

# A Question of Ethics



Unanswered Questions
From Scott Pruitt's
Suspicious Tenure
as EPA Administrator

"The President would expect all members of his Cabinet to be honest and certainly open with the public."

— Sarah Huckabee Sanders, White House Spokesperson, April 10, 2018

## A Question of Ethics

Earlier this month, EDF counted 49 unanswered questions about Scott Pruitt's many controversies and his <u>misleading</u> responses to many of them. Five of them have been answered. But in less than two weeks, a flood of new stories and allegations have raised dozens of new questions, expanding the list to **86 unanswered ethics questions about Scott Pruitt's tenure.** 

These ethical issues are important not only because Pruitt holds a public trust, but because his connections to lobbyists <u>lead directly</u> to more pollution and health problems for American families.

#### **Unauthorized Pay Raises**

Pruitt was criticized after the EPA awarded very large pay raises to two of Pruitt's assistants, using a provision of the Safe Drinking Water Act after the White House said no. Despite his denials that he was involved—"I found out this yesterday," he told Fox News after the raises became public—the EPA Inspector General released forms that show Pruitt approving them more than a month before.

- 1. New: Why did <u>Pruitt</u> and his chief of staff each publicly state that Pruitt had no knowledge of the raises, when the EPA Inspector General <u>found that Pruitt signed off</u> on raises for Sarah Greenwalt and Millan Hupp?
- **2. New:** After Pruitt's initial assertion, White House Spokesperson Sarah Huckabee Sanders said that, "the president would expect all members of his Cabinet to be honest and certainly open with the public." Given that the Inspector General says Pruitt's statement was not true, what action will the White House take?
- **3. Still Unanswered:** What specifically did Greenwalt and Hupp do to merit raises of \$56,765 and \$28,130, respectively?

- **4. Still Unanswered:** Even if Pruitt didn't know the exact legal process, was he told there was a way to get around the White House?
- 5. New: Why did Pruitt's Chief of Staff sign <u>"Ryan Jackson for Scott Pruitt"</u> on Pruitt's stationary for raises for six other employees under the Safe Water Drinking Act?
- **New:** When did Pruitt learn of Jackson's signatures in his name? Did Jackson have Pruitt's advance permission or other legal authority to approve the raises?
- **7. Still Unanswered:** The *New York Times* reports separately that Jackson <u>"raised questions about Mr. Pruitt's spending."</u> Were these raises among his concerns?

**Questions Answered:** Since EDF published its first edition of Unanswered Questions, some questions about the raises have been answered:

Q: Did Pruitt sign off on pay raises for Sarah Greenwalt and Millan Hupp?

**A:** The EPA's Inspector General <u>says he did</u>, despite Pruitt's denials that he knew they were happening.

Q: On April 9, the EPA Chief of staff, Ryan Jackson, <u>said that</u>, "Administrator Pruitt had zero knowledge of the amount of the raises, nor the process by which they transpired." Was Mr. Jackson saying Pruitt didn't know about the raises, or just didn't know the precise amount?

**A:** Pruitt <u>approved</u> the raises and their amounts.

Q: Was Pruitt aware that raises were being given after the White House said no?

A: Yes.

### Condo Rental From an Energy Lobbyist's Wife

For six months in 2017, Pruitt rented a room in a Washington, DC condo for \$50 a night (but only if he was staying there) from Vicki Hart, the wife of prominent DC energy lobbyist Steven Hart. Although Pruitt told Fox News that [Stephen] "Hart has no clients that have business before this agency," a <u>new filing</u> shows that he is registered to lobby for a company that lobbied EPA.

- 8. Still Unanswered: Did Pruitt not consult any attorneys, ethics officials or anyone at all to review the ethical issues involved before renting an apartment from the wife of a prominent energy lobbyist? Or was the first time he did so after when the story broke?
- **9. New:** In an April 9 letter, the Acting Director of the U.S. Office of Government Ethics asked the EPA's top ethics official to review allegations that Pruitt never consulted with EPA ethics officials before making the condo arrangements. Has the EPA replied?
- **10. New:** On the condo lease, why was Stephen Hart's name originally typed in as "landlord," but then scratched out and the name of his wife scribbled in?
- **11. Still Unanswered:** Who contacted Justina Fugh, the EPA's senior counsel for ethics, <u>at a movie theater</u> to ask her for a statement to clear the condo deal?
- **12. Still Unanswered:** Why were Fugh and her supervisor only asked to review the lease—and not how Pruitt used the condo beyond the terms of the deal, like using the kitchen and letting his daughter stay there?
- **13. New:** Fugh's supervisor Kevin Minoli said his finding that Pruitt was paying fair-market value was based on the assumption that Pruitt occupied only one bedroom. But his <u>daughter stayed there at times</u>, long enough that former EPA Deputy Chief of Staff Kevin Chmielewski says that she "<u>damaged his hardwood floors</u> by repeatedly rolling her luggage across the unit." Did Pruitt provide additional compensation for his daughter's stay there?

