

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

June 21, 2018

The Honorable Mary L. Kendall
Deputy Inspector General
U.S. Department of the Interior
Office of Inspector General
1849 C Street NW – Mail Stop 4428
Washington, D.C. 20240

Dear Ms. Kendall:

We write to request an investigation of Department of the Interior (DOI) Secretary Ryan Zinke's ongoing involvement in, and use of taxpayer resources to advance, land developments in his hometown of Whitefish, Montana. The primary development project in question is funded in part by a top executive at Halliburton, a fossil fuel services company whose profits are directly affected by the Secretary's policy decisions.

According to a recent report in *Politico*,¹ Secretary Zinke is involved with a potential land development known as 95 Karrow. The potential development site lies between a parcel of land owned by Secretary Zinke and a piece of land owned by a foundation he founded. Secretary Zinke's childhood home, for which he received approval in 2013 to turn into a bed and breakfast, is less than a mile away. Secretary Zinke also expressed his intent to develop a microbrewery on his privately held land – an effort that prompted local opposition. That project might now be allowed to go forward as part of the development of 95 Karrow.

In January 2018, the Whitefish City Council approved a deal that would allow 95 Karrow to proceed if the foundation allowed some of its adjacent land to be used as a shared parking lot.² Two days after the partnership behind 95 Karrow was established, Secretary Zinke's wife released a Letter of Intent indicating the foundation land could be used as a parking lot, even though none of the specific terms of that shared land use had yet been agreed upon. *Politico* reported that "the developers 'certainly implied that they were working with [Zinke] to find a place for his microbrewery as well as a shared use agreement for parking on the peace park.'" If 95 Karrow is developed as currently envisioned, the value of Secretary Zinke's land, including his childhood home, is likely to increase substantially.

¹ Lefebvre, Ben and Juliano, Nick. *Politico*. "Exclusive: Zinke linked to real estate deal with Halliburton chairman." 19 June 2018. <https://www.politico.com/story/2018/06/19/ryan-zinke-halliburton-park-whitefish-montana-647731>

² Volz, Matt. *Washington Post*. "Land deal ties Interior secretary's family, Halliburton boss." 19 June 2018 https://www.washingtonpost.com/national/zinke-foundation-in-montana-land-deal-with-halliburton-head/2018/06/19/2849652c-73e5-11e8-bda1-18e53a448a14_story.html?utm_term=.85b6c00e486e

Though he has claimed that he is no longer involved with the foundation, he continues to be involved with the fate of the foundation's land, which was initially donated more than a decade ago to be a Veterans Peace Park. Secretary Zinke also continues to be involved in 95 Karrow through the foundation land and ongoing efforts to build the microbrewery. One of the primary 95 Karrow developers, Casey Malmquist, sent an email with the Subject line "95 Karrow" to Secretary Zinke's personal email account, indicating that he sees the Secretary as a driving force behind the project, and the foundation's land as central to its completion.³

"We are honored to be associated with you, your vision, and the Peace Park. We also recognize the energy and ambience each part of the development lends to one another. I know you are extremely engaged and consumed with your role as Interior Secretary. I want you to know that whatever assistance you need to protect and promote your vision for the park, please let me know and I will make sure it is communicated and executed. I look forward to making this project a huge success and working with you to make this happen. I have a lot of fresh ideas I am happy to share with you and am eager to learn more about you and your family's vision."

The *Politico* report indicates that David Lesar, the Executive Chairman of the Board and former CEO of Halliburton, is a major financial backer of the 95 Karrow project. Halliburton's revenue is directly affected by decisions made at the highest levels of the Department of the Interior, including royalties paid by oil and gas companies, drilling safety requirements, and the volume of public land available for lease to oil and gas companies.

A private email from Secretary Zinke's scheduler to Secretary Zinke and a redacted internal recipient indicates that on August 3, 2017, he met for 1.5 hours in his secretarial office with David Lesar; his son, John Lesar; and Casey Malmquist.⁴ All three are involved in the financial partnership behind 95 Karrow. The calendar entry does not specify whether the topics covered included 95 Karrow or issues that involve Haliburton or oil and gas. The schedule is also unclear about whether the subsequent "Lincoln Tour" and dinner on Secretary Zinke's schedule included the same party. Notably, his official calendar, which is released to the public regularly, does not reveal the meeting's attendees, which would have the effect of hiding their identity from the public. Instead, the calendar says only "HOLD."⁵

The *Politico* report raises significant concerns about the extent of Secretary Zinke's potential conflicts of interest and whether they have been handled in accordance with the law. The email and meeting with Malmquist and the Lesars raises troubling questions about whether Secretary Zinke has used federal resources and his position as Secretary of the Interior for personal financial gain and whether he or other DOI staff is actively trying to cover it up. Secretary Zinke's office appears to agree that the development and DOI official business should be kept

³ Department of the Interior. Freedom of Information Act Program / OS FOIA Library / Other Records. <https://www.doi.gov/sites/doi.gov/files/uploads/17-00413cb.pdf>. Page 179-182

⁴ Department of the Interior. Freedom of Information Act Program / OS FOIA Library / Other Records. <https://www.doi.gov/sites/doi.gov/files/uploads/17-00413cd.pdf>. Page 201

⁵ Department of the Interior. Freedom of Information Act Program / OS FOIA Library / Calendars https://www.doi.gov/sites/doi.gov/files/uploads/august_calendar_0.pdf. Page 6

separate. According to the *Washington Post*, “Zinke spokeswoman Heather Swift said the land deal between the foundation and Lesar’s company ‘is not a departmental matter.’”⁶

The American people must be able to trust that Department of the Interior decisions that affect the nation’s welfare on a daily basis are not compromised by individual self-enrichment. We urge you to investigate the contents of the *Politico* report and the legal and professional questions raised here at your earliest convenience.

Sincerely,



Raúl M. Grijalva
Ranking Member
House Committee on Natural Resources



A. Donald McEachin
Ranking Member
Subcommittee on Oversight and
Investigations



Jared Huffman
Vice-Ranking Member
House Committee on Natural Resources

⁶ Volz, Matt. *Washington Post*. “Land deal ties Interior secretary’s family, Halliburton boss.” 19 June 2018 https://www.washingtonpost.com/national/zinke-foundation-in-montana-land-deal-with-halliburton-head/2018/06/19/2849652c-73e5-11e8-bda1-18e53a448a14_story.html?utm_term=.85b6c00e486e