



PROTECT the PUBLIC'S TRUST

VIA ELECTRONICAL MAIL

October 10, 2024

Jill Baisinger, Acting Inspector General
Office of Inspector General
U.S. Department of Commerce
1401 Constitution Avenue N.W.
Washington, DC 20230
[Office of Inspector General \(doc.gov\)](https://www.doc.gov)
(202) 794-7788

**Re: Supplemental Information in Support of Investigation into Apparent Violations
of Recusal Obligations by the Secretary of Commerce**

Dear Ms. Baisinger:

On June 18, 2024, Protect the Public's Trust (PPT) submitted a complaint alerting you to what appears to be pervasive disregard by the Secretary of Commerce, Gina Raimondo, of her obligations to recuse from certain matters and policy issues involving medical software and artificial intelligence (AI) in the healthcare industry due to her husband's employment with and financial holdings in PathAI.¹ Additional documents reviewed since the filing of that complaint disclose further potential violations of the Secretary's ethics obligations. Once again, the record discloses that Secretary Raimondo appears to have been involved in matters that could directly benefit the financial interests of PathAI (and therefore the interests of her husband and her).

Accordingly, and in addition to the potential ethics violations presented in our original complaint, we request that you also promptly investigate Secretary Raimondo's potential violations of her recusal obligations based on the new information presented below, take appropriate action to address any violations you uncover, and strictly enforce her recusal obligations going forward.

I Who We Are

PPT is a group of retired and former public servants dedicated to the idea that public service is a public trust. Too often, we have seen high level public servants play fast and loose with the rules that other government officials have to live with, creating the perception of a two-tiered system and resulting in an unprecedented drop in trust in our elected officials. We believe that the American people deserve a government that is impartial, free from conflicts of interest, and operates without political interference or favoritism. Our goal is to ensure our nation fulfills that promise.

¹ Protect the Public's Trust, Request for Investigation into Apparent Ethics Violations by the Secretary of Commerce (Original Complaint), June 18, 2024, <https://protectpublictrust.org/wp-content/uploads/2024/06/Raimondo-Ethics-Complaint.pdf>



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II Background

A. The Ethics Office Was Concerned About the Secretary's Ethics Issues Pertaining to AI and Healthcare Even Before She Joined Commerce.

As set forth in our original complaint, Secretary Raimondo had been confirmed and was working at the Department of Commerce (Commerce) as of March 15, 2021. Yet, at least as early as January 25, 2021, the Ethics Office at Commerce had drafted a “Disqualification Statement” for the Secretary, which provided:

I am disqualified from participating as Secretary in particular matters having a direct and predictable effect on the financial interests of PathAI, a company that makes medical diagnostic software, including matters affecting the company as a member of an industry sector or group.²

In the course of drafting this provision the ethics office had conducted independent research and determined that PathAI and its competitors were all creating artificial intelligence software for use in a laboratory setting. Following her confirmation on March 1, 2021, Secretary Raimondo executed the Disqualification Statement containing this provision.³

The Ethics Office also prepared a draft ethics briefing for the new Secretary, which explained:

[Y]ou will need to disqualify yourself from **any matter that affects** PathAI because of your husband's holdings in that company.

- This recusal will apply not only to matters in which the company itself is a party before the Commerce Department — which is not likely to happen — **but also a policy issue that affects a group that includes PathAI.** (Emphasis added).⁴

The Secretary subsequently certified to the Office of Government Ethics (OGE) that she had received her interim ethics training, had been advised of her obligations regarding financial conflicts of interest, and had received no waivers from the ethics office regarding those

² Department of Commerce, PPT_2022-000417- Interim Production #4 (Interim Production #4), http://protectpublictrust.org/wp-content/uploads/2024/02/PPT_2022-000417-Interim-Production-4.pdf at 1862, also see <https://protectpublictrust.org/wp-content/uploads/2024/02/Raimondo-Disqualification-Statement.pdf>.

³ Interim Production #4 at 1862. Although undated, it seems clear the Disqualification Statement was signed on March 15, 2021. Interim Production #4 at 100-102. Even prior to her inauguration Ms. Raimondo also had submitted a letter to the Office of Government Ethics (OGE) regarding her recusal obligations due to her husband's work at PathAI. Gina Raimondo, U.S. Office of Government Ethics, January 19, 2021, <https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/89BA5C322F850747852586640032DC75/%24FILE/Raimondo,%20Gina%20%20finalEA.pdf>.

⁴ Interim Production #4 at 67.



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obligations.⁵

As recounted in our original complaint, the Secretary's federal financial disclosure filings show that, in addition to receiving a salary of an undisclosed amount, her husband held significant financial interests in PathAI.⁶ These filings clearly suggest that PathAI had performed increasingly well while Ms. Raimondo was Secretary and as a result had contributed significantly to the family's wealth.

B. Newly Acquired Information Further Shows that Secretary Raimondo May Not Have Abided by Her Obligations to Recuse as They Pertain to PathAI and/or Sword Health

Despite her Disqualification Statement and obligations imposed by ethics statutes and regulations on all federal civil servants, Secretary Raimondo once again appears to have participated in events and policy matters where she was in a position to affect the financial interests of PathAI.

On June 6, 2021, just a few months after Secretary Raimondo had been sworn in to office, her Senior Advisor, Jennifer Kaplan, received an email from Hillary Sieber, Chief of Staff at General Catalyst, and David Fialkow, co-founder of General Catalyst.⁷ Notably, General Catalyst was also an investor in PathAI⁸ and Mr. Fialkow provided tickets to the Secretary worth thousands of dollars for dinner and attendance at the prestigious "Kennedy Center Honors" gala in 2021.⁹

In her email to Ms. Kaplan, Ms. Sieber wrote:

As we discussed, our goal is to provide the scaffolding for Secretary Raimondo to get the best insight and advice in the world of technology and innovation.

Last week in New York, we introduced her to the global leaders of finance. With our Boston event on June 30th, we want to introduce the Secretary to the innovators, entrepreneurs and creators that drive this country forward. Our goal is convene founders and CEOs for a casual, creative, interactive discussion on four main areas:

- 1. What does it take to build a company today?*
- 2. How can the federal government help entrepreneurs prosper?*
- 3. How can we utilize domestic and foreign relationships to enable this growth?*

⁵ Certification of Ethics Agreement Compliance, U.S. Office of Government Ethics, February 2021, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/\\$FILE/SEC%20Comerce%20Raimondo%20EA%20Certification%201%20of%201.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/$FILE/SEC%20Comerce%20Raimondo%20EA%20Certification%201%20of%201.pdf)

⁶ Original Complaint at 4.

⁷ Department of Commerce, DOC-IOS-2022-000417 (September 2024 Production), <http://protectpublictrust.org/wp-content/uploads/2024/10/DOC-IOS-2022-000417.pdf> at 8.

⁸ PathAI Stock Price, Funding, Valuation, Revenue & Financial Statements, CBS Insights, <https://www.cbinsights.com/company/pathai/financials>

⁹ Original Complaint at 5



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4. *How do we develop the next generation of badly needed companies?*

*The sectors we plan to highlight include cyber, pharma, **healthcare IT**, frontier innovation, enterprise software, ecommerce, supply chain, workforce and small business.¹⁰ (Emphasis added)*

A list of other potential guest executives was provided that included Andy Beck, Founder and CEO of PathAI, along with two other “healthcare IT” executives, and a “digital healthcare” executive.

On June 10, 2021, Mr. Fialkow emailed Ms. Sieber: “*If this group is too large, we can ‘rank order’ for u. This will be amazing.*” Ms. Kaplan responded that they might want to keep the number around 10.¹¹

Revised lists of potential attendees for meetings with the Secretary were circulated, and Mr. Beck remained on them.

On June 16, 2021, Ms. Kaplan emailed Ms. Sieber:

*The trip has been approved. . . . I am going to send emails to [b(6)] who would host the “**industry**” convening and [b(6)] who may hold a smaller [b(6)]-like **policy** discussion.¹² (Emphasis added)*

Per Secretary Raimondo’s calendar, meetings were scheduled for Cambridge, MA on June 30, 2021, at “The Engine”¹³ for two hours, including a half hour meeting with Dianne Green of MIT and Founder of VMware,¹⁴ an hour and a half “*Discussion with Entrepreneurs and Founders,*” that was followed by “*lunch with industry executives*” at the Mandarin Oriental in Boston.¹⁵ PathAI is headquartered in Boston.

¹⁰ [September 2024 Production](#) at 8.

¹¹ [September 2024 Production](#) at 10.

¹² [September 2024 Production](#) at 19. The propriety of the redactions here is unclear.

¹³ “Built by MIT [The Engine], is a Cambridge, MA based venture capital firm investing in the next generation of **Tough Tech**: a transformative and broad approach applying **cutting edge technology** to solve challenges in climate change, **human health**, and advanced systems and infrastructure.” Emphasis added.
<https://www.businesswire.com/news/home/20220929005155/en/The-Engine-Opens-New-Headquarters-in-Cambridge-155000-Square-Foot-Building-with-Bio-and-Chem-Labs-Industrial-Workshops-and-Office-and-Event-Space-Will-Bring-Together-the-Tough-Tech-Ecosystem>.

¹⁴ More about Ms. Greene and VMware is here. https://en.wikipedia.org/wiki/Diane_Greene

¹⁵ https://www.commerce.gov/sites/default/files/opog/2021_June_sec_Daily%26Detailed_Calendar_Redacted.pdf at 31.



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IV. Analysis

A. Legal Standards

i. 18 U.S.C. § 208 – Acts Affecting a Personal Financial Interest

§ 208(a) prohibits employees of the executive branch from:

[P]articipat[ing] personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, [or] his spouse . . . has a financial interest.

There can be no dispute, and Secretary Raimondo has acknowledged, that her spouse's financial interests in stocks, salary, and stock options are imputed to her.¹⁶

Moreover, with respect to financial interests in stocks, the focus is on the effect of the particular matter on *the company's* financial interests and not just the impact of the matter on the company's stock price. *See* OGE Legal Advisory LA-20-03 (2020). Plainly, a closed doors meeting can qualify as a particular matter.¹⁷

ii. 5 C.F.R. § 2635.502 Personal and Business Relationships

§ 502(a) provides:

Where an employee knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interest of a member of his household, or knows that a person with whom he has a covered relationship is or represents a party to such matter, and where the employee determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question his impartiality in the matter, the employee should not participate in the matter unless he has informed the agency designee of the appearance problem and received authorization from the agency designee in accordance with paragraph (d) of

¹⁶ Even prior to her inauguration Ms. Raimondo also had submitted a letter to the Office of Government Ethics (OGE) regarding her recusal obligations due to her husband's work at PathAI. Gina Raimondo, U.S. Office of Government Ethics, January 19, 2021. <https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/89BA5C322F850747852586640032DC75/%24FILE/Raimondo,%20Gina%20%20finalEA.pdf>.



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this section.

Secretary Raimondo has a covered relationship with her spouse, Andy Moffit, and the stock interests held by Mr. Moffit and his salary from both PathAI are financial interests imputed to her.

§ 502 uses the same definition found at 2635.402(b)(1) of “direct and predictable effect” as used in § 208 and accordingly the focus under § 502 should include the effect of a federal employee’s actions on the company as a whole, not just on the company’s stock price.

iii. Disqualification Statement

As discussed above, Secretary Raimondo also executed a “Disqualification Statement,” which provides:

I am disqualified from participating as Secretary in particular matters having a direct and predictable effect on the financial interests of PathAI, a company that makes medical diagnostic software, including matters affecting the company as a member of an industry sector or group.¹⁸

As also noted above, the Ethics Office prepared a draft ethics briefing for the new Secretary, which explained:

[Y]ou will need to disqualify yourself from **any matter that affects** PathAI because of your husband's holdings in that company.

- This recusal will apply not only to matters in which the company itself is a party before the Commerce Department — which is not likely to happen — **but also a policy issue that affects a group that includes PathAI.**¹⁹ (Emphasis added.)

Finally, Secretary Raimondo filed a “Certification of Ethics Agreement Compliance” with OGE in which she certified that she had completed her initial ethics briefing, would continue to recuse from particular matters as provided for in § 208(a), and that she had received no waivers from ethics officials for any of her recusal obligations.²⁰

B. Discussion

In conjunction with the actions laid out in our original complaint, the new information discloses that Secretary Raimondo again apparently engaged in a meeting with the CEO of PathAI that could have

¹⁸ Interim Production #4 at 1862. Although undated, an email from the Chief of the Ethics Office indicates that the date can be determined as March 15, 2021. *Id.* at 100-102. *PPT_2022-000417- Interim Production #4*, September 29, 2023

¹⁹ Interim Production #4 at 67.

²⁰ *Certification of Ethics Agreement Compliance*, U.S. Office of Government Ethics, February 2021, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/\\$FILE/SEC%20Comerce%20Raimondo%20EA%20Certification%201%20of%201.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/$FILE/SEC%20Comerce%20Raimondo%20EA%20Certification%201%20of%201.pdf)



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redounded to the direct financial benefit of PathAI, her husband, and herself.

Plainly, any CEO would be giddy at the prospect of a closed doors meeting with the Secretary of Commerce and a small circle of other CEOs in overlapping industries. That the meeting could include a “policy-like” discussion and topics like: “[ho]w can the federal government help entrepreneurs prosper” and “[h]ow do we develop the next generation of badly needed companies?” would only add to the excitement. However, Andy Beck was not any just any CEO. Rather, he was the CEO of PathAI, the company where the Secretary’s husband worked, and the meeting had been assembled by an investor in PathAI, who also had ties to the Secretary. Plainly, these actions by Secretary Raimondo could have resulted in direct financial benefit to PathAI as proscribed by § 208(a) and therefore merit careful scrutiny by your office.

Perhaps even more importantly, the potential effect of Secretary Raimondo’s meetings on the value of the company her husband worked for and held a financial stake in, would seem to be a classic case where a reasonable person with knowledge of the relevant facts could question her impartiality. Certainly, everyday Americans would be incredulous that such meetings could ever meet the definition of “public service.” In such circumstances, the prohibitions on comingling financial interests with government office in § 502(a) would seem to apply with particular force.

In this same regard, the Department of Commerce’s Ethics Office had admonished Secretary Raimondo *even before she joined the administration* that she was disqualified from particular matters involving PathAI. This recusal obligation appears to have extended to matters implicating PathAI as a member of the medical software industry sector or group, and even when the matter was one of policy. All of the concerns are raised in the meetings discussed above.

Despite her express recusal from matters involving PathAI, the Secretary accepted an invitation to meetings, where a focus was to include the “healthcare IT” sector, something also expressly discussed in her Disqualification Statement. Worse still, it appears she may have engaged in closed door meetings with a small circle of CEOs, *including the CEO of PathAI*, on the topic of “[h]ow can the federal government help entrepreneurs prosper?” It is difficult to square these actions with the terms of her disqualification statement.

At bottom, rather than divesting his interests in PathAI, Mr. Moffit, in fact, obtained *additional* stock in the company while his wife was Secretary.²¹ Alternatively, Ms. Raimondo could have decided not to take on the role of Secretary. Neither did so, even though the prospect of ethics entanglements was palpable to anyone. The circumstances described above and in the original complaint identify concrete concerns that ethics breaches have, in fact, taken place.

²¹ As noted in our original complaint, Mr. Moffit was on the payroll and had stock options in another healthcare company called Sword Health. See original complaint, at 4.



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VI Conclusion

The actions discussed above suggest a low regard for ethics obligations that government officials holding a position of public trust are expected to meticulously follow. At a minimum, the actions expose situations that would cause a reasonable person with knowledge of the relevant facts to question Secretary Raimondo's impartiality. There should not be a two-tiered system of government ethics that subjects prominent Cabinet officials to a lower standard of scrutiny than average public servants. We ask your office to immediately investigate each of these instances of Secretary Raimondo's seemingly improper interaction with medical technology matters and policy issues with the potential to affect the financial interests of her husband's companies.

Sincerely,

Michael Chamberlain
Director
Protect the Public's Trust