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April 26, 2019

Stephen Moore
Distinguished Visiting Fellow
The Heritage Foundation
214 Massachusetts Ave. NE
Washington, DC 20002

Dear Mr. Moore:

As President Trump reportedly prepares to nominate you to the Board of Governors of the Federal Reserve System,¹ I write to express my concerns regarding your extensive ties to well-financed special interests that spend huge sums of money to influence public policy in their favor—at the expense of the American public. As you wrote in a blog post late last year, “The first iron rule of American politics is: Follow the money. This explains, oh, about 80 percent of what goes on in Washington.”² While I may disagree with many of your views, I agree with this one.

If you are confirmed as a member of the Board of Governors, you will be responsible for guiding the Federal Reserve’s handling of monetary policy, protection of consumer rights, and oversight of systemic risk within the nation’s financial system. You will be in an extraordinarily influential position to make decisions that affect the well-being of every single American. Americans should be able to trust that members of the Board of Governors are making decisions based on the interests of American families, not on behalf of narrow, well-financed interests. These interests already exercise vast influence in Washington due to their enormous spending on lobbying and elections. This influence is magnified via a revolving door of individuals who move between employment in and for regulated entities and the government agencies that oversee and regulate them.

If you are confirmed, federal ethics rules may require your recusal from matters involving companies and individuals with whom you have had business relationships, including matters involving companies and individuals for whom you have previously consulted or lobbied.³ Federal regulations state that officials and employees should not participate in matters where

¹ CNBC, “Here’s how Trump decided to nominate Stephen Moore to the Fed – and what it means for Jerome Powell,” Eamon Javers and Jacob Pramuk, March 22, 2019, <https://www.cnbc.com/2019/03/22/why-trump-nominated-stephen-moore-for-federal-reserve-board.html>.

² The Heritage Foundation. “Follow the (Climate Change) Money,” Stephen Moore, December 18, 2019, <https://www.heritage.org/environment/commentary/follow-the-climate-change-money>.

³ 5 C.F.R. §2635.502

“the circumstances would cause a reasonable person with knowledge of the relevant facts to question his impartiality in the matter.”⁴

If confirmed, your deep ties to lobbying and advocacy organizations would raise serious concerns about your impartiality, the Federal Reserve’s independence, and your propensity to act only in the public interest. Many of these influence-peddling groups with which you have affiliated keep their donors and clients secret while aggressively advocating for federal policies that would benefit them. Your past comments that you are “not even a big believer in democracy” and that “capitalism is a lot more important than democracy” significantly compound these concerns.⁵

Examples of your connections to special interest groups include:

- In 1999, you co-founded the Club for Growth, which, according to its website, is “the leading free-enterprise advocacy group in the nation” and has “enormous influence on public policy.”⁶ In 2005, the Federal Election Commission (FEC) found that, while you were president of the Club for Growth, it violated multiple federal laws by knowingly accepting illegal contributions, making illegal political expenditures, and failing to register as a political committee despite its explicit intent to help elect Republicans.⁷ Without acknowledging its status as a political committee, the Club for Growth, under your leadership, spent millions of dollars to elect Republican candidates.⁸ The Club for Growth eventually paid \$350,000 to settle the FEC’s lawsuit, and the group’s board removed you from your position.⁹ You have since called the group “one of my great ideas of all time.”¹⁰
- In addition to its alleged violations of campaign finance law, the Club for Growth, according to its website, has “enormous influence on economic policy.”¹¹ It is clearly

⁴ *Id.*

⁵ CNBC, “The GOP is attacking socialism, but Trump Fed pick Stephen Moore pits capitalism against democracy,” John Harwood, April 18, 2019, <https://www.cnbc.com/2019/04/18/capitalism-trumps-democracy-for-trump-fed-pick-stephen-moore.html>.

⁶ The Club for Growth, “What We Do,” accessed April 19, 2019, <https://www.clubforgrowth.org/about/what-we-do/>.

⁷ United States District Court for the District of Columbia, “Complaint for Declaratory, Injunctive, and Other Appropriate Relief,” Federal Election Commission v. Club for Growth, Inc., https://transition.fec.gov/law/litigation/club_for_growth_complaint.pdf.

⁸ *Id.*

⁹ The Washington Post, “Stephen Moore, who once ran a political group fined \$350,000, wants to take the Fed in a direction Trump supports,” Heather Long and Damian Paletta, March 28, 2019, https://www.washingtonpost.com/business/economy/stephen-moore-who-once-ran-a-political-group-fined-350000-wants-to-take-the-fed-in-a-direction-trump-supports/2019/03/28/889396f2-509c-11e9-a3f7-78b7525a8d5f_story.html;

The Hill, “Conservative unrest fuels Club fundraising: Toomey,” Patrick O’Connor, April 4, 2006, <https://thehill.com/homenews/news/10207-conservative-unrest-fuels-club-fundraising-toomey>.

