Re: Department of State procurement activities related to the 2020 G7 Summit

Dear Inspector General Linick:

Citizens for Responsibility and Ethics in Washington (“CREW”) writes to follow up on our September 10, 2019 request that the Office of Inspector General (“OIG”) investigate the procurement process for the 2020 Group of Seven (“G7”) Summit. The White House’s recent announcement that Trump National Doral had been selected to host the event and its subsequent reversal of that selection raise serious concerns about the integrity of the State Department’s procurement process. The public deserves a full accounting of the process used, as well as assurances that the State Department’s procurement function has not been tainted by a President who has a personal interest in the matter and calls the Constitution’s Emollements Clauses “phony.”

As described in our request, President Trump delivered an internationally televised sales pitch for hosting the G7 Summit at his Trump National Doral resort on August 26, 2019. On October 17, acting White House chief of staff Mick Mulvaney followed up by announcing that the President’s resort had been selected to host the event. Mr. Mulvaney tried to conceal information about the procurement process, asserting: “I don’t talk about how this place runs on the inside. So, if you ask if us—if you want to see our paper on how we did this, the answer is: Absolutely not.” However, based on the White House’s response to questions posed by the Washington Post and reporting by the New York Times, it appears highly likely that the State Department ran this procurement.

In announcing the selection, Mr. Mulvaney did share some information about the process. His remarks suggested the existence of formal source selection criteria and a written list of

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4 Id.
5 According to Post reporter David Fahrenthold, the White House referred him to the State Department for information about the procurement process. David Fahrenthold, @Fahrenthold, Twitter, Oct. 19, 2019, https://bit.ly/32AG2kC. The Times’s reporting similarly pointed to the State Department: “Inside the State Department, staff members assigned to help work out the details on the Doral selection tried to stay focused on their work, one former aide who worked in the office said. But they themselves wondered about the optics.” Maggie Haberman, Eric Lipton, and Katie Rogers, Why Trump Dropped His Idea to Hold the G7 at His Own Hotel, New York Times, Oct. 20, 2019, https://bit.ly/33ZPgHx (link to Internet Archive last accessed Oct. 21, 2019).
finalists. He indicated multiple teams visited the prospective sites, suggesting a significant number of officials were involved. His claim that using Trump National Doral would achieve a “roughly 50 percent savings” further suggests that the government obtained proposals from finalists. Highlighting the apparent illegitimacy of the process, he revealed that one finalist was so wildly unsuitable that the government would have needed “oxygen tanks for the participants because of the altitude.” Most significantly, Mr. Mulvaney admitted President Trump had access to the list of finalists and persuaded officials to add his own Doral resort to it: “We sat around one night. We were back in the dining room and I was going over it with a couple of our advance team. We had the list, and he goes, ‘What about Doral?’ And it was like, ‘That’s not the craziest idea. It makes perfect sense.’”

Mr. Mulvaney’s announcement prompted an wave of public outrage, and the selection of President Trump’s resort was rescinded two days later. But the public still lacks information about how this ethical failure happened in the first place and, therefore, has no basis for trusting the State Department to conduct a legitimate procurement. As CREW explained in our initial request for an investigation, applicable regulations demand that procurement officials “[c]onduct business with integrity, fairness, and openness” while “maintaining the public’s trust.” They also require officials “to avoid strictly . . . even the appearance of a conflict of interest in Government-contractor relationships.” The government has fallen far short of these standards. There is no evidence that the government adhered to legally mandated procurement procedures, and selecting the Doral resort would have led to violations of the Constitution’s Domestic and Foreign Emoluments Clauses. President Trump also may have violated the Procurement Integrity Act, a concern heightened by the discovery that he had access to the list of finalists and got officials to add his resort to it. Therefore, we urge the OIG to begin rebuilding the public’s trust by announcing that it will conduct an immediate and thorough investigation.

Sincerely,

Noah Bookbinder
Executive Director

Walter M. Shaub, Jr.
Senior Advisor

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6 Mulvaney Transcript (“So we use the same set of criteria that previous administrations have used. We started with a list of about a dozen, just on paper.”).
7 Id. (“I was talking to one of the advance teams when they came back, and I said, ‘What was it like?’”).
8 Id. (“[I]t was millions of dollars cheaper by doing it at Doral than it was at another facility. And that was roughly 50 percent savings.”).
9 Id.
10 Id.
12 48 C.F.R. § 1.102.
13 48 C.F.R. § 3.101-1.