- **14. Still Unanswered:** Does Pruitt's <u>chronically late payment</u> of rent constitute a gift under federal ethics rules?
- **15. Still Unanswered:** After it was reported that EPA employee Millan Hupp helped Pruitt search for an apartment, an EPA spokesman said that "The notion that government resources were used to assist in finding housing is categorically false." Is he denying that the assistance ever occurred, or that the staffer provided it in a way that used EPA resources, including her staff time?
- 16. New: Chmielewski alleges that Hupp spent weeks <u>"improperly using federal government resources and time"</u> to contact rental and seller's agents, and touring numerous properties. What exactly did she do?
- **17. New:** Did Hart have any other communications with Pruitt regarding EPA business, the condo, or any other subjects?
- 18. Still Unanswered: What communications, or involvement with EPA decisions, did Pruitt have with other companies represented by Hart's firm (Williams & Jensen) that <u>had business</u> <u>before the EPA</u>? (Enbridge Inc., Oklahoma Gas and Electric, and Rocky Mountain Bottle Company).

#### **First Class Travel**

Pruitt has reportedly spent far more on first class airline seats than his predecessors and cabinet colleagues, who have routinely flown coach. And he made at least one foreign trip whose relevance to EPA business has been questioned.

- 19. New: Was it Pruitt who sought to have the EPA pay \$100,000 per month to rent a private jet, as Kevin Chmielewski claims? Did Chmielewski stop the contract?
- **20. Still Unanswered:** Did Pruitt want the charter jet because he planned to travel more?

- **21. Still Unanswered:** *The Washington Post* reports that "Pruitt's aides had contacted NetJets, a well-known firm that leases such planes," but an EPA spokesman said that "EPA's [chief financial officer] regularly receives solicitations for this type of travel. Did EPA contact Netjet, or vice-versa? Did the agency contact or receive bids from other firms?
- 22. New: Why did Pruitt fly in coach-class seats on at least two 2017 trips home to Oklahoma to see football games when tax money wasn't paying for the trips—given his claims that he needed to travel in first class at government expense because of security threats?
- **23. New:** For those two Oklahoma flights, Pruitt used a ticket obtained with frequent flyer miles accrued by Ken Wagner, one of his EPA staff (and a former business partner whose shell company held Pruitt's house in Oklahoma). Did this gift violate federal rules against accepting gifts from subordinates exceeding \$10? Will he repay Wagner at full market value?
- **24.** New: Did Pruitt personally <u>approve a first-class ticket for Samantha Dravis</u> to fly with him on his return trip from Morocco, without legal justification?
- **25. New:** Did Kevin Chmielewski refuse to retroactively approve the first-class ticket for Dravis, despite pressure from Pruitt, leading to its approval by another employee?
- 26. New: Did Pruitt sometimes pick travel destinations based on his personal desires, and ask his staff to "find me something to do" to justify the use of taxpayer funds?
- **27. New:** With a 24/7 job and under multiple investigations for his travel and other practices, why did <u>Pruitt visit the Mascot Hall of Fame on April 19</u>?
- **28. New:** Did Pruitt <u>ask staff to find reasons for him to travel home</u> to Oklahoma on long weekends, including pretextual "official" meetings with old friends?
- **29. New:** Did Pruitt ask his staff to book flights on Delta for frequent flyer miles, even when they weren't the federal government's contract carrier for certain routes?

