Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 15-7713

The Board of the Office of Congressional Ethics (hereafter "the Board"), by a vote of no less than four members, on April 22, 2015, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives.

SUBJECT: Representative Sheila Jackson Lee

NATURE OF THE ALLEGED VIOLATION: In May 2013, Representative Jackson Lee traveled to Baku, Azerbaijan. The travel was disclosed to the Committee on Ethics as funded and sponsored solely by a single private, nonprofit source. However, various additional entities that were not disclosed to the Committee on Ethics appear to have been funders or organizers, or both, of the trip. Some of these additional entities appear to have been prohibited by House rules and regulations, standards of conduct, and federal law from providing such congressional travel.

If the trip was funded or organized by one or more entities prohibited from providing congressional travel, then Representative Jackson Lee may have received an impermissible gift of travel expenses in violation of House rules and regulations, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee on Ethics further review the above allegation concerning the trip, as there is substantial reason to believe that although Representative Jackson Lee did not knowingly accept, she nevertheless received an impermissible gift of travel proscribed by House rules and regulations, standards of conduct, and federal law.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON ETHICS: Omar S. Ashmawy, Staff Director & Chief Counsel.

OFFICE OF CONGRESSIONAL ETHICS
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FINDINGS OF FACT AND CITATIONS TO LAW

On April 22, 2015, the Board of the Office of Congressional Ethics ("the Board") adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (*in italics*).

The Board notes that these findings do not constitute a determination of whether or not a violation actually occurred.

I. EXECUTIVE SUMMARY

In May and June 2013, eleven Members of Congress and thirty-two congressional staff members attended a convention in Baku Azerbaijan, called "U.S. – Azerbaijan: Vision for the Future" (the "Convention"). The OCE's review found that the congressional travel to Baku was not funded exclusively by the entities disclosed on travel forms submitted to the Committee on Ethics. Instead, much of the cost of travel and funding for the Convention was paid for by undisclosed entities, including the Republic of Azerbaijan, through its national oil company, the State Oil Company of Azerbaijan Republic ("SOCAR").

The OCE found that several nonprofit organizations were disclosed as Primary Trip Sponsors for congressional travelers, giving the appearance that they were the funders of the travel. But the leaders of these nonprofit organizations generally told the OCE they did not pay for any portion of the trip to Azerbaijan. In addition, the OCE found evidence that these nonprofits did not have the funds to cover the congressional travel on their own. Overwhelming evidence from witness interviews and documents from the nonprofits showed that they made willful and intentional misrepresentations to the Committee on Ethics concerning funding and sponsorship.

The OCE obtained evidence that two organizations – which were at the time operated by the same individual – coordinated with SOCAR, the Republic of Azerbaijan, and the purported sponsors. While the Turquoise Council of Americans and Eurasians ("TCAE") and the Assembly of the Friends of Azerbaijan ("AFAZ") were publicized as "Organizers" of the Convention, money they used to pay for congressional travel may have come from SOCAR and the Republic of Azerbaijan. Evidence revealed that SOCAR founded AFAZ in the month prior to the Convention and transferred $750,000 to an AFAZ bank account prior to the Convention. At that time, the finances of both TCAE and AFAZ were controlled by the same individual. Records suggest that this individual used the entities interchangeably, leading some to conflate the two organizations. Further, SOCAR planned and organized significant portions of the Convention that involved congressional travel in several ways: SOCAR received frequent updates on congressional attendees; sponsored visas for entry into Azerbaijan; solicited corporate sponsors for the Convention; and hired a consultant to assist in organizing the Convention.

The OCE's review also showed that Members of Congress and other congressional attendees received gifts in Azerbaijan, notably rugs of various sizes and value. While accounts differed on the source of the rugs, evidence suggests that all Members of Congress who attended the Convention received rugs as gifts. Additional evidence showed that some Members and

congressional staff received further gifts including: a six-piece crystal tea set, a silk scarf, a DVD-box set about the President of Azerbaijan, a briefcase, and a paperweight with stationery items.

In addition to attending the Convention in Baku, several Members of Congress and congressional staff also traveled to Turkey either on the way to or returning from the Convention. The same nonprofits disclosed as sponsors of the Baku portion of the trip were also listed as sponsors of the trip to Turkey. As was the case with the Azerbaijan portion of the trip, the leaders of the nonprofits generally told the OCE that they did not pay for any portion of the trip to Turkey. Over the course of its review, the OCE obtained evidence that a Turkish organization named the Bosphorus Atlantic Cultural Association of Friendship and Cooperation ("BAKIAD") – which was not listed on any disclosure submitted to the Committee on Ethics – funded and coordinated the congressional travel within Turkey and may have done so for privately-sponsored congressional travel to Turkey dating back several years.

II. INTRODUCTION

1. In May and June 2013, eleven Members of Congress traveled to a convention in Baku, Azerbaijan called "U.S. – Azerbaijan: Vision for the Future" (the "Convention"). Some Members also traveled to Turkey as part of the trip to Baku. The travel was disclosed to the Committee on Ethics as funded and sponsored solely by private, nonprofit sources.

2. The OCE learned that various additional entities that were not disclosed to the Committee on Ethics appear to have been funders and organizers of the Convention and trip.

3. However, as described in the Board's findings below, there is no evidence that the Members of Congress knew that additional, impermissible sponsors and organizers may have been involved in organizing and sponsoring the trip.

4. The Board finds that Members of Congress relied on the sponsors' representations to them and the Committee on Ethics in good faith, and also relied in good faith on trip approval from the Committee on Ethics.

5. As presented in these findings' citations to law and pursuant to precedent of the Committee on Ethics, a person's ignorance of the true source of travel expenses is not an absolute shield from liability for receipt of travel expenses from an improper source.

Summary of Investigative Activity

6. The OCE requested documentary, and in some cases testimonial, information from the following sources:

    (1) Representative Leonard Lance;

    (2) Representative Jim Bridenstine;

    (3) Representative Gregory Meeks;

    (4) Representative Ted Poe;

    (5) Representative Yvette Clarke;

    (6) Representative Ruben Hinojosa;

    (7) Representative Sheila Jackson Lee;

    (8) Representative Michelle Lujan Grisham;

    (9) Representative Danny Davis;

    (10) Representative Mike Turner;

(11) Turquoise Council of Americans and Eurasians;

(12) Assembly of Friends of Azerbaijan;

(13) Turkic American Alliance;

(14) Turkic American Federation of the Midwest;

(15) Turkic American Federation of the Southeast;

(16) Council of Turkic American Associations;

(17) Mid-Atlantic Federation of Turkic American Associations;

(18) West America Turkic Council;

(19) AEI Scholar;

(20) State Oil Company of the Azerbaijan Republic;

(21) Caspian Drilling Company, Ltd.;

(22) Azeri MI Drilling Fluids, Ltd.

(23) ConocoPhillips;

(24) BP;

(25) M-I SWACO;

(26) KBR;

(27) McDermott;

(28) Practical Solutions Group;

(29) Roberti + White;

(30) Tursan Travel;

(31) Congressional staff members attending the trip;

(32) The Four Seasons Hotels;

(33) Hilton Worldwide; and

(34) Carlson Rezidor Hotel Group.

7. The following individuals and entities refused to fully cooperate with the OCE's review or refused to acknowledge receipt of the OCE's requests for information:

    (1) Representative Leonard Lance;

    (2) Representative Gregory Meeks;

    (3) Representative Ted Poe;

    (4) Representative Sheila Jackson Lee;

    (5) Kemal Oksuz;

    (6) Turquoise Council of Americans and Eurasians;

    (7) Assembly of Friends of Azerbaijan;

    (8) Caspian Drilling Company, Ltd.;

    (9) Azeri MI Drilling Fluids, Ltd.;

    (10) BP; and

    (11) M-I SWACO.

III. CONGRESSIONAL TRAVEL TO AZERBAIJAN AND TURKEY

A. Laws, Regulations, Rules, and Standards of Conduct

8. *United States Constitution, Article I, Section 9, Clause 8*

"No title of nobility shall be granted by the United States: and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state."

9. *Foreign Gifts and Decorations Act, 5 U.S.C § 7342*

(a) For the purpose of this section-

(1) "employee" means-

. . .

(C) an individual employed by, or occupying an office or position in, the government of a territory or possession of the United States or the government of the District of Columbia;

. . .

(F) a Member of Congress as defined by section 2106 of this title [5 U.S.C. 2106] (except the Vice President) and any Delegate to the Congress;

(G) the spouse of an individual described in subparagraphs (A) through (F) (unless such individual and his or her spouse are separated) or a dependent (within the meaning of section 152 of the Internal Revenue Code of 1986) of such an individual, other than a spouse or dependent who is an employee under subparagraphs (A) through (F)

(2) "foreign government" means-

(A) any unit of foreign governmental authority, including any foreign national, State, local, and municipal government;

(B) any international or multinational organization whose membership is composed of any unit of foreign government described in subparagraph (A); and

(C) any agent or representative of any such unit or such organization, while acting as such;

(b) An employee may not-

(1) request or otherwise encourage the tender of a gift or decoration; or

(2) accept a gift or decoration, other than in accordance with the provisions of subsections (c) and (d).[1]

10. *House Rules*

House Rule 23, clause 4 states that "[a] Member . . . of the House may not accept gifts except as provided by clause 5 of rule XXV."

11. *Committee on Ethics Precedent*

The Committee's determination in the Carib News matter that House travelers needed to refund the costs of the trip, however, was based to a large extent on the fact that two of the improper trip sponsors were foreign governments. The U.S. Constitution prohibits federal government officials from receiving "any present . . . of any kind whatever" from a foreign state or representative of a foreign state without the consent of Congress. Congress has primarily consented through two statutes, the Foreign Gifts and Decoration Act and the Mutual Educational and Cultural Exchange Act, but neither statute applied to the circumstances of that matter and the Committee does not have the

[1] Under the FGDA, certain gifts from foreign governments are acceptable under limited circumstances. In addition, an "employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the employing agency and any regulations which may be prescribed by the employing agency."

discretion to waive this constitutional prohibition. Thus, the Committee requested that the travelers in the Carib News matter repay the costs of the trip, largely to keep them from being in violation of the U.S. Constitution.[2]

In the Report of the Committee on Standards of Official Conduct of the Investigation into Officially Connected Travel of House Members to Attend the Carib News Foundation Multi-National Business Conferences in 2007 and 2008, the Committee found that "[b]ecause [the Representative] did not have any knowledge of the true source of funding for these two trips, the Subcommittee does not find that he violated any law, House Rule, regulation, or any other standard of conduct. However, because he received impermissible gifts proscribed by House Rules, other remedies are necessary. [The Representative] should return or pay for any gifts or benefits he received that were impermissible."[3]

12. *House Ethics Manual*

"[T]he Constitution prohibits federal government officials from accepting any gift from a foreign government without the consent of Congress, and Congress has consented to the acceptance of certain gifts from foreign governments – including travel in limited circumstances – in two enactments: the Foreign Gifts and Decorations Act ('FGDA') and the Mutual Educational and Cultural Exchange Act ('MECEA'). A Member, officer, or employee may accept travel expenses from a unit of foreign government **only** *under one of these two statutory grants of authority."*[4]

"Caution should thus be exercised in accepting expenses or other compensation from any foreign organization (such as a foundation) that receives sponsorship, funding, or licensing from a foreign government, because it could be considered an official arm or an instrumentality of the government."[5]

"Under the FGDA, any travel paid for by a foreign government must take place ***totally outside*** *of the United States, must be consistent with the interests of the United States, and must be permitted under FGDA regulations issued by the Standards Committee. The intent of this provision, as noted in the Committee's regulations (§ 6(e)), is to allow an individual who is already overseas (as on a CODEL or third-party sponsored fact-finding trip) to take advantage of fact-finding opportunities offered by the host country. Therefore, under the FGDA, the Member or employee may* **not** *accept expenses for transportation from the United States to the foreign destination or back home."*[6]

[2] Report of the Committee on Ethics, *In the Matter of Allegations Relating to Staff Travel Provided by the Turkish Coalition of America in August 2008* (July 26, 2013) at 5.
[3] Report of the Committee on Standards of Official Conduct, *In the Matter of the Investigation into Officially Connected Travel of House Members to Attend the Carib News Foundation Multinational Business Conferences in 2007 and 2008* (Feb. 25, 2010) at 172.
[4] House Ethics Manual 108 (2008) (emphasis in original).
[5] *Id*. at 206.
[6] *Id*. at 109 (emphasis in original).

"The FGDA defines 'foreign government' to include not only foreign governments per se, but also international or multinational organizations whose membership is composed of units of foreign governments, and any agent or representative of such a government or organization while acting as such. That Act also covers gifts from 'quasi-governmental' organizations closely affiliated with, or funded by, a foreign government."[7]

13. *House Travel Regulations*

Section 104(i) Grantmaking Sponsor. A public charity or private foundation (both as defined under section 501(c)(3) of the Internal Revenue Code) that provides a grant of funds to another entity to underwrite, in whole or in part, a trip or an event, meal, or activity that will occur during a trip, or a necessary expense that will be incurred during a trip, with express or implicit knowledge or understanding that one or more House Members or employees may participate or attend that trip or event, or otherwise may be beneficiaries of the gift or donation. A Grantmaking Sponsor must either (1) have a direct role in the organizing, planning, or conducting of a trip or event that its funds will underwrite; or (2) certify that it conducts an audit or review of its grant, gift, or donation to ensure that the funds are spent in accordance with the terms of its grant or donation. A grant that funds a larger overall education program would qualify the granting entity as a Grantmaking Sponsor if the grant was sought or made with the knowledge or understanding that a specific trip or congressional travel generally might be funded with the grant. See also NonGrantmaking Sponsor at §104(s) and Primary Trip Sponsor at § 104(u).

Section 104(s) Non-Grantmaking Sponsor. An individual or entity that provides funds, services, or in-kind donations to another entity to underwrite, in whole or in part, a trip or an event, meal, or activity that will occur during a trip, or a necessary expense that will be incurred during a trip, with express or implicit knowledge or understanding that one or more House Members or employees may participate or attend that trip or event, or otherwise may be beneficiaries of the gift or donation. A NonGrantmaking Sponsor must either (1) have direct involvement in planning, organizing, conducting, or participating in the trip; or (2) provide contributions in exchange for a tangible benefit, as defined at §104(z) of these regulations.

Section 104(u) Primary trip sponsor. A trip sponsor that: (1) pays for all trip expenses with its own funds; or (2) uses, in whole or in part, funds from grants, donations, in-kind donations, or other gifts from another entity to underwrite, in whole or in part, a trip or an event, meal, or activity that will occur during a trip, or a necessary expense that will be incurred during a trip, based on a request or award that expressly mentioned the participation or attendance, or possible participation or attendance, of House Members or employees. Donors under section (2) are either "Grantmaking Sponsors" or "Non-Grantmaking Sponsors," as defined at § 104(i) and § 104(s), respectively.

[7] *Id*. at 57.

Section 104(z) Tangible benefit. A benefit received in exchange for a contribution that is provided, without regard to congressional participation, for an event or trip. Such benefits may include booth rental space, advertising at an event, or public designation as a sponsor of an event.

Section 104(bb) Travel expenses. Fees and costs associated with transportation, lodging, meals, local transportation, and permissible miscellaneous expenses in connection with a trip.

Section 104(dd) Trip. All aspects of the proposal from the trip sponsor, including the transportation to and from the destination; all activities, conferences, and events at the destination(s); meals; local transportation; and lodging.

Section 104(ee): Trip Sponsor. A private source, which may be either an individual or private entity, that: (1) pays for, or reimburses a traveler for, all or part of the expenses for a trip with its own funds; or (2) provides funds from grants, monetary donations, inkind donations, or other gifts to another entity to underwrite, in whole or in part, a trip or an event, meal, or activity that will occur during a trip, or a necessary expense that will be incurred during a trip.

