CREW
CITIZENS FOR
RESPONSIBILITY &
ETHICS IN WASHINGTON

July 16, 2026

The Honorable Fara Damelin
Office of Inspector General
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Dear Inspector General Damelin,

Citizens for Responsibility and Ethics in Washington ("CREW") respectfully requests that the Federal Communications Commission ("FCC") Office of Inspector General ("OIG") investigate potential acceptance of improper gifts of tickets to the Kennedy Center Honors Gala for FCC Commissioners from Paramount or any other media companies in violation of the Standards of Ethical Conduct for Executive Branch Employees. These companies are clearly regulated by the FCC, meaning that they fall squarely in the category of "prohibited sources," and agency officials are therefore barred from accepting gifts offered by them under Office of Government Ethics ("OGE") regulations, unless a valid exception applies. It is not clear from public reporting whether the presumed exception that has been offered to justify the acceptance of these gifts was properly applied, and regardless of potential exceptions, agency officials have a duty to avoid any behavior, including acceptance of gifts, that could create an appearance that they are acting unethically.

Federal gift rules are in place to ensure that agency officials remain impartial in their decisionmaking on behalf of the public, keeping the interests of the American people as their priority, not personal opportunity for enrichment at elite events. These rules are crucial to promoting government efficiency and the public's trust. The precise nature and extent of these reported gifts is unclear, as is the scope of any ethics advice that may have been provided, which is why it is critical that FCC OIG conduct a thorough investigation of the reported history of gifts and potential violations of the rules. This review is particularly important given that Paramount has been involved in mergers and acquisitions with significant financial benefits, while the public has raised concerns that these potentially monopolistic deals will negatively affect consumers and workers.[1]

[1] *Open Letter Opposing the Paramount-Warner Bros. Discovery Merger*, Block the Merger (April 2026),

Factual background

Each year, the John F. Kennedy Center for the Performing Arts recognizes the lifetime achievements of selected artists at an Honors Gala that "celebrates individuals whose unique artistic contributions have shaped our world."[2] The Kennedy Center website describes the event as one that "[t]hroughout [the organization's] 47-year history, [...] has become the highlight of the Washington cultural and society calendar."[3]

According to public media reports, FCC officials—Chair Brendan Carr and Commissioner Olivia Trusty—attended the December 2025 gala, tickets to which were apparently prioritized to individuals who had donated more than $75,000 to the Kennedy Center.[4] Chairman Carr and his wife reportedly attended the event in a private skybox with Paramount's CEO, in seats valued at $125,000 per ticket.[5] Commissioner Trusty and a guest reportedly accepted tickets from Paramount worth more than $12,000.[6]

Although Commissioner Anna Gomez (the only other current commissioner) did not attend the most recent gala, the current and previous commissioners—nominated by both political parties—have apparently accepted tickets from CBS or Paramount over the past decade, totalling hundreds of thousands of dollars in value as reported on their required financial disclosure forms.[7] According to the media reporting, an FCC official who was "not authorized to talk publicly about agency legal discussions" but who was reportedly "familiar with the legal guidance given to the commissioners" indicated that "they were told the event met the criteria for the 'widely attended gathering' exception" to ethics rules. The FCC's spokesperson indicated that "agency ethics officers have for years cleared commissioner appearances" but did not explain any ethics advice or clearance given in the current instances.[8] The spokesperson justified the gifts because "FCC Chairs and officials have attended the same event, in the same ways, consistently from the Trump Administration to the Biden Administration to the Obama Administration. [...] There has been no change in recent years."[9]

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https://tinyurl.com/5dutb5a7; Wyatte Grantham-Philips, *12 states challenge Paramount's takeover of Warner, say merger would 'extinguish competition'*, PBS News (July 13, 2026), https://tinyurl.com/9v8rst8p.

[2] The Kennedy Center, *What's On: The Kennedy Center Honors* (last visited July 15, 2026), https://tinyurl.com/frewu4ss.

[3] *Id.*

[4] Corey G. Johnson, *FCC Officials Took Pricey Gifts From Paramount as the Company Needed Approval for Billion-Dollar Deals*, ProPublica (July 15, 2026), https://tinyurl.com/mvxrcxav.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.*

However, last year's gala occurred in the midst of significant business deals between major communications companies, including "Paramount's historic $8 billion merger with Skydance Media"[10]—indicating a potentially different set of circumstances between the 2025 gala and previous events. The FCC approved the deal in July 2025, effectively moving forward Skydance's acquisition of Paramount Global and its subsidiaries, which include CBS, "by granting a series of applications that transfer FCC licenses and authorizations."[11] The approval was voted on by the three current commissioners in July 2025: Chairman Carr and Commissioner Trusty voted to approve, while Commissioner Gomez dissented.[12] Following that merger, Paramount Skydance has been pursuing another acquisition, valued at up to $110 billion, of Warner Bros. Discovery, which also is subject to regulatory approvals including a request for FCC review of its foreign investment component.[13] That deal would award "49.5 percent of the equity in the parent company of CBS, CNN, and 28 broadcast television stations into the hands of three foreign governments," leading to questions about whether approval of that deal "serves the American public."[14]

