



**LOUISE M. SLAUGHTER**  
**CONGRESS OF THE UNITED STATES**  
**25TH DISTRICT, NEW YORK**

January 18, 2017

Donald F. McGahn II  
Trump Tower  
725 Fifth Avenue  
New York, NY 10022

Dear Mr. McGahn:

Like many Americans, I have been greatly concerned by the conflicts of interest that may occur when President-elect Trump takes office. The January 11 press conference that announced plans for the management of the president-elect's business operations did little to assuage those concerns. While it is true that previous presidents acted voluntarily to maintain the public trust, there are ethical requirements that are matters of law and not open to the president's discretion. The STOCK Act is one such law.

I wrote the STOCK Act to prevent federal officials from using their positions of public trust for personal profit and to hold them accountable if they breach that trust. The law, which expressly covers the president, has two primary components. The first is the timely disclosure of transactions of stocks, bonds, futures, and other securities. You may be familiar with this aspect of the STOCK Act because these disclosures led to reports that the president-elect's nominee for Secretary of Health and Human Services traded health care company stocks while serving on the House committee with jurisdiction over health policy. The second component of the STOCK Act unequivocally brings the president and other federal officials under well-established insider trading rules.

It is difficult to assess the extent of President-elect Trump's obligations under the STOCK Act because of the unprecedented lack of information about his financial holdings and business dealings. A transition spokesperson indicated that the entirety of his stock portfolio was sold last May, but there is no way at present to confirm the complete accuracy of that statement. Regardless, should the president-elect buy, sell, or exchange any type of security after taking office, he will have 45 days at the outmost to report that transaction or be in violation of the STOCK Act.

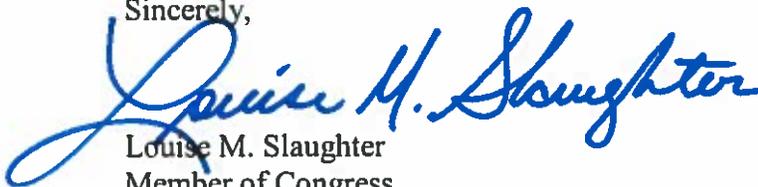
The law also ensures that President-elect Trump will absolutely be subject to insider trading laws as president. The definition of a security used for purposes of insider trading will apply to his real estate holdings and other assets, even after the planned changes to his business arrangements. This is particularly the case if, as has been announced, his children maintain

control over his various commercial enterprises. Thus, if material nonpublic information is used to enrich President Trump or his family, business interests, or associates, you can expect such a situation to be scrutinized as a violation of insider trading laws by virtue of the STOCK Act's prohibition.

The president is, of course, not the only person covered by the STOCK Act. The law will apply equally to the officials in his administration. This is notable because the pending nominees for cabinet posts and other high-level positions are unusually weighted toward the investor class. Of particular concern is the naming of Carl Icahn as an unofficial advisor. The fact that a billionaire investor will have significant influence over federal policy while presumably operating outside of federal ethics laws raises serious red flags.

The American people expect President Trump and members of his administration to put the interests of the country ahead of their own. While I hope any and all conflicts of interest will be resolved before the oath of office is taken, compliance with the STOCK Act is not optional, and you can count on me to conduct the appropriate congressional oversight of the law.

Sincerely,



Louise M. Slaughter  
Member of Congress