Section 104(gg) With regard to congressional participation. A trip, event, conference, tour, or similar activity that would not occur without, or is otherwise dependent upon, the attendance of one or more House Members or employees.

Section 104(hh) Without regard to congressional participation. A trip, event, conference, tour, or similar activity that would occur even without the attendance of one or more House Members or employees. Such events may include, but are not limited to, an annual meeting of a trade group, a trade show, or a conference that is open to the public.

Section 200: Definition of trip sponsor. [A] trip sponsor is a private source, which may be either an individual or private entity, that: (1) pays for, or reimburses a traveler for, all or part of the expenses for a trip with its own funds; or (2) provides funds from grants, monetary donations, in-kind donations, or other gifts to another entity to underwrite, in whole or in part, a trip or an event, meal, or activity that will occur during a trip, or a necessary expense that will be incurred during a trip.

Section 200.1: Multiple trip sponsors. A trip may have multiple trip sponsors if more than one private entity or individual meets the requirements of these regulations with regard to the trip.

Section 202.2 Role of Grant making Sponsor. A Grantmaking Sponsor, as defined at § 104(i), that is a private nonprofit entity must certify that it either - (a) has a bona fide direct role in the organizing, planning, or conducting of a trip or event that its funds will underwrite; or (b) certify that it conducts an audit or review of its grant, gift, or donation to ensure that the funds are spent in accordance with the terms of its grant or donation.

Section 202.4 Role of Non-Grantmaking Sponsor. (a) A Non-Grantmaking Sponsor must either-
(1) have direct involvement in planning, organizing, conducting, or participating in the trip; or (2) provide contributions in exchange for a tangible benefit, as defined at § 104(z) of these regulations. (b) A Non-Grantmaking Sponsor that has direct involvement in planning, organizing, conducting, or participating in the trip must complete a Non-Grantmaking Trip Sponsor Form. (c) A Non-Grantmaking Sponsor that receives a tangible benefit pursuant to paragraph (a)(2) of this subsection and does not have direct involvement in planning, organizing, conducting, or participating in the trip is not considered a Trip Sponsor under these regulations with regard to that trip, and does not need to make or be mentioned on any submission to the Committee with regard to that trip.

Section 206: Misrepresentations to Committee are subject to criminal penalty. Any individual, acting on behalf of a prospective or past trip sponsor, who makes materially false or misleading statements to the Committee concerning a trip sponsor or any trip that is being, or was, offered pursuant to these regulations may be subject to criminal penalties under the False Statements Act (18 U.S.C. § 1001).

Section 507 Limitations on Committee approval. The following limitations apply to any approval granted by the Committee under these regulations. (e) The Committee will take no adverse action against a traveler in regard to any travel undertaken in good faith reliance upon a travel approval, so long as the traveler presented a complete and accurate statement of all material facts relied upon for the travel approval, and the trip in practice conforms with the information provided during the Committee approval process.

B. <u>Travel to the Convention – Background & Purpose</u>

14. In May 2013, eleven Members of Congress and thirty-two congressional staff members[8] traveled to a convention in Baku, Azerbaijan entitled "U.S. – Azerbaijan: Vision for the Future" (the "Convention"). The Convention spanned three days and two nights, with hundreds of state and local government officials, academics, officials from the federal government, and other interested parties in attendance from the United States. [9]

[8] Of the eleven Members, one is not currently a Member of the House of Representatives and another submitted to the OCE that he accepted no privately sourced funds to attend the Convention. Of the thirty-two staffers, seven are not currently employed in the House of Representatives. One current staff member who accepted privately sourced funds to attend the Convention, did not have travel forms disclosed on the Clerk of the House's website.
[9] *See generally* TCAE Member Congressional Delegation Trip to Azerbaijan Itinerary (Bridenstine) (Exhibit 1 at 15-7713_0001-4); Member CTAA Educational Seminar in Turkey and Azerbaijan Itinerary (Clarke) (Exhibit 2 at 15-7713_ 0006-10); Member Turkish American Federation of Midwest US Congressional Staff Trip to Turkey and Azerbaijan Itinerary (Davis) (Exhibit 3 at 15-7713_0012-15); TCAE Member Congressional Delegation Trip to Turkey and Azerbaijan Itinerary (Hinojosa) (Exhibit 4 at 15-7713_0017-20); TCAE Member Congressional Delegation Trip to Azerbaijan Itinerary (Jackson Lee) (Exhibit 5 at 15-7713_0022-23); TCAE Member Congressional Delegation Trip to Turkey and Azerbaijan Itinerary (Lujan Grisham) (Exhibit 6 at 15-7713_0025-28); Member CTAA Educational Seminar in Azerbaijan Itinerary (Meeks) (Exhibit 7 at 15-7713_0030-34); TCAE

15. Two entities were publicized as the "Main Sponsors" of the Convention: The State Oil Company of Azerbaijan Republic ("SOCAR") and Caspian Drilling Company, Ltd. ("CDC").[10] Other entities were listed publicly as "Sponsors" of the Convention: Practical Solutions Group, BP, McDermott, KBR, M-I SWACO, ConocoPhillips, Chevron,[11] and Azeri MI Drilling Fluids, Ltd.[12]

16. Two entities were publicized as "Organizers" of the Convention: the Turquoise Council of Americans and Eurasians ("TCAE") and the Assembly of the Friends of Azerbaijan ("AFAZ").[13]

17. Five nonprofit organizations were disclosed to the Committee on Ethics as "Primary Trip Sponsors" for the Members and staff who attended the Convention: The Turkic American Alliance; the Turkic American Federation of the Midwest; the Turkic American Federation of the Southeast; the Council of Turkic American Associations; and the Turquoise Council of Americans and Eurasians.

18. A travel agency, Tursan Travel Corp., based in Brooklyn, New York, also played a role in the congressional travel by confirming travel itineraries and purchasing the airline tickets for all Members and staff who participated in the trip.

19. In addition to attending the Convention in Baku, many Members of Congress and congressional staff traveled to Turkey, including visits to Istanbul and Ankara.[14] Generally, travelers who participated in the entire trip left the United States on Friday, May 24, 2013 and returned a week later.[15] As explained below, a Turkish organization named BAKIAD contributed funds and coordinated the congressional travel within Turkey.[16] The participation of BAKIAD and its role in congressional travel was not disclosed on any forms submitted to the Committee on Ethics.

20. The Convention promotional materials distributed by AFAZ describing the stated purpose of the Convention as follows:

> US-Azerbaijan Convention is an annual meeting in celebration of the two decades of strengthening relations and deepening strategic partnership between the US and Azerbaijan. The Convention is a prominent assembly of government officials,

Member Congressional Delegation Trip to Azerbaijan Itinerary (Poe) (Exhibit 8 at 15-7713_0036-37) (Collectively, the "Member Itineraries"); U.S. – Azerbaijan Convention: Vision for the Future website, http://www.usazconvention.org/ (accessed May 15, 2013) (Exhibit 9 at 15-7713_0039-50).

[10] U.S. – Azerbaijan Convention: Vision for the Future website, http://www.usazconvention.org/ (accessed May 15, 2013) (Exhibit 9 at 15-7713_0039-50).

[11] Although invited to sponsor the Convention, and present on the website, Chevron appears to not have participated as a sponsor.

[12] U.S. – Azerbaijan Convention: Vision for the Future website, http://www.usazconvention.org/ (accessed May 15, 2013) (Exhibit 9 at 15-7713_0039-50).

[13] *Id.* at 15-7713_0040.

[14] *See* Member Itineraries.

[15] *Id*.

[16] Witnesses also discussed an entity called "Nissan Travel" that purportedly works with BAKIAD in Turkey. As discussed later in this report, the TAFS President referred to Nissan Travel as contributing funds for congressional travel in Turkey. *See* TAFS President Transcript (Exhibit 27 at 15-7713_0564).

> legislators, and leading academics and experts, and it features discussions and deliberations highlighting shared strategic interests of the United States and Azerbaijan, including energy security, and peace, stability and regional cooperation in the South Caucasus and the Caspian Basin. The Convention also showcases Azerbaijan's rapid transformation from a young country into a regional leader and a reliable actor of the international community, promoting peace and stability, developing the Eurasian energy and transport corridor while integrating into the European and Euro-Atlantic structures.
>
> US – Azerbaijan Convention is yet another opportunity to discuss and expand the strong relationship between two nations based on shared interests and mutual respect. In 2012 was the 20th year of the U.S. – Azerbaijan partnership; and, on that occasion, the Convention in Washington focused on Azerbaijan's progress since restoring its independence and its contribution to global energy security.[17]

21. One witness who attended the Convention, representing a corporate sponsor, shared his perspective on the rationale for the Convention: "I got the impression that it was a convention that rotated each year between the U.S. and Azerbaijan, and generally the purpose was to improve the understanding in relationships between stakeholders in the U.S. and Azerbaijan especially stakeholders involved in the oil industry and some of the associated government departments."[18]

22. Evidence gathered by OCE indicates that SOCAR – the Azerbaijan state owned oil company – maintained a robust presence at the Convention. For example, some Members interviewed by the OCE reported attending a lunch with the SOCAR Executive Team in Baku,[19] which is consistent with publicly disclosed itineraries for the trip.[20] On the second day of the Convention, a SOCAR press release announced that SOCAR President Rovnag Abdullayev had "received the US delegation comprised of federal, state senators and congressmen, as well as political and public figures, scientists, being on a visit to Azerbaijan to attend the "Azerbaijan – U.S. Vision for future" forum."[21]

23. Similarly, witnesses who attended the Convention recounted impressions of active involvement by the Republican of Azerbaijan and SOCAR. One corporate sponsor attendee stated "It was a conference from the Azeri government."[22] Another corporate sponsor attendee told the OCE he believed this was an event supported by "Azerbaijan Inc," meaning "the Azerbaijani government through especially SOCAR and therefore

[17] Assembly of Friends of Azerbaijan website, *available at* http://www.afaz.org/events/us-azerbaijan-convention.html (accessed May 6, 2015).
[18] Transcript of Interview of McDermott Vice President, April 13, 2015 ("McDermott Vice President Transcript") (Exhibit 10 at 15-7713_0055).
[19] Transcript of Interview of Representative Michelle Lujan Grisham, April 7, 2015 ("Rep. Lujan Grisham Transcript") (Exhibit 11 at 15-7713_0090-91); Transcript of Interview of Representative Danny K. Davis, April 13, 2015 ("Rep. Davis Transcript") (Exhibit 12 at 15-7713_0143).
[20] *See* Member Itineraries.
[21] Press Release, SOCAR, SOCAR President meets U.S. delegation (May 29, 2013), *available at* http://www.socar.az/socar/en/news-and-media/news-archives/news-archives/2013/05.
[22] Transcript of Interview of ConocoPhillips Manager, April 8, 2015 ("ConocoPhillips Manager 1 Transcript") (Exhibit 13 at 15-7713_0182).

presumably through the Ministry of Energy and perhaps other ministries as well."[23] He further explained, "if I just do the mental arithmetic as to how many attendees times the airfares, times the hotel bills, it runs into the millions and our sponsorship was in the few thousands. It would strike me that the entities or the organization with the financial capacity to provide that sponsorship would likely be a government entity."[24] The same witness stated "an event of this size or magnitude with these sorts of participants simply wouldn't happen if SOCAR weren't (A) supporting it, and (B) probably fairly actively involved."[25] In response to questioning about SOCAR's role in the Convention, a Convention attendee with knowledge of SOCAR's operations in the United States explained "we saw their logo many different places. Many SOCAR employees were clearly there giving interviews to local media, greeting folks."[26]

24. In a discussion of whether the Republic of Azerbaijan played a prominent role at the Convention, one Member of Congress stated "That was my feeling. I mean obviously to me if the president is going to be somewhere or be a part of something taking place that the government, the administration, would've been intimately involved with creating it."[27] In response to a question about who was in charge during the trip, one Member explained he believed that his nonprofit sponsor had "something to do with it," but also understood that their access to government officials throughout the trip indicated that the Azerbaijanis and Turkish people were acting as their host.[28]

25. The OCE reviewed public statements by Convention attendees in several news outlets. One attendee made the following statement to a Turkish news source:

> SOCAR was the main sponsor and several Azerbaijani and American companies contributed to a lesser extent. The Turquoise Council of Americans and Eurasians [TCAE] did not contribute any funding to the conference. They were hired by the sponsors to organize the conference, however, and take care of the work of inviting those the conference wanted to invite, organizing their travel and hotels, and doing other logistics. That said, the sponsors' decision to hire the Turquoise Council rather than, for example, the AmCham (The American Chamber of Commerce in Azerbaijan) raises some questions.[29]

26. The OCE interviewed the attendee to whom the above statement was attributed. He was unaffiliated with any of the Convention sponsors, organizers, or congressional travel sponsors. The attendee told the OCE that he believed the purpose of the Convention was to discuss Azerbaijani security issues as they affected the U.S. – Azerbaijan

[23] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0076).
[24] *Id*.
[25] *Id.* at 15-7713_0066.
[26] Transcript of Interview of Robert + White Employee, April 9, 2015 ("Roberti + White Employee Transcript") (Exhibit 14 at 15-7713_0221).
[27] Rep. Davis Transcript (Exhibit 12 at 15-7713_0143).
[28] Transcript of Interview of Representative Ruben Hinojosa, April 8, 2015 ("Rep. Hinojosa Transcript") (Exhibit 15 at 15-7713_0249).
[29] *Michael Rubin on Turkish protests, US-Azerbaijan relations, etc.*, *available at* http://www.contact.az/docs/2013/Interview/061300039646en.htm#.VLVxPHv0-fU.

relationship.[30] At the Convention, the individual spoke on a panel with six or seven other people.[31] He recalled that on his panel were think-tank experts and lower-ranking Azerbaijani government experts.[32] He also moderated a panel during which a representative from SOCAR discussed energy-related issues.[33] He told the OCE that it was his understanding that funding for the event was provided by the major sponsors for the Convention, namely SOCAR, and that TCAE was used to help organize the Convention due to their presence in the United States.[34]

27. Multiple witnesses expressed confusion about the role that the publicly disclosed organizers, TCAE and AFAZ, played during the Convention. One witness stated "I recall being just a little bit confused as to who was AFAZ and who was Turquoise and … but clearly, those groups were playing a role in introducing speakers."[35] When asked if the relationship between SOCAR, the Republic of Azerbaijan, TCAE, and AFAZ was confusing, a corporate sponsor witness who attended the event stated "[t]o me, it was very confusing."[36]

C. Travel to the Convention Was Organized and Sponsored by SOCAR, TCAE and AFAZ

28. Despite the disclosures to the Committee on Ethics indicating otherwise, the OCE found that the disclosed nonprofit sponsors contributed virtually no money towards congressional travel to Azerbaijan and played a very limited role in organizing the Convention.

29. Instead, TCAE and AFAZ, both under the leadership of Kemal Oksuz, and relying on the financial resources and logistical support of SOCAR, acted as the organizers and sponsors for congressional participation in the trip to Azerbaijan.