Relevant law

General prohibition on gifts from outside sources

The Standards of Ethical Conduct for Executive Branch Employees prohibit employees of the executive branch from accepting gifts, including entertainment and event tickets, from "prohibited sources" or "because of the employee's official position."[15] A prohibited source includes "any person" who:

> (1) Is seeking official action by the employee's agency;
> (2) Does business or seeks to do business with the employee's agency;
> (3) Conducts activities regulated by the employee's agency; [or]
> (4) Has interests that may be substantially affected by the performance or nonperformance of the employee's official duties[.][16]

As a media entity regulated by and with business before the FCC, this definition encompasses Paramount.

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[10] *Id.*
[11] FCC, *FCC Approves Skydance's Acquisition of Paramount CBS* (July 24, 2025), https://tinyurl.com/5vxj297b; News Release, FCC, *FCC Approves Skydance's Acquisition of Paramount CBS* (July 24, 2025), https://tinyurl.com/yk89bnnb.
[12] *In the Matter of Applications for Consent to the Transfer of Control of Paramount Global*, FCC 25-43, Memorandum Opinion and Order (July 24, 2026) https://tinyurl.com/4a9c7fjm.
[13] Sen. Cory Booker, et al., *Letter to Hon. Brendan Carr, FCC* (June 18, 2026), https://tinyurl.com/3mhuep75.
[14] *Id.*
[15] 5 C.F.R. § 2635.202(b).
[16] *Id.* § 2635.203(d)(1)-(4).

Widely Attended Gathering exception

Among the limited exceptions to this rule, agency ethics officials may approve "[g]ifts of free attendance at widely attended gatherings," meaning gatherings where "(i) A large number of persons will attend; (ii) Persons with a diversity of views or interests will be present . . . and (iii) There will be an opportunity to exchange ideas and views among invited persons."[17] However, employees must have written authorization from agency ethics officials prior to attendance to qualify for this exception.[18]

Agency ethics officials tasked with providing such authorizations are bound by regulatory standards for reviewing requests of officials to attend these types of events, including (i) confirming that the event meets the above criteria as a widely attended gathering; (ii) evaluating whether an official's attendance furthers agency programs or operations; (iii) determining that "the agency's interest in the employee's attendance outweighs the concern that the employee may be, or may appear to be, improperly influenced in the performance of official duties;" and (iv) confirming that any gift of free attendance offered by anyone other than the event sponsor is for an event with over 100 people in attendance and attendance is valued at $480 or less.[19]

OGE gives agency ethics officials very clear parameters to consider when determining the third factor—balancing the agency's interest against the concern of actual or apparent improper influence in the performance of their official duties. Specifically, OGE directs officials to consider:

> (i) The importance of the event to the agency;
> (ii) The nature and sensitivity of any pending matter affecting the interests of the person who extended the invitation and the significance of the employee's role in any such matter;
> (iii) The purpose of the event;
> (iv) The identity of other expected participants;
> (v) Whether acceptance would reasonably create the appearance that the donor is receiving preferential treatment;
> (vi) Whether the Government is also providing persons with views or interests that differ from those of the donor with access to the Government; and
> (vii) The market value of the gift of free attendance.[20]

Therefore, the agency's balancing analysis must account for the significance of the role that commissioners play in reviewing the historic mergers described above, as well as the significant value of the gala tickets. It also must consider OGE's longstanding guidance,

[17] *Id*. § 2635.204(g)(2).
[18] *Id*. § 2635.204(g)(1).
[19] *Id*. § 2635.204(g)(3).
[20] *Id*. § 2635.204(g)(4).

which clearly omits sporting, theatrical and musical events, including "performing arts presentations," from the category of widely attended gatherings.[21] Such events "usually are not structured to foster the kind of interchange among attendees envisioned by the [widely attended gathering] rule," even if a related reception is also included.[22]

Officials' duty to consider declining otherwise permissible gifts

Regardless of whether the widely attended gathering exception was approved by ethics officials or should apply in this scenario at all, officials have a duty to adhere to the ethics rules, including by not accepting gifts from anyone whose business could be substantially affected by the official's actions, and avoiding even the appearance of violating the law.[23] Aside from any of the rules prohibiting acceptance, or exceptions that may be used to authorize acceptance, federal officials have "a fundamental responsibility to the United States and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. An employee's actions should promote the public's trust that this responsibility is being met."[24] Therefore, the ethics rules clearly instruct employees to "consider declining otherwise permissible gifts if they believe that a reasonable person with knowledge of the relevant facts would question the employee's integrity or impartiality as a result of accepting the gift."[25] To make that determination, employees are instructed to consider declining an otherwise permissible gift if:

> (i) The gift has a high market value;
> (ii) The timing of the gift creates the appearance that the donor is seeking to influence an official action;
> (iii) The gift was provided by a person who has interests that may be substantially affected by the performance or nonperformance of the employee's official duties; [or]
> (iv) Acceptance of the gift would provide the donor with significantly disproportionate access.[26]

The market value of these tickets coupled with the timing amidst historic merger and acquisition deals among telecommunication giants suggest obvious questions about the appearance and potential purpose of these gifts. Given that Paramount appears to be the source of gifted tickets for both of the commissioners who attended and that the recipients were the commissioners directly voting on the agency's approval decisions makes this a prime example of when officials should put ethics and appearances of improper influence

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[21] *Memorandum from Robert I. Cusick, Director, to Designated Agency Ethics Officials Regarding Widely Attended Gatherings, Office of Gov't Ethics 07x14, Off. of Gov't Ethics* (Dec. 5, 2007), https://tinyurl.com/4pebc637.
[22] *Id.*
[23] *Id.* § 2635.101(b).
[24] *Id.* § 2635.201(b)(1).
[25] *Id.*
[26] *Id.* § 2635.201(b)(2).

above their opportunity to attend exclusive events, regardless of whether they were authorized or not.

Areas for investigation

Compliance with federal ethics requirements is a fact-specific process that requires individual review of the exact circumstances of the offer, acceptance and any other relevant details surrounding a potential gift from a prohibited source to a government official. Prior acceptance of similar gifts does not constitute sufficient justification that the same gift in a different time is permissible under the rules and their exceptions. Even if prior commissioners appointed by presidents of both parties previously attended the gala as guests of CBS or Paramount, under the standards of conduct they likely should not have done so in 2025 when historic transactions involving Paramount were under consideration by the FCC. Prior practice or tradition, especially if it presents a conflict of interest, is not an exception to the law.

While public reporting appears to clearly reveal that FCC commissioners have accepted highly valued tickets of admission to an exclusive and high-profile event, there are a number of questions that must be investigated to determine whether any of these officials have individually violated the gift rules as well as to review the adequacy and independence of the ethics review process to ensure proper and sufficient internal controls are in place to provide thorough review for any future attempts to provide gifts going forward.

- Did the FCC Chairperson, Commissioners or other officials accept gifts of free attendance at Kennedy Center Honors events in the last five years? If so, what was the value of those gifts? Were any such gifts given by the Kennedy Center as the sponsor of the event, or were they gifted to the officials by prohibited sources—any entity regulated by or conducting business before the FCC—including but not limited to CBS and Paramount?
- In any cases when gifts were accepted by FCC officials, did those officials have individual authorization from agency ethics officials to accept the gifts, and did their acceptance comply with any caveats or conditions included in the authorization?
- Did agency ethics officials conduct an independent analysis of each request, free of political or supervisory influence, to make the requisite determinations to approve any official’s free attendance at a widely held gathering? Did those decisions account for pending applications or recent decisions of the commissioners related to the gift donors?
- What were the agency’s, including the ethics official’s, considerations and conclusions in determining the agency’s interest under 5 C.F.R. 2635.204(g)(4)? Specifically, did the reviewing officials consider the scale and prominence of the pending deals involving Paramount and other media companies? Was

prior ethics guidance to accept gifts of attendance to the Kennedy Center Honors appropriate? Did the pending business in 2025 justify a different result than past years in whether FCC officials acceptance of the gifts would raise questions in the mind of reasonable persons about whether they were being influenced in the outcome of decisions they were tasked with at the agency?

- Does the FCC have sufficient institutional controls in place to ensure that commissioners and staff avoid conflicts of interest and acceptance of gifts that create the appearance of a conflict of interest?

Conclusion

The reported gifts to FCC officials from businesses that are not only subject to agency regulation but presently engaged in billion-dollar mergers and acquisitions that must be approved by the commissioners themselves are extremely concerning threats to the integrity of FCC operations. FCC commissioners play a critical role in American life and their decisions impact many critical issues including how everyday Americans receive their news and entertainment and at what cost. It is difficult to imagine how these gifts from a company directly impacted by the FCC's oversight would not raise questions in the mind of a reasonable person whether improper influence was driving these officials' decisions regarding their approval of transactions.

CREW greatly appreciates your prompt attention to this matter.

Sincerely,

Donald K. Sherman
President and Chief Executive Officer