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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

June 22, 2018

Hussein Sajwani
Chairman
DAMAC Properties
PO Box 2195
Dubai, United Arab Emirates

Dear Mr. Sajwani:

In January 2017, then President-Elect Trump pledged to the American public that he would take a number of steps to avoid potential conflicts of interest between the office of the presidency and his extensive private business interests. These steps were apparently intended to mitigate the President's ongoing conflicts due to his refusal to divest his business and investment assets. Instead, he promised to place these assets, including the Trump Organization, in a trust and transfer management to Donald Trump Jr., Eric Trump, and Allen Weisselberg. The President pledged that the Trump Organization would not enter into any new foreign deals or any new transactions or contracts with foreign countries, agencies, or instrumentalities of foreign countries.¹ This ambiguous and unenforceable pledge failed to address the broader concerns that stem from the Trump Organization continuing to accept monetary payments and other things of value from foreign governments and their associated business entities.

Several events involving the Trump Organization's overseas developments call into question whether and how it is benefitting from new business deals made with foreign state-owned enterprises. In the latest example, on June 10, DAMAC Properties, the Trump Organization's partner in the United Arab Emirates, announced that it had awarded a contract to the China State Construction Engineering Corporation (CSCEC).² That \$19.6 million contract is reportedly for road and infrastructure work as part of the residential development at the Akoya Oxygen project, which includes the Trump World Golf Club Dubai.³ In March 2017, your firm awarded CSCEC a separate \$32 million contract for similar work on the same development.⁴ As you know, CSCEC is a Chinese state-owned company.⁵

¹ *Morgan, Lewis & Bockius LLP, Conflicts of Interest and the President: Background for President-Elect Trump's January 11, 2017 Press Conference, January 11, 2017, available at <https://assets.documentcloud.org/documents/3280261/MLB-White-Paper-1-10-Pm.pdf>.*

² DAMAC Press Release, June 10, 2018, <https://www.damacproperties.com/en/media-centre/press-releases/damac-awards-infrastructure-works-contract-at-akoya-oxygen-to-cscec-as-construction-spend>.

³ Anita Kumar, McClatchy, June 14, 2018, <http://www.mcclatchydc.com/news/politics-government/white-house/article213164779.html>.

⁴ Anita Kumar, McClatchy, September 11, 2017, <http://www.newsobserver.com/news/politics-government/article172443612.html>; Damac Press Release, March 9, 2017, <https://www.damacproperties.com/en/media-centre/press-releases/damac-properties-awards-121-contracts-worth-aed-14-billion-first-two>.

⁵ Bloomberg Markets Profile on China State Construction Engineering Corporation Limited, <https://www.bloomberg.com/quote/601668:CH>.

It is possible that foreign state-owned companies may be submitting below-market bids on contracts associated with Trump-branded developments to curry favor with the President. In order to help the U.S. Congress examine this issue, please describe the bidding process for this contract and information on competing bids, including the identities of the bidders, their respective bid offers, whether any third-parties were involved in considering bids, and the reasons that your company awarded the bid to CSCEC over the other competing companies.

In addition, in order to better understand the Trump Organization's role in the project, I request your response to the following questions:

1. Did The Trump Organization have any role in approving the contract with CSCEC?
2. Did DAMAC Properties consult the Trump Organization about the contract or the awardee?
3. What written guidance, if any, has The Trump Organization provided to your firm regarding compliance with the President's pledge not to award contracts to foreign countries, agencies, or instrumentalities?

I appreciate your prompt response to these questions and request that you respond no later than July 18, 2018.

Sincerely,


Robert Menendez
Ranking Member