30. The Board notes that under House travel regulations, "trip" is defined as "[a]ll aspects of the proposal from the trip sponsor, including the transportation to and from the destination; all activities, conferences, and events at the destination(s); meals; local transportation; and lodging."[37]

1. SOCAR, CDC, Azeri MI Drilling Fluids

31. SOCAR is the State Oil company of Azerbaijan Republic and is one hundred percent owned by the Republic of Azerbaijan.[38] SOCAR has a representative office in the United

[30] Transcript of Interview of AEI Scholar, February 19, 2015 ("AEI Scholar Transcript") (Exhibit 110 at 15-7713_1258).
[31] *Id.* at 15-7713_1260.
[32] *Id.*
[33] *Id.* at 15-7713_1261.
[34] *Id.* at 15-7713_1261-62.
[35] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0072).
[36] ConocoPhillips Manager 1Transcript (Exhibit 13 at 15-7713_0180).
[37] House Travel Regulations §104(dd).
[38] Transcript of Interview of SOCAR USA Director, April 1, 2015 ("SOCAR USA Director Transcript") (Exhibit 16 at 15-7713_0263).

States known as SOCAR USA which is managed by the SOCAR USA Director.[39] There is no formal division between SOCAR and SOCAR USA.[40] The president of SOCAR and all of its vice presidents are appointed by presidential decree by the President of Azerbaijan.[41] SOCAR's president is also a sitting member of the parliament of Azerbaijan.[42] It is the biggest company in Azerbaijan and the "biggest player" in the Azerbaijan economy.[43]

32. Five or six years ago, SOCAR adopted a policy to expand its activities with the "objective of becoming [an] international company."[44]

33. SOCAR has four layers of operation, specifically SOCAR: (1) is the "host government legislator for the industry and holder of the production sharing contracts with international oil companies"; (2) is a member of the Azerbaijan International Operating Company; (3) controls joint ventures and alliances with international companies; and (4) owns subsidiaries that subcontract to prime contractors.[45]

34. SOCAR was publicized as a "Main Sponsor" of the Convention.[46]

35. CDC was also publicized a "Main Sponsor" of the Convention.[47] CDC is majority owned by SOCAR.[48] In 1996, SOCAR and Santa Fe, Inc. established CDC to perform drilling operations in the Caspian Region.[49] At the time, SOCAR owned 55 percent of CDC while Santa Fe owned 45 percent of the company.[50] In 2009, SOCAR via CDC acquired much of Santa Fe's ownership leaving SOCAR as owner of over 90 percent of CDC stock.[51] The SOCAR USA Director described CDC as a "contractor" for SOCAR.[52] It appears that CDC donated $50,000 to AFAZ for the Convention as a main sponsor.[53]

[39] *Id*. at 15-7713_0261.
[40] *Id*. at 15-7713_0263.
[41] Transcript of Interview of SOCAR Legal Counsel 1, April 13, 2015 ("SOCAR Legal Counsel 1 Transcript") (Exhibit 17 at 15-7713_0314).
[42] *Id*.
[43] *Id*. at 15-7713_0313.
[44] *Id*. at 15-7713_0312.
[45] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0054-55).
[46] Photos from 2013 Convention Photo Album (Exhibit 18 at 15-7713_0345-49). SOCAR also may have been a major funder of the 2012 U.S.-Azerbaijan Convention hosted in Washington, D.C. *See* Transcript of Interview of ConocoPhillips Manager 2, March 25, 2015 ("ConocoPhillips Manager 2 Transcript") (Exhibit 19 at 15-7713_0358-59).
[47] Photos from 2013 Photo Album on website (Exhibit 18 at 15-7713_0345-49).
[48] "Our Company" Caspian Drilling Company website, *available at* http://www.caspiandrilling.com/browse.php?sec_id=10.
[49] *Id.*
[50] *Id.*
[51] *Id.*
[52] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0292).
[53] Email from SOCAR to Kemal Oksuz, dated June 10, 2013 (Exhibit 20 at 15-7713_0373).

36. Another publicized "Sponsor" of the Convention was Azeri MI Drilling Fluids, Ltd. Azeri MI Drilling Fluids, Ltd. is also majority-owned by SOCAR and is described as a joint venture with M-I SWACO, another corporate sponsor of the Convention.[54]

37. The SOCAR USA Director told the OCE that when he checked the bank account of AFAZ during the OCE's review, he saw deposits from SOCAR, CDC, and Azeri MI Drilling Fluids, Ltd.[55]

2. AFAZ

38. AFAZ was one of the two Convention "Organizers" along with TCAE. AFAZ refused to cooperate with the OCE's review.

39. AFAZ may have been established in 2012 but took its first official actions in April 2013, approximately one month prior to the Convention.[56] The organization was created in Houston, Texas by the leadership of SOCAR and has since moved to Washington, D.C.[57] Its CEO and President was Kemal Oksuz.[58] At the time, Kemal Oksuz was also the President of TCAE.[59]

40. The SOCAR USA Director provided the OCE with extensive information on his role with SOCAR and knowledge of the Convention. The OCE learned that the SOCAR USA Director was also currently serving as a board member and Treasurer of AFAZ. However, during the course of the interview, with counsel for SOCAR present, the OCE obtained testimony regarding the SOCAR USA Director's knowledge of AFAZ's role in Convention planning, financing, and organization. In addition, the OCE also interviewed SOCAR Legal Counsel 1 and SOCAR Legal Counsel 2 on April 13, 2015, with counsel present, and learned additional details regarding AFAZ and its relationship with SOCAR.

41. When asked about any relationship between AFAZ and TCAE, the SOCAR USA Director told the OCE that the only relationship he was aware of was Kemal Oksuz being the President of both organizations.[60] He stated that he was unaware whether AFAZ and TCAE shared a bank account, but noted that AFAZ uses a Wells Fargo bank account.[61]

42. Currently, AFAZ has no employees and according to the SOCAR USA Director has never employed a staff.[62] The only individuals affiliated with the entity are its board

[54] "Joint Ventures" SOCAR, *available at* http://www.socar.az/socar/en/company/joint-ventures/azeri-m-i-drilling-fluids-jv.
[55] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0292).
[56] Transcript of Interview of SOCAR Legal Counsel 2, April 13, 2015 ("SOCAR Legal Counsel 2 Transcript") (Exhibit 24 at 15-7713_0452).
[57] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0267); SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0436).
[58] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0267).
[59] *Id*. at 15-7713_0279.
[60] *Id*.
[61] *Id*.
[62] *Id*. at 15-7713_0267.

members, who have remained in those positions since its creation.[63] The SOCAR USA Director told the OCE that while his duties as AFAZ's Treasurer were established by the organization's bylaws, his actual activity as a Treasurer of AFAZ was "zero."[64] The SOCAR USA Director did not know whether AFAZ had ever hired an individual or a business entity as a foreign agent.[65] His only knowledge of contractual relationships with AFAZ was an April 2014 contract with APCO for media work concerning the 2014 Convention in Washington, DC.[66]

43. The Board notes that soon after the Convention, an apparent SOCAR employee introduced himself in emails as a "project manager at AFAZ."[67] He requested that videos and photos from the Convention be sent to the "SOCAR USA office in DC" and noted "my official email: [omitted]@socarusa.com."[68] One attendee to the 2014 Convention said this apparent SOCAR employee "works for AFAZ" and helped organize the 2014 Convention with Kemal Oksuz.[69] These are two examples of individuals acting in dual roles as employees of both SOCAR and AFAZ.

44. The SOCAR USA Director told the OCE that when AFAZ was created in 2013, he did not know how the organization was funded, but assumed that SOCAR, as a founder, would "finance AFAZ activities."[70] According to the SOCAR USA Director, AFAZ had only one board meeting with all five board members, in April 2013.[71] The Convention was not discussed at that meeting.[72] The meeting was held at TCAE's offices in Houston, Texas.[73]

45. The SOCAR USA Director recalled one other meeting that he attended related to AFAZ in early 2013, which was focused on the Convention. This meeting, which occurred prior to the Convention, was also attended by Kemal Oksuz, the Azerbaijani Ambassador to the United States, and a Vice President of SOCAR.[74] The discussion involved Convention invitees, and the SOCAR USA Director recalled mention of potential invitees including David Plouffe, Jim Messina, Bill White, among others.[75] The SOCAR USA Director told the OCE that he could not recall if the names of any Members of Congress

[63] *Id*. at 15-7713_0269.
[64] *Id*.
[65] *Id*. at 15-7713_0277. Public disclosures show that AFAZ hired APCO Worldwide Inc. as of April 7, 2014 and APCO subsequently registered as a foreign agent because SOCAR "finances at least in major part the activities relating to [AFAZ]'s services for the foreign principal in the U.S." *See* FARA Registration for APCO Worldwide, Inc. (Exhibit 21 at 15-7713_377-88).
[66] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0277)
[67] Email from Rafig Gurbanzada to SOCAR dated June 17, 2013 (Exhibit 22 at 15-7713_0390).
[68] *Id*.
[69] Transcript of Interview of CTAA Program Director, April 1, 2015 ("CTAA Program Director Transcript") (Exhibit 23 at 15-7713_0397).
[70] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0271).
[71] *Id*. at 15-7713_0272.
[72] *Id*.
[73] *Id*. at 15-7713_0279.
[74] *Id*. at 15-7713_0272.
[75] *Id*. at 15-7713_0273.

were discussed at that meeting, and later stated that he recalled that names of Members of Congress were not discussed at the meeting.[76]

46. The relationship between SOCAR and AFAZ was further explained in the OCE's interviews with SOCAR Legal Counsel 1 and SOCAR Legal Counsel 2. SOCAR Legal Counsel 1 described AFAZ as SOCAR's nonprofit in the United States.[77] Notably, SOCAR was AFAZ's only founding member.[78] SOCAR, as the sole founding member, appointed the board of directors of AFAZ. Mr. Oksuz was one of the individuals appointed to the board.[79] Mr. Oksuz was then appointed to serve concurrently as president alongside other board members also holding different offices.[80] The charter of AFAZ empowers SOCAR, as the only founding member, to make certain decisions, including the power to amend the charter of the organization, appoint new board members and other "general types of power[s]", although daily decision making is made by the board.[81]

47. According to SOCAR Legal Counsel 2, a SOCAR attorney who helped form AFAZ, the mission of AFAZ is to strengthen the relationship between the United States and Azerbaijan.[82]

48. Pursuant to its charter, AFAZ is entitled to member dues. SOCAR is the only member of AFAZ and, as such, is the only entity responsible for AFAZ's funding.[83] According to SOCAR Legal Counsel 2, the only "dues" provided to AFAZ since it was founded was $750,000 in May 2013.[84] These "dues" were intended to be used as funding for the Convention.[85]

3. TCAE

49. TCAE was publicized as one of the two Convention "Organizers" along with AFAZ. TCAE refused to cooperate with the OCE's review.

50. According to publicly available information, TCAE is a 501(c)(3) nonprofit organization.[86] It is a Houston-based federation under the umbrella of the Turkic American Alliance.[87] At the time of the Convention, TCAE's President was Kemal

[76] *Id*.
[77] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0315).
[78] *Id*. at 15-7713_0316.
[79] Id. at 15-7713_0316-17.
[80] *Id*.
[81] *Id*. at 15-7713_0318.
[82] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0434).
[83] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0319).
[84] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0437).
[85] *Id*.
[86] 2013 TCAE Form 990 (Exhibit 25 at 15-7713_0457-82).
[87] *See, e.g.*, CTAA Program Director Transcript (Exhibit 23 at 15-7713_0395).

Oksuz. However, according to various witnesses, Mr. Oksuz is no longer affiliated with TCAE.[88]

51. Multiple witnesses were asked about TCAE's funding sources and most told the OCE that they did not know, or that they believed TCAE received funds from contributions by member organizations and individuals. According to TCAE's IRS Form990 filings from 2009 until 2013, the organization went from never receiving more than $80,000 in income to generating over $3.2 million in income in 2012.[89] The 2013 Form990 lists the President of the Turkic American Federation of the Southeast ("TAFS"), as an officer of TCAE.[90] The TAFS President did not have an explanation for the source of TCAE's multi-million dollar funding increase, stating "[h]onestly I have no idea."[91] The TAFS President characterized Kemal Oksuz as a "street guy," meaning that he was not prone to share information.[92]

52. TCAE disclosed to the Committee on Ethics that it was the Primary Trip Sponsor for six Members of Congress and two congressional staff members on the trip to Turkey and Azerbaijan.[93]

4. Kemal Oksuz's Relationship with SOCAR and Conflation of TCAE and AFAZ

53. The Republic of Azerbaijan and SOCAR appear to have had a close relationship with Kemal Oksuz leading up to the Convention. It was Mr. Oksuz who introduced the other Turkic nonprofit organizations to Azerbaijani officials, and Mr. Oksuz who coordinated Turkic efforts related to Azerbaijan. For example, it appears that following the Convention in September 2013, Mr. Oksuz worked with several Turkic nonprofits to send letters and video messages from Members of Congress to the President of Azerbaijan.[94] A consultant for SOCAR noted that the "SOCAR chair, parliament speaker, and Ambassador value Kemal's opinion."[95]

54. The OCE found that AFAZ and TCAE were often conflated or viewed as interchangeable organizations. When directing Kemal Oksuz as to which businesses should receive invitations to sponsor the Convention, SOCAR Legal Counsel 1 stated: "After initial discussions with these companies it has been agreed that an official letter from AFAZ (or

[88] *See e.g.*, Transcript of Interview of TAA President, March 20, 2015 ("TAA President Transcript") (Exhibit 26 at 15-7713_0497).
[89] 2013 TCAE Form 990 (Exhibit 25 at 15-7713_0457-82).
[90] *Id*. at 15-7713_0463.
[91] Transcript of Interview of TAFS President, April 3, 2015 ("TAFS President Transcript") (Exhibit 27 at 15-7713_0553). Prior to his interview, the TAFS President told the OCE that he was not represented by counsel.
[92] *Id*. at 15-7713_0544.
[93] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx. One congressional staff member disclosed as sponsored by TCAE, is no longer employed by the House.
[94] *See*, *e.g.*, Email from CTAA Program Director to Michael Rohn, dated Dec. 12, 2013 (Exhibit 28 at 15-7713_0574).
[95] Email from Roberti + White Employee to Jay Rouse, dated May 13, 2013 (Exhibit 29 at 15-7713_0576).

TCAE, whichever you think fits more) shall be addressed to these companies."[96] Explaining this statement, SOCAR Legal Counsel 1 stated that he "just wanted to make sure that the request was made from proper organization" and that "it was related to Kemal's roles in both of them . . . ."[97]

55. When responding to a request to sponsor the Convention from SOCAR, a ConocoPhillips employee wrote, "we need to get an invoice for this sponsorship either from AFAZ or Turquoise Council (TCAE) to avoid FCPA issues."[98] When asked about this email, the employee told the OCE that Kemal Oksuz and his entities "confused [her]."[99]

56. Employees from McDermott, a corporate sponsor for the Convention, also indicated that they were uncertain whether their sponsorship donation went to TCAE or AFAZ.[100] Despite receiving an invitation from AFAZ,[101] McDermott's Request for Contribution cited TCAE as the organization to which the funds would be paid.[102] An internal accounting document suggested the money was instead provided to AFAZ.[103]

57. A travel agent who booked flights for the Convention and worked with Kemal Oksuz on booking arrangements told the OCE that he viewed TCAE and AFAZ as the "same thing."[104] He stated that Mr. Oksuz or his "number two person," Resul Aksoy, would tell him who to put at the top of "invoices" and which passengers to include on the "invoices."[105] The Board notes that travelers who appeared on AFAZ "invoices" for purposes of airfare were then included on hotel lists for other organizations that sponsored congressional travelers, including TCAE.[106]

58. In addition to AFAZ, it appears the Republic of Azerbaijan also utilized TCAE. In June 2013, a SOCAR employee wrote to Kemal Oksuz that "the Azerbaijani leadership thru TCAE is expected to decide which Azerbaijani city/town is suitable for candidacy of being a sister city."[107]

5. SOCAR Coordinated Convention Financing, Organization, and Planning with AFAZ and TCAE

59. As shown below, the OCE obtained information on the Convention's organization and financing. Most significantly, the OCE discovered evidence that SOCAR, via an

[96] Email from SOCAR Legal Counsel 1 to Kemal Oksuz, dated May 14, 2015 (Exhibit 30 at 15-7713_0583).
[97] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0339).
[98] Email from ConocoPhillips Manager 1 to Lynn Strickland, dated May 14, 2013 (Exhibit 31 at 15-7713_0587-90).
[99] ConocoPhillips Manager 1 Transcript (Exhibit 13 at 15-7713_0175).
[100] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0074-75).
[101] Letter from AFAZ to ConocoPhillips, dated May 16, 2013 (Exhibit 32 at 15-7713_0592-93).
[102] McDermott Request for Contribution, dated May 17, 2013 (Exhibit 33 at 15-7713_0595).
[103] McDermott Invoice Backup Print, dated June 6, 2013 (Exhibit 34 at 15-7713_0597).
[104] Transcript of Interview of Travel Agent for Tursan Travel, April 10, 2015 ("Travel Agent Transcript") (Exhibit 35 at 15-7713_0608-09).
[105] *Id.* at 15-7713_0609, 0617.
[106] *See* AFAZ and TCAE undated invoices (Exhibit 36 at 15-7713_0638-62); Email from Kemal Oksuz to usazconventon@socar.az, dated May 21, 2013 (Exhibit 37 at 15-7713_0664-76).
[107] Email from Rafig Gurbanzade to Kemal Oksuz, dated June 24, 2013 (Exhibit 38 at 15-7713_0678).

agreement with AFAZ, transferred considerable funds for the Convention that may have been used for congressional travel. Specifically, SOCAR transferred $750,000 to an AFAZ bank account in May 2013 prior to the Convention. This money was designated by SOCAR for travel to the Convention and for the Convention itself.

