

February 14, 2018

Helen M. Albert  
Inspector General  
U.S. Department of Housing and Urban Development  
451 7th Street, S.W.  
Washington, D.C. 20410

Dear Inspector General Albert:

In recent public statements, Secretary Ben Carson announced he has requested that your office “review” the role his family has played at the U.S. Department of Housing and Urban Development (“HUD”).<sup>1</sup> As the scope of Secretary Carson’s request is unclear, Citizens for Responsibility and Ethics in Washington (“CREW”) respectfully requests that you conduct a formal and full investigation and determine whether Secretary Carson has violated his ethics obligations by knowingly allowing his family to use his public office for private gain.

In August 2017, *New York* magazine reported that Secretary Carson’s family had a “visible role in the department.”<sup>2</sup> Both his son, Ben Carson, Jr., and his wife, Candy Carson, reportedly have been commonly-seen figures at HUD even though neither is employed there.<sup>3</sup> Moreover, recent reporting revealed that Secretary Carson allowed his son to play a pivotal role in organizing a two-day agency “listening tour” in Baltimore last June, and that Candy Carson and Ben Carson, Jr.’s wife, Merlynn Carson, participated extensively in the Baltimore events.<sup>4</sup> Despite direct warnings from a HUD ethics official that their involvement would raise serious ethical concerns, Secretary Carson permitted his family’s participation. Even more troubling, Secretary Carson’s family appears to have reaped the benefits of using his position to advance their own business interests.

Ben Carson, Jr. is the chairman of a Maryland construction and engineering services firm, Argo Systems LLC, and the co-founder of and partner in another Maryland business, Interprise Partners, which describes itself on its website as focusing on “technologies and services related to Critical Infrastructure, Healthcare and Workforce Development.”<sup>5</sup> Merlynn Carson is the chief executive at Myriddian, a consulting company for which Ben Carson, Jr. serves as a board

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<sup>1</sup> Juana Summers, Rene Marsh, Nia-Malika Henderson, and Sara Ganim, Emails Show Carson Family Fingerprints at HUD Despite Warnings, *CNN*, Feb. 5, 2018, available at <https://www.cnn.com/2018/02/02/politics/ben-carson-family-hud/index.html>; see also <https://twitter.com/RealBenCarson/status/959576379753889793>.

<sup>2</sup> Alex MacGillis, Is Anybody Home at HUD?, *New York*, Aug. 22, 2017, available at <http://nymag.com/daily/intelligencer/2017/08/ben-carson-hud-secretary.html>.

<sup>3</sup> *Id.*

<sup>4</sup> Juliet Eilperin and Jack Gillum, ‘Using His Position for Private Gain’: Ben Carson Was Warned He Might Run Afoul of Ethics Rules by Enlisting His Son, *Washington Post*, Jan. 31, 2018, available at [https://www.washingtonpost.com/politics/using-his-position-for-private-gain-hud-lawyers-warned-ben-carson-risked-running-afoul-of-ethics-rules-by-enlisting-son/2018/01/31/bb20c48e-0532-11e8-8777-2a059f168dd2\\_story.html?utm\\_term=.9f8f95879d2a](https://www.washingtonpost.com/politics/using-his-position-for-private-gain-hud-lawyers-warned-ben-carson-risked-running-afoul-of-ethics-rules-by-enlisting-son/2018/01/31/bb20c48e-0532-11e8-8777-2a059f168dd2_story.html?utm_term=.9f8f95879d2a).

<sup>5</sup> Summers, Marsh, Henderson, and Ganim, *CNN*, Feb. 5, 2018.

member.<sup>6</sup> News reports and documents HUD released in response to a Freedom of Information Act (“FOIA”) request detail Mr. Carson, Jr.’s active role in working with HUD officials in advance of Secretary Carson’s listening tour to secure invitations to events for prominent Baltimore business executives who also were prospective business clients for him and his wife.<sup>7</sup>

His role raised ethics concerns with HUD Deputy General Counsel Linda Cruciani, who laid out in a June 26, 2017 email to Ben Carson, Jr. the applicable regulations that prescribe executive branch ethics obligations.<sup>8</sup> Her email identified two regulations that his involvement with the listening tour potentially implicated: 5 C.F.R. § 2635.702, which prohibits an employee from using his or her public office for the private gain of relatives, and 5 C.F.R. § 2635.101(b)(14), which provides “[e]mployees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards.”

