

# United States Senate

WASHINGTON, DC 20510-7110

January 27, 2017

Elisabeth DeVos  
Trump-Pence Transition Team  
1717 Pennsylvania Avenue, NW  
Washington, DC 20006

Dear Mrs. DeVos,

Thank you for your response of January 17, 2017, to our January 5, 2017 letter requesting additional information on your vast political fundraising and spending network. Along with various responses and objections to our request, you produced a series of already public campaign finance reports related to the American Federation for Children Action Fund, a 527 organization, and its various state affiliates. For the reasons that follow, we view your response as, while sizeable, non-responsive.

We requested you provide information about two 501(c)(4) organizations with which you have been associated: the American Federation for Children and the Great Lakes Education Fund. You acknowledged your association with these entities in your disclosures to the Office of Government Ethics (OGE). You also acknowledged in your letter to us that “[e]ach organization with which [you] have been involved is independent.” It is not clear what you mean by “independent” since you have already acknowledged your association with these organizations. I hope you can appreciate how both fundraising and spending of these organizations (from whom? to whom? in what amounts? your personal role?) might produce conflicts of interest in potential decisions before you if you are confirmed to serve as Secretary of the Department of Education.

Our concerns are not hypothetical as known contributors to your political organizations have had business before Department of Education. For example:

- Vahan Gureghian: In 2010, Gureghian donated \$100,000 to the American Federation for Children Action Fund. Mr. Gureghian founded and is the CEO of CSMI LLC, a Pennsylvania charter school management company and helped found the Chester Community Charter School. He has been a major donor in promoting charter schools in Pennsylvania.
- J.C. Huizenga: Between 2005 and 2007, Huizenga donated \$25,000 to All Children Matter, and in 2010 he donated \$30,000 to the American Federation for Children Action Fund. Mr. Huizenga founded the National Heritage Academies, a for-profit charter network that has 80 schools in 9 states and has received over \$43 million in federal funding. According to a 2012 review by the Michigan Department of Education the

schools in the “focus” category, due to significant gaps in achievement, more than half were managed by National Heritage Academies. It has been reported that Mr. Huizenga said that his involvement with charter schools was due to realizing that “privatizing public education was not only practical but also desperately needed.”

- David L. Brennan: Brennan donated a total of \$200,000 to All Children Matter, from 2004 to 2007, prior to AMC’s wind down due to campaign finance violations. In 2010, he donated \$39,000 to the American Federation for Children Action Fund. He is the founder of White Hat Management LLC, a for-profit charter school management company that operates 15 schools in three states with over 12,000 students. Since 2008, White Hat and its affiliates have received \$3.6 million in federal funds including IDEA funds.

While you may not have a direct financial interest in the for-profit education enterprises headed by those listed above, your political fundraising relationship with them, and perhaps others, could cause a reasonable person concern over your impartiality in matters involving them. The OGE process does not capture conflicts that arise through political activity so it is incumbent upon us to assure the Senate record is complete as to such conflicts and how they will be resolved.

These are just the publicly known examples of potential conflicts. Our original request asked you for information to assess potential conflicts with 501(c)(4) organizations that are not required to publicly disclose donor information. Accordingly, we reiterate our request that you provide:

- A list of all donors, their total donations, and affiliations, who have contributed to the American Federation for Children 501(c)(4) and the Great Lakes Education Fund 501(c)(4) since their inception.
- A list of donations made by you, members of your family, and foundations or organizations with which you are affiliated, to other 501(c)(4) organizations over the past five years.

According to the American Federation for Children’s IRS Form 990 filed for the year 2014, it spent nearly \$1.1 million on political activities, including a \$315,000 transfer to the American Federation for Children Action Fund –Wisconsin IE Committee. Because donations to a 501(c)(4) are anonymous, they effectively launder the identities of donors to the other parts of your political apparatus. But you know, and the donors know, and therein lies the potential for conflict of interest.

Additionally, you refused to disclose donations to 501(c)(4) organizations that you, your family, and your foundation have made. You explained, “[t]he information requested has no bearing on the office to which I have been nominated nor the duties of the Department of Education.” Your donations to 501(c)(4) organizations are indeed relevant to your nomination, just as your donations to political candidates, parties, and causes are. One obvious instance would be where groups to which you have made political contributions are before the Department as advocates or grant-seekers. Again, you know, and the donors know, and therein lies the potential for conflict of interest.

Senators have a Constitutional duty to provide advice and consent on presidential nominees, and understanding the scope and nature of potential conflicts of interest is at the heart of that duty. Your role in raising and distributing “dark money” clearly raises the possibility of such conflicts. As a result, we renew our request for information related to your 501(c)(4) organizations as outlined above.

Please contact us if you have any questions regarding this request. We look forward to your additional information and disclosures and timely and responsive answers.

Sincerely,



Sheldon Whitehouse  
United States Senator



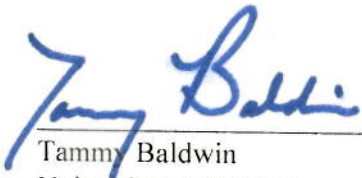
Bernard Sanders  
United States Senator



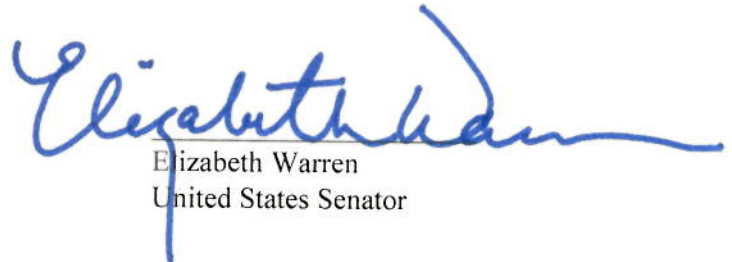
Robert P. Casey, Jr.  
United States Senator



Al Franken  
United States Senator



Tammy Baldwin  
United States Senator



Elizabeth Warren  
United States Senator

cc: Chairman Lamar Alexander, Health, Education, Labor and Pensions Committee  
Ranking Member Patty Murray, Health, Education, Labor and Pensions Committee