60. Although the OCE was unable to determine whether TCAE and AFAZ shared the same account, the two entities used the same bank, Wells Fargo. At that time, TCAE and AFAZ's finances were controlled by the same individual, Kemal Oksuz. Both TCAE and AFAZ wired over one million dollars to Tursan Travel for airfare costs of Convention attendees, including Members of Congress and congressional staff.

61. The OCE also obtained evidence that SOCAR planned and organized significant portions of the Convention that involved congressional travel. SOCAR employees received frequent updates on congressional attendees, sponsored visas for entry into Azerbaijan, solicited corporate sponsors for Convention funding, and hired a consultant to assist in Convention organizing. It is unclear who paid for the hotel rooms, but SOCAR appears to have at least been involved in arranging hotel rooms for guests.

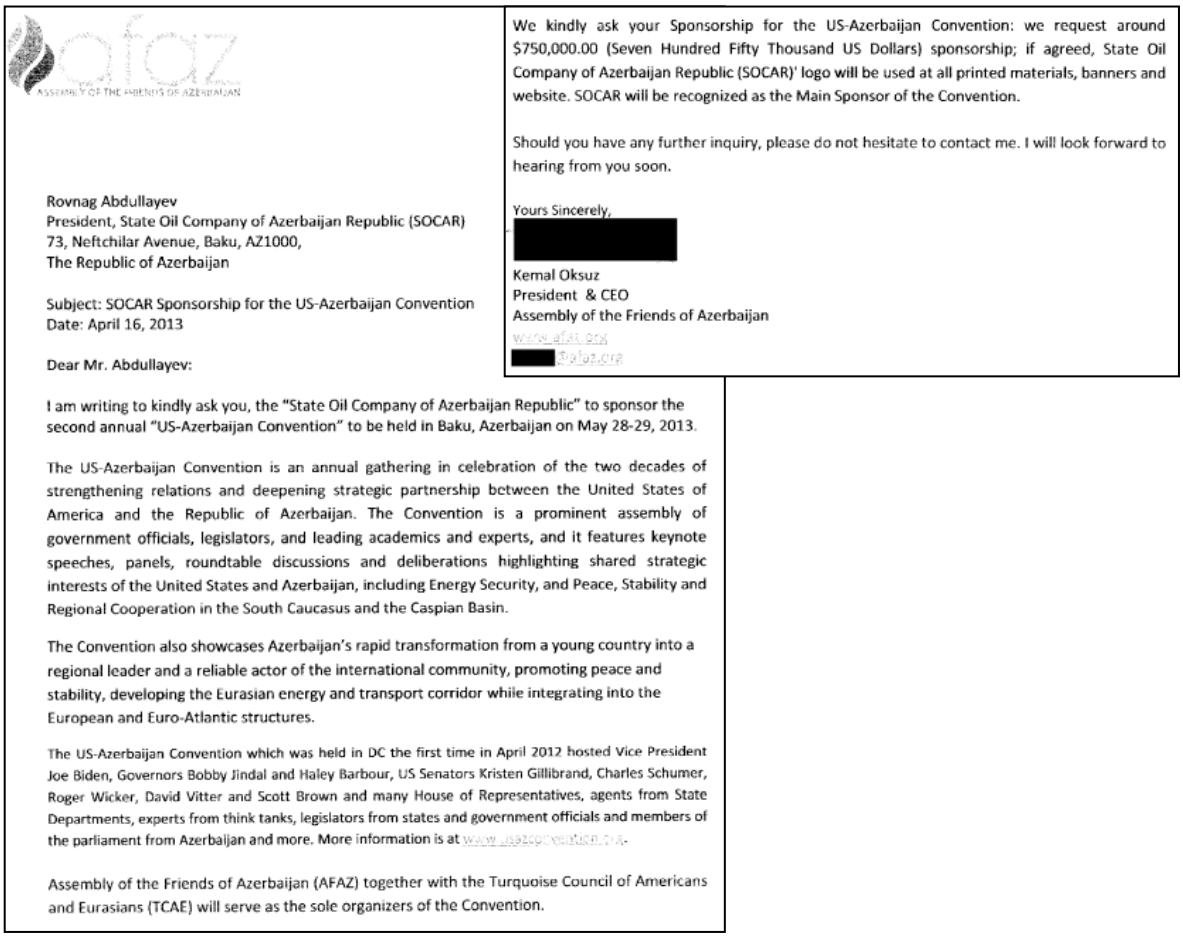
62. As discussed previously in these findings, Kemal Oksuz was the President of both TCAE and AFAZ, the two Convention "Organizers." According to witnesses familiar with Mr. Oksuz and AFAZ, both he and the organization had ties to the Republic of Azerbaijan and SOCAR. Mr. Oksuz appears to have been an advisor to SOCAR and the Republic of Azerbaijan with "deep relationships throughout the highest levels of official Baku."[108]

a. SOCAR Established AFAZ and then Employed AFAZ as a Means to Organize and Finance Travel to the Convention

63. As discussed previously, SOCAR is the "founding member" of AFAZ and its only member. The first action taken by its board occurred in April 2013.[109] That action adopted its by-laws, appointed the first board of directors, and authorized certain individuals to act in the name of AFAZ.[110]

[108] Roberti + White Employee Transcript (Exhibit 14 at 15-7713_0204, 211).
[109] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0452).
[110] *Id*.

64. In the same month, on April 16, 2013, Kemal Oksuz wrote to the President of SOCAR, requesting sponsorship of the Convention at a cost of $750,000.[111] In return, Mr. Oksuz wrote that SOCAR's "logo will be used at all printed materials, banners and website, and that SOCAR will be recognized as the "Main Sponsor of the Convention."[112] Notably, Mr. Oksuz mentioned TCAE in the letter as well, as a one of the "sole organizers" of the Convention.[113] The OCE did not obtain any evidence of prior discussions between Mr. Oksuz and SOCAR concerning this request.



afaz
ASSEMBLY OF THE FRIENDS OF AZERBAIJAN

Rovnag Abdullayev
President, State Oil Company of Azerbaijan Republic (SOCAR)
73, Neftchilar Avenue, Baku, AZ1000,
The Republic of Azerbaijan

Subject: SOCAR Sponsorship for the US-Azerbaijan Convention
Date: April 16, 2013

Dear Mr. Abdullayev:

I am writing to kindly ask you, the "State Oil Company of Azerbaijan Republic" to sponsor the second annual "US-Azerbaijan Convention" to be held in Baku, Azerbaijan on May 28-29, 2013.

The US-Azerbaijan Convention is an annual gathering in celebration of the two decades of strengthening relations and deepening strategic partnership between the United States of America and the Republic of Azerbaijan. The Convention is a prominent assembly of government officials, legislators, and leading academics and experts, and it features keynote speeches, panels, roundtable discussions and deliberations highlighting shared strategic interests of the United States and Azerbaijan, including Energy Security, and Peace, Stability and Regional Cooperation in the South Caucasus and the Caspian Basin.

The Convention also showcases Azerbaijan's rapid transformation from a young country into a regional leader and a reliable actor of the international community, promoting peace and stability, developing the Eurasian energy and transport corridor while integrating into the European and Euro-Atlantic structures.

The US-Azerbaijan Convention which was held in DC the first time in April 2012 hosted Vice President Joe Biden, Governors Bobby Jindal and Haley Barbour, US Senators Kristen Gillibrand, Charles Schumer, Roger Wicker, David Vitter and Scott Brown and many House of Representatives, agents from State Departments, experts from think tanks, legislators from states and government officials and members of the parliament from Azerbaijan and more. More information is at www.usazerbaijanconvention.org.

Assembly of the Friends of Azerbaijan (AFAZ) together with the Turquoise Council of Americans and Eurasians (TCAE) will serve as the sole organizers of the Convention.

We kindly ask your Sponsorship for the US-Azerbaijan Convention: we request around $750,000.00 (Seven Hundred Fifty Thousand US Dollars) sponsorship; if agreed, State Oil Company of Azerbaijan Republic (SOCAR)' logo will be used at all printed materials, banners and website. SOCAR will be recognized as the Main Sponsor of the Convention.

Should you have any further inquiry, please do not hesitate to contact me. I will look forward to hearing from you soon.

Yours Sincerely,

[redacted]

Kemal Oksuz
President & CEO
Assembly of the Friends of Azerbaijan
www.afaz.org
[redacted]@afaz.org

65. SOCAR Legal Counsel 1 told the OCE that these types of requests go to SOCAR's "sponsorship committee" for approval but did not recall viewing the letter in 2013.[114] He stated that he was asked to draft a sponsorship agreement between SOCAR and AFAZ and that prior to drafting an agreement, a request like this would have to be made to

[111] Letter from Kemal Oksuz to the President of SOCAR, dated April 16, 2013 (Exhibit 39 at 15-7713_0682-83).
[112] *Id*.
[113] *Id*.
[114] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0320).

SOCAR.[115] The Board notes that the SOCAR "sponsorship committee" is the same committee that appointed the AFAZ board members.[116]

66. Further, SOCAR Legal Counsel 2 stated that the formal request for funding and the subsequent written agreement between AFAZ and SOCAR were essentially formalities required by internal SOCAR policies and Azerbaijani banking regulations.[117] Specifically, electronic transfers of money out of Azerbaijan require such an agreement.[118]

67. SOCAR Legal Counsel 1 was one of two lawyers instructed to draft the "agreement" between SOCAR and AFAZ, based on the above request.[119] The agreement was signed on May 6, 2013 by Kemal Oksuz as President of AFAZ and Rovnaq Abdullayev as President of SOCAR.[120] SOCAR lawyers explained to the OCE that this type of agreement was a "sponsorship agreement" pertaining to a specific event as opposed to a "grant agreement," where the transfer of funds would be a "non-earmarked general donation."[121]

This Agreement is made and entered into as of May 6, 2013, by and between the following parties:

State Oil Company of the Republic of Azerbaijan, 73 Neftchilar Ave., Baku, Azerbaijan AZ1000, duly represented by Rovnaq Abdullayev, President of the State Oil Company of the Republic of Azerbaijan (hereinafter **"the Sponsor"** or **"SOCAR"**);

and

Assembly of the Friends of Azerbaijan, 2700 Post Oak Blvd., Suite 1750, Houston, Texas 77056, duly represented by Kemal Oksuz, President of the Assembly of the Friends of Azerbaijan (hereinafter **"the Beneficiary"** or **"AFAZ"**).

68. The subject of the agreement states that "the Sponsor and the Beneficiary express mutual consent and will for the Sponsor to provide financial assistance to the Beneficiary to organize the Convention taking place in Baku, Azerbaijan on May 28-29, 2013."[122] The agreement goes on to state that "[b]ased on the agreed budget . . . for the project by the Parties, the total cost of the Convention is USD 750,000 . . . . The Funding shall cover "accommodation, travelling expenses, venue rental and all other related expenses and fees."[123]

Article 1. SUBJECT OF THE AGREEMENT

1.1 By executing this Agreement, the Sponsor and the Beneficiary express mutual consent and will for the Sponsor to provide financial assistance to the Beneficiary to organize the Convention taking place in Baku, Azerbaijan on May 28-29, 2013.

1.2 Based on the agreed budget (incorporated herein as Attachment I) for the project by the Parties, the total cost of the Convention is USD 750,000 (hereinafter the "Funding"). The Funding shall cover accommodation, travelling expenses, venue rental and all other related expenses and fees.

[115] *Id*.
[116] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0436).
[117] *Id*. at 15-7713_0441.
[118] *Id*.
[119] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0330).
[120] Agreement between SOCAR and AFAZ, dated May 6, 2013 (Exhibit 40 at 15-7713_0685-89).
[121] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0331); SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0439).
[122] Agreement between SOCAR and AFAZ, dated May 6, 2013 (Exhibit 40 at 15-7713_0685-89).
[123] *Id*.

69. SOCAR Legal Counsel 1 stated that the $750,000 figure represented the amount requested by AFAZ and the amount approved by SOCAR's sponsorship committee.[124] He also stated that "accommodation," as used in the agreement, meant "housing, for hotel expenses" for the delegation coming from the United States.[125] He explained that "travelling expenses" meant "tickets and probably transportation in Azerbaijan."[126] He clarified that "tickets" meant "airfare."[127] The agreement states that the $750,000 will be deposited by SOCAR in a reasonable amount of time with AFAZ "in an account designated for the Convention."[128]

70. The agreement also contained the attachment shown below. The attachment outlines the budget for the Convention, including "International Preparation Fee (structure, employees, transportation)."[129] The total budget figure is $1,500,000.00.

Attachment I

Proposed Budget for the Convention

Estimate Proposed Budget for the Convention	
SERVICE ITEMS	AMOUNT
Convention Organization	$ 50,000.00
Hotel and Accommodations	$ 100,000.00
Marketing and Advertising	$ 25,000.00
Food &Entertainment	$ 75,000.00
International Preparation Fee (structure, employees, transportation)	$1,250,000.00
Miscellaneous	N/A
TOTAL	$1,500,000.00

71. SOCAR Legal Counsel 1 told the OCE that he did not know whether the information represented in the attachment came from SOCAR or the Convention organizers, TCAE and AFAZ.[130]

72. Both members of the SOCAR legal department provided testimony that there was a lack of reporting on AFAZ's use of SOCAR's funds. SOCAR Legal Counsel 1 told the OCE that there were problems with a "lack of reporting" coming from AFAZ to SOCAR on how the sponsorship money was used.[131]

[124] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0320)..
[125] *Id*. at 15-7713_0330.
[126] *Id*. at 15-7713_0331.
[127] *Id*.
[128] Agreement between SOCAR and AFAZ, dated May 6, 2013 (Exhibit 40 at 15-7713_0685-89).
[129] *Id*.
[130] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0332).
[131] *Id*. at 15-7713_0331.

