

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

July 18, 2017

The Honorable Jeff Sessions
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Attorney General Sessions:

Given the demonstrated collusion between President Trump's family and presidential campaign and the Russian government to undermine our democracy,¹ I write to demand your immediate recusal from any investigation conducted by the Department of Justice ("the Department") into Deutsche Bank's ("the Bank") Russian mirror trading scheme and any probe into any loans the Bank provided to the President or his immediate family members. The most recent questions² surrounding the integrity of the May 2017 settlement of *United States v. Prevezon Holdings Ltd., et al.*³ involving the same Russian attorney who had previously met with Donald Trump Jr. in June of 2016 to provide him with damaging information on Hillary Clinton is yet another affirmation of the need for your recusal from the above matters.

As you know, Deutsche Bank is one of President Trump's top creditors, and has lent his companies more than \$360 million. Despite his repeated bankruptcies, his lawsuit against the Bank, and his defaults on prior loans extended by the Bank, Deutsche Bank has continued to deal with President Trump for reasons unknown. Serious concerns have been raised that the Bank's loans to the President may have been guaranteed by a third party, such as Russia.⁴ The Bank has also lent a sizable amount to the President's son-in-law, Jared Kushner. Kushner's real estate company reportedly received an undisclosed loan of more than \$280 million from the Bank one month prior to the 2016 presidential election.⁵ The timing of this loan to Kushner also raises questions about whether lenient treatment of the Bank under a Trump Administration may have been a factor in the deal.

¹ Becker, Jo, et. al, "Russian Dirt on Clinton? 'I Love It,' Donald Trump Jr. Said The New York Times (July 11, 2017), available at <https://www.nytimes.com/2017/07/11/us/politics/trump-russia-email-clinton.html? r=0>

² Bertrand, Natasha, "House Democrats want to know why a major Russian money-laundering case was abruptly settled" Business Insider (July 12, 2017), available at <http://www.businessinsider.com/why-was-russian-money-laundering-case-dismissed-house-dems-2017-7>

³ SDNY No. 13-CIV-6326

⁴ Becker, Jo, et. al, "Russian Dirt on Clinton? 'I Love It,' Donald Trump Jr. Said The New York Times (July 11, 2017), available at <https://www.nytimes.com/2017/07/11/us/politics/trump-russia-email-clinton.html? r=0>

⁵ Kranish, Michael. "Kushner Firm's \$285 Million Deutsche Bank Loan Came Just Before Election Day" The Washington Post (June 25, 2017), available at https://www.washingtonpost.com/national/kushner-firms-285-million-deutsche-bank-loan-came-just-before-election-day/2017/06/25/984f3acc-4f88-11e7-b064-828ba60fbb98_story.html?utm_term=.27b501910b45

Press reports indicate that since 2015 the Department has been investigating Deutsche Bank's Russian mirror trading scheme, in which a corrupt group of traders at the Bank transferred more than \$10 billion out of Russia to unknown entities.⁶ While other agencies in the U.S. and the U.K. have brought enforcement actions against the Bank related to this matter, the Department's apparent investigation has yet to be resolved.⁷ I remain troubled by the seeming delay on the part of the Department to reach a determination on this matter. The Department's failure to take action against the Bank thus far for its Russian mirror trading scheme stands in sharp contrast to the actions brought against the Bank by the Department under the previous Administration, involving the sale of toxic mortgage securities⁸, interest rate benchmark manipulation⁹, and tax violations.¹⁰

Your track record thus far as Attorney General shows a failure to maintain the independence of the Justice Department from the President and the Executive Branch. President Trump has repeatedly demonstrated that he has no qualms about pressuring the Department to bend to his will and you have demonstrated a willingness to accede to the President's wishes. Former FBI Director Comey testified that you and other officials agreed to the President's request that you leave the Oval Office so that the President could privately issue a request to end the inquiry into his former National Security Advisor, Michael Flynn.¹¹ This was completely inappropriate. Further, your failure to maintain independence was again demonstrated when you endorsed the President's firing of Director Comey, despite the President's admission that he fired him over his investigation into Russian interference in the 2016 presidential election, and despite the fact that you had recused yourself from such matters.¹² Your failure to shield Director Comey from political pressure is a clear indication that you are unwilling to stand up to the President on matters in which he has a vested interest.

⁶ Caesar, Ed, "A Big Fine, and New Questions, on Deutsche Bank's "Mirror Trades," The New Yorker, (January 31, 2017), available at <http://www.newyorker.com/business/currency/a-big-fine-and-new-questions-on-deutsche-banks-mirror-trades>

⁷ Freifeld, Karen, Shuetze, Arno, "Deutsche Bank fined for \$10 billion sham Russian trades," Reuters, (January 31, 2017) available at <http://uk.reuters.com/article/uk-deutsche-mirrortrade-probe-idUKKBN15E2SR>

⁸ Department of Justice, Press Release, "Deutsche Bank Agrees to Pay \$7.2 Billion for Misleading Investors in its Sale of Residential Mortgage-Backed Securities," (January 17, 2017) available at <https://www.justice.gov/opa/pr/deutsche-bank-agrees-pay-72-billion-misleading-investors-its-sale-residential-mortgage-backed>

⁹ Department of Justice, Press Release, "Deutsche Bank's London Subsidiary Sentenced for Manipulation of LIBOR," (March 28, 2017) available at <https://www.justice.gov/opa/pr/deutsche-bank-s-london-subsidiary-sentenced-manipulation-libor>

¹⁰ Department of Justice, Press Release, "Justice Department Announces Deutsche Bank (Suisse) SA Reaches Resolution under Swiss Bank Program," (November 24, 2015), available at <https://www.justice.gov/opa/pr/justice-department-announces-deutsche-bank-suisse-sa-reaches-resolution-under-swiss-bank>

¹¹ Lauter, David, "Sessions confirms testimony that Trump met privately with Comey after directing everyone else to leave Oval Office," Los Angeles Times, (June 13, 2017), available at <http://www.latimes.com/politics/washington/la-na-essential-washington-updates-sessions-confirms-testimony-that-trump-1497382806-htmlstory.html>

¹² "Jeff Sessions' explanation for firing Comey just doesn't make sense," CNN, (June 15, 2017) available at <http://www.cnn.com/2017/06/14/politics/jeff-sessions-james-comey/index.html>

Further, given your recusal¹³ from all investigations pertaining to Russian interference in the 2016 Presidential election, continuing revelations of your meetings with the Russian Ambassador, outstanding questions about who benefitted from Deutsche Bank's Russian mirror-trading scheme, as well as reports suggesting that Russia may have played a role in financing the President's Deutsche Bank loans, you must further recuse yourself in the manner I have prescribed.

Sincerely,



MAXINE WATERS

¹³ Landler, Mark, "Jeff Sessions Recuses Himself From Russia Inquiry," The New York Times, (March 2, 2017), available at <https://www.nytimes.com/2017/03/02/us/politics/jeff-sessions-russia-trump-investigation-democrats.html>