In a subsequent memorandum to file, Ms. Cruciani memorialized the ethics advice she provided to both Ben Carson, Jr. and Secretary Carson concerning the Secretary’s Baltimore listening tour.<sup>9</sup> Her memo explains that two HUD officials had raised concerns with her that some of the people on the list for the listening tour were invited by Ben Carson, Jr. and Merlynn Carson. To Ms. Cruciani, “this gave the appearance that the Secretary may be using his position for his son’s private gain.” Ms. Cruciani met with the two HUD officials, who discussed their concerns “that Ben Carson, Jr. continued to be involved in the planning for the Baltimore Listening Tour and that some of Ben Carson, Jr.’s business associates were going to be on the Tour as well as Ben Carson, Jr. and his wife.”<sup>10</sup> The FOIA documents reveal both of these officials played active roles in putting the listening tour together, and so had first-hand knowledge of the involvement of Ben Carson, Jr. and his wife.

After receiving this information, Ms. Cruciani participated in a telephone call with other HUD officials and Ben Carson, Jr. during which she raised concerns about Ben Carson, Jr.’s participation in the listening tour and the appearance it could raise that Secretary Carson was misusing his position for the private gain of a relative. The memo describes the defenses Ben Carson, Jr. offered as including, among other things: that his father had asked him to help with the Baltimore tour; that “HUD can’t operate in Baltimore without touching on us”; that he was needed to ensure follow-up to what participants told his father on the tour; and that “nothing we would do would be near a conflict[.]” Ms. Cruciani, in turn, “explained that the government-wide ethics regulations are the responsibility of the employee of the Department and that the issue would be whether his father . . . would be misusing his position for his (Ben Carson, Jr.’s gain).”<sup>11</sup>

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<sup>6</sup> Eilperin and Gillum, *Washington Post*, Jan. 31, 2018.

<sup>7</sup> *Id.*; see also <https://www.americanoversight.org/document/hud-records-relating-ben-carson-jr>.

<sup>8</sup> Email from Linda M. Cruciani to ‘bc@interpartners.com,’ June 26, 2017 (attached as Exhibit A).

<sup>9</sup> Memorandum for File, Linda M. Cruciani, July 6, 2017 (attached as Exhibit B).

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

Following this call, according to the memo, Ms. Cruciani and two other HUD staff discussed the issue directly with Secretary Carson. As described in the memo, “[t]he Secretary said that it would be difficult to have a Listening Tour in Baltimore without his son’s involvement as his son was the largest employer in Maryland.”<sup>12</sup> Ms. Cruciani explained to Secretary Carson the breadth of the ethics rule about avoiding the appearance of violating a law or ethical standard and discussed the ethics issues that each component of the tour presented. Ms. Cruciani “left the meeting believing that the Secretary would not include Ben Carson, Jr. on any component of the Listening Tour with the possible exception of the Health Fair.”<sup>13</sup>

Despite these warnings from HUD counsel, Ben Carson, Jr., Merlynn Carson, and Candy Carson attended multiple events during the Baltimore listening tour in direct contravention of the ethics advice given to Secretary Carson.<sup>14</sup> A HUD official confirmed that Ben Carson, Jr.’s role “was not limited to the community event” and that “no one was dropped from the list of invitees after the ethics warning.”<sup>15</sup>

Ben Carson, Jr. appears to have reaped the benefits of using his father’s position to advance his own business interests. Reportedly, he and his wife requested that Seema Verma, the administrator of the Centers for Medicare and Medicaid Services (“CMS”), be invited to the Baltimore listening tour.<sup>16</sup> Less than three months later, CMS awarded Myriddian – Merlynn Carson’s consulting firm – a \$485,000 contract. CMS notably awarded the contract without going through a competitive bidding process.<sup>17</sup>