73. Below, a "Funds Transfer Request" dated May 13, 2013 from The International Bank of Azerbaijan Republic shows a $750,000 transfer from the "State Oil Company of Azerbaijan Republic" to "Assembly of Friends of Azerbaijan (AFAZ)." "Wells Fargo Bank" is listed as the "Beneficiary's bank."[132] The SOCAR USA Director told the OCE that the International Bank of Azerbaijan Republic is a bank 50 percent owned by the Republic of Azerbaijan.[133]

The International Bank of Azerbaijan Republic

KÖÇÜRMƏ HAQQINDA ƏRİZƏ №1369
FUNDS TRANSFER REQUEST
13 May 2013-cü il

Lazım gəldikdə telefonla əlaqə saxlamağınız xahiş olunur If required please call on		Debitləşdirəcəyiniz bizim hesab № [redacted] Please, debit our Account №
Test açarı Test Key	15	
Göndəriş nömrəsi Reference No	20	
Məbləğ xarici valyutada (rəqəm və yazı ilə) Amount in foreign currency(in figures and in writing)	32A	750,000.00 (SEVEN HUNDRED FIFTY THOUSAND USD 00 CENT)
Valyuta Name of Currency	32A	USD
Vəsait köçürən müştəri Originator	50	State Oil Company of Azerbaijan Republic
Göndərənin bankı Originator 's Bank	52D	XBS ASC "AXB Premyer" Müşteri Xidməti.805250 ,99000018B1
Vasitəçi bank (SWIFT, adı, ölkəsi, şəhəri,şöbəsi)- müxbir hesabı Intermediary bank correspondent account No	56A	
Benefisiarın bankı (SWIFT, adı, ölkəsi, şəhəri, şöbəsi) Beneficiary's bank (SWIFT,name, country, city, branch)	57	Swift Code:[redacted] Wells Fargo Bank, ABA [redacted] US
Benefisiar (adı, ünvanı) Beneficiary (name,address)	59	Assembly of the Friends of Azerbaija (AFAZ).
Benefisiarın hesab nömrəsi Beneficiary`s Account :	59	Account No.[redacted] IBAN:
Ödənişin təyinatı Details of payment	70	Sponsorship invoice No 1 dated 09.05.2013
Xahiş edirik köçürmənin bütün xərclərini və komisyon haqqlarını All bank charges and commissions are from:		-bizim hesabımızdan our account No[redacted] -benifisiarın hesabına aid edəsiniz Beneficiary`s Account №
Bank üçün köçürmə haqqında əlavə informasiya Additional information for the Bank	72	

İMZALAR M.Y.
İdarənin rəisi [redacted]
Baş mühasib [redacted]
SIGNATURE SEAL

Bank tərəfindən doldurulur — FOR BANK USE ONLY
əməliyyat şöbəsi | beynəlxalq hesablaşmalar şöbəsi | Müqayisət

[132] SOCAR Funds Transfer Request (Exhibit 111 at 15-7713_1273).
[133] SOCAR USA Director Transcript (Exhibit 16 at 15-7713_0297).

74. The SOCAR USA Director told the OCE that he viewed the bank document for the first time while responding to the OCE's request for information.[134] When asked about the $750,000 figure represented on the bank document, he responded that "this is the exact same number that I saw in the bank account of AFAZ, about the transfer from SOCAR to AFAZ."[135] The SOCAR USA Director confirmed that the "Wells Fargo" bank account referenced in the document is the same Wells Fargo bank account he accessed as Treasurer for AFAZ.[136]

75. After the funds were transferred from SOCAR to AFAZ on May 13, 2013, three days later, on May 16, 2013, AFAZ made its first disbursement of funds for airfare costs of Convention attendees, shown in the bank statement below.

76. The SOCAR USA Director told the OCE that his sole activity regarding AFAZ was in his role as a board member, voting on a decision in April 2013 to authorize the expenditure of roughly $450,000 for "expenses of the trip."[137] The motion was introduced by Kemal Oksuz over email to "cover expenses for the guests."[138] The SOCAR USA Director told the OCE that there were no specifics provided by Mr. Oksuz on whether "expenses" included airfare, lodging, or meals.[139] The SOCAR Director also stated that he did not know exactly to whom the funds would be applied.[140]

77. The SOCAR USA Director told the OCE that at the time of the expenditure and transfer to Tursan Travel, he did not know where the transfer went or to whom.[141] His only knowledge of the circumstances surrounding the transfer to Tursan Travel came during the OCE's review.[142] The SOCAR USA Director told the OCE that he had recently, as a result of the OCE's requests for information, checked AFAZ's bank account and saw a transfer of funds from AFAZ to Tursan Travel for "almost $450,000."[143] He stated:

> I don't recall the exact number, but the…after when I was checking the inquiries and checking the numbers and there was only time that this bank account AFAZ, I saw the name Tursan Travel and that was probably one or two days after the transfer from SOCAR to AFAZ and the number was almost the…around the number, I don't exactly remember the exact number.[144]

[134] *Id*.
[135] *Id*. at 15-7713_0296.
[136] *Id*.
[137] *Id*. at 15-7713_0269.
[138] *Id*.
[139] *Id*.
[140] *Id*. at 15-7713_0270.
[141] *Id*.
[142] *Id*. at 15-7713_0302.
[143] *Id*.
[144] *Id*.

78. A May 2013 bank account statement for Tursan Travel, presented to the SOCAR USA Director, shows five separate deposits by TCAE and AFAZ.[145] On May 10, 2013, TCAE made a deposit to Tursan Travel of $515,235 and AFAZ made a deposit of $378,452. On May 21, 2013, TCAE made a deposit to Tursan Travel of $153,693 and AFAZ made a deposit of $85,948. Lastly, on May 23, 2013, TCAE made a deposit to Tursan Travel for $31,424.

CHASE

JPMorgan Chase Bank, N.A.
P O Box 659754
San Antonio, TX 78265-9754

May 01, 2013 through May 31, 2013
Account Number: [redacted]

CUSTOMER SERVICE INFORMATION

Web site:	Chase.com
Service Center:	1-800-242-7338
Deaf and Hard of Hearing:	1-800-242-7383
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679

[redacted]
TURSAN TRAVEL CORP
2567 CONEY ISLAND AVE
BROOKLYN NY 11223-5520

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
05/01	Settlement Plan [redacted]	$396.38
05/02	Deposit [redacted]	17,765.00
05/06	Deposit [redacted]	2,170.00
05/10	Fedwire Credit Via: Wells Fargo Bank/[redacted] B/O: Turquoise Council of Americanshouston TX 77071-2005 Ref: Chase Nyc/Ctr/Bnf=Tursan Travel Corp Brooklyn, NY [redacted] Obi=US - AZ Convention Transportation Imad: [redacted]	515,235.00
05/10	Book Transfer Credit B/O: Pnc Bank National Association Akron OH 44308- [redacted]	11,386.00
05/16	Fedwire Credit Via: Wells Fargo Bank/[redacted] B/O: Assembly of The Friends Azerbahouston TX 77056-5715 Ref: Chase Nyc/Ctr/Bnf=Tursan Travel Corp Brooklyn, NY [redacted] Obi=Transportation For US-Azerbaijan Cmad: [redacted]	378,452.00
05/20	Card Purchase Return [redacted]	955.20
05/20	Card Purchase Return [redacted]	10.70
05/21	Fedwire Credit Via: Wells Fargo Bank/[redacted] B/O: Turquoise Council of Americanshouston TX 77071-2005 Ref: Chase Nyc/Ctr/Bnf=Tursan Travel Corp Brooklyn, NY [redacted] Obi=US-AZ Convention Transportation Bbimad: [redacted]	153,693.00

DEPOSITS AND ADDITIONS (continued)

DATE	DESCRIPTION	AMOUNT
05/21	Fedwire Credit Via: Wells Fargo Bank/[redacted] B/O: Assembly of The Friends Azerbahouston TX 77056-5715 Ref: Chase Nyc/Ctr/Bnf=Tursan Travel Corp Brooklyn, NY [redacted] Obi=US-AZ Convention Transportation Bbimad: [redacted]	85,948.00
05/21	Deposit [redacted]	1,200.00
05/23	Fedwire Credit Via: Wells Fargo Bank/[redacted] B/O: Turquoise Council of Americanshouston TX 77071-2005 Ref: Chase Nyc/Ctr/Bnf=Tursan Travel Corp Brooklyn, NY [redacted] Obi=US-AZ Convention Transportation Bbimad: [redacted]	31,424.00
05/24	Deposit [redacted]	8,201.43
05/28	Card Purchase Return [redacted]	2,367.50
05/29	Deposit [redacted]	3,720.00
05/29	Deposit [redacted]	1,860.00
05/30	Deposit [redacted]	945.80
Total Deposits and Additions		**$1,215,730.01**

79. The total amount deposited into Tursan Travel's bank account in May 2013 from both TCAE and AFAZ is $1,164,752, with $700,352 attributed to TCAE and $464,400 attributed to AFAZ.

80. The OCE interviewed a travel agent at Tursan Travel on April 10, 2015. He told the OCE that he was called one morning to fly to Houston, Texas to meet with Kemal Oksuz about the Convention.[146] His responsibility was to book flights for Convention attendees

[145] May 2013 account statement for Tursan Travel (Exhibit 41 at 15-7713_0691-0692).
[146] Travel Agent Transcript (Exhibit 35 15-7713_0607).

but not hotels.[147] In addition to his standard commission from the airline, Mr. Oksuz agreed to pay the travel agent an individual bonus of roughly $500 per economy class ticket, and $1,000 per business class ticket, for each reservation booked.[148]

81. As shown above, both TCAE and AFAZ's wire transfers originated from Wells Fargo bank.[149] The Tursan Travel Agent told the OCE that he believed the funding was coming from the same source, Kemal Oksuz.[150]

82. In the documents below, Tursan Travel created "invoices" showing each attendee's airfare to Baku, and whether the attendee's airfare was attributable to TCAE or AFAZ.[151] The TCAE "invoices" represent most Members of Congress and congressional staff traveling to Turkey and Azerbaijan, while no Members of Congress or congressional staff are represented on any AFAZ "invoice."[152]

TURSAN TRAVEL

2667 Coney Island Ave Brooklyn New York 11223
Tel: [redacted] Fax: [redacted]
e-mail: [redacted]@tursantravel.com
face: Tursan Travel-International

TO: Assembly of the Friends of Azerbaijan/AFAZ
Galleria Tower I, 2700 Post Oak Blvd. Suite 1750
Houston, TX 77056 USA

INVOICE NUMER
24850 to 24856

PASSENGER NAMES :			ETICKET NUMBERS	AIR FARE
Randy	P	Boyd		$ 3,184.00
Christopher	R	Brown		$ 3,184.00
Hanry	B	Zuber		$ 3,184.00
Jeffrey	S	Guice		$ 3,184.00
Belinda	E	Gryder		$ 2,390.00
Fatih		Ozcan		$ 2,898.00
Orhan		Kucukosman		$ 2,898.00
			TOTAL	$20,922.00

CHECK : BY MAIL
AMOUNT APPROVED $20,922.00

TURSAN TRAVEL

2667 Coney Island Ave Brooklyn New York 11223
Tel: [redacted] Fax: [redacted]
e-mail: [redacted]@tursantravel.com
face: Tursan Travel-International

TO: Turquoise Council of Americans and Eurasians
Galleria Tower I, 2700 Post Oak Blvd. Suite 1750
Houston, TX 77056 USA

INVOICE NUMER
24759 to 24792

PASSENGER NAMES :			ETICKET NUMBERS	AIR FARE
Mark		Martin		$ 2,997.00
Jonathan		Barnett		$ 2,996.00
Stephanie		Malone		$ 2,997.00
David		Burnett		$ 2,997.00
Sonja		Burnett		$ 2,997.00
Mehmet		Ulupinar		$ 687.00
Abdulrasit		Avsar		$ 2,997.00
James	B	Lewis		$ 3,058.00
Hector		Balderas		$ 2,883.00
Mahmut		Gok		$ 724.00
Arleen		Loyd		$ 3,296.00
Atilla		Hafizoglu		$ 3,296.00
Muhammet	Alp	Yaradanakul		$ 1,516.00
Resul		Aksoy		$ 3,193.00
Manuel		Cordova		$ 5,730.00
Michelle		Grisham		$ 7,050.90
Deborah		Armstrong		$ 5,290
Ruben		Hinojosa		$ 10,530.90
Martha		Hinojosa		$ 9,430.90
Sheila		Jackson Lee		$ 12,033.90
Ted		Poe		$ 13,376.60
James		Bridenstine		$ 13,997.70
Stephen		Stockman		$ 13,430.60
Amy	A	Travieso		$ 5,290.00
Muhammet	Alp	Yaradanakul	EXCHANGE	$ 923.00
Sheila		Jackson Lee	EXCHANGE	$ 1,189.00
Lance		Gooden		$ 3,824.00

83. However, the Tursan travel agent told the OCE that these documents were created at the direction of Resul Aksoy, a person affiliated with TCAE, after the travel arrangements were already booked.[153] The OCE specifically asked the travel agent why airfare amounts listed on the "invoices" did not always match amounts the OCE reviewed on airline itinerary documents.

[147] *Id*.
[148] *Id*. 15-7713_0612-0613.
[149] May 2013 account statement for Tursan Travel (Exhibit 41 at 15-7713_0691-0692).
[150] Travel Agent Transcript (Exhibit 35 at 15-7713_0614).
[151] AFAZ and TCAE undated invoices (Exhibit 36 at 15-7713_0638).
[152] *Id*.
[153] Travel Agent Transcript (Exhibit 35 at 15-7713_0617, 620).

84. The travel agent told the OCE that Resul Aksoy and Kemal Oksuz also instructed him about what airfare amounts to list on the document and which organization to attribute to a particular traveler on the "invoice."[154]

85. The travel agent explained to the OCE that AFAZ and TCAE wired the funds to Tursan Travel and then instructed him to create the "invoices" that would match the amounts transferred.[155] Thus, the amounts listed on the "invoices" are not necessarily representative of the actual costs of airfare. The travel agent also explained that the listed invoice numbers did not necessarily match the actual tickets issued.[156]

b. SOCAR Coordinated Itineraries, Including Congressional Itineraries, with Kemal Oksuz and the Republic of Azerbaijan

86. During the same time that Kemal Oksuz and SOCAR agreed upon the transfer of $750,000 to AFAZ for Convention financing, and Mr. Oksuz's request from the AFAZ board to expend funds for the Convention guests, Kemal Oksuz also contacted SOCAR representatives with itineraries for Members of Congress on several occasions.[157] In the May 16, 2013 email below, Mr. Oksuz emailed a SOCAR employee stating: "[a]ttached is the Itinerary for Congressman Jim Bridenstine from Oklahoma. He received his approval letter from US House Ethics yesterday. The attached itinerary is the one that is approved. Please follow itinerary for meetings, briefings, for the Congressman. . . . After the trip we will report to the US House Ethics."[158]

From: Kemal Oksuz <[redacted]@gmail.com>
Date: May 16, 2013 at 2:50:35 PM CDT
To: <usazconvention@socar.az>
Cc: , 'ilqar.aliyev' <[redacted]@socar.az>
Subject: Congressman Jim Bridenstine Itinerary

Dear All,

Attached is the Itinerary for Congressman Jim Bridenstine from Oklahoma. He received his approval letter from US House Ethics yesterday.

The attached itinerary is the one that is approved.

Please follow the itinerary for meetings, briefings for the Congressman. The dates may change for some meeting and briefings. But we have to execute this. After the trip we will report to the US House Ethics.

Thanks, Kemal Oksuz

[154] *Id*. at 15-7713_0620.
[155] *Id*.
[156] *Id*. at 15-7713_0618.
[157] Emails from Kemal Oksuz to SOCAR, dated May 11, 2013 and May 16, 2013 (Exhibit 42 at15-7713_0694-0696).
[158] *Id*. at 15-7713_0695.

