

Senators Call for Investigation of Trump's Dealings with Corrupt Oligarch Linked to Iran

March 30, 2017

WASHINGTON, D.C. – A group of leading Senate Democrats today called for a federal investigation into whether President Trump's business dealings in Azerbaijan may have violated anti-corruption and sanctions laws, and may have served as a channel for money-laundering and other illicit activities tied to Iran's Islamic Revolutionary Guard Corps (IRGC).

Sens. Sherrod Brown (D-OH), Ben Cardin (D-MD), and Dianne Feinstein (D-CA) outlined their concerns in a [letter](#) to Treasury Secretary Steven Mnuchin, Attorney General Jeff Sessions, and FBI Director James Comey. Brown, Cardin, and Feinstein are the top Democrats on the Senate Banking, Housing, and Urban Affairs Committee, the Foreign Relations Committee, and the Judiciary Committee, respectively.

The Senators' concerns stem from a recent *New Yorker* investigative article – ["Donald Trump's Worst Deal"](#) – that chronicles the Trump Organization's relationship with Azerbaijan's corrupt Mammadov family in their joint development of the Trump Tower in Baku. According to the article, the Mammadovs have ties to IRGC actors; the IRGC is an elite military force that wields significant economic and political power in Iran.

In their letter, the Senators said the article raises questions about whether the Trump Organization may have violated the Foreign Corrupt Practices Act, and the possibility that one of the construction entities involved with the Azerbaijani developers of the project may have been a front organization for the IRGC. According to the article, the IRGC may have been the ultimate source of certain payments made to the Trump Organization, which would be a direct violation of US sanctions law.

"It appears that the lack of due diligence by the Trump Organization described in the article exposed President Trump and his organization to notoriously corrupt Azerbaijani oligarchs, and may also have exposed the Trump Organization to the IRGC," the Senators wrote. **"Even though the Trump Organization appears to have withdrawn from the Baku Tower deal, serious questions remain unanswered about the Trump Organization's potential criminal liability."**

The Senators asked the Justice Department to investigate whether the Trump Organization violated anti-corruption laws by failing to conduct due diligence in its relationship with the Mammadovs. The Senators also asked the agency to determine whether the company acted with "willful blindness" regarding its business partners' illicit activity in the Baku dealings, and whether the Trump Organization could face criminal prosecution. If the Justice Department finds that an investigation is not needed, the Senators wrote, the agency needs to explain why not.

The Senators also asked Treasury to examine the Trump Organization's foreign partners in the Baku deal, its internal compliance controls, and whether the company may have violated sanctions laws by doing business with those linked to the IRGC.

Brown, Cardin, and Feinstein have consistently asked for more transparency and accountability from Trump, who has refused to disclose his business dealings and divest from investments that pose potential conflicts of interest. The Senators are cosponsors of [legislation](#) that would require the President and Vice President to disclose and divest any potential financial conflicts of interest.

The full text of the letter follows.

March 30, 2017

The Honorable James B. Comey, Jr.
Director
Federal Bureau of Investigation
935 Pennsylvania Avenue NW
Washington, D.C. 20535

The Honorable Jeff Sessions
Attorney General of the United States
US Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20535

Secretary Steven T. Mnuchin
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Mnuchin, Attorney General Sessions, and Director Comey:

We are writing to express serious concerns about the questions raised by a March 13, 2017 *New Yorker* magazine article by Adam Davidson entitled, “Donald Trump’s Worst Deal.” We urge you to investigate the questions it raises about: 1) potential violations by the Trump Organization of the Foreign Corrupt Practices Act (FCPA); 2) the possibility that one of the construction entities involved with the developers of the project may have been an Islamic Revolutionary Guard Corps (IRGC) front organization; and 3) whether the IRGC may have been the ultimate source of certain payments made to the Trump Organization, which would constitute a clear violation of US sanctions law.

Mr. Davidson’s article chronicles the Trump Organization’s relationship with Azerbaijan’s Mammadov family in their joint development of the Trump Tower in Baku. It appears that the lack of due diligence by the Trump Organization described in the article exposed President Trump and his organization to notoriously corrupt Azerbaijani oligarchs, and may also have exposed the Trump Organization to the IRGC. Even though the Trump Organization appears to have withdrawn from the Baku Tower deal, serious questions remain unanswered about the Trump Organization’s potential criminal liability. Therefore, we would appreciate your response to the following questions regarding the laws under your enforcement purview.

Department of Justice

The Foreign Corrupt Practices Act (FCPA) was enacted to establish anti-corruption controls for business dealings with foreign officials. Since the business relationships described in the Davidson article could involve violations of the FCPA, we urge the Department to assess

whether any violations of law occurred. In particular, we ask that you determine the following:

1. Whether the Trump Organization failed to conduct appropriate FCPA due diligence in assessing business relationships with the Mammadov family (including Ziya Mammadov, the Azeri Minister of Transportation who is a billionaire despite a reported government salary of \$12,000 annually) and prospects for the Trump Tower project, involving Ziya's son Anar, and Ziya's brother Elton Mammadov, an influential Member of Parliament. Such failures may constitute potential FCPA violations.
2. Whether the Trump Organization acted with willful blindness regarding its business partners' illicit acts in the Trump Tower Baku dealings, including the Mammadov family, and whether the Trump Organization could face criminal prosecution.
3. If the Justice Department determines that no investigation is necessary please explain why not.

Department of the Treasury

Mr. Davidson's article details the relationships that exist between the Mammadov family and the IRGC, and between what is described as a possible IRGC-controlled construction firm (the Azarpassillo firm) and the Mammadovs, and the Trump Organization. These relationships raise serious questions about whether the Trump Organization may have become entangled with an IRGC front organization in violation of U.S. sanctions. We urge you to investigate the Trump Organization's foreign partners in the Trump Tower Baku deal, as well as the internal controls of the Trump Organization, and provide us with your conclusions, where appropriate. In particular:

1. We request a briefing, in coordination with the Director of National Intelligence, on any relationship between the Mammadov family and the IRGC, as well as the Mammadov family's relationship to the Azarpassillo firm, its chairman Keyumars Darvishi, and his family, and their relationship to the IRGC.
2. We ask you to direct the Office of Foreign Assets Control to open an investigation into whether the Trump Organization maintained proper compliance controls in this case, and to assess whether or not the Trump Organization violated US sanctions law by conducting transactional activity with a group linked to the IRGC.

Thank you for your attention to this matter. We look forward to hearing from you.

Sincerely,

Sherrod Brown, Ranking Member
Committee on Banking, Housing and Urban Affairs

Ben Cardin, Ranking Member
Committee on Foreign Relations

Dianne Feinstein, Ranking Member
Committee on the Judiciary

cc: Mike Piwowar, Acting Chairman, U.S. Securities and Exchange Commission

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