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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

JOSHUA SHEINKMAN, STAFF DIRECTOR  
GREGG RICHARD, REPUBLICAN STAFF DIRECTOR

September 24, 2024

Chad Mizelle  
Chief Legal Officer  
Affinity Partners  
16690 Collins Avenue  
Sunny Isles Beach, FL 33160

Dear Mr. Mizelle,

I write seeking additional information regarding Affinity Partners (“Affinity”) business dealings with foreign investors, including foreign governments paying Affinity hundreds of millions of dollars in fees for investment advisory services. While I appreciate Affinity’s cooperation in this matter thus far, the information provided has heightened my concerns that investments in funds managed by Affinity create unprecedented conflicts of interest, and that Affinity’s investors may not be motivated by commercial considerations, but rather the opportunity to funnel foreign government money to members of President Trump’s family, namely Jared Kushner and Ivanka Trump.

Over the last three years, Kushner-led Affinity has collected approximately \$157 million in management fees from foreign investors while generating no return on investment for its clients. This includes \$87 million in payments directly from the government of Saudi Arabia. Affinity’s failure to deploy capital in a timely fashion while charging excessive fees has reinforced my view that Affinity is likely part of a compensation scheme involving U.S. political figures designed to circumvent the Foreign Agents Registration Act (FARA).

**Affinity has pocketed \$157 million in fees from foreign clients, including \$87 million from the Saudi government.**

On July 24, 2024, Affinity provided a briefing to Finance Committee Staff (“the briefing”) which disclosed some information related to investment agreements between Affinity and foreign clients who have committed approximately \$3 billion in capital to private investment funds managed by Affinity. In particular, Affinity indicated that the Saudi government’s Public Investment Fund (“the Saudi PIF”) is paying your company tens of millions of dollars in annual management fees, specifically a 1.25 percent fee on the \$2 billion in funds committed to Affinity from June 2021 through August 2026. Five other foreign investors, including sovereign wealth funds from Qatar, the United Arab Emirates (“UAE”), and Taiwanese billionaire Terry Gou, are paying even higher rates of 2 percent on the remaining \$1 billion committed to Affinity. There is also a sixth mystery foreign investor Affinity has declined to identify.

According to Affinity, these annual management fees are guaranteed to be paid throughout the entire five-year investment period from June 2021 through August 2026, without exception.

As a result of these investment agreements, Affinity has already collected approximately \$157.5 million in management fees from foreign investors. This includes an astounding \$87 million from the Saudi PIF. Affinity is also guaranteed to collect an additional \$90 million in management fees from foreign investors from now until August 2026, with \$50 million of those additional fees coming from the Saudi PIF. Affinity indicated that all of these investors can renegotiate their investment agreements or withdraw all of their funds from Affinity once the five-year investment period ends in August 2026.

The terms of Affinity's agreements with foreign clients create conflicts of interest involving members of a Presidential family that are unprecedented in size and scope. Affinity's investment agreements with various foreign governments are set to expire right in the middle of a potential second term for former President Trump. Since Affinity is wholly owned by Jared Kushner, this creates a situation where the governments of Saudi Arabia, Qatar and the UAE will have significant leverage over the Trump family should they threaten to pull their investments and stop paying millions of dollars in fees to Kushner, and concomitantly, Trump's daughter Ivanka.

A potential future Trump administration will have financial motives to make foreign policy decisions that may be counter to the national interest in order to ensure Kushner and Ivanka Trump continue to collect millions of dollars in fees from foreign governments through Affinity. Unfortunately, Affinity declined to provide information as to how these conflicts of interest will be addressed should former President Trump be elected to a second term in office. In fact, Affinity appears to believe this national security risk is not worthy of congressional investigation simply because Jared Kushner and Ivanka Trump have stated they have no plans to return to work in the White House. To the contrary, it is critical Congress understand what steps will be taken to prevent Kushner's financial entanglements with foreign governments from influencing U.S. government policy.