87. Leading into the Convention, SOCAR provided information to the Head of External Relations for the President of Azerbaijan related to the Convention.[159] This information included a list of Members of Congress attending the Convention.[160] SOCAR also directly invited over thirty individuals to speak at the Convention including Robert Gibbs, Richard Lugar, Jim Messina, and David Plouffe.[161] It appears that SOCAR was significantly involved in setting the program for the Convention.[162] The Director of SOCAR USA even appears to have created a "special session" for one invitee.[163]

c. SOCAR Processed the Visas in Azerbaijan for all Congressional Attendees

88. According to the Bureau of Consular Affairs at the U.S. Department of State, in order to travel to Azerbaijan U.S. citizens "must have an invitation from a person or company in Azerbaijan."[164] A U.S. citizen can only obtain a visa upon arrival at an airport in Azerbaijan in limited circumstances, including "persons with invitations from high-ranking officials of the Government of Azerbaijan."[165] All congressional travelers to the Convention were able to obtain their visa upon arrival at the airport in Baku.

89. Before traveling, the nonprofit sponsors collected passport information from their congressional travelers and provided them to Kemal Oksuz or Resul Aksoy.[166] Mr. Oksuz or Mr. Aksoy then placed these passports into a Dropbox account and sent them to an email address managed by someone in the Head Office of SOCAR: "usazconvention@socar.az."[167]

90. SOCAR then prepared a letter to the Azerbaijan Migration Service to obtain visas for the attendees.[168] The Migration Service then issued a letter stating it did not object to the issue of an entry visa upon arrival at the airport in Baku.[169] SOCAR picked up this letter from the Migration Service offices, scanned copies, and provided them to Mr. Oksuz.[170] It appears SOCAR discouraged attendees from trying to obtain a visa from the Embassy of Azerbaijan in Washington, D.C.[171] Mr. Oksuz then distributed these Migration Service letters to the nonprofit sponsors who provided them to the congressional travelers.[172] SOCAR's role in arranging visas was confirmed by SOCAR Legal Counsel

[159] Email from Xalik Mammadov to Arastu Habibbayli, dated May 21, 2013 (Exhibit 43 at 15-7713_0698).
[160] Email from Kemal Oksuz to Xalik Mammadov, dated April 27, 2013 (Exhibit 44 at15-7713_0700-0701).
[161] *See* Letters from SOCAR dated April 4, 2013 (Exhibit 45 at 15-7713_0704-0711);
[162] *See, e.g.*, Email from Parvin Ahanchi to Kemal Oksuz, dated May 21, 2013 (Exhibit 46 at 15-7713_0713).
[163] Email from Roberti + White Employee to Valerie Biden, dated May 15, 2013 (Exhibit 47 at 15-7713_0715-0717).
[164] Country Information: Azerbaijan, Bureau of Consular Affairs, U.S. Dept. of State, available at http://travel.state.gov/content/passports/english/country/azerbaijan.html
[165] *Id*.
[166] *See, e.g.*, Transcript of Interview of CTAA President, dated March 20, 2015 ("CTAA President Transcript") (Exhibit 48 at 15-7713_0734).
[167] Email from Kemal Oksuz to usazconvention@socar.az, dated May 10, 2013 (Exhibit 49 at 15-7713_0760).
[168] Email from Teymur Mahmudov to Sevda Seyidova, dated May 16, 2013 (Exhibit 49 at 15-7713_0758).
[169] Republic of Azerbaijan State Migration Service document dated May 18, 2013 (Exhibit 50 at 15-7713_0762).
[170] Email from Teymur Mahmudov to Khalik Mammadov, dated May 14, 2013 (Exhibit 51 at 15-7713_0764).
[171] Email from Teymur Mahmudov to usazconvention@socar.az, dated May 12, 2013 (Exhibit 52 at 15-7713_0766).
[172] Email from TAFS President dated May 21, 2013 (Exhibit 53 at 15-7713_0771).

1.[173] The Board notes that SOCAR's involvement in this process is illustrative of the logistical role it played in the Convention.

d. SOCAR Managed Convention Corporate Sponsorship Outreach Efforts

91. Aside from its own monetary contribution of $750,000 to AFAZ for the Convention, SOCAR played an active, significant role in soliciting and arranging corporate sponsorship of the Convention, coordinating efforts with Kemal Oksuz.

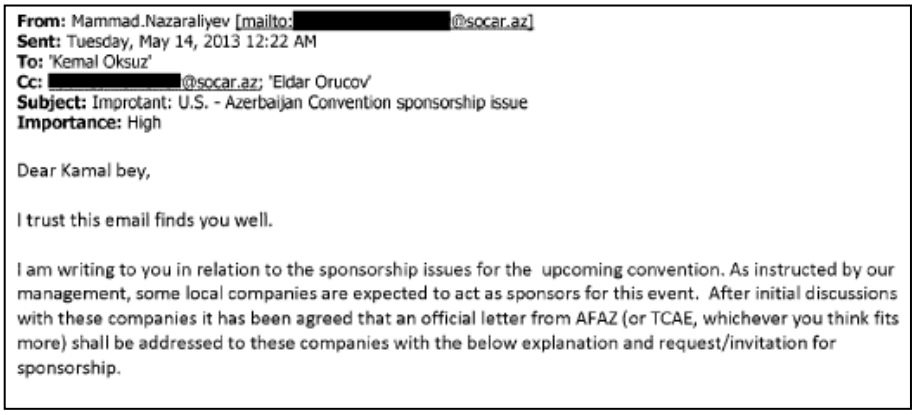
92. In early April 2013, Kemal Oksuz contacted potential corporate entities looking for "serious . . . sponsorship levels" and told one corporation that sponsorship would require a minimum of $250,000.[174] This request was declined.[175] Starting on May 7, 2013, several corporate entities received invitations to sponsor the Convention from SOCAR officials.[176] Under the new criteria established by SOCAR, the sponsorship thresholds were significantly reduced. Corporations were offered opportunities for "silver," gold," and "main" sponsor status associated with contributions of $10,000, $25,000, and $50,000 respectively.[177]

93. The Board notes this occurred one day after SOCAR signed an agreement with AFAZ to organize the Convention.

94. Several invitations came from SOCAR's "joint ventures and alliances department investments division," which forms alliances with international companies and contractors.[178] One recipient of a sponsorship invitation told the OCE he found it significant who was copied on the invitation: the head of the joint ventures and alliances department.[179] He identified that individual as one of two SOCAR board members who governed the company's alliance with SOCAR. He stated: "that gave it a lot of authority and indicated that it was something I should look at and, if you like, take seriously."[180] As part of the company's alliance with SOCAR, the recipient of that invitation had several deputies who were also SOCAR employees. He asked them to look into the convention.[181] He learned that "SOCAR was keen to ensure [the Convention] took place and took place well."[182] He was also told that SOCAR was approaching other international companies operating in Azerbaijan "especially those with U.S. parents."[183]

[173] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0323-0324).
[174] Email from Kemal Oksuz to ConocoPhillips Manager 1, dated April 2, 2013 (Exhibit 54 at 15-7713_0773-0774).
[175] Email from ConocoPhillips Manager 1 to Kemal Oksuz, dated April 3, 2013 (Exhibit 54 15-7713_0773).
[176] Email from Aynura Ahadova to Mehman Orujaliyev, dated May 7, 2013 (Exhibit 55 at 15-7713_0776); Email from Zaur Gahramanov to Aynura Ahadova, dated May 13, 2013 (Exhibit 31 at 15-7713_0590); Email from Kenul Ismailova to Nilufer Naghiyeva, dated May 23, 2013 (Exhibit 56 at 15-7713_0781).
[177] Email from SOCAR to Kemal Oksuz, May 14, 2013 (Exhibit 30 at 15-7713_00583-0585); Email from Zaur Gahramanov to Aynura Ahadova, dated May 13, 2013 (Exhibit 31 at 15-7713_0590).
[178] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0056-0057).
[179] *Id.* at 15-7713_0057.
[180] *Id.*
[181] *Id.*
[182] *Id.* at 15-7713_0058
[183] *Id.*

95. One week after SOCAR began inviting corporations to sponsor the Convention, SOCAR Legal Counsel 1 wrote to Mr. Oksuz that, "[a]s instructed by our management, some local companies are expected to act as sponsors for this event."[184] He continued, "it has been agreed that an official letter from AFAZ (or TCAE, whichever you think fits more) shall be addressed to these companies with the below explanation and request/invitation for sponsorship."[185]



From: Mammad.Nazaraliyev [mailto:[redacted]@socar.az]
Sent: Tuesday, May 14, 2013 12:22 AM
To: 'Kemal Oksuz'
Cc: [redacted]@socar.az; 'Eldar Orucov'
Subject: Improtant: U.S. - Azerbaijan Convention sponsorship issue
Importance: High

Dear Kamal bey,

I trust this email finds you well.

I am writing to you in relation to the sponsorship issues for the upcoming convention. As instructed by our management, some local companies are expected to act as sponsors for this event. After initial discussions with these companies it has been agreed that an official letter from AFAZ (or TCAE, whichever you think fits more) shall be addressed to these companies with the below explanation and request/invitation for sponsorship.

96. The email listed five corporations where the letter "shall be urgently sent to," directed Mr. Oksuz to print it on his letterhead, and included suggested text.[186] The email also established much lower amounts for sponsorship than Mr. Oksuz had suggested previously: $10,000 to be a silver sponsor; $25,000 to be a gold sponsor; and $50,000 to be a main sponsor.[187] It was noted that Caspian Drilling Company should be "invoice[d] for main sponsor for 50,000USD."[188]

97. When asked about the email, SOCAR Legal Counsel 1 told the OCE that "SOCAR was very much interested in making this convention happen."[189] He said initial discussions were held by the investment department within SOCAR that is responsible for coordinating with SOCAR's partners.[190] He told the OCE that SOCAR was "interested in bringing more sponsors to the event which was so significant for SOCAR and Azerbaijan" and "trying to somehow put some kind of duty and task on these companies to contribute to the mission that SOCAR is after."[191] SOCAR Legal Counsel 1 told the OCE that he referenced AFAZ and TCAE because he understood Kemal Oksuz to hold positions in both and wanted "to make sure that the request was made from [sic] proper organization."[192]

[184] Email from SOCAR Legal Counsel 1 to Kemal Oksuz, dated May 14, 2013 (Exhibit 30 at 15-7713_0583).
[185] *Id.*
[186] *Id.* at 15-7713_0584
[187] *Id.*
[188] *Id.*
[189] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0338).
[190] *Id.*.
[191] *Id.*
[192] *Id.* at 15-7713_0339.

98. After SOCAR invited the potential sponsor over email, it directed Kemal Oksuz to issue a formal letter of invitation.[193] Many recipient companies indicated their agreement or disagreement to SOCAR instead of TCAE, AFAZ, or Mr. Oksuz.[194] Mr. Oksuz kept SOCAR informed of what funds he received from corporate sponsors.[195] One company that received the letter from Mr. Oksuz declined to sponsor after asking SOCAR for more information about AFAZ.[196] Mr. Oksuz seemed unaware of whether or not that company in fact agreed to sponsor and wrote to SOCAR nearly a week after the Convention to find out.[197]

99. Sponsor companies received Convention itineraries from SOCAR.[198] They provided the names of colleagues who would attend the Convention to SOCAR.[199] Corporate logos for the Convention materials appear to have been provided to SOCAR, instead of Mr. Oksuz.[200] One company that was not able to confirm sponsorship before the Convention was still given the opportunity to attend events as a result of the decision made by SOCAR.[201] SOCAR called that company to offer it tickets to get past security and listed it as a host company for a reception.[202]

100. Over a week after the event, Kemal Oksuz wrote to SOCAR indicating he had received payments from two companies, a third had processed payment, and he had sent an invoice to a fourth.[203] Mr. Oksuz questioned, "Who else should we ask for payment?"[204] In response, one SOCAR employee provided a list of seven companies that sponsored the Convention.[205] When asked if it was a complete list of sponsors, SOCAR Legal Counsel 1 stated, "I think it miss also PSG," referring to Practical Solutions Group.[206]

[193] *See, e.g.*, Email from Zaur Gahramanov to Kemal Oksuz dated May 14, 2013 (Exhibit 57 at 15-7713_0785).
[194] *See, e.g.*, Email from Farkhad Kasimov to ConocoPhillips Manager 1, dated May 14, 2013 (Exhibit 31 at 15-7713_0587).
[195] Email from Kemal Oksuz to Zaur Gahramanov, dated May 17, 2103 (Exhibit 58 at 15-7713_0787).
[196] Email from Zaur Gahramanov to Kemal Oksuz, dated June 8, 2013 (Exhibit 20 at 15-7713_0374).
[197] *Id.*
[198] *See, e.g.*, Email from Kenul Ismailova to Farkhad Kasimov, dated May 24, 2013 (Exhbit 59 at 15-7713_0789-0790).
[199] Email from Gulia Taghiyeva to Kenul Ismailova, dated May 21, 2013 (Exhibit 60 at 15-7713_0803); Email from Zaur Jabrail to Kenul Ismailova, dated May 24, 2013 (Exhibit 61 at 15-7713_0808).
[200] Email from Zaur Jabrail to Kenul Ismailova, dated May 23, 2013 (Exhibit 62 at 15-7713_0813).
[201] Email from McDermott Vice President to McDermott employee, dated May 28, 2013 (Exhibit 63 at 15-7713_0817); McDermott Vice President Transcript (Exhibit 10 at 15-7713_0071).
[202] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0071).
[203] Email from Kemal Oksuz to Zaur Gahramanov, dated June 9, 2013 (Exhibit 20 at 15-7713_0373).
[204] *Id.*
[205] *Id.*
[206] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0339).

101. As reported by SOCAR, seven companies acted as sponsors for the 2013 Convention.[207] At the "silver" sponsor level, McDermott, Azeri MI Drilling Fluids Ltd., M-I SWACO, ConocoPhillips, KBR and BP participated.[208] CDC acted as a "main" sponsor for the event.[209] As shown previously, CDC and Azeri MI Drilling Fluids Ltd. are majority owned by SOCAR.[210]

From: Kenul Ismailova <[redacted]@socar.az>
Sent: Monday, June 10, 2013 12:18 AM
To: Kemal Oksuz <[redacted]@gmail.com>
Cc: Zaur Gahramanov <[redacted]@socar.az>
Subject: RE: Improtant: U.S. - Azerbaijan Convention sponsorship issue

Dear Kemal bey,
Please find the below list of companies which have taken part as a sponsorship on US-Azerbaijan convention, Baku , May 28-29, 2013.

N	Company	Name	Surname	Position	Contact (email)
1	Caspian Drilling Company (Main Sponsor)	Farid	Akhundov	General Direktor	[redacted]@caspian drilling.com
2	MCDERMOTT CASPIAN CONTRACTORS, INC (Silver Sponsor)	Ian	Cochran	Senior Director, Caspian Operations	[redacted]@mcdermott.com
3	AZERI M-I DRILING FLUIDS LTD (Silver Sponsor)	Nickolas	Hore	Country Manager	[redacted]@slb.com
4	M.I. SWACO (Silver Sponsor)	Sultan	Sultanov	Representatiove in Azerbaijan	[redacted]@slb.com
5	CONOCO (Silver Sponsor)	Luda	Orelup	Manager, External and Government Affairs	[redacted]@ConocoPhillips.com
6	KBR (Silver Sponsor)	Uday	Sheorey	Director of KBR Downstream	[redacted]@kbr.com
7	BP (Silver Sponsor)	Gorden	Birrell	President of AGT Regional	[redacted]@bp.com

102. Sponsorship decisions from these companies appear to have been motivated by SOCAR's role in the Convention. In addition, the evidence obtained by the OCE suggests that money provided by the corporate sponsors did not play a significant role in either Convention funding or travel funding, illustrating SOCAR's expansive role.

