



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

February 10, 2022

Teri L. Donaldson
Inspector General, Dept. of Energy
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Washington, D.C. 20585
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Emory A. Rounds, III
U.S. Office of Government Ethics
1201 New York Avenue, N.W., Suite 500
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Email: ContactOGE@oge.gov

Re: Energy Secretary Jennifer Granholm

Dear Ms. Donaldson and Mr. Rounds,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. We write today to request an investigation into Secretary of Energy Jennifer Granholm's apparent violation of federal law. As recently reported, Secretary Granholm "violated a federal conflicts-of-interest and transparency law by improperly reporting up to a quarter-million dollars in stock sales, according to an Insider analysis of financial disclosure documents."¹ Neither Granholm nor the Office of Government Ethics has been transparent about Granholm's clear violation of federal law. Granholm should not be permitted to violate the law without consequences and an explanation to the public.

Federal law requires government officials to disclose their financial information to the public.² The disclosure requirements are an integral part of an ethical and transparent government: accurate and timely filing is the only method for citizens to determine whether government officials have conflicts of interest or are wrongfully profiting from their position. Under the

¹ Warren Rojas, *Energy Secretary Jennifer Granholm Violated A Federal Conflict-Of-Interest Law By Improperly Disclosing Stock Sales*, Business Insider, Jan. 20, 2021, available at: <https://www.businessinsider.com/biden-administration-energy-secretary-jennifer-granholm-stock-act-violator-2022-1>.

² 5 U.S.C. app 4 sec. 101-111 (disclosure requirements); sec. 102(a)(5) (requirement for disclosure of financial transactions over \$1,000).

public disclosure requirements, Executive Branch Secretaries must file an annual financial disclosure report that provides a “full and complete” statement of their assets, debts, and income.³ In addition to the annual report, Secretaries must file a periodic report to disclose any financial transaction that exceeds \$1,000 within 30 to 45 days of the transaction.⁴ This federal law is extremely important and places an affirmative duty on those filing to ensure compliance with the law. There is no excuse for inaccurate, incomplete, or late filings, and every violation has consequences.⁵

In the present case, Secretary Granholm made nine stock trades between April 30 and October 26, 2021.⁶ However, she did not disclose those to the Office of Government Ethics until December 15 and 16, 2021—either weeks or months past the 30-day disclosure deadline required under federal law.⁷ “Granholm's stock sales involved shares of biopharmaceutical firm Gilead Sciences Inc. — a major government contractor and maker of COVID-19 treatment Remdesivir — mobility service Uber, and real estate company Redfin.”⁸ Granholm indicated on her filing that she was unaware of the trades more than thirty days prior to disclosing them, but this is irrelevant—she has an affirmative duty to comply with the law and ignorance does not excuse a violation.⁹

³ 5 U.S.C. app 4 sec. 101-111 (disclosure requirements); sec. 102(a)(5) (requirement for disclosure of financial transactions over \$1,000).

⁴ *Id.*

⁵ The Ethics in Government Act does not allow government officials to break the law without consequence. *See, e.g.*, 5 U.S.C. app 4 sec. 104(a)(1) (providing for a civil penalty not to exceed \$50,000); sec. 104(a)(2) (making it unlawful for any person to knowingly and willfully fail to file or report any information required under section 102, with penalties of up to \$50,000 and imprisonment of not more than one year); sec. 104(d) (providing for a late filing fee of \$200).

⁶ Warren Rojas, *Energy Secretary Jennifer Granholm Violated A Federal Conflict-Of-Interest Law By Improperly Disclosing Stock Sales*, Business Insider, Jan. 20, 2021, available at: <https://www.businessinsider.com/biden-administration-energy-secretary-jennifer-granholm-stock-act-violator-2022-1>. Jennifer Granholm, Periodic Transaction Report, U.S. Office Of Government Ethics, filed Dec. 15, 2021, available at: <https://s3.documentcloud.org/documents/21182722/jg-121521.pdf>. Jennifer Granholm, Periodic Transaction Report, U.S. Office Of Government Ethics, filed Dec. 16, 2021, available at: <https://s3.documentcloud.org/documents/21182723/jg-121621.pdf>.

⁷ Instructions For Completing The OGE Form 278-T, U.S. Office Of Government Ethics, Nov. 2019, available at: [https://www.oge.gov/web/OGE.nsf/0/78E3B27A68F437DC852585B6005A23E9/\\$FILE/OGE%20Form%20278-T%20Nov%202019_accessible.pdf](https://www.oge.gov/web/OGE.nsf/0/78E3B27A68F437DC852585B6005A23E9/$FILE/OGE%20Form%20278-T%20Nov%202019_accessible.pdf).

⁸ Warren Rojas, *Energy Secretary Jennifer Granholm Violated A Federal Conflict-Of-Interest Law By Improperly Disclosing Stock Sales*, Business Insider, Jan. 20, 2021, available at: <https://www.businessinsider.com/biden-administration-energy-secretary-jennifer-granholm-stock-act-violator-2022-1>.

⁹ Jennifer Granholm, Periodic Transaction Report, U.S. Office Of Government Ethics, filed Dec. 15, 2021, available at: <https://s3.documentcloud.org/documents/21182722/jg-121521.pdf>. Jennifer Granholm, Periodic Transaction Report, U.S. Office Of Government Ethics, filed Dec. 16, 2021, available at: <https://s3.documentcloud.org/documents/21182723/jg-121621.pdf>.

Making the situation more egregious, Granholm has not been transparent about her failure to comply with federal law. Granholm is “one of the Biden administration's highest-ranking officials whose personal finances have come under previous scrutiny,” which adds to the need for transparency.¹⁰ Yet, “[a]dministration officials declined to discuss the timing or vetting of Granholm's financial disclosures. A Department of Energy spokesperson did not explain why Granholm's disclosures were late.”¹¹ Moreover, the Office of Government Ethics signed off on Granholm’s filings, which in itself requires explanation to the public.¹² Then when questioned by a reporter, an OCE spokesperson acknowledged the requests for information “but didn’t respond to any of the questions posed.”¹³

As exemplified here, a government official’s failure to comply with the most basic ethics rules leads to public distrust in our government. Moreover, the following lack of transparency and consequences is especially harmful because it appears that the law is not enforced and that the law does not apply equally to all. We request the Inspector General investigate and take appropriate remedial action.

Sincerely,

/s/Kendra Arnold

Kendra Arnold

Executive Director, Foundation for Accountability & Civic Trust

¹⁰ Warren Rojas, *Energy Secretary Jennifer Granholm Violated A Federal Conflict-Of-Interest Law By Improperly Disclosing Stock Sales*, Business Insider, Jan. 20, 2021, available at: <https://www.businessinsider.com/biden-administration-energy-secretary-jennifer-granholm-stock-act-violator-2022-1>.

¹¹ *Id.*

¹² Jennifer Granholm, Periodic Transaction Report, U.S. office Of Government Ethics, filed Dec. 15, 2021, available at: <https://s3.documentcloud.org/documents/21182722/jg-121521.pdf>. Jennifer Granholm, Periodic Transaction Report, U.S. Office Of Government Ethics, filed Dec. 16, 2021, available at: <https://s3.documentcloud.org/documents/21182723/jg-121621.pdf>.

¹³ Warren Rojas, *Energy Secretary Jennifer Granholm Violated A Federal Conflict-Of-Interest Law By Improperly Disclosing Stock Sales*, Business Insider, Jan. 20, 2021, available at: <https://www.businessinsider.com/biden-administration-energy-secretary-jennifer-granholm-stock-act-violator-2022-1>.