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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

October 13, 2022

Mr. Bruce Flatt
Chief Executive Officer
Brookfield Asset Management
Brookfield Place, Suite 300
181 Bay Street
Toronto, ON M5J 2T3

Dear Mr. Flatt,

I write regarding Brookfield Asset Management's ("Brookfield") refusal to provide the Senate Finance Committee ("the Committee") information it has requested related to a transaction with Kushner Companies involving funding from the Government of Qatar. As you are aware, the Committee is investigating whether former Senior White House Adviser Jared Kushner's financial conflicts of interest influenced U.S. policy in the Middle East. In particular, the Committee's investigation seeks to uncover the full extent to which Brookfield was aware that a fund co-owned by the Government of Qatar would be used to carry out a \$1.2 billion bailout of a struggling Kushner property.

As part of this investigation, I have requested detailed information from Brookfield to understand the process by which Brookfield paid Kushner Companies \$1.2 billion in 2018 to sign a 99 year lease on the 666 Fifth Avenue property in Manhattan. This request asked specific questions related to whether Brookfield was aware that members of the Kushner family were holding discussions with Qatari government officials and businessmen, and whether the Qatari Investment Authority or the Qatari government were made aware that Brookfield was negotiating with Kushner Companies regarding the transaction. I also requested information regarding Brookfield's decision to use Brookfield Property Partners (BPY) fund for the transaction. At the time, the Qatari Investment Authority (QIA) had invested \$1.8 billion in the BPY fund and was the fund's second largest investor, giving it "significant influence" over BPY and allowing it "to receive confidential information that other investors never see."¹

¹ *Brookfield: Inside the \$500 billion secretive investment fund: A FT investigation into the complex dealings of the group that helped out the Kushners by leasing 666 Fifth Avenue*, Financial Times, Jul. 11, 2017, <https://www.ft.com/content/595a77d0-3867-11ea-a6d3-9a26f8c3cba4>

Unfortunately, Brookfield has twice declined to provide the Committee this information, instead stonewalling on whether it intentionally misled the public on its decision to use the Qatari-backed BPY to invest in a Kushner property, despite statements indicating it would avoid doing so due to conflicts of interest. During its negotiations with Kushner companies, Brookfield stated publicly that “no Qatar-linked entity has any involvement in, investment in or even knowledge of this potential transaction.”² Brookfield officials indicated they planned to invest in the 666 Fifth Avenue Property using a separate fund from BPY in order to prevent Qatari money from being involved in the project.³

Brookfield’s assurances that no Qatar-linked entities would be involved in the deal with Kushner Companies turned out to be false. A few months after the deal was signed, Reuters reported that the Government of Qatar claimed it was involved in the transaction, which was done through Brookfield’s BPY fund, which it co-owns.⁴ Additionally, reporting indicated that the limited liability company used to sign the lease on 666 Fifth Avenue, BSREP III Nero LLC, was controlled by BPY at the time of the transaction. Furthermore, the same report notes that BSREP III includes \$3 billion in capital from sovereign governments, including \$2 billion from Middle Eastern ones.⁵

I remain deeply concerned that funding from a foreign government was involved in the rescue of a Kushner owned property while Jared Kushner was employed as a Senior White House official closely involved in the formulation of U.S. policy towards the Middle East. This is a serious issue, as federal criminal conflict of interest statutes for White House officials extend not only to matters affecting their own financial interests, but that of their direct relatives and spouses. Kushner Companies was and is a family business owned and controlled by members of the Kushner family, including Jared Kushner, his parents and siblings.

New revelations have raised fresh concerns that Jared Kushner was engaging directly with Qatari officials after his family business had successfully obtained funding from the Government of Qatar. This includes advising the President on matters related to a diplomatic blockade against Qatar by Saudi Arabia, the United Arab Emirates and Egypt. Former Secretary of State Rex Tillerson recently testified in federal court that it was “evident” that Kushner frequently engaged with foreign government officials and often did so in a manner that was inconsistent with the views of other U.S. government officials.⁶ Tillerson testified that Kushner and other White House officials expressed support for the blockade against Qatar, despite

² *Kushners near deal with Qatar-backed firm to save investment in troubled Manhattan high-rise*, Los Angeles Times, May 17, 2018, <https://www.latimes.com/business/la-fi-kushner-land-deal-20180517-story.html>

³ *Canadian firm in talks to bail out troubled Kushner building*, The Washington Post, May 17, 2018, https://www.washingtonpost.com/politics/canadian-firm-in-talks-to-bail-out-troubled-kushner-building/2018/05/17/bd10fcc0-59f4-11e8-8836-a4a123c359ab_story.html

⁴ *Qatar revamps investment strategy after Kushner building bailout*, Reuters, Feb. 11, 2019, <https://www.reuters.com/article/us-qatar-fund-kushner-insight/qatar-revamps-investment-strategy-after-kushner-building-bailout-idUSKCN1Q00W3>

⁵ *Brookfield: Inside the \$500 billion secretive investment fund: A FT investigation into the complex dealings of the group that helped out the Kushners by leasing 666 Fifth Avenue*, Financial Times, Jul. 11, 2017, <https://www.ft.com/content/595a77d0-3867-11e8-a6d3-9a26f8c3cba4>

⁶ *Former Sec. of State Rex Tillerson testifies at foreign lobbying trial of Tom Barrack*, CNN, Oct. 3, 2022, <https://www.cnn.com/2022/10/03/politics/rex-tillerson-tom-barrack-trial/index.html>

opposition from the Secretaries of State and Defense.⁷ Additionally, in a pitch deck for Affinity Partners, an investment firm founded by Kushner that recently secured a \$2 billion investment from the government of Saudi Arabia, Kushner's biography states that "Jared led the diplomatic efforts to end the Gulf rift, reuniting Qatar with the Gulf Cooperation council."⁸

The full extent to which Kushner has communicated with representatives from the Governments of Qatar and Saudi Arabia during the periods before or after Brookfield was involved in negotiations with Kushner companies remains largely unknown. As Chairman of the Committee, I find it deeply concerning that Kushner may have changed his position on the blockade of Qatar only after his family business had secured a major investment from the Qatari-backed BPY fund.