103. One former Manager of External and Government Affairs at a sponsoring corporation wrote in an email regarding sponsorship "we feel that our participation will continue to reinforce the relationship between SOCAR and [the Manager's company]."[211] A Vice President at another sponsoring company explained "the fact that the conference was taking place was brought to our attention by SOCAR and our discussions as to what, if you like, SOCAR's expectations of us and others in the community were with SOCAR themselves."[212]

104. Regarding the role of corporate sponsors at the event, the same Vice President, who was involved in his company's decision to sponsor the Convention and attended the Convention observed "I was a little bit taken aback by the size and sophistication of the

[207] Email from Kenul Ismailova to Kemal Oksuz, dated June 10, 2013 (Exhibit 20 at 15-7713_0373).
[208] *Id*.
[209] *Id*.
[210] McDermott, ConocoPhillips, and KBR fully cooperated with the OCE's review. M-I SWACO and BP did not cooperate. CDC and MI Azeri Drilling, Fluids, Ltd. did not indicate receipt or respond to the OCE's requests for information.
[211] Email between ConocoPhillips Manager 1 and Irada Akhoundova, dated May 14, 2013 (Exhibit 57 at 15-7713_0785).
[212] McDermott Vice President Transcript (Exhibit 10 at 15-7713_0061-0062).

event given the amount that we were invited to sponsor."[213] He described the silver sponsorship amount that his company and almost all the corporate sponsors contributed as "kind of a proverbial drop in the bucket."[214]

105. Another corporate sponsor noted the sponsorship amounts and the number of sponsors and concluded "all of us that participated still wouldn't be much more than a couple of drops in the buckets" compared the funding required for the Convention.[215]

106. Notably, the sponsorship invoices seem to have been processed in June 2013 after the Convention concluded.[216]

e. SOCAR May Have Hired a Consulting Network, Practical Solutions Group to Organize the Event

107. In addition to being a Convention sponsor, Practical Solutions Group, LLC ("PSG") based in Baku, Azerbaijan and its U.S. subsidiary based in Houston ("PSG USA") appear to have had a role in organizing the convention. Specifically, it appears that SOCAR hired PSG as a consultant for events in Azerbaijan a few months prior to the Convention.[217] Employees for SOCAR interviewed by the OCE did not believe PSG was paid for any work done as a result of the agreement between PSG and SOCAR for services, but acknowledged that PSG submitted an order to SOCAR to work on the Convention.[218] This order suggests that PSG was paid by SOCAR for its services.

108. SOCAR described PSG as a "major partner of SOCAR in Azerbaijan" and said PSG had a "very solid background and knowledge of event organization and legal consulting and other services that SOCAR may need outsourcing services."[219]

109. In response to the OCE's request for information related to the Convention, SOCAR provided an agreement between SOCAR and PSG dated February 8, 2013.[220] The contract notes PSG "has founded companies and representative offices in several countries in the world" and has "extensive experience in organizing and holding cultural events in Azerbaijan."[221] PSG and its network agreed to "[a]rrange and conduct events,

[213] *Id*. at 15-7713_0075.
[214] *Id*.
[215] *Id.*
[216] Emails between SOCAR and Kemal Oksuz, dated June 10, 2013 (Exhibit 20 at 15-7713_0373-0375). In addition to SOCAR's financial contribution, corporate sponsors appear to have provided $120,000 to Kemal Oksuz's organizations for the Convention. It is unclear whether all of that money was provided to AFAZ or whether TCAE received any money from sponsors. The Board notes that based on AFAZ's tax filings for the calendar year of 2013, it appears three corporate sponsorships worth $30,000 were not paid to AFAZ. *See* AFAZ Form990 (Exhibit 64 at 15-7713_0823-35). Aside from SOCAR and potentially PSG, the OCE Board did not obtain any evidence to indicate improper sponsorship on the part of these corporate entities, or any inconsistencies between the role that they played and the travel regulations adopted by the Committee on Ethics.
[217] Agreement between SOCAR and Practical Solutions Group (Exhibit 65 at 15-7713_0837-0842).
[218] Practical Solutions Group Service Order (Exhibit 66 at 15-7713_0844).
[219] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0333).
[220] Agreement between SOCAR and Practical Solutions Group (Exhibit 65 at 15-7713_0837-0842).
[221] *Id.* at 15-7713_0837.

meetings, conferences, and symposiums" and "[o]rganize different business, social, [and] cultural . . . events to inform the world community about the SOCAR and the Azerbaijan's truths, and hold meetings with government officials."[222]

110. On April 23, 2013, PSG submitted an order to SOCAR to implement the "necessary issues and services related to the organization and conduct of Convention 'Common Look to the Future' – Azerbaijan-America Relations, held on May 28-29, 2013."[223] SOCAR Legal Counsel 1 told the OCE that there were no payments "made under that service order," but "there are a lot of payments going from SOCAR to PSG under different service orders and different categories."[224]

111. PSG did not respond to the OCE's request for information. PSG USA provided documents to the OCE showing it was involved in collecting biographies and images of the Members of Congress who attended the Convention.[225] PSG USA also had emails that discussed the itineraries for Members of Congress.[226] The President of PSG USA, Irada Akhoundova, was also a participant in the Convention.[227] She was also listed as a board member of AFAZ[228] and runs the Azerbaijan Community and Cultural Center in Houston.[229] Ms. Akhoundova appears to have invited several local officials from Houston to the Convention and provided those names to Kemal Oksuz and SOCAR.[230]

f. SOCAR Assisted in Arranging Ground Transportation, and May have Paid for, Hotel Rooms for Convention Attendees

112. While TCAE and AFAZ did not cooperate with the OCE's review, the OCE obtained information suggesting that neither organization paid for hotel rooms in Baku. An attorney for TCAE and AFAZ reached out to Tursan Travel because it could not find records for hotels or other transportation costs.[231] The Tursan travel agent told the OCE that his agency did not book the hotels in Baku.[232] He presumed that the hotels were booked locally in Baku because the Azerbaijan government would "get a good price from hotel."[233]

113. SOCAR Legal Counsel 1 told the OCE that it had contracts with two hotels where Convention attendees stayed: the Hilton and the Four Seasons.[234] SOCAR had

[222] *Id.*
[223] Practical Solutions Group Service Order (Exhibit 66 at 15-7713_0844).
[224] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0335).
[225] *See*, *e.g.*, Emails from Kemal Oksuz to SOCAR, dated May 11, 2013 and May 16, 2013 (Exhibit 42 at15-7713_0694-0696).
[226] *Id.*
[227] Letter to the OCE from Counsel for Practical Solutions Group, dated February 26, 2015 (Exhibit 67 at 15-7713_0846)
[228] AFAZ 2013 IRS Form 990 (Exhibit 64 at 15-7713_0823-0835).
[229] Email from Karan Schmitt, dated July 24, 2013 (Exhibit 68 at 15-7713_0848).
[230] Email from Irada Akhoundova to Kemal Oksuz, dated May 14, 2013 (Exhibit 49 at 15-7713_0759).
[231] Email from Rachel Goldstein to Tursan Travel Agent dated Feb. 19, 2015 (Exhibit 69 at 15-7713_0851).
[232] Travel Agent Transcript (Exhibit 35 at 15-7713_0607).
[233] *Id.* at 15-7713_0608.
[234] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0326).

discounted rate agreements with both of these hotels where, if the rooms were used, SOCAR paid for them at the end of the event.[235] SOCAR Legal Counsel 1 stated that SOCAR had three major events in May, including the Convention, and no payment to either hotel specified the Convention.[236] He maintained that any payment was for the other two events, but reiterated that SOCAR's internal review did not show payments that specifically referenced the Convention.[237] SOCAR Legal Counsel 2 told the OCE that SOCAR had contracts with hotels for events that occurred around the same time of the Convention, one of which being "Republic Day," on May 28, 2013.[238] The Board notes that on many itineraries for congressional travelers, Republic Day was noted as an event associated with the Convention and trip to Azerbiajan.[239]

114. Kemal Oksuz periodically sent SOCAR hotel information for the attendees.[240] When asked about these lists, SOCAR Legal Counsel 1 told the OCE that "SOCAR was active in assisting event organizers in logistics" and might need the information for "visa purposes" or "taking people from hotel to event."[241] SOCAR Legal Counsel 2 stated that SOCAR was not "primarily responsible" for hotel logistics but provided "secondary support."[242]

115. One corporate sponsor who attended the Convention told the OCE "The persons on the ground was apparently SOCAR."[243] Convention attendees described to the OCE two systems for ground transportation to and from the airport, hotels, and events in Baku. Some Members of Congress, designated as "VIPs" were transported using vans.[244] Other Convention attendees used buses that were specific to each hotel.[245] SOCAR told the OCE it was involved in arranging those logistics.[246] One attendee from a nonprofit sponsor told the OCE that SOCAR setup desks in the lobbies of the hotels staffed with "volunteers" to greet Convention attendees.[247]

116. The OCE requested information from these hotels but did not receive the requested information. Based on testimony from employees, and other information above, SOCAR's internal review did not definitively show that SOCAR did not pay for Convention attendee hotel rooms.

[235] *Id.* at 15-7713_0327.
[236] *Id.* at 15-7713_0327.
[237] *Id.* at 15-7713_0327-0328.
[238] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0440-0441).
[239] *See*, *e.g.*, Itinerary from TCAE and AFAZ, Itinerary for TCAE, Itinerary for TAFS (Exhibit 70 at 15-7713_0855-0862).
[240] Email from Kemal Oksuz to Teymur Mahmudov (Exhibit 71 at 15-7713_0864); Email from Kemal Oksuz to SOCAR, dated May 21, 2013 (Exhibit 37 at 15-7713_0664).
[241] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0328-0329).
[242] SOCAR Legal Counsel 2 Transcript (Exhibit 24 at 15-7713_0448).
[243] ConocoPhillips Manager 1 Transcript (Exhibit 13 at 15-7713_0179).
[244] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_0093).
[245] CTAA Program Director Transcript (Exhibit 23 at 15-7713_0422).
[246] SOCAR Legal Counsel 1 Transcript (Exhibit 17 at 15-7713_0328).
[247] CTAA President Transcript (Exhibit 48 at 15-7713_0741).

117. As explained above, SOCAR, a wholly owned company of the Republic of Azerbaijan, was directly involved in funding, planning, organizing, conducting, and participating in the Convention and related congressional travel. SOCAR is likely considered a foreign government for purposes of the Foreign Gifts and Decorations Act, and is thereby prohibited from sponsoring congressional travel except pursuant to the Act and related federal laws.

118. Under House travel regulations, a trip is defined to include "transportation to and from the destination; all activities, conferences, and events at the destination(s); meals; local transportation; and lodging." SOCAR was actively involved in all aspects of the congressional trip: transportation to and from Azerbaijan; organizing activities and events; planning and funding meals; local transportation in Baku; and facilitating visas. SOCAR also had a role in arranging lodging for Convention attendees and may have paid for hotel rooms.

119. Some aspects of SOCAR's involvement were conducted through AFAZ, an entity that SOCAR controlled and established immediately prior to the Convention. SOCAR selected Kemal Oksuz to be the President of AFAZ, a position Mr. Oksuz held while simultaneously acting as President of TCAE. SOCAR and its affiliated entities contributed more than $750,000 to AFAZ to fund international travel and other expenses related to congressional participation in the trip Azerbaijan and Turkey. Yet neither SOCAR nor AFAZ were disclosed to the Committee on Ethics as having any role in the trip.

120. Although the OCE was unable to confirm that TCAE and AFAZ shared trip financing, those travelers disclosed as sponsored by TCAE were also sponsored by AFAZ and SOCAR. Those sponsorships were undisclosed.

121. For the reasons stated above, there is a substantial reason to believe that SOCAR and AFAZ acted as impermissible and undisclosed sponsors of the Convention and congressional travel. As such, SOCAR and AFAZ provided gifts in the form of impermissible travel expenses to congressional travelers in violation of House rules and regulations, standards of conduct, and federal law.

D. The Disclosed Nonprofit Sponsors of Travel to the Convention Provided False Information to the U.S. House of Representatives

122. SOCAR, TCAE and AFAZ acted as the true organizers and sponsors for congressional participation in the trip to Azerbaijan.

123. Despite the disclosures to the Committee on Ethics indicating otherwise, the OCE found that the disclosed nonprofit sponsors contributed virtually no money towards congressional travel to Azerbaijan and Turkey and played a very limited role in organizing the Convention.

124. There are seven, U.S.-based, Turkic-American, nonprofit organizations that had varying degrees of activity and responsibility regarding the sponsorship of congressional travel to

Turkey and Azerbaijan in 2013 that ultimately included travel to the Convention: (1) The Turkic American Alliance ("TAA"); (2) the Turkic American Federation of the Midwest ("TAFM"); (3) the Turkic American Federation of the Southeast ("TAFS"); (4) the Council of Turkic American Associations ("CTAA"); (5) the Turquoise Council of Americans and Eurasians ("TCAE"); (6) the West America Turkic Council ("WATC"); and (7) the Mid-Atlantic Federation of Turkic American Associations ("MAFTAA"). The seven organizations have no legal relationship to one another but are affiliated under the umbrella of TAA.[248]

125. Five of the seven organizations filed disclosures with the Committee on Ethics in April and May 2013 as Primary Trip Sponsors for Members and staff to travel to Azerbaijan and Turkey.[249] The same organizations filed post-trip disclosure forms. Two of the nonprofits participated in Azerbaijan and Turkey travel planning efforts, but were not disclosed as sponsoring congressional travel.

126. While these five organizations held themselves out individually as the sole trip sponsor for congressional travelers, the OCE obtained evidence of significant misrepresentations on congressional travel approval and disclosure forms. The seven nonprofit organizations listed above actively coordinated outreach efforts under the direction of Kemal Oksuz through his interchangeable leadership of TCAE and AFAZ. In almost all cases, the five sponsoring organizations contributed no funding for the congressional travel in spite of false affirmations on the forms they submitted to the Committee on Ethics.

1. TAA

127. In 2010, the TAA was created as an umbrella organization for the six regional federations listed above and over 240 local member organizations across the country.[250] Its mission is to assist Turkic communities in cultural pursuits and connect them to governments, media outlets, and educational opportunities.[251] It is a 501(c)(3) nonprofit organization with a board consisting of the leaders of the six regional federations.[252] TAA's staff includes its President, program assistants, an accountant, and volunteers.[253] TAA is located in Washington, D.C.[254]

128. The TAA President told the OCE that the idea for the 2013 Convention started at a board meeting of the regional federations that involved the "match-making" of an organization under TAA's umbrella with a Turkic country for the purposes of American delegations

[248] TAA President Transcript (Exhibit 26 at 15-7713_0487).
[249] Although the pre-travel sponsorship forms filed with the Committee did not include a signature date or a date of submission, the forms were required to reach the Committee 30 days prior to travel. Some travelers did not meet that deadline but were nevertheless granted permission by the Committee.
[250] TAA President Transcript (Exhibit 26 at 15-7713_0485).
[251] *Id*.
[252] TAA 2013 IRS Form 990 (Exhibit 72 at 15-7713_0866-0895); TAA President Transcript (Exhibit 26 at 15-7713_0487).
[253] TAA President Transcript (Exhibit 26 at 15-7713_0487).
[254] TAA website, *available at* http://turkicamericanalliance.org/contact-us/.

visiting the countries.[255] The "Houston federation," TCAE and its President Kemal Oksuz, led the "initiative" in planning the Convention.[256] The TAA President stated that Mr. Oksuz was "really eager" to take the lead and there was an agreement amongst the other federations that TCAE would help take "other delegations, state legislatures, and federal level . . ." to the Convention.[257]

129. In May 2013, TAA disclosed that it was the Primary Trip Sponsor for eleven congressional staff members on the trip to Turkey and Azerbaijan.[258] The TAA President confirmed that congressional staff traveled to Turkey, two days prior to attending the Convention.[259] The TAA President stated that this portion of the trip was planned because he thought it would be "worthwhile" to stay two days in Istanbul.[260]

130. In its disclosures to the Committee on Ethics prior to the trip, TAA disclosed destinations of "Istanbul, Turkey – Ankara, Turkey – Baku, Azerbaijan."[261] It stated that "TAA is a nonprofit 501(c)(3) organization with the mission of providing educational programing [sic] about the U.S. – Turkic relationship. The trip will provide a well understanding and analyzing of Turkey that will help in serving Turkish and Turkic community in U.S. and in having better relations with Turkey and Azerbaijan."[262] TAA also provided a reason for the trip, stating that "Turkey is a significant country for U.S. in relations of political, commercial, and cultural interests of both countries in Middle East, Central Asia, and Europe."[263]

[255] TAA President Transcript (Exhibit 26 at 15-7713_0489-0490).
[256] *Id*. at 15-7713_0490-0491.
[257] *Id*. at 15-7713_0489.
[258] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx. Five of the staff members appear to have terminated employment with the House.
[259] TAA President Transcript (Exhibit 26 at 15-7713_0503).
[260] *Id*.
[261] TAA Primary Trip Sponsor Form (Exhibit 73 at 15-7713_0897-0899).
[262] *Id*.
[263] *Id*.

