethics 2017 Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e) for Donald J. Trump.

⁵ See Lawrence Lessig, *Republic, Lost: How Money Corrupts Congress—And a Plan to Stop It*, 19 (2011).

and even unthinking ways in which a federal officeholder's judgment could be clouded by private concerns and improper dependencies.”⁶

Payments by federal agencies and offices to businesses owned by President Trump pose precisely the problem the Framers sought to avoid in adopting the Domestic Emoluments Clause. It is not difficult to imagine that federal and state employees and officials would seek to curry favor with the President by patronizing Mar-a-Lago and Trump's other businesses. While the documents obtained by Property of the People evidence a particularly blatant violation of the Domestic Emoluments Clause, the extensive nature of Trump's business empire suggests that violations may be more widespread. The documents released to Property of the People were provided in response to a single FOIA request to a single agency, and there is no reason to believe that evidence of violations of the Domestic Emoluments Clause would only be contained in records possessed by the United States Coast Guard. Indeed, the FOIA request to that agency revealed expenditures by the National Security Council, the United States Embassy in Panama, and Department of Homeland Security employees to Trump-owned properties

It is incumbent upon the Department of Justice, which has jurisdiction over Domestic Emoluments violations,⁷ to investigate the transactions uncovered by Property of The People, as well as to ascertain the extent to which other violations may have occurred.

We thank you for your attention and action. If you have any questions or comments, please feel free to contact our attorney, Jeffrey Light (phone: 202-277-6213, email: legal@propertyofthepeople.org).

Sincerely,



Ryan Shapiro
Director



Sarahjane Blum
President



Jeffrey Light
Counsel

Enclosure

cc:

Sen. Chuck Grassley, Chairman, Senate Committee on the Judiciary
Sen. Dianne Feinstein, Ranking Member, Senate Committee on the Judiciary
Rep. Bob Goodlatte, Chairman, House of Representatives Judiciary Committee
Rep. John Conyers, Jr., Ranking Member, House of Representatives Judiciary Committee

⁶ See Laurence H. Tribe, *The Emoluments Clause: Its Text, Meaning, and Application to Donald J. Trump*, Brookings Institute (Dec. 16, 2016).

⁷ See Mark Hensch, “Ethics Office Won’t Probe Trump on Domestic Emoluments,” *The Hill* (June 6, 2017), available at <http://thehill.com/homenews/administration/336682-ethics-office-wont-probe-trump-ondomestic-emoluments>.

U.S. Department of
Homeland Security

United States
Coast Guard



Commanding Officer
US Coast Guard
Pay & Personnel Center

444 SE Quincy Street
Topeka KS 66683-3591
Staff Symbol: (LGL)
Phone: (785) 339-3595
Fax: (785) 339-3788
Email: PPC-DG-LGL@USCG.MIL

5800
FOIA #2017-CGFO-02440

JUL 14 2017

JEFFREY L LIGHT ESQ
1712 EYE ST NW #915
WASHINGTON DC 20006

In re: Freedom of Information Act (FOIA) Request for Travel Records

Dear Mr. Light:

This is the final response to your June 10, 2017 Freedom of Information Act (FOIA) request to the U.S. Coast Guard (USCG) for travel records and correspondence mentioning or referring to Trump properties. This office received your request on June 20, 2017.

We are granting your request under the FOIA, Title 5 U.S.C. § 552, as amended, and DHS' implementing regulations, 6 C.F.R. Chapter I and Part 5. After carefully reviewing the responsive information, we determined that it is appropriate for public release.

Per my July 12, 2017 telephone conversation with you, it is our understanding that you are willing to accept copies of hotel billing statements that are responsive to your request with the personally identifying information (PII) of service members redacted. Additionally, we queried the Government Travel Charge Card electronic data base for transactions involving Trump properties and identified the activities listed on the enclosed listing. Individual member PII has also been redacted from the listing. No other deletions or exemptions have been claimed.

Provisions of the FOIA allow us to recover part of the cost of complying with your request. In this instance, because the cost is below the \$14 minimum, there is no charge.

I trust that this information fully satisfies your request. If you need any further assistance or would like to discuss any aspect of your request, please do not hesitate to contact us (please refer to the FOIA number referenced above).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Teetsel".

ROBERT D. TEETSEL
Chief, Legal Services Office
U.S. Coast Guard
By direction

Enclosure: (1) Hotel receipts (4 pages)
(2) Listing of GTCC expenditures (1 page)

*Mailed on 9/1/17
ret*

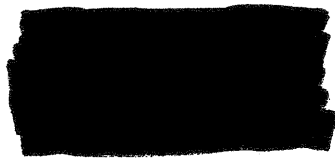


National Security Council

Tax Exempt

Reservation 13033
Checked in Mar 3, 2017
Checked Out Mar 5, 2017
Room Rate \$546

Date	Description	Reference	Charges	Credits
3-Mar	Rack Rate	Rm [REDACTED]	546.00	
4-Mar	Rack Rate	Rm [REDACTED]	546.00	
17-Apr	Credit Card Payment Applied			-1092.00
Total Outstanding		0.00	1092.00	-1092.00



The Ocean Club, Inc.
PALM BEACH, FLORIDA

1100 South Ocean Boulevard, Palm Beach, Florida 33480 (561) 832-2600 Fax (561) 692-8166

TRUMP® INTERNATIONAL HOTEL & TOWER

PANAMA

Hotel TOC Inc.