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- **30. Still Unanswered:** Has the EPA turned over the waivers required by law to book first-class flight reservations for Pruitt, which were requested by Chairman Trey Gowdy on February 20? If not, why not?
- **31. Still Unanswered:** How many of Pruitt's first-class travel waivers were granted after flights?
- **32. Still Unanswered:** During a trip to Italy, friends of Pruitt's security chief joined Pruitt and his EPA staff for "an hours-long dinner at an upscale restaurant." Who paid for the meal? How much did it cost? What was the reasoning behind the <u>rare decision</u> to let security personnel dine with those they protect, given that it was such a lavish meal?
- **33. New:** Did Pruitt <u>frequently stay in hotels that exceeded the allowable U.S. government per diem</u> and even the 300 percent cap permitted in exceptional circumstances—and get reimbursed even as members of his security detail were not?
- **34. New:** In planning international trips to Australia and Italy, did Pruitt insist on <u>staying at hotels more expensive than those recommended by the U.S. Embassy</u>—and bring along a security team at taxpayer expense rather than using on-site security at the recommended hotels?
- **35. Still Unanswered:** What was the intended purpose behind Pruitt's plan last year to <u>travel to Australia</u>, which was to include a boat trip? Whose idea was it?
- **36.** New: Why did five EPA staff fly to Australia on <u>business-class</u> <u>tickets costing roughly \$9,000 each</u> to set up the Australia trip, when an economy class ticket for the trip would have cost about \$1,400?

#### **Trip to Morocco**

- **37. Still Unanswered:** Whose idea was it that Pruitt travel to Morocco in December 2017 to promote natural gas, which is not the EPA's job?
- **38. Still Unanswered:** Before traveling to Morocco, <u>why was Pruitt's only briefing before the trip conducted by political staff</u>, not career staff in the agency's international affairs office, which typically coordinates foreign trips?
- **39. Still Unanswered:** Who from the natural gas industry did Pruitt discuss the trip with?
- **40. New:** Why was it necessary for the EPA to spend a reported \$40,000 to take 10 staffers on a two-day trip with two one-hour public meetings?
- **41**. **New:** Are there more meetings in Morocco that have not been revealed? If so, why not, and what were they?
- 42. New: Carl Icahn, an old friend of Donald Trump who vetted Pruitt to become EPA Administrator, owns Cheniere Energy Inc., a major liquefied natural gas exporter. And Cheniere Energy and Exxon Mobil are both clients of the lobby firm William and Jensen, where Stephen Hart who co-owned Pruitt's condo worked and have employed lobbyists on issues relating to liquified natural gas. Were Icahn or Chenier or Exxon's interests discussed during the Morocco trip?
- **43. New:** Natural Gas Producer **Devon Energy and the American Fuel and Petrochemical Manufacturers** each donated six-figure sums to national electioneering groups associated with Pruitt, and Devon was a large contributor to his Oklahoma campaigns. Were their staff or expertise used in the pre-trip briefing?
- **44. Still Unanswered:** What benefit did the EPA get from Pruitt's Morocco trip?

# Demoting Employees Who Questioned Pruitt's Spending

At least five EPA officials, four of them senior, were reassigned or demoted, or requested new jobs after they questioned Pruitt's spending priorities.

- **45. New:** Did Pruitt tell his chief of staff not to come to travel planning meetings after he raised concerns about Pruitt's travel?
- **46. New:** After Kevin Chmielewski alleges he <u>refused to retroactively</u> <u>approve</u> the first-class ticket for Samantha Dravis, did Pruitt's chief of staff tell Chmielewski that Pruitt wanted to fire or reassign him?
- **47. Still Unanswered:** EPA security chief Eric Weese was reportedly reluctant to sign off on requests for Mr. Pruitt to travel in first class based on security concerns, and three other officials who were later demoted—Reginald Allen, Kevin Chmielewski and John Reeder—reportedly questioned the use of taxpayer money to pay for first-class airfare. Were their questions ever put into memos, emails or other written communications?
- **48. Still Unanswered:** Three of the people who were demoted or reassigned after questioning Pruitt's spending wishes—John Reeder, Reginald Allen and Kevin Chmielewski—each served as deputy chief of staff. What role does that position have in overseeing EPA spending?
- **49. still Unanswered:** A retired EPA staffer said that Reginald Allen "had to push back on Pruitt on some of the trip and office modification expenses to keep everything legal." What expenses? What laws were involved?
- **50. Still Unanswered:** The *New York Times* reports that "several agency staff members said in interviews that they avoided putting objections into writing because they suspected there would ultimately be an investigation into the matters." What were those objections?
- **51. Still Unanswered:** The White House says it is conducting its own examination of the allegations. Will White House staff interview the six people mentioned in the *New York Times* story?

**Questions Answered:** Since EDF published its first edition of Unanswered Questions, some questions have been answered:

Q: Kevin Chmielewski reportedly expressed some of his concerns about Mr. Pruitt directly to the White House's presidential personnel office. What might those concerns have been? Were they spending related?

A: See numerous questions above.

#### **Other Spending Issues**

- **52. New:** OMB Director Mick Mulvaney will probe the \$43,500 phone booth that Pruitt built in his office after the Government Accountability Office said that the spending violated the Antideficiency Act. **At what point would violating the Act constitute a criminal violation?**
- **53. New:** After the <u>GAO concluded</u> that EPA expenditures on the phone booth violated the Financial Services and General Government Appropriations Act, an EPA spokesman <u>disagreed</u> that the expenditure required notice to Congress. Why?
- **54. New:** Newly released documents show that <u>EPA officials chose the</u> <u>most expensive bid</u> for the phone booth because it included "expedited materials and working outside regular business hours," and deputy chief of staff Kevin Chmielewski and security chief Pasquale Nino Perrotta asked several times to its hurry up its construction. **What specifically had happened to necessitate expedited construction?**
- **55. Still Unanswered:** Why did Pruitt need to spend \$2,075 to refurbish "an oversize desk with ornate woodworking" and purchase a brown maple wood stand-up desk, with brass locks from a craftsmen?
- **56. Still Unanswered:** Pruitt's chief of staff, Ryan Jackson, reportedly "raised questions about Mr. Pruitt's spending." What were his concerns?

#### Flashing Lights and Sirens

Pruitt reportedly "<u>wanted his motorcade to use its lights and sirens</u> to speed up local trips to the airport or dinner."

- **57. Still Unanswered:** How often has Pruitt's driver activated his vehicle's emergency lights and siren? The *New York Times* writes that "Such use was not consistent with agency policy." **What is the EPA's policy on their use?**
- **58. Still Unanswered:** What was the justification for doing so to get to dinner at Washington restaurants like Le Diplomate?
- **59. Still Unanswered:** The EPA says Mr. Pruitt played no role in deciding when the sirens and lights would be used. Who did? And did Pruitt ever disagree with a decision to use them? And when the *Times* reports that then-security chief Eric Weese was unsuccessful in stopping the practice, was he appealing to Pruitt, or someone else?

#### Hiring of "Kell" Kelly

Albert "Kell" Kelly is an old banker friend and business partner of Pruitt's brought on to overhaul EPA's Superfund program.

- **60. Still Unanswered:** What did Kelly do to be <u>banned for life</u> from banking by the FDIC?
- **61. Still Unanswered:** Did Pruitt inquire about Kelly's conduct was when he hired Kelly? Was he concerned about it? Did he seek information from an independent source?
- **62. Still Unanswered:** Before Kelly was hired, did EPA ethics officials review the three mortgage loans given to Pruitt and his wife three mortgage loans: one for \$81,000, another for \$359,000, and a third for \$533,000? Or his bank's loans to Pruitt of money to help buy a share of the Oklahoma City RedHawks, a minor league baseball team?

- **63. Still Unanswered:** How did these loans to Pruitt square with his bank's normal lending standards?
- **64. Still Unanswered:** In 2012, when Pruitt as attorney general made Oklahoma the only state to reject federal assistance to provide more than \$10 million to help housing foreclosure victims, did he seek advice from Kelly (who was named chairman of the American Bankers Association in 2011)?

#### Other Ethics & Secrecy Issues

- **65. Still Unanswered:** Last year, why did the EPA <u>delete information</u> sent to them by the EPA Inspector General (OIG) to justify its request for a \$62 million budget during the 2019 fiscal year?
- **66. Still Unanswered:** After restoring the information when the OIG complained, why did the EPA then submit a \$42 million budget request on the OIG's behalf to the White House?
- **67. Still Unanswered:** This February, the White House requested only \$37.5 million in its FY19 budget for the OIG. Did the EPA defend even its \$42 million request?
- **68. Still Unanswered:** A <u>media report</u> suggests that EPA staffer Samantha Dravis may have provided internal EPA information to White House staffer Rob Porter. Did the EPA investigate this allegation to see if any information was disclosed contrary to federal law or regulations?
- **69. Still Unanswered:** The story also alleges that some of the leaks about allegations of improper activity by Pruitt may have come from Porter. Is the administration investigating?
- **70. Still Unanswered:** The <u>EPA Inspector General is investigating</u> whether Pruitt, who met with a mining group in April 2017 and reportedly urged its members to press President Trump to pull the United States out of the Paris climate deal, acted improperly. Did Pruitt seek any guidance or have any briefings on the rules before the meeting?