Not only did Secretary Carson ignore the ethics advice his own agency counsel gave him, but he continued to allow his son to accompany him to official HUD events. Ben Carson, Jr. apparently accompanied Secretary Carson on an October trip to Baltimore’s Helping Up Mission.<sup>18</sup> Ben Carson, Jr. also continued to arrange meetings between HUD officials and outside business interests, based on the documents released under the FOIA. For example, in July 2017, Ben Carson, Jr. introduced Anthony Washington from Eagle Bank to HUD official Lynne Patton. Ben Carson, Jr. described Mr. Washington as someone who “has built an incredible platform to roll out HUD program funds.”<sup>19</sup> In a follow-up email after the meeting, Mr. Washington described for Ms. Patton certain developments in Jersey City with “HUD debt on them” and expressed an interest in helping the owners lower the rate.<sup>20</sup>

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<sup>12</sup> *Id.* We have been unable to find any factual support for this claim and a HUD spokesman later acknowledged that Secretary Carson knew this was untrue. Eilperin and Gillum, *Washington Post*, Jan. 31, 2018.

<sup>13</sup> Memorandum for File, July 6, 2017.

<sup>14</sup> Eilperin and Gillum, *Washington Post*, Jan. 3, 2018.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* Reportedly, Ms. Verma did not attend the listening tour and her office claims to have no record of her receiving an invitation. *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> Email from Ben Carson, Jr. to Lynne Patton and Anthony T. Washington, July 13, 2017 (enclosed as Exhibit C).

<sup>20</sup> Email from Anthony T. Washington to Lynne M. Patton, July 21, 2017 (enclosed as Exhibit D).

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As the HUD ethics official recognized, by allowing his son, daughter-in-law, and wife to select invitees for the Baltimore listening tour and participate in HUD-sponsored events that could benefit their financial interests, Secretary Carson likely ran afoul of the prohibition on using his public office for the private gain of relatives, 5 C.F.R. § 2635.702. Secretary Carson's conduct is all the more troubling given his outright refusal to follow the ethics advice he received to not include his family in the Baltimore listening tour. Compounding his apparent ethics violations, Secretary Carson allowed family members to continue to play a role in HUD activities that intersected with their own private commercial interests. Taken as a whole, Secretary Carson appears to have fallen far short of the requirement that he "endeavor to avoid any actions creating the appearance that [he is] violating the law or the ethical standards." 5 C.F.R. § 2635.101(b)(14). Accordingly, CREW respectfully requests that your office formally investigate whether Secretary Carson knowingly allowed his family members to use his public office for their private gain.

Sincerely,



Noah Bookbinder  
Executive Director  
Citizens for Responsibility and Ethics  
in Washington

Encls.

# **EXHIBIT A**

**Cruciani, Linda M**

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**From:** Cruciani, Linda M  
**Sent:** Monday, June 26, 2017 10:19 AM  
**To:** 'bc@intersepartners.com'  
**Subject:** Misuse of Position: Regulations applying to SOHUD

Ben,

It was good to talk to you this morning and cover the government-wide standards of ethical conduct for employees of the executive branch. As we discussed, the standards apply to SOHUD. At your request, here are the specific regulations that apply to the issues we discussed:

5 CFR 2635.702

An employee shall not use his public office for the private gain of relatives.

5 CFR 2635.101(b)(14)

Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards. Whether the particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

I hope this helps clarify the concerns,  
Linda Cruciani  
Deputy General Counsel for Operations  
202-402-5108

# **EXHIBIT B**




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-0500

OFFICE OF GENERAL COUNSEL

July 6, 2017

Memorandum for File

From: Linda M. Cruciani,  Deputy General Counsel for Operations, CAG

Subject: Ethics Advice for Secretary Carson's Listening Tour

OGC received several versions of a list of entities and people with whom the Secretary planned to visit during a listening tour in Baltimore. OGC checked on the entities and people and provided a summary of legal issues with respect to pending litigation, legal issues, suspensions and debarments.