R.U.C.1944170-1-730537 D.V. 2

United States

RUC.:

Nombre Empresa : Embassy of The United States

Nombre Grupo :

Habitacion :
Llegada : 11-06-17
Salida : 15-06-17
Confirma. No. : 373661
Cajero No. : 60
Referencia :

Fecha	Descripcion	Cargos	Creditos
11-06-17	Room Charge	158.00	
12-06-17	Room Charge	158.00	
13-06-17	Room Charge	158.00	
14-06-17	Room Charge	158.00	
		Subtotal	574.56
		Impuestos	57.44
		Total Cargos	632.00
		Total Creditos	0.00
		Balance	632.00

Trump Hotels is a proud supporter of St. Jude Children's Research Hospital, internationally recognized for its pioneering research and treatment of childhood cancer. Should you like to make a donation to St. Jude please complete the below:

__ \$5.00 __ \$10.00 __ \$20.00 __ Other _____

Signature: _____ Date: _____

TRUMP INTERNATIONAL HOTEL & TOWER PANAMA

Hotel TOC Inc.
R.U.C. 1044170-1-730532 D.V. 3

United States

RUC:
Nombre Empresa : Emb...
Nombre Grupo

Habitacion :
Llegada : 15-06-17
Salida : 15-06-17
Confirma. No. : 373090
Cajero No. : 90
Referencia :

Fecha	Descripcion	Cargos	Creditos
11-06-17	Room Charge	156.00	
12-06-17	Room Charge	156.00	
13-06-17	Room Charge	156.00	
14-06-17	Room Charge	156.00	
		574.00	
		7.44	
		581.44	
			581.44

Trump Hotels is a proud supporter of St. John Children's Research Institute, a non-profit organization dedicated to pioneering research and treatment of childhood cancer. Should you like to learn more about St. John please complete the below:

_____ \$1.00 _____ \$2.00 _____ Other _____

Signature: _____ Date: _____

TRUMP HOTEL & TOWER, PUNTA PRINCESA, PANAMA CITY, PANAMA
PHONE 1287.2162/90 TRUMPHOTEL@GMAIL.COM

T R U M P

INTERNATIONAL HOTEL

L A S V E G A S



Room No. :

Arrival : 03-23-17

Departure : 03-24-17

Folio No. :

Company Name:

AR No. :
 Conf. No. : 1036755

Date	Description	Charges	Credits
03-23-17	Room Charge	135.20	
03-23-17	Room Tax	18.09	
03-23-17	Resort Fee	29.00	
03-23-17	Resort Fee Tax	3.88	
03-24-17	Visa		186.17
Total Charges		186.17	
Total Credits			186.17
Balance			0.00

Trump Hotel Collection is a proud supporter of St. Jude Children's Research Hospital, internationally recognized for its pioneering research and treatment of childhood cancer. Should you wish to make a donation to St. Jude's Thanks and Giving campaign please complete the below.

\$5.00 \$10.00 \$15.00 Other _____

Signature: _____ Date: _____

100% of your donation benefits St. Jude Children's Research Hospital. Thank you for your support.

PostDate	Amount	Merchant ID	Merchant	Merchant City	State/Province	Merchant Cat Code	MCC Description
6/16/2017	632.00	23423778	TRUMP OCEAN CLUB PANAMA CITY PANAMA	PANAMA CITY	Panama	7011	Hotels-Lodging (Not Listed Elsewhere)
6/16/2017	632.00	23423778	TRUMP OCEAN CLUB PANAMA CITY PANAMA	PANAMA CITY	Panama	7011	Hotels-Lodging (Not Listed Elsewhere)
4/18/2017	1092.00	37200784	TRUMP NATIONAL GOLF CLUB	PALM BEACH	FL	7011	Hotels-Lodging (Not Listed Elsewhere)
3/27/2017	186.17	30521570	TRUMP HOTEL LAS VEGAS	LAS VEGAS	NV	7011	Hotels-Lodging (Not Listed Elsewhere)
2/6/2017	20.90	35961724	TRUMP INTL HOTEL DC RESTAURANT	WASHINGTON	DC	5812	Eating Places, Restaurants
2/6/2017	16.50	35961724	TRUMP INTL HOTEL DC RESTAURANT	WASHINGTON	DC	5812	Eating Places, Restaurants
2/6/2017	25.00	35961724	TRUMP INTL HOTEL DC RESTAURANT	WASHINGTON	DC	5812	Eating Places, Restaurants