**Affinity has generated no return on investment and failed to deploy capital in a timely fashion.**

In addition to the obvious conflicts of interest concerns presented by Affinity's agreements with foreign government clients, Affinity has little to show for the hundreds of millions of dollars in investment management fees it has collected. Information provided to the Committee thus far demonstrates an inability or unwillingness to deploy capital in a timely fashion. Affinity has been slow to invest its clients' funds and has failed make investments at a pace commensurate with the amount of fees it is charging.

By the end of 2023, half way through the five-year investment period, Affinity only deployed approximately \$535 million of client capital, less than 18 percent of the \$3 billion in funds it is being paid to manage. By July 2024, that number had risen to just \$1.1 billion, a third of its assets under management. As a result, Affinity has been charging its clients substantial management fees on several billion dollars that are not being invested or generating returns for its clients.

In fact, the Committee has learned that Affinity's private investment funds have not yet generated any return on investment and have not distributed a penny of earnings back to clients. According to financial statements and other documents sent to clients, Affinity has marked "N/A" for "not applicable" in line items related to the fund's annual rate of return. Affinity's investment performance underscores concerns regarding Kushner's lack of experience in private equity and inability to show any quantifiable investment track record. This further begs the question why the deep pocketed Saudi and Qatari governments would turn to a relatively novice Kushner-led firm for investment advice were it not for a desire to influence the Trump family.

According to public reports, concerns about Kushner’s inexperience in private equity were shared by the Board Investment Committee of the Saudi PIF, who objected to investing in Affinity due to the “inexperience” of Affinity’s management, found Affinity’s operations being “unsatisfactory in all aspects,” and noted that proposed management fees that “seems excessive.”<sup>1</sup> According to reported minutes of the Saudi PIF’s investment committee in June 2021, the professional staff of the Saudi PIF opposed the investment, noting:

The expertise of the [general partner] isn’t relevant to the objective of the fund. Even the case studies presented focused on real estate only. Also, the operational [due diligence] shows that they are unsatisfactory in all aspects.

These are valid and important concerns. These risks have been flagged and detailed in the investment memo, including the risk of the Principal having limited experience in private equity and the inability for Affinity to provide any quantifiable investment track-record for their founding team.<sup>2</sup>

However, the Saudi PIF’s full Board of Directors, led by Crown Prince Mohammed Bin Salman, reportedly overruled the investment committee and approved the investment in Affinity.<sup>3</sup>

These facts suggest the Saudi government’s decision to place \$2 billion with Affinity is the result of an effort by Crown Prince Bin Salman to curry favor with Kushner and Ivanka Trump or reward them for favorable U.S. policy towards Saudi Arabia during the first Trump administration. As the founder and sole owner of Affinity, Kushner is the biggest beneficiary of the hundreds of millions in management fees paid to Affinity by the Saudi PIF and other gulf state clients.

### **Prospective real estate deals give Albanian and Serbian governments leverage over Trump family.**

New information obtained by the Committee related to real estate deals in Serbia and Albania further shows how foreign governments may seek partnerships with Affinity in order to gain leverage over Kushner and Ivanka Trump. Public reports confirm that Affinity seeks to invest as much as a billion dollars in real estate projects in Belgrade and luxury waterfront developments on the Albanian coast, however, little was previously known as to how those proposed deals originated and the nature of Affinity’s business dealings with the Serbian and Albanian governments.<sup>4</sup>

In its briefing, Affinity indicated to the Committee that the Serbian and Albanian governments first approached individuals associated with Affinity regarding an investment in the prospective real estate projects. However, Affinity declined to identify who in the Serbian and Albanian governments first approached Affinity and whether the approach was made directly through Jared Kushner, Ivanka Trump or other individuals associated with Affinity. According to recent public reporting, Ivanka Trump has been personally involved in efforts to develop luxury waterfront property in Albania, suggesting the Trump family’s involvement in these deals is deeper than previously known.<sup>5</sup>

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<sup>1</sup> *Before Giving Billions to Jared Kushner, Saudi Investment Fund had Big Doubts*, the New York Times, Apr. 10, 2022, available online at <https://www.nytimes.com/2022/04/10/us/jared-kushner-saudi-investment-fund.html>