Mason Alexander scheduled a meeting to discuss the Baltimore Listening Tour on June 14, 2017. After the meeting, I met with Mason Alexander and Lynne Patton to discuss the Tour. They raised concerns that some of the people on the list had been invited by the Secretary's son, Ben Carson, Jr., and daughter-in-law. Lynne stated that Ben Carson, Jr. and his wife had asked for the following people to be included in the Baltimore Listening Tour: Bob Embry, Abell Foundation; Kevin Plank, Under Armour; Dan Hirschfeld, Genesis Rehab Services; the Paterakis Family; Teresa Carlson, Amazon Web Services; Bart Harvey, former chair of Enterprise, Fannie Mae board member, and chair of the Culvert Foundation; and Seema Verma, Director of the Centers for Medicaid Services. Lynne also said that Ben Carson, Jr. and his wife may be doing business with these entities or may be interested in doing business with these entities. I expressed my concern that this gave the appearance that the Secretary may be using his position for his son's private gain. After discussion, Lynne and Mason suggested pulling these names from the Listening Tour and having a private family dinner with invited guests in Baltimore after the official business had concluded. Mason and Lynne had calendared a briefing on the Listening Tour for SOHUD for the next Monday or Tuesday.

I was unavailable as I was at my son's college orientation. Beth Zorc participated in person and Sheryl Johnson by phone. I do not know whether any ethics issues were discussed, but Sheryl later called me and said that she should have attended in person and that the details of the program and events were covered.

On Friday, June 23, I met with Beth Zorc and Mason Alexander to discuss Mason's continued concerns that Ben Carson, Jr. continued to be involved in the planning for the Baltimore Listening Tour and that some of Ben Carson, Jr.'s business associates were going to be on the Tour as well as Ben Carson, Jr. and his wife. Following that conversation, Mason sent an email and asked us to participate in a teleconference with Ben Carson, Jr. on Monday morning.

On Monday, June 26, at the beginning of the call around 9:00 a.m., I reintroduced myself and Beth introduced herself. I said that I wanted to clarify that when OGC had reviewed and approved entities and persons for the Listening Tour that this had been research into whether the entities were involved in litigation with the Department or had been suspended or debarred. I said



that OGC did not review the groups for whether they were doing business with Ben Carson, Jr. and would not have the ability to do this. (I was concerned that Ben Carson, Jr. thought that OGC had "cleared" all the entities and people on the list.) I reminded him about our discussion in the early days of his father's tenure and said that the Secretary could not have the appearance of misusing his position for a relative's private gain.

Ben Carson, Jr. stated that his dad had asked him to help with the Baltimore tour. He said that he had invited associates "who work with us, but [who] advance HUD initiatives." He said that he works with almost everyone who works in Baltimore. He said that his dad wanted to meet Kevin Plank and he had called Kevin Plank for his dad. He explained that "nothing we would do would be near a conflict" and that "we don't mix and match parties." He said that his dad wanted him to be in the room [during the Listening Tour]. Ben Carson, Jr. said that he has three law firms and 2600 employees and gets audited on a regular basis. He said "our goal is for Dad to have a successful tenure" and that it was "helpful for us to get the right people in the room" to help build vision centers. He said that "HUD can't operate in Baltimore without touching on us." As an example, he stated that he was on the Mt. Washington Pediatric Hospital board and gives them money, but does not get anything in return.

Ben Carson, Jr. emphasized his desire to help his father ask the right questions during the Listening Tour. Beth suggested that he provide his father with a list of questions in advance. Beth said that with the extensive list of participants on the tour, participants would not have the opportunity to speak for more than six minutes each. Ben Carson, Jr. said that it was important that he ensure that there was follow-up on what was being said to his father. I explained that I understood that he might have staffed his father during the campaign in this way, but that the follow-up from the official meetings would be the responsibility of HUD staff. Ben Carson, Jr. said that he had not staffed his father during the campaign.