¹⁰ The Wall Street Journal, “Stephen Moore’s Unusual Route to the Fed as a Political Warrior,” Nick Timiraos, March 29, 2019, <https://www.wsj.com/articles/stephen-moores-unusual-route-to-the-fed-as-a-political-warrior-11553828730>.

¹¹ The Club for Growth, “Club for Growth,” accessed April 22, 2019, <https://www.clubforgrowth.org/about/club-for-growth/>.

proud of its extraordinary influence in Washington, noting on its website that the National Review once called it “one of the most feared conservative forces in the Republican cloakroom.”¹² While the Club for Growth does not publicly disclose its donors, many that have been reported appear to come from the fossil fuel and financial services sectors¹³—industries that would be among the first to benefit from the group’s hardline opposition to addressing climate change, taxes on corporations and wealthy shareholders, and regulations designed to protect consumers.¹⁴ You have also spent a significant portion of your career at The Heritage Foundation, including for several years in the 1980s and from 2014 to the present. The Foundation’s Board of Trustees has emphasized its belief that the Foundation is “strictly accountable” to its donors, noting, “the integrity of an organization rests on its fidelity to the intent of its contributors.”¹⁵ Despite this emphasis on representing its donors’ intentions and interests, the Foundation also does not publicly disclose the identities of those donors.

- In February 2017, you joined the “political intelligence consultancy” 32 Advisors and began “meeting with banking and hedge fund executives to help them navigate the halls of power in the Trump era.”¹⁶ In this role, you are reportedly advising—and being paid by—“Wall Street banks, hedge fund managers, [and] investors,”¹⁷ all of which clearly have a strong interest in the Federal Reserve’s policies.

In order to understand your ties to these lobbying and advocacy organizations and any potential conflicts of interest, or appearances of conflicts of interest, that they could create if you are confirmed, I request that you answer the following questions no later than May 10, 2019:

1. Are you currently a Strategic Partner at 32 Advisors, as its website indicates?¹⁸
 - a. Will you immediately resign that position if you are formally nominated to the Board of Governors?
2. Please provide a list of your clients at 32 Advisors, the time period during which you worked on their behalf, and a brief description of your services for each one.
 - a. If you are confirmed, will you commit to recusing yourself from any matter involving one or more of these clients?
 - b. Please detail the total compensation you received from each client and when you received it.
 - c. Please list all matters on which you lobbied or consulted while employed by 32 Advisors.

¹² *Id.*

¹³ OpenSecrets.org, “Top Donors, 2018 Cycle,” OpenSecrets.org, accessed April 22, 2019, <https://www.opensecrets.org/outsidespending/contrib.php?cmte=Club+for+Growth&cycle=2018>.

¹⁴ The Club for Growth, “issues,” accessed April 22, 2019, <https://www.clubforgrowth.org/issues/>.

¹⁵ The Heritage Foundation, “Honoring Donor Intent: Our pledge to contributors,” accessed April 19, 2019, http://thf_media.s3.amazonaws.com/2010/pdf/donor_intent_final.pdf.

¹⁶ Daily Beast, “From Trump Economist to Partner’s With Obama’s Pal,” Lachlan Markay, February 28, 2019, <https://www.thedailybeast.com/from-trump-economist-to-partners-with-obamas-pal>.

¹⁷ *Id.*


¹⁸ 32 Advisors, “Get Their Insights,” accessed April 19, 2019, <http://32advisors.com/team/>.

3. Please provide a list of donors who you solicited and who gave \$10,000 or more to the Club for Growth, including any of its political arms, while you were president of the organization.
 - a. If you are confirmed, will you commit to recusing yourself from any matter involving one or more of these donors?

4. Please provide a list of donors who gave \$10,000 or more to the Heritage Foundation or Heritage Action while you have been employed by the organization.
 - a. If you are confirmed, will you commit to recusing yourself from any matter involving one or more of these donors?

5. If you are confirmed, will you commit to publicly disclosing any meetings that you have while you are on the Board of Governors, including their attendees and minutes, with any affiliates—including employees, Board members, donors, and clients—of 32 Advisors, The Club for Growth, and the Heritage Foundation?

Sincerely,



Elizabeth Warren
United States Senator