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Kushner Developing Deals Overseas Even as his Father-in-Law Runs for President*, The New York Times, Mar. 15, 2024, <https://www.nytimes.com/2024/03/15/us/politics/jared-kushner-pursuing-development-deals-in-albania-and-serbia.html>

<sup>5</sup> *Trump Family’s Land Deals in Albania Stir Up Lingering Resentments*, The New York Times, Sep. 3, 2024, <https://www.nytimes.com/2024/09/03/us/politics/trump-kushner-albania-hotels.html>

In the briefing with the Committee, Affinity confirmed that the Serbian and Albanian governments will be Affinity's partners with direct financial stakes in the real estate developments. More importantly, Affinity also confirmed that the Serbian and Albanian governments would have full responsibility for obtaining all necessary approvals, permits and licenses related to the construction and execution of the proposed real estate developments. These foreign governments will have complete control over all decisions related to permitting, local taxation, and licenses necessary for the projects to move forward, awarding foreign actors with potentially coercive control over the potential future President's family's investments.

For both proposed real estate developments, the Serbian and Albanian governments appear to own the land and have broad discretion over how it is used. These terms allow the Serbian and Albanian governments to extract unusual concessions from Affinity in the process. For example, the Belgrade project, on the site of a former NATO bombing, will include a museum that has been described as a monument to "victims of NATO aggression."<sup>6</sup> It is wholly inappropriate for any foreign government to require an American firm to participate in that kind of anti-American historical revisionism, an act that whitewashes ethnic cleansing and genocide and falsely recasts NATO as an antagonist, and it is egregious that a firm founded and owned by family of a former and potential future President of the United States would agree to it.

**Affinity's dependence on foreign governments suggests a compensation scheme designed to circumvent FARA and other U.S. laws.**

Affinity's total reliance on a small handful of foreign government investors raises other concerns related to the FARA and other U.S. disclosure laws due to the prevalence of other former U.S. government officials on Affinity's payroll. Affinity employs or has employed a number of former U.S. government officials, including Mr. Kushner, who recently served in key foreign policy and national security roles and had access to the highest levels of classified information and military secrets.<sup>7</sup> Since 100% of Affinity's outside capital and streams of income come from foreign sources, primarily sovereign wealth funds, I am concerned that Affinity's private investment funds are being exploited by former U.S. government officials as a loophole to receive compensation from foreign governments without disclosing these payments under FARA.

There has long been concern from Congress that foreign actors, including foreign governments, have been exploiting the lack of reporting requirements for private funds as a means to launder money, influence the U.S. political system, and engage in other illicit financial activity. Typically, FARA requires individuals working on behalf of foreign entities in the United States to register with the Department of Justice (DOJ) and to disclose their relationship, activities, receipts, and disbursements in support of their activities.<sup>8</sup> However, lax rules have created a loophole where foreign actors can finance a private investment fund, pay politically exposed U.S. persons for "investment advisory services," and exploit longstanding disclosure exemptions afforded to private investment funds.<sup>9</sup>

<sup>6</sup> *Kushner's Deal with Pro-Russia Serbs raises Hackles*, SpyTalk, Jun. 4, 2024, <https://www.spytalk.co/p/kushners-deal-with-pro-russia-serbs>

<sup>7</sup> *Jared Kushner Flaunted His Influence with Saudi Arabia, Russia in Pitch Deck to Investors*, The Intercept, Apr. 18, 2022, available online at <https://theintercept.com/2022/04/18/saudi-russia-jared-kushner-affinity-partners>

<sup>8</sup> The Foreign Agents Registration Act (22 U.S.C. §§611-621; FARA)

<sup>9</sup> Private Investment Funds, such as hedge funds, private equity and venture capital, have long been excluded from the definition of "investment company" under the Investment Company Act of 1940. As a result, private funds are not subjected to the same anti-money laundering and beneficial ownership reporting requirements of other financial institutions. Investment advisers to private funds are not required to conduct anti-money laundering screenings, verify the identity of their customers and report suspicious transactions to the Financial Crimes Enforcement

Among investment funds, Affinity is highly unusual. Its founder has a questionable investment background with no prior experience in private equity and his main recommendation is his relationship with the former president. The vast majority of Affinity's funding comes from a small number of gulf state sovereign wealth funds. Taking advantage of a loophole, Affinity's leadership and employees, many of whom are former U.S. government officials, are untouched by U.S. laws requiring disclosure of work on behalf of foreign entities. The tens of millions of dollars pocketed by Affinity to date raises serious concerns about the potential exploitation of this loophole.

