

November 21, 2019

The Honorable Maxine Waters  
Chairwoman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairwoman Waters:

On September 25, 2019, Speaker Pelosi held a press conference to launch impeachment proceedings against President Trump and instructed our committee and several others to proceed with investigations of the President “under that umbrella of impeachment inquiry.”<sup>1</sup> House Democrats subsequently passed H. Res. 660, which directs the six investigating committees, including ours, to “. . . continue their ongoing investigations as part of the existing House of Representatives inquiry into whether sufficient grounds exist for the House of Representatives to exercise its Constitutional power to impeach Donald John Trump, President of the United States of America.”

H. Res. 660 further instructed you and each of the chairs of the investigating committees to transfer records or materials relating to the impeachment inquiry to the Committee on the Judiciary. H. Res. 660 was silent as to which of the Committee’s investigations may be relevant to the impeachment inquiry, nor does it describe how any relevant records should be handled. These and other deficiencies in the Speaker’s impeachment process raise fundamental privacy and fairness concerns.

Presumably, H. Res. 660 references our Committee because of your long-standing interest in impeaching the President.<sup>2</sup> You issued subpoenas to obtain the President’s financial records to advance that effort under the pretext of an investigation into “financial industry compliance with banking statutes and regulations.”<sup>3</sup> The subpoenas you issued to Deutsche Bank and Capital One covered records related to the President and his family, including records of financial transactions related to the President’s 13-year-old son and ten grandchildren, the

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<sup>1</sup> Nicholas Fandos, *Nancy Pelosi Announces Formal Impeachment Inquiry of Trump*, N.Y. TIMES, Sept. 24, 2019.

<sup>2</sup> You have advocated to impeach the President since at least May 2017, when you stated, “Why would we let somebody like Trump, a con man, come in here and turn it all upside down with his lies and his disrespect? And so, I personally feel very strongly about this and I’m going to keep working until he’s impeached.” See, Interview with Jonathan Capehart (May 4, 2017), available at <https://soundcloud.com/washington-post/maxine-waters-jeff-sessions>.

<sup>3</sup> Letter from Hon. Maxine Waters, Chairwoman, H. Comm. on Financial Services, and Hon. Adam Schiff, Chairman, H. Permanent Select Comm. on Intel., to Christian Sewing, CEO, Deutsche Bank AG (Apr. 15, 2019).

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youngest of whom is three months old. To our knowledge, you have been unwilling to exclude such records from the scope of the subpoenas.

The Committee also sought and obtained highly sensitive records from the Financial Crimes Enforcement Network (FinCEN). Some of those records were requested and provided based on mistaken identities—in other words, the Committee has sensitive financial records related to private citizens who simply happen to share a surname with members of the President’s family.

The unprecedented breadth of your requests for records related to the President’s finances captured personal and sensitive information from people and businesses with no connection to the impeachment inquiry. H. Res. 660 provides no direction as to whether you must provide every record obtained in the course of your investigation to the Judiciary Committee, or if you have the authority to withhold or redact non-pertinent, sensitive information.

A series of conflicting justifications for your investigation raised additional concerns that sensitive, non-pertinent records were obtained—and may be released—pursuant to your effort to investigate the President. For legal reasons, House Democrats have repeatedly represented your investigation is being conducted to evaluate the effectiveness of the Bank Secrecy Act, among other legislative purposes. For instance, in letters to Deutsche Bank and Capital One that accompanied the subpoenas, you described the investigation as focused on “financial industry compliance with banking statutes and regulations, including Bank Secrecy Act compliance.”<sup>4</sup>

House Democrats subsequently defended the subpoenas in federal court on the pretext that the President and his family serve as a “useful case study” for broader problems in the financial industry.<sup>5</sup> Before the U.S. Court of Appeals for the Second Circuit, House Democrats reiterated the subpoenas were issued for a legislative purpose and stated the purpose of the investigation is to develop regulations to minimize risky activities by banks.

Your public statements paint a different picture. Indeed, you disclosed the purpose for seeking records from Deutsche Bank is to investigate “rumors” about the President’s finances. In February 2019, in an interview with CNBC’s John Harwood, you stated:

Harwood:       What is your objective in the joint investigation that you plan with Congressman Schiff of Deutsche Bank?

Waters:         We know that Deutsche Bank is one of the biggest money laundering banks in the country, or in the world perhaps. And we know that this is the only bank that will lend money to the president of the United States because of his past

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<sup>4</sup> Letter from Hon. Maxine Waters, Chairwoman, H. Comm. on Financial Services, and Hon. Adam Schiff, Chairman, H. Permanent Select Comm. on Intel., to Christian Sewing, CEO, Deutsche Bank AG (Apr. 15, 2019).