I explained that the government-wide ethics regulations are the responsibility of the employee of the Department and that the issue would be whether his father (SOHUD) would be misusing his position for his (Ben Carson, Jr.'s gain.) or creating the appearance of the misuse of position. He asked me to email him the rules at [bc@interprisepartners.com](mailto:bc@interprisepartners.com). He said that he was comfortable that "our businesses are being insulated." He also said that he didn't want to create undue concern for folks at the office and that he would speak to his dad.

Around 2:30, Beth, Mason and I went to discuss the issue with the Secretary. We advised the Secretary not to include Ben Carson, Jr. in the Listening Tour. I handed SOHUD a copy of the email that I sent to his son with the government-wide ethics regulations about misuse of position. The Secretary said that it would be difficult to have a Listening Tour in Baltimore without his son's involvement as his son was the largest employer in Maryland. I said that I understood his frustration, but explained that the rule that he avoid any actions that might create the appearance of violating the law was broad. He went over different components of the tour and we discussed the ethics issues involved in each setting (Baltimore employee meeting, meetings with HABC and industries/government contractors, and the Health Fair.) We left the meeting believing that the Secretary would not include Ben Carson, Jr. on any component of the Listening Tour with the possible exception of the Health Fair.

# **EXHIBIT C**

I'm looking forward to meeting you and hopefully helping you in any way I can with your transition.

Best,

Anthony T. Washington  
EagleBank, *Relationships F•I•R•S•T*  
SVP, Director FHA Multifamily Lending (Business Development)  
8245 Boone Boulevard, Suite 820  
Tysons Corner, VA 22182  
Office: 703-230-1548  
Fax: 703-277-2201  
[AWashington@EagleBankCorp.com](mailto:AWashington@EagleBankCorp.com)  
[www.eaglebankcorp.com](http://www.eaglebankcorp.com)

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**From:** Benjamin Carson [<mailto:bc@interprisepartners.com>]

**Sent:** Thursday, July 13, 2017 1:45 PM

**To:** Anthony T. Washington; Lynn Patton

**Subject:** Re: N.Y. HUD

Lynne,

I would like to introduce you to Tony from Eagle Bank. He is going to be in NY and was interested in connecting with you. Tony has built an incredible platform to roll out HUD program funds. Definitely someone who could be helpful.

I hope you guys can get together soon.

Best,

Ben Carson, Jr.  
Interprise Partners

(b)(6)

Sent from my Verizon. Samsung Galaxy smartphone

Keeping your information secure is important to EagleBank. If you are providing us with

HUD-17-0330-A-000709

# **EXHIBIT D**

**From:** Anthony T. Washington  
**Sent:** 21 Jul 2017 15:38:44 +0000  
**To:** Patton, Lynne M  
**Cc:** Benjamin Carson  
**Subject:** RE: N.Y. HUD

Lynne,

I wanted to thank you again for making time to meet on Wednesday. Certainly throughout my career HUD has been instrumental at fulfilling it's mission of providing affordable housing, supporting new and sensible development and propping up the housing market (both single and multifamily) when necessary. I'm proud to be able to play a small part in assisting HUD with the multifamily aspect of those endeavors and I believe there's an even brighter future ahead. I don't believe a better choice could have been made to lead our Region than yourself and I look forward to helping in any way I can.

BTW, the properties I mentioned in our meeting are part of a development called *Presidential Plaza at Newport* and are in Jersey City. There is HUD debt on them currently but the rate of 6.99% is pretty high by today's standards. I'd love to be able to talk to the LeFrak family about lowering that. There's likely an opportunity to dramatically decrease their mortgage insurance premiums as well.

Take care and have a great weekend!

Ben,

Thank again!

Tony

Anthony T. Washington  
EagleBank, *Relationships F•I•R•S•T*  
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[www.eaglebankcorp.com](http://www.eaglebankcorp.com)

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**From:** Patton, Lynne M [mailto:Lynne.M.Patton@hud.gov]  
**Sent:** Thursday, July 13, 2017 4:13 PM

HUD-17-0330-A-000707