In order to better understand any potential improper compensation arrangements involving Affinity, as well as Affinity's operations and relationships with foreign governments and politically exposed persons, please provide answers to the following questions no later than October 9, 2024:

1. Please provide a list of all investors and, if entities, any beneficial owners thereof in private investment funds managed by Affinity, including Affinity Partners Fund I LP and Affinity Partners Parallel Fund I LP, since the firm's inception in 2021. For each investor and beneficial owner, please provide the following:
  - a. The amount invested in, and any amounts contributed to, private investment funds managed by Affinity in each calendar year from 2021 to 2023.
  - b. The total amount of fees, expenses, reimbursements, and other sums paid to Affinity for each calendar year from 2021 to 2023.
  - c. The annual internal rate of return for each investor and general partner and/or fund manager in Affinity funds for each calendar year from 2021 to 2023.
  - d. A copy of the investment agreement with Affinity.
2. For each private investment fund managed by Affinity, please detail all fund income (broken down by character, including capital gains accruals) and distributions since Affinity's inception in 2021.
3. For each private investment fund managed by Affinity, please provide all quarterly and annual performance measurements, including quarterly and annual rates of return since Affinity's inception in 2021. Please also provide copies of all quarterly and annual performance reports distributed to the funds' adviser(s).
4. Please provide copies of all annual financial statements and schedules of investments for private investment funds managed by Affinity since Affinity's inception in 2021.
5. Please provide copies of all of Affinity's annual financial statements since Affinity's inception in 2021.
6. Affinity's 2024 Form ADV disclosed that its Affinity Partners Parallel Fund I LP, which has \$2.97 billion in assets under management, is 100% owned by non-United States persons and has six foreign beneficial owners. Please provide the identity of the 6 beneficial owners of this fund.

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Network (FinCen). This exemption has made private equity and hedge funds havens for wealthy individuals and politically exposed persons looking to circumvent federal oversight.

7. For each year since Affinity's inception in 2021, please provide annual gross income and net income for each private investment fund managed by Affinity.
8. Please provide how much compensation Jared Kushner has received from Affinity for each calendar year from 2021 to 2023. Please describe in detail how much Kushner was paid annually by Affinity in salary, bonuses, other compensation, dividends, and any other accruals or distributions associated with his equity interest in Affinity, Affinity funds, or Affinity affiliates.
9. For each year since Affinity's inception in 2021, please identify how much Affinity has spent on employee salaries, bonuses, and other compensation. Please also provide a detailed breakdown of all compensation paid to each of Affinity's 10 highest paid employees for each year.
10. For each year since Affinity's inception in 2021, please provide Maj. Gen. Miguel Correa's total annual compensation and investment gains from Affinity.
11. Please provide a list of all Affinity shareholders and beneficial owners since the firm's inception in 2021.
12. Please provide a list of all payments from the each of the following to Affinity since Affinity's inception in 2021. For each payment, please include the date of the payment, the dollar amount, and the stated purpose of the payment.
  - a. Saudi PIF or any other investors (sovereign wealth or otherwise) from the Kingdom of Saudi Arabia.
  - b. Qatar's Investment Authority or any other investors (sovereign wealth or otherwise) from Qatar.
  - c. Abu Dhabi Investment Authority, Abu Dhabi Investment Council, Emirates Investment Authority, Mubadala Development Company, Mubadala Investment Company, or any other investors (sovereign wealth or otherwise) from the United Arab Emirates.
13. For all investments in real estate in Albania being considered by Affinity, please provide the following information:
  - a. A list of all individuals and entities partnering with Affinity in the development of Albanian real estate.
  - b. A list of all sites in Albania being considered for real estate development by Affinity and its partners and a description of Affinity's development plans for each site.
  - c. The dollar value Affinity is considering investing in each Albanian real estate project, as well as the amount being invested by each of Affinity's partners for each project.
  - d. A detailed description of the terms of all agreements between Affinity and the government of Albania related to the development of real estate in Albania. This should include specific details regarding the Albanian government's financial interest in each project, the Albanian government's role in each project, and all revenue sharing agreements between Affinity and the Government of Albania for each project.
  - e. A list of all regulatory approvals or permits Affinity and its partners need to obtain from the Albanian government for each real estate development to move forward. For each regulatory approval/permit, please specify which approvals have already been cleared by the Albanian government.