- **71. Still Unanswered:** The EPA has imposed more secrecy around Pruitt within the agency, barring employees from taking notes in meetings with him, locking doors to his floor and requiring escorts. Were these policies imposed after specific problems had occurred?
- **72. Still Unanswered:** A <u>lawsuit alleges</u> that Pruitt "uses phones other than his own to deal with important EPA-related matters so the calls do not show up in his call logs." What phones does Pruitt use?
- **73. Still Unanswered:** Under Pruitt, a major Superfund task force did not keep notes, and career employees were asked to make major changes in a rule regulating water quality in the United States without any records of the changes they were being ordered to make. Were these restrictions imposed after particular problems or incidents?
- **74. New:** When Congressional investigators asked to speak to EPA staffer Samantha Dravis, why did she suddenly backdate her resignation from EPA by a full week, which might require them to subpoena her to gain her cooperation?

#### **Oklahoma**

#### SHELL COMPANY PURCHASE OF PRUITT'S HOUSE

- **75. New:** Why did Pruitt use a shell company registered to his former business partner Kenneth Wagner—who is now a senior EPA advisor—to purchase an Oklahoma City home with a view of the state capitol for \$420,000, using contractual arrangements that obscured his interest in it?
- **76. New:** Why did the seller of the house, with a firm hired by telecom giant SBC Oklahoma (which Pruitt has sided with on regulatory issues) sell the house to one of Pruitt's associates for a full \$100,000 less than what was paid a year earlier, after listing it for just a couple of weeks on the market? (The loss was called "unusual.")

- 77. New: Does the fact that none of Mr. Pruitt's financial disclosure filings in Oklahoma mentioned the shell company (or the profit it made when the house was sold again) violate the state's ethics rules?
- **78. New:** In 2011, why did Pruitt's office warn that any public utilities commissioner who reopened bribery investigations into SBC might face prosecution for the misuse of public funds?
- **79. New:** Did Pruitt's friendship and business dealings with Wagner influence Pruitt as state attorney general in directing more than \$600,000 in no-bid contracts to Mr. Wagner's law firm, compared to about \$100,000 over the previous four years?

#### **SPENDING & OTHER ISSUES**

- **80. New:** Newly released records show that as Oklahoma's attorney general, Pruitt took 18 out-of-state trips in 2015 and 2016, many to Washington, D.C. conservative think tanks—but that there are no reimbursement records for several of them. (One example: a January 2016 trip to Washington, D.C., costing taxpayers more than \$1,000 to meet with the APP Foundation, The Federalist Society and Club for Growth.) **Did Pruitt use taxpayer money for political or personal trips?**
- **81. New:** Why did Pruitt use Oklahoma Attorney General office investigators—licensed law enforcement officers who typically investigates crimes for the agency—to drive him 90 miles from his home in Tulsa to his Oklahoma City office and back?
- **82. New:** Why, while Oklahoma was tightening its belt amid falling tax revenue, did Pruitt move to a building that <u>charged 70 percent more</u> <u>than his current office</u>? (The owners of the building each contributed the maximum \$5,000 to his leadership PAC.)
- **83. New:** Why did <u>Pruitt's PAC Oklahoma Strong Leadership</u>, created to help finance fellow Republicans' campaigns, only devote 9 percent of its spending to other candidates?

- **84. Still Unanswered:** Why, as Oklahoma's attorney general, and contrary to normal practice, did Pruitt vigorously <u>refuse to release a state auditor's report</u> on a botched superfund cleanup at the Tar Creek site, despite the auditor's request that it be released?
- **85. New:** Even as he was refusing to release the Tar Creek audit, <u>why did</u> <u>he provide a copy privately</u> to public officials who were referenced in the audit as instigating an alleged conspiracy against the state?
- **86. Still Unanswered:** How much did Pruitt and his partners sell the Oklahoma City RedHawks baseball team for in 2010?

**Question Answered:** Since EDF published its first edition of Unanswered Questions, one question about Pruitt's time in Oklahoma has been answered:

- Q: How much of the \$11.5 million purchase price did Pruitt—when he was a state senator at the time—contribute to the purchase of the Oklahoma City RedHawks baseball team in 2003?
- **A:** <u>25 percent.</u> Pruitt's main partner was Robert Funk, who ran a staffing firm called Express Services. Two months after the deal closed, Funk attended a news conference where Pruitt announced legislation making it harder for Oklahoma workers to claim certain kinds of injury compensation, which would benefit companies like Express Services.