



October 8, 2019

The Honorable Elijah Cummings
Chairman, House Committee on Oversight and Government Reform
United States House of Representatives
Washington, DC 20515

The Honorable Jim Jordan
Ranking Member, House Committee on Oversight and Government Reform
United States House of Representatives
Washington, DC 20515

Dear Chairman Cummings and Ranking Member Jordan,

We applaud your investigation into Secretary Elaine Chao to address the troubling questions that she's used her office to benefit herself and her family. Her failure to divest stock from Vulcan Materials, where she served on the Board of Directors, is a clear ethical problem, as are the many reports that Chao has used her position to benefit her family's shipping company, the Foremost Group. These are important issues that deserve your scrutiny.

However, given the months of explosive media coverage exposing Chao's improper use of her office to favor her home state of Kentucky over other states, with an increase in Department of Transportation (DOT) grant money and access to high-level staff including Chao herself, we implore you to expand your investigation to cover these disturbing allegations. The fact that favoring Kentucky, the state her husband Senate Majority Leader Mitch McConnell represents in the Senate, also politically benefits her husband, is not only unprecedented, but reeks of corruption and deserves intense scrutiny by your committee.

[Multiple reports show](#) that Chao is using her position to favor Kentucky, the state where her husband, Senate Majority Leader Mitch McConnell, will face a tough re-election for Senate in 2020. She has even touted her work to bring federal dollars back to Kentucky, stating she will "try not to come" to Kentucky "[empty-handed](#)." DOT [spent](#) nearly \$14 million on projects located in Kentucky in 2018 — over an \$11 million increase in funding from the final year of the Obama administration. Her office [created](#) a path through a special liaison at DOT for McConnell's Kentucky interest projects. Even more disturbing, Chao has been doing this [for years](#), guiding major DOT and DOL projects to her home state of Kentucky in an effort to boost the political career of her husband (raising questions about Hatch Act violations), even turning the small town of Paducah into her own personal swamp.

Chao's favoritism toward Kentucky isn't a victimless practice — transportation infrastructure projects that affect millions have been stalled under her leadership. For example, Secretary Chao and the Trump administration have [slow-rolled](#) and obscured environmental approvals needed to proceed with the Gateway project, an infrastructure improvement project that affects millions of Americans. The Gateway tunnel is one of the nation's most significant pieces of transportation infrastructure, carrying 200,000

passengers daily under the Hudson River. Many experts have judged that the tunnel could fail at any time, paralyzing the densely populated Northeast Corridor.

Even more, these aren't the only scandals Chao is involved in. She is still embroiled in Wells Fargo scandals from her time serving on the bank's Board of Directors, and is implicated in a \$240 million payout to shareholders who sued her and other Wells Fargo representatives for neglecting their management duties. During her tenure on the Wells Fargo Board of Directors, the bank preyed on consumers, including creating up to 3.5 million fake deposit accounts that often targeted vulnerable consumers. Chao, who was tasked in part with overseeing Wells Fargo's ethics and fair corporate practices, failed to prevent massive fraud the bank committed, including improperly repossessing veterans' cars and wreaking havoc on their credit. As Chao is still receiving checks from Wells Fargo, customers targeted by the bank are still struggling to recover financially.

Our government officials must first and foremost remain accountable to the American people they serve. We urge you to expand your investigation into Secretary Chao to determine if she has used her position for the political profit of her husband, Senate Majority Leader Mitch McConnell. We thank you for your commitment to the values of our democracy.

Sincerely,

Lizzy Price
Director
Restore Public Trust