<sup>5</sup> See, e.g., MOTION IN OPPOSITION TO PLAINTIFFS’ MOTION FOR A PRELIMINARY INJUNCTION, Donald Trump et al. v. Deutsche Bank AG and Capital One Financial Corp., Case No. 1:19-cv-03826-ER (May 10, 2019).

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practices. He won't show his tax returns and we have a certain information that leads us to believe that there may have been some money laundering activity that might have been connected with Mr. Manafort, with some people in his family.

Harwood: Do you believe that money laundering has been a significant part of President Trump's business?

Waters: **I know that there are a lot of rumors. I think we need to learn more about the finances of the president of the United States, and he's hiding that information from us.** He's not disclosing that information. And I think we need to delve deeper into that and find out what is going on and whether or not money laundering has been involved and whether or not there are connections with the oligarchs of Russia.<sup>6</sup>

In a subsequent television appearance in May 2019, you described the investigation as an effort "to understand [the President's] relationship to Russia. We want to understand his finances and financing."<sup>7</sup> In June, you stated, "Perhaps the dots will be connected in a way that you have to move to impeachment."<sup>8</sup>

Meanwhile, legislation to reform the Bank Secrecy Act moved through the Committee without a mention of your so-called investigation into "financial industry compliance with banking statutes and regulations, including Bank Secrecy Act compliance."<sup>9</sup> Democrats released a proposal to reform the Bank Secrecy Act and anti-money laundering laws in March 2019, before the investigation even started. On May 9, 2019, the Committee considered the COUNTER Act, the first major reform of the Bank Secrecy Act and related anti-money laundering regulations since 2001. Democrats did not raise the need to wait for the outcome of the investigation. In fact, when the Committee debated the bill at a business meeting, the investigation did not come up at all. The House passed the COUNTER Act in October, without any reference to your investigation or the records in question.

To create the appearance that your investigation has a legislative nexus, you sought and obtained an extraordinarily broad swath of financial records from dozens of Americans. Now that the true purpose of your investigation is clear, those Americans are right to be concerned whether their records will be furnished to the Judiciary Committee and subsequently released.

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<sup>6</sup> Interview with John Harwood, CNBC, Feb. 1, 2019, *available at* <https://www.cnbc.com/2019/01/31/maxinwhat-maxine-waters-hopes-to-uncover-about-deutsche-bank-money-laundering-and-trump.html>.

<sup>7</sup> See, "All In with Chris Hayes," MSNBC, May 24, 2019.

<sup>8</sup> See, "All In with Chris Hayes," MSNBC, June 11, 2019.

<sup>9</sup> Letter from Hon. Maxine Waters, Chairwoman, H. Comm. on Financial Services, and Hon. Adam Schiff, Chairman, H. Permanent Select Comm. on Intel., to Christian Sewing, CEO, Deutsche Bank AG (Apr. 15, 2019).

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Your insistence on obtaining non-pertinent and highly personal records has become a matter of urgent concern considering the Committee's role in the ongoing impeachment inquiry. According to H. Res. 660, any transfer of records from our Committee shall occur "in consultation with the ranking minority member." The resolution is silent as to the nature and extent of such consultation. To date, no such consultation has occurred, and to our knowledge, you have not transferred any records or materials to the Judiciary Committee. If the Committee obtains and determines to transfer records that you believe are relevant to the Judiciary Committee's impeachment function, we respectfully urge you to consult the minority in a meaningful way to preclude the possibility that non-pertinent and highly personal records are released.

Sincerely,

Patrick P. McHenry

Kevin K...

Bill Posey

Chris Wray

Fred R. Lucas

Blaine Luetken

David Kostoff

Lance Horben

William K. Jimmone IV

Tom Gold

Ray H. Wright

By Star

Wam Dair

Arump

Alex X. Mooney

Steve Jones

Tom Emmer

Eric Dieter

Ron Minis

Stuecklin

John W. Rose

David

Andy Ram

Paul

Bob Huzar

McHenry

Wagner

King

Lucas

Posey

Luetkemeyer

Kustoff

Loudermilk

Gooden

Emmer

Timmons

Tipton

Budd

Williams

Hollingsworth

Hill

Steil

Rose

Davidson

Riggleman

Gonzalez

Barr

Mooney

Zeldin

Stivers

Huizenga