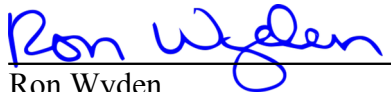
14. According to public reports, Ivanka Trump is playing a direct role in negotiations related to Affinity's efforts to invest in real estate developments in Albania. Please describe Ivanka Trump's role in these projects, and how she came to be involved in Affinity's efforts to develop coastal real estate in Albania.
15. Please provide copies of all communications between Affinity employees and all members of the Trump family, including Ivanka Trump, related to Albania.
16. Affinity indicated to the Committee that the Albanian government first approached Affinity to discuss a potential deal to invest in real estate in Albania. Please provide a detailed list of the Albanian government personnel, or individuals contacting Affinity on behalf of the Albanian government, that first contacted Affinity to discuss real estate investments in Albania. Please also provide a list of the Affinity employees, or individuals affiliated with Affinity, who were first contacted by the Albanian government.
17. Affinity indicated to the Committee that the Albanian government, as part of its partnership with Affinity, is responsible for obtaining all necessary approvals, licenses and permits related to any real estate investments by Affinity in Albania. Are these terms spelled out formally in any agreements negotiated between Affinity and the Albanian government? If so, please provide the Committee a copy of those agreements.
18. For all investments in real estate in Serbia being considered by Affinity, please provide the following information:
  - a. A list of all individuals and entities partnering with Affinity in the development of Serbian real estate.
  - b. A list of all sites in Serbia being considered for real estate development by Affinity and its partners and a description of Affinity's development plans for each site.
  - c. The dollar value Affinity is considering investing in each Serbian real estate project, as well as the amount being invested by each of Affinity's partners for each project.
  - d. A detailed description of the terms of all agreements between Affinity and the Government of Serbia related to the development of real estate in Serbia. This should include specific details regarding the Serbian government's financial interest in each project, the Serbian government's role in each project, and all revenue sharing agreements between Affinity and the Government of Serbia for each project.
  - e. A list of all regulatory approvals or permits Affinity and its partners need to obtain from the Serbian government for each real estate development to move forward. For each regulatory approval/permit, please specify which approvals have already been cleared by the Serbian government.
19. Please provide copies of all communications between Affinity employees and all members of the Trump family, including Ivanka Trump, related to Serbia.
20. Affinity indicated to the Committee that the Serbian government first approached Affinity to discuss a potential deal to invest in real estate in Serbian. Please provide a detailed list of the Serbian government personnel, or individuals contacting Affinity on behalf of the Serbian

government, that first contacted Affinity to discuss real estate investments in Serbia. Please also provide a list of the Affinity employees, or individuals affiliated with Affinity, who were first contacted by the Serbian government.

21. Affinity indicated to the Committee that the Serbian government, as part of its partnership with Affinity, is responsible for obtaining all necessary approvals, licenses and permits related to any real estate investments by Affinity in Serbia. Are these terms spelled out formally in any agreements negotiated between Affinity and the Serbian government? If so, please provide the Committee a copy of those agreements.

Thank you for your attention to this important matter. Should you have any questions please don't hesitate to contact me or my staff.

Sincerely,



Ron Wyden  
United States Senator  
Chairman, Committee on  
Finance