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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

May 10, 2018

Ms. Roxanne Cabral
Charge d'Affaires
U.S. Embassy Panama City
Building 783, Demetrio Basilio Lakas Avenue
Clayton, Panama

Dear Ms. Cabral:

I write to bring to your attention concerning actions taken by the Trump Organization and its representatives in Panama. On April 10, the Associated Press reported that on March 22, lawyers representing the Trump Organization delivered a letter to President Juan Carlos Varela asking him to ignore Panama's separation of powers and intervene in a judicial dispute that would directly affect the financial position of President Trump.¹ The letter further suggests that actions by Panama's courts may violate the U.S.-Panama Bilateral Investment Treaty and that the Trump Organization may seek legal recourse against the Panamanian government.

The letter raises serious conflict of interest questions that could impinge on the United States' ability to conduct effective foreign policy. Even if the Panamanian government rightfully refuses to intercede in judicial proceedings, the letter's threatening tone may suggest to the Panamanian government that improper, and perhaps illegal, actions are effective means of influencing U.S. policy toward the country. The letter's reference to the bilateral investment treaty insinuates that President Varela's response could affect official U.S.-Panamanian relations. Furthermore, the letter gives the American and Panamanian publics new reason to question whether any future government actions that benefit the Trump Organization's operations in Panama do so at the expense of the public interest.

Given the possibility that some may confuse President Trump's private business interests with those of the U.S. government, I hope that you will clarify the Embassy's position on this matter. I expect that the U.S. State Department and the U.S. Embassy in Panama City will treat the Trump Organization no differently than it would any other U.S. private business, and will take every effort to avoid any perception of special treatment or a conflict of interest. To that end, I ask that you confirm that the State Department and U.S. Embassy is not providing any special assistance or support to the Trump Organization, and to answer the following questions:

1. Were you or any members of your staff aware of the letter prior to the publication of the Associated Press article on April 10?

¹ Juan Zamorano and Stephen Braun, "Trump's Company Asked Panama President to Help in Hotel Spat," *Associated Press*, Apr. 10, 2017.

2. Have you or any members of your staff communicated to the Government of Panama that the letter does not, in any manner, reflect the position of the United States government? If not, do you plan to do so?
3. Have you or any members of your staff communicated with the Trump Organization or its representatives about its dispute with the owners of the Bahia Grand hotel or any other issues? If so, please provide copies of that communication.
4. Has the State Department evaluated whether the actions of the Panamanian government are consistent with the U.S.-Panama Bilateral Investment Treaty? If so, what were the findings of the evaluation?

I appreciate your prompt attention to this matter, and given the timely nature of this inquiry, I ask that you respond by May 21.

Sincerely,

A handwritten signature in blue ink that reads "Robert Menendez". The signature is written in a cursive style with a prominent initial "R" and a long, sweeping underline.

Robert Menendez
Ranking Member