The American public deserves to understand the extent to which a major private equity firm willfully used funding from a foreign sovereign wealth fund to inject a billion dollar lifeline into a property owned by a senior White House official. This transaction involves a U.S. subsidiary of Brookfield acquiring and operating real estate assets in the United States. Criminal conflict of interest statutes for government employees are in place for a reason, and Brookfield must answer basic questions as to whether its Qatari investors were aware of the potential transaction with Kushner Companies before it was executed. Please note that the Senate Finance Committee will not accept any suggestions by Brookfield to direct its questions to other Congressional committees with separate investigations that do not address the questions posed by this inquiry.

Accordingly, please provide the following information no later than October 24, 2022:

1. During negotiations with Kushner Companies, were any representatives from Brookfield Asset Management aware that Mr. Kushner and his family had held previous discussions with Qatari government officials and businessmen, including the April 24, 2017 meeting between Charles Kushner and Minister Ali Sharif Al Emadi?
2. Please describe Brookfield's process for managing any perceived or actual conflicts of interest related to its work with Kushner Companies or any related companies and the Kushner family. Why did Brookfield Asset Management decide to sign a 99 year lease through its Brookfield Property Partners fund, despite previous claims it would not do so to avoid potential conflicts of interest?
3. Was any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government made aware that Brookfield Asset Management and Brookfield Property Partners were negotiating with Kushner Companies regarding an investment in the 666 Fifth Avenue Property? Please provide the dates of any such communications.

⁷ *Rex Tillerson, on witness stand, gives insight into time as secretary of state*, Yahoo News, Oct. 3, 2022, <https://www.yahoo.com/now/rex-tillerson-testifies-trump-170925374.html>

⁸ *Jared Kushner flaunted his influence with Saudi Arabia, Russia in pitch to investors*, Apr. 18, 2022, <https://theintercept.com/2022/04/18/saudi-russia-jared-kushner-affinity-partners/>

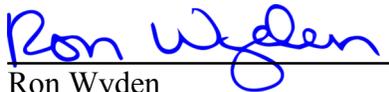
4. According to public reports, Brookfield has offered for sale parts of its BSREP III Fund, allowing for new investors to acquire portions of the 666 Fifth Avenue lease agreement. Has Brookfield opened up its BSREP III Fund to additional foreign investors since signing the 666 Fifth Avenue lease with Kushner Companies?
5. With respect to Brookfield Asset Management, including, but not limited to, any of its subsidiaries, affiliates, partnerships, groups, special purpose entities, joint ventures, predecessors, successors, or any other entity in which they have or had a controlling interest, any employee, shareholder, partner, member, consultant, independent contractor, agent, attorney or other representative of any of those entities, (hereafter referred to collectively as “Brookfield”) please provide the following:
 1. Any document related to the matters identified in items 1 -3 above generated by, received by or possessed by Brookfield.
 2. Any document related to any communication notifying any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government of Brookfield’s efforts to sign a 99 year lease agreement between the entities BSREP III NERO LLC and 666 Fifth Associates LLC.
 3. Any document related to Brookfield’s lease of any portion of the building at 666 Fifth Avenue that was provided to any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government, including any communication with any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government that was related to the lease.
 4. A complete copy of the lease agreement between BSREP III Nero LLC and 666 Fifth Associates LLC, including but not limited to the full list of all the terms and conditions.
 5. A full list of all investors in Brookfield’s BSREP III fund, which reportedly owns BSREP III Nero LLC and the rights to the 666 Fifth Avenue property between the years 2017 and today. Please include a detailed and itemized list of all investors (and the amounts they invested) in funds affiliated with Brookfield Asset Management that have participated in the 99 year lease with Kushner Companies for the 666 Fifth Avenue Property.
 6. A detailed list of all meetings with the Kushner Companies and/or any individual or entity that represented or was a part of the Qatari Investment Authority or the Qatari government, in which Brookfield’s employees participated, in person, by telephone or video conference. Please also included a detailed description of issues discussed during these meetings and any summaries of formal or informal

agreements reached in these meetings, including any meeting notes, agendas, transcripts or memoranda memorializing or documenting any aspect of these meetings.

7. Any document related to any analysis (including any financial analysis) or evaluation of the lease agreement between BSREP III Nero LLC and 666 Fifth Associates LLC as well as any other any lease or investment arrangement involving all or any portion of the 666 Fifth Avenue building considered or proposed by Brookfield.
8. Any document that addresses any advantage or disadvantage of or reason for or against, Brookfield making a full, up-front payment of most of the amount that would be owed to 666 Fifth Associates LLC over the 99 year term of the lease.

Thank you for your attention to this important matter.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance