Congress of the United States Washington, DC 20515

November 2, 2018

General John F. Kelly Chief of Staff The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear General Kelly:

Two weeks ago, we raised serious concerns with President Trump's direct involvement in the Administration's abrupt decision to reverse longstanding plans to relocate the Federal Bureau of Investigation (FBI) headquarters, currently housed in the J. Edgard Hoover (JEH) building, to a new suburban campus outside Washington, D.C., and thereby block potential competitors from developing the existing property on Pennsylvania Avenue across the street from the Trump Hotel.

On October 18, 2018, we sent a letter to Emily Murphy, the Administrator of the General Services Administration (GSA), after obtaining documents and photographic evidence indicating that she attended a meeting to discuss this issue with President Trump and other White House officials in the Oval Office on January 24, 2018—a meeting which she did not disclose in her sworn testimony to Congress later in the year.¹

In response to our letter, the White House did not deny that President Trump played a critical role in these deliberations. The White House spokesperson, Sarah Huckabee Sanders, appeared to concede that the President was involved, but offered no explanation for why the White House and GSA allowed President Trump to participate directly in a decision that affects his own personal financial interests.

Instead, Ms. Sanders tried to excuse the President's involvement by issuing the following statement from the White House: "The President wanted to save the government money, and also the FBI leadership did not want to move its headquarters."²

As a threshold matter, Ms. Sanders' claim that "FBI leadership did not want to move its headquarters" is highly misleading. As the GSA Inspector General reported, FBI Director Christopher Wray explained that while his preference was for the FBI to remain at its existing

¹ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform et al., to Emily Murphy, Administrator, General Services Administration (Oct. 18, 2018) (online at https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018-10-18.EEC%20DeFazio%20Connolly%20Quigley%20Titus%20to%20Murphy-GSA%20re%20FBI%20Headquarters.pdf).

² *Trump More Involved in Stopping FBI HQ Move Than Previously Known, Emails Show,* CNN (Oct. 19, 2018) (online at www.cnn.com/2018/10/18/politics/trump-fbi-building/index.html).

site, he did not oppose relocating if it resulted in significant savings. According to interviews conducted by the Inspector General with GSA officials, Director Wray stated that "if the cost savings between a suburban campus site and the existing site were similar" his "preference was to remain at the JEH building," but "[i]f the campus scenario offered significant savings," he was "not opposed to a suburban campus site."

More importantly, we have now obtained new documents showing that, contrary to Ms. Sanders' claim that keeping the FBI headquarters in Washington would "save the government money," White House officials were fully aware that this abrupt reversal would cost the American taxpayers hundreds of millions of dollars more while accommodating 2,306 fewer employees.

Specifically, as GSA Administrator Murphy was preparing for her testimony before Congress, White House officials at the Office of Budget and Management (OMB) were directly involved with preparing her for potential questions from Members of Congress.

On February 13, 2018, Andrew Abrams, the Deputy Associate Director of OMB, sent an email to Brennan Hart, Administrator Murphy's chief of staff at GSA. In his email, Mr. Abrams warned that "the hardest-hitting FBI HQ question" Administrator Murphy could face from Members of Congress was this:

Compared to the procurement that FBI and GSA terminated a year ago, the current Hoover raise and replace plan—

- Proposes a less secure facility
- Has a higher per seat cost

Nor does the plan—

- Account for additional costs associated with moving FBI employees to other locations outside the NCR (that should be captured), or
- Enable the Federal Government realize the proceeds associated with disposing of JEH

How is this a good deal for FBI or taxpayers?3

This email confirms that the White House knew internally what the Inspector General would not report until months later—the fact that suddenly abandoning the relocation plan in

³ Email from Andrew Abrams, Deputy Associate Director, Office of Management and Budget, to Brennan Hart, Acting Chief of Staff, General Services Administration, et al. (Feb. 13, 2018) (online at https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/18.02.14 Abrams to GSA Redacted.pdf).

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favor of the renovation plan would cost American taxpayers hundreds of millions of dollars more while housing far fewer employees.

According to the Inspector General, who issued a report six months later, on August 27, 2018, relocating the FBI headquarters to a suburban location would cost an estimated \$3.565 billion, and selling the existing Pennsylvania Avenue property to commercial developers or others could result in proceeds of approximately \$334 million, which would significantly offset the costs of the new suburban facility.⁴

In contrast, it would cost an estimated \$3.844 billion to retain the Pennsylvania Avenue property, demolish the existing facility, and construct a new building. This includes an estimated \$3.328 billion to rebuild the headquarters building, \$57 million to relocate 2,306 FBI personnel who will not fit in the Pennsylvania Avenue facility, and \$459 million in construction costs at FBI facilities in Alabama, Idaho, Virginia, and West Virginia to accommodate those employees.⁵

On February 12, 2018, one day before Mr. Abrams sent the email described above to Administrator Murphy's chief of staff, GSA submitted to the Senate Environment and Public Works Committee an estimate for the new plan to rebuild the Pennsylvania Avenue facility, which was approved by OMB.⁶

However, the Inspector General found that GSA overstated the costs of the long-term plan to relocate the FBI headquarters and understated the costs of the new plan to rebuild the existing Pennsylvania Avenue facility.

According to the Inspector General, the new proposal underestimates cost because it does not capture relocation and construction costs. The plan to relocate the FBI headquarters to a suburban facility would have accommodated 10,606 personnel, while the proposal to keep the Pennsylvania Avenue property would accommodate only 8,300 personnel. According to the Inspector General, GSA "should have accounted for the relocation and construction costs associated with housing the 2,306 personnel at other FBI facilities." The FBI estimates it would cost \$57 million to relocate those employees.⁷

⁴ Office of Inspector General, General Services Administration, *Review of GSA's Revised Plan for the Federal Bureau of Investigation Headquarters Consolidation Project*, Appendix A—GSA Comments (Aug. 27, 2018) (online at www.gsaig.gov/sites/default/files/audit-reports/Review%20of%20GSA%E2%80%99s%20Revised%20Plan%20for%20the%20FBI%20Headquarters%20C onsolidation%20Project%20REDACTED%20-%20508%20compliant.pdf).

⁵ Id

⁶ FBI Headquarters Revised Nationally-Focused Consolidation Plan, General Services Administration (Feb. 12, 2018) (online at www.washingtonpost.com/apps/g/page/business/read-trumps-fbi-headquarters-plan/2279/?tid=a inl manual).

⁷ Office of Inspector General, General Services Administration, *Review of GSA's Revised Plan for the Federal Bureau of Investigation Headquarters Consolidation Project*, Appendix A—GSA Comments (Aug. 27, 2018) (online at www.gsaig.gov/sites/default/files/audit-reports/Review%20of%20GSA%E2%80%99s%20Revised%20Plan%20for%20the%20FBI%20Headquarters%20C onsolidation%20Project%20REDACTED%20-%20508%20compliant.pdf).

The Inspector General reported that the per person cost of the new plan to demolish and rebuild the building on Pennsylvania Avenue would be \$64,834 higher than the plan to move the FBI headquarters to a new consolidated facility. The Inspector General added that "a GSA official involved in the cost estimating agreed with our conclusion that these construction costs should have been included in the Revised FBI Headquarters Plan."

These new documents raise serious questions about whether Ms. Sanders issued her statements with knowledge of these facts or, alternatively, without taking basic steps to confirm their accuracy. Either way, the White House should not be issuing false claims to justify or conceal President Trump's conflicts of interest on this matter.

Request for Documents

For the reasons set forth above, we request that you produce the following documents and information by November 15, 2018:

- (1) a complete timeline of all discussions between White House officials and GSA or FBI officials regarding the FBI headquarters project from January 20, 2017, to the present;
- (2) all documents and communications between White House and GSA officials regarding the FBI headquarters project from January 20, 2017, to the present;
- (3) all documents and communications between White House and FBI officials regarding the FBI headquarters project from January 20, 2017, to the present;
- (4) all documents and communications between White House and DOJ officials regarding the FBI headquarters project from January 20, 2017, to the present;
- (5) all documents and communications between White House and officials of Executive branch agencies, including but not limited to OMB and GSA, regarding the FBI headquarters project from January 20, 2017, to the present;
- (6) all documents and communications between the Trump Organization and GSA officials from September 16, 2016, to the present; and
- (7) all drafts of any prospectus exchanged between GSA and OMB including any edits suggested or made by OMB.

Sincerely,

Elijah E. Cummings Ranking Member

Committee on Oversight and

Government Reform

Gerald E. Connolly Ranking Member

Subcommittee on Government Operations

Committee on Oversight and

Government Reform

Peter DeFazio

Ranking Member

Committee on Transportation and

Infrastructure

Mike Rugley
Mike Quigley

Ranking Member

Subcommittee on Financial Services and

General Government

Committee on Appropriations

Dina Titus

Ranking Member

Subcommittee on Economic Development,

Public Buildings and Emergency

Management

Committee on Transportation and

Infrastructure

cc: The Honorable Trey Gowdy, Chairman Committee on Oversight and Government Reform

> The Honorable Bill Shuster, Chairman Committee on Transportation and Infrastructure

The Honorable Mark Meadows, Chairman Subcommittee on Government Operations Committee on Oversight and Government Reform

The Honorable Tom Graves, Chairman Subcommittee on Financial Services and General Government Committee on Appropriations General John Kelly, Chief of Staff Page 6

> The Honorable Lou Barletta, Chairman Subcommittee on Economic Development, Public Buildings and Emergency Management Committee on Transportation and Infrastructure