

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

United States Senate
Committee on Finance

Hearing on
Confirmation of Mr. Michael Froman to be
United States Trade Representative
June 6, 2013

Round Two Questions from Senator Grassley

1. Mr. Froman, in my initial round of questions for the record, I asked you if anyone at the White House raised concerns about your Cayman Islands investments in 2009. You responded in part, “My investment in CVCI was reviewed by ethics officials in the White House Counsel’s Office in 2009 and I was not directed to divest it.” It appears from your answer that no one at the White House raised any concerns about your Cayman Islands investments. Is this correct? If not, please provide the names of the individuals who did raise concerns and what questions they asked you.

Answer: I do not recall any questions or concerns being raised regarding the location of the CVCI fund.

2. As part of your employment with Citigroup you were vested in three carried interest plans you submitted to the Finance Committee, upon leaving for the Administration in 2009, Citigroup paid you \$2 million to waive your rights in two of these partnerships “and in recognition of [your] service to Citi in various capacities since 1999.” In your answer to my previous question, “What prompted you to waive your rights to these plans in return for a substantial payment from Citi? Did someone in the Administration recommend you take this action?” You answered: “At the time that I joined the Administration, I consulted with ethics officials and followed their advice in determining how to address my various investments.” What were the names of these experts?

Answer: Virginia Canter, who served as Associate Counsel to the President in the office of the White House Counsel during this time period, performed the conflicts analysis and provided me with guidance so that I could ensure that I was in compliance with applicable ethics laws and regulations. Ms. Canter may have had others working with her, but she is the official with whom I recall discussing these matters.

3. Do you know what your interest in the “carry plans” were valued at when you waived your rights?

Answer: I do not know what my interest was valued at.

- 4. What percentage of the \$2 million was based on the value of the carried interest plans and what percentage was in recognition of your 10 years of service?**

Answer: As I indicated in my previous submissions to the committee, the payment was determined by senior officials at Citi. I do not know how the value was apportioned.