

FACT SHEET:

Oversight Committee Democrats File Federal Lawsuit Against Trump Administration for Withholding Documents Relating to Trump Hotel

Today, the Democratic Members of the House Committee on Oversight and Government Reform filed a lawsuit against the Trump Administration for withholding documents they have been seeking for months relating to the Trump Hotel in Washington, D.C.

The Documents Committee Members Are Seeking

- The Trump Administration has refused all Democratic requests for documents about the Trump Hotel for the better part of this year. They have refused to provide basic documents about the hotel's ongoing operations, foreign payments to the hotel, or the reversal of GSA's legal position that President Trump could not be a party to the lease.

The Reason Committee Members Need These Documents

- The Committee Members are seeking these documents to investigate three major issues: (1) whether the Office of the Presidency is being used for private gain; (2) the extent to which the Trump Hotel is receiving payments from foreign governments or officials; and (3) the reason GSA reversed its previous legal interpretation of the lease, which prohibits any "elected official of the Government of the United States" from taking or sharing in any benefit that "may arise" from the lease.
- The Trump Hotel [lost significant amounts of money](#) in its first two months of operations—before the election—far underperforming the company's own projections. According to [press reports](#), however, this changed after President Trump was sworn in. As of August, the Trump Hotel turned a \$1.97 million profit despite projecting that it would lose \$2.1 million during the first four months of 2017.

The Legal Basis on Which Committee Members Are Relying

- The Members are filing their complaint in the United States District Court in Washington D.C. under a federal law known as the "Seven Member" statute. This law is specific to the Oversight Committee in the House of Representatives and provides that a federal agency "shall" produce documents when requested by any seven Members of the Committee.

The "Seven Member" Statute

- It is not merely a regulation or a rule, but a federal statute (5 U.S.C. § 2954). It was passed by both houses of Congress and signed by the President in 1928. It does not apply to any other committees in the House. It does not matter whether the seven members who make the request are Democrats or Republicans, and it is mandatory for federal agencies to comply.

The Only Difference—Donald Trump Is Now President

- During the previous administration, this exact same agency—GSA—explicitly recognized this authority under this exact same law—the Seven Member statute—and produced unredacted documents on this exact same issue—the Trump Hotel. The only difference now is that Donald Trump is President.

The Need for a Court to Enforce the Statute

- Oversight Committee Republicans are refusing to do their jobs. They have refused to join Democratic requests for documents about the Trump Hotel. This is just one example of many in which House Republicans are walling off President Trump from credible congressional oversight.

Republican Use of the Seven Member Statute

- Historically, both Democratic and Republican Committee Members have successfully used the Seven Member statute to obtain documents from federal agencies. For example, in 1994, then-Committee Members Dennis Hastert and Rob Portman joined other Republican Committee Members to successfully invoke the Seven Member statute to obtain documents from the Federal Deposit Insurance Corporation.

Previous Litigation on the Seven Member Statute

- Right now, there is a split of opinion that needs to be resolved. In the 2002 case of *Waxman v. Evans* against the Department of Commerce for Census information, the District Court judge wrote:

Reading the terms of Section 2954 in their ordinary and common meanings as this Court must ... the Court finds that the “Seven Member Rule” requires an executive agency to submit all information requested of it by the Committee relating to all matters within the Committee’s jurisdiction upon the Committee’s request. Here, there is no dispute that the adjusted census data requested by plaintiffs is within the Committee’s jurisdiction. Consequently, the plain language of Section 2954 mandates that the Secretary release the requested data to Plaintiffs.

In the 2006 case of *Waxman v. Thompson* against the Department of Health and Human Services for cost projections relating to Medicare Part D, a different District Court judge denied the claim on a procedural ruling that the Members’ did not have standing.

Next Steps

- Now that the Committee Members have filed their complaint, the Trump Administration has 60 days to file a response. If the court ultimately finds in favor of the Committee Members, it could order GSA to produce the documents. If GSA refuses, the court could hold GSA in contempt. If GSA continues to refuse, the court could impose penalties directly against the GSA Administrator.

KEY DOCUMENTS AND EXHIBITS

Lawsuit Against Trump Administration by Oversight Committee Members

- [Complaint](#) Filed in Federal District Court in Washington D.C. (Nov. 2, 2017)

Obama Administration Explicitly Recognized and Complied With Seven Member Statute

- [Letter](#) from Committee Members Invoking Seven Member Statute (Dec. 22, 2016)
- [Letter](#) from Obama Administration Explicitly Recognizing Seven Member Statute, Complying with Request, and Producing Unredacted Documents (Jan. 3, 2017)

Trump Administration Refused to Comply With Seven Member Statute

- [Letter](#) from Ranking Members to Trump Administration Requesting Documents (Jan. 23, 2017)
- [Letter](#) from Trump Administration Promising to Consider Request if Made Under Seven Member Statute (Feb. 6, 2017)
- [Letter](#) from Committee Members Invoking Seven Member Statute (Feb. 8, 2017)
- [Letter](#) from Committee Members Reiterating Request Under Seven Member Statute (June 5, 2017)
- [Letter](#) from Committee Members Again Reiterating Request Under Seven Member Statute (July 6, 2017)
- [Letter](#) from Trump Administration Refusing to Comply with Statute (July 17, 2017)

Previous Republican Uses of Seven Member Statute

- [Letter](#) from Reps. Hastert, Portman, and Others Successfully Invoking Seven Member Statute to Obtain Documents from FDIC (Apr. 22, 1994)

GSA Previously Interpreted Lease as Barring Trump if Elected President

- [Letter](#) from Democrats After Briefing from Deputy Commissioner for the GSA Public Building Service (Dec. 14, 2016)
- [Copy of Lease](#) prohibiting any “elected official of the Government of the United States” from taking or sharing in any benefit that “may arise” from lease (Aug. 5, 2013)