131. TAA also submitted, pursuant to 18 U.S.C. § 1001, that TAA as "the primary trip sponsor has not accepted from any other source funds directly or indirectly to finance any aspect of the trip."[264] The TAA President signed the sponsorship form, certifying that it was true, complete, and correct to the best of his knowledge.[265]

PRIMARY TRIP SPONSOR FORM

This form should be completed by private entities offering to provide travel or reimbursement for travel to House Members, officers, or employees under House Rule 25, clause 5. A completed copy of the form (and any attachments) should be provided to each invited House Member, officer, or employee, who will then forward it to the Committee together with a Traveler Form ***at least 30 days before the start date of the trip***. The trip sponsor should NOT submit the form directly to the Committee. The Committee Web site (ethics.house.gov) provides detailed instructions for filling out the form.

NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001. Failure to comply with the Committee's Travel Regulations may also lead to the denial of permission to sponsor future trips.

1. Sponsor (who will be paying for the trip): Turkic American Alliance (TAA)

2. I represent that the trip will not be financed (in whole or in part) by a registered federal lobbyist or foreign agent (*signify that the statement is true by checking box*): ■

3. *Check only one:* I represent that:
   a. the primary trip sponsor has not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip ■ ***or***
   b. the primary trip sponsor has accepted funds from other source(s) intended directly or indirectly to finance all or part of this trip and has enclosed disclosure forms from each of those entities ☐ ***or***
   c. the trip is arranged without regard to congressional participation and the primary trip sponsor has accepted funds only from entities that will receive a tangible benefit in exchange for those funds. ☐

132. Throughout May 2013, the Committee on Ethics approved travel, disclosed as sponsored by TAA, for congressional staff members.[266]

133. The OCE staff asked the TAA President whether TAA paid for the entirety of congressional travel, as was disclosed to the Committee on Ethics. The TAA President told the OCE that TAA did not, responding that "[w]e claimed we covered it all. But as you see the bank statements, we didn't pay."[267] Instead, he went on to specify that TAA did not pay for any airfare or hotels connected to congressional travel and that Kemal Oksuz of TCAE was "helping" TAA to "get to the specifics."[268] The TAA President stated that "[w]e were supposed to pay him back for the airfare and all the expenses."[269] At the time he signed the forms, he knew that Kemal Oksuz and TCAE were paying for the travel.[270] He tried to show "good faith" but "didn't want to cancel the trip," and was "well aware of this and it's not right."[271] On multiple occasions during his interview, the

[264] *Id*. at 15-7713_0897.
[265] *Id*. at 15-7713_0899; TAA President Transcript (Exhibit 26 at Page 15 line 23).
[266] See Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[267] TAA President Transcript (Exhibit 26 at 15-7713_0491).
[268] *Id*.
[269] *Id*.
[270] *Id*. at 15-7713_0500.
[271] *Id*.

TAA President confirmed that Kemal Oksuz and TCAE paid for all expenses associated with the trip to Turkey and Azerbaijan in 2013.[272]

134. The TAA President told the OCE that he had a conversation with Mr. Oksuz concerning his alleged reimbursement to TCAE for expenses covered by Mr. Oksuz and TCAE.[273] That conversation would have occurred sometime before the Convention in 2013, and potentially, right after TCAE purchased the tickets.[274] However, he could not say whether the conversation would have occurred before submitting sponsorship forms to the Committee on Ethics.[275]

135. When asked if he had any intention to pay Mr. Oksuz and TCAE back for the expenses related to congressional travel, the TAA President responded that "legally we have to."[276] As of the date of his interview with the OCE, the TAA President had not reimbursed TCAE for any expenses.[277] He further stated that TCAE had not issued an invoice to TAA for the outstanding balance.[278] Although there is a regular accounting process to track TAA's debt, the amount TAA is alleged to have owed TCAE was not included in the organization's end of the year debt totals.[279]

136. Although TAA did not make the actual payments for airfare and lodging, the TAA President told the OCE that in order to submit the sponsor forms to the Committee on Ethics, TAA checked online for cost estimates, at websites like Expedia.[280]

137. TAA also failed to disclose to the Committee on Ethics that expenses for travel in Turkey were "most likely" paid for by "BAKIAD," or "NISAN Travel," a travel agency or organization that works with BAKIAD.[281] According to the TAA President, BAKIAD is a Turkish, nonprofit, "sister organization" who has hosted several delegations prior to 2013.[282] The TAA President stated that BAKIAD has been connected to five or six other TAA sponsored trips to Turkey where all expenses associated with congressional travel in Turkey were covered by BAKIAD.[283] He further stated that although there is a "Summary Agreement" whereby TAA reimburses BAKIAD for expenses, TAA has never made any reimbursement payments for congressional travel.[284]

2. TCAE

[272] *See generally* TAA President Transcript (Exhibit 26 at 15-7713_0484). The TAA President also explained later in the interview that certain expenses in Turkey were attributed to BAKIAD.
[273] *Id*. at 15-7713_0493.
[274] *Id*.
[275] *Id*. at 15-7713_0493.
[276] *Id*. at 15-7713_0495.
[277] *Id*. at 15-7713_0491.
[278] *Id*. at 15-7713_0495.
[279] *Id*. at 15-7713_0509.
[280] *Id*. at 15-7713_0500.
[281] *Id*. at 15-7713_0503. Background information on BAKIAD appears later in these findings.
[282] *Id*.
[283] *Id*. at 15-7713_0505.
[284] *Id*.

138. TCAE did not cooperate with the OCE's review. Through document submissions from other third parties, the OCE learned that Kemal Oksuz and TCAE had discussions with the Committee on Ethics prior to the Azerbaijan and Turkey trip. In response to questions by Committee staff, on March 17, 2013 Mr. Oksuz told the Committee that "TCAE will be paying for all trip expenses using its general funds. TCAE never receives any additional outside funding to subsidize expenses for the trips."[285]

139. TCAE disclosed to the Committee on Ethics that it was the Primary Trip Sponsor for six Members of Congress and two congressional staff members on a trip to Turkey and Azerbaijan.[286]

140. In its disclosures to the Committee on Ethics prior to the trip, TCAE disclosed destinations of "Istanbul-Ankara-Baku" for two Members and two staff, and simply "Baku" for the three other Members.[287] It described itself as a "nonprofit 501(c)(3) organization which is committed to establishing and advancing long-term relationships and close cooperation between US and Turkey-Azerbaijan. To introduce and provide exposure to Turkey's and Azerbaijan's military, regional energy security and political reforms. To promote mutual understanding!" [288]

141. TCAE also submitted, pursuant to 18 U.S.C. § 1001, that TCAE as "the primary trip sponsor has not accepted from any other source funds directly or indirectly to finance any aspect of the trip."[289] Kemal Oksuz signed the sponsorship form, certifying that it was true, complete, and correct to the best of his knowledge.[290]

PRIMARY TRIP SPONSOR FORM

This form should be completed by private entities offering to provide travel or reimbursement for travel to House Members, officers, or employees under House Rule 25, clause 5. A completed copy of the form (and any attachments) should be provided to each invited House Member, officer, or employee, who will then forward it to the Committee together with a Traveler Form ***at least 30 days before the start date of the trip***. The trip sponsor should NOT submit the form directly to the Committee. The Committee Web site (ethics.house.gov) provides detailed instructions for filling out the form.

NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001. Failure to comply with the Committee's Travel Regulations may also lead to the denial of permission to sponsor future trips.

1. Sponsor (who will be paying for the trip): Turquoise Council of Americans and Eurasians (TCAE)

2. I represent that the trip will not be financed (in whole or in part) by a registered federal lobbyist or foreign agent (*signify that the statement is true by checking box*): ■

3. *Check only one:* I represent that:
   a. the primary trip sponsor has not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip ■ ***or***
   b. the primary trip sponsor has accepted funds from other source(s) intended directly or indirectly to finance all or part of this trip and has enclosed disclosure forms from each of those entities ☐ ***or***
   c. the trip is arranged without regard to congressional participation and the primary trip sponsor has accepted funds only from entities that will receive a tangible benefit in exchange for those funds. ☐

[285] Email between Kemal Oksuz and the Committee on Ethics, dated March 17, 2015 (Exhibit 74 at 15-7713_901-03).
[286] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx. One congressional staff member disclosed as sponsored by TCAE, is no longer employed by the House.
[287] TCAE Primary Trip Sponsor Form (Exhibit 75 at 15-7713_905-07).
[288] *Id*.
[289] *Id*.
[290] *Id*.

142. Throughout May 2013, the Committee on Ethics approved travel, disclosed as sponsored by TCAE, for Members of Congress and congressional staff members.[291]

143. With one exception,[292] of the five nonprofits that were identified as Primary Trip Sponsors to the Committee on Ethics, only TCAE appears to have contributed funding for congressional travel to Turkey and Azerbaijan in 2013.

3. TAFM

144. TAFM was established in 2010 and received its 501(c)(3) nonprofit tax status in 2013.[293] Its mission is to improve relations between Turkey, the U.S. and Central Asia, involving cultural, social, and economic activities at the local level.[294] TAFM is funded by local donors in the Midwest and from member organizations that are local nonprofits that pay membership dues to TAFM.[295] TAFM has a board of directors and one paid staff person, the TAFM President.[296] TAFM is based in Mount Prospect, Illinois.[297]

145. The TAFM President told the OCE that he attended the Convention.[298] He believed the purpose of the Convention was to create awareness about Azerbaijan, while a component was to discuss energy-related issues.[299] There were meetings in the Azerbaijani parliament, meetings with the Azerbaijani President, and some Azerbaijani "institutions."[300] The TAFM President stated that his organization did not have a connection to the Republic of Azerbaijan but that the "Turquoise Council in Texas" did, because "[t]hey basically organized the convention and had the first and long knowledge about it."[301]

146. The TAFM President first learned about the Convention during a regular meeting of the TAA sister federations, possibly three to four months before the Convention.[302] Because TCAE had "good relations with Azerbaijan . . . anything happening in Azerbaijan would come through the Turquoise Council."[303] When asked about TAFM's role in planning

[291] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[292] As discussed in the section of these findings on CTAA, only CTAA provided airfare for a Member of Congress from Washington, DC to Turkey. In every other instance, TCAE appears to be the sole entity responsible for all costs associated with congressional travel to Turkey and Azerbaijan in 2013.
[293] Transcript of Interview of the TAFM President, March 13, 2015 ("TAFM President Transcript") (Exhibit 76 at 15-7713_0910-11).
[294] *Id*. at 15-7713_0910.
[295] *Id*. at 15-7713_0911.
[296] *Id*. at 15-7713_0910.
[297] TAFM website, *available at* http://www.turkicamericanfederation.org/.
[298] TAFM President Transcript (Exhibit 76 at 15-7713_0912)
[299] *Id*. at 15-7713_0914.
[300] *Id*.
[301] *Id*.
[302] *Id*. at 15-7713_0915-16.
[303] *Id*. at 15-7713_0916.

the Convention, the TAFM President stated that the organization's only role was to invite potential attendees.[304]

147. TAFM disclosed that it was the Primary Trip Sponsor for one Member of Congress and nine congressional staff members on a trip to Turkey and Azerbaijan.[305] The TAFM President told the OCE that some of the individuals disclosed as being sponsored by TAFM, also went to Turkey before and after the Convention.[306]

148. In its disclosures to the Committee on Ethics prior to the trip, TAFM disclosed destinations of "Istanbul, Ankara, Baku."[307] It stated that "TAFM is the sole sponsor of the trip to promote mutual understanding thru [sic] interaction between the Congressional Members and the peoples of Turkey and Azerbaijan. The purpose of the trip is to provide a first-hand experience to explore political, social and economic issues in these countries, which are critical allies to the US in the region."[308]

149. TAFM also submitted, pursuant to 18 U.S.C. § 1001, that TAFM as "the primary trip sponsor has not accepted from any other source funds directly or indirectly to finance any aspect of the trip."[309] The TAFM President signed the sponsorship form, certifying that it was true, complete, and correct to the best of his knowledge.[310]

PRIMARY TRIP SPONSOR FORM

This form should be completed by private entities offering to provide travel or reimbursement for travel to House Members, officers, or employees under House Rule 25, clause 5. A completed copy of the form (and any attachments) should be provided to each invited House Member, officer, or employee, who will then forward it to the Committee together with a Traveler Form ***at least 30 days before the start date of the trip***. The trip sponsor should NOT submit the form directly to the Committee. The Committee Web site (ethics.house.gov) provides detailed instructions for filling out the form.

NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001. Failure to comply with the Committee's Travel Regulations may also lead to the denial of permission to sponsor future trips.

1. Sponsor (who will be paying for the trip): TURKISH AMERICAN FEDERATION OF MIDWEST (TAFM)
2. I represent that the trip will not be financed (in whole or in part) by a registered federal lobbyist or foreign agent (*signify that the statement is true by checking box*): ■
3. *Check only one:* I represent that:
   a. the primary trip sponsor has not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip ■ ***or***
   b. the primary trip sponsor has accepted funds from other source(s) intended directly or indirectly to finance all or part of this trip and has enclosed disclosure forms from each of those entities ☐ ***or***
   c. the trip is arranged without regard to congressional participation and the primary trip sponsor has accepted funds only from entities that will receive a tangible benefit in exchange for those funds. ☐

[304] *Id*.
[305] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx. One of the staff members appears to have terminated employment with the House.
[306] TAFM President Transcript (Exhibit 76 at 15-7713_0921).
[307] TAFM Primary Trip Sponsor Form (Exhibit 77 at 15-7713_0959-61).
[308] *Id*.
[309] *Id*.
[310] *Id*.; TAFM President Transcript (Exhibit 76 at 15-7713_0937).

150. Throughout May 2013, the Committee on Ethics approved travel, disclosed as sponsored by TAFM, for one Member of Congress and congressional staff members.[311]

151. During his interview with the OCE, the TAFM President repeatedly told the OCE that TCAE paid for all congressional travel related to his organization's disclosures to the Committee on Ethics.[312] TAFM did not have the funds available to pay for the travel.[313] The TAFM President told the OCE that he knew "we were supposed to pay, but we weren't able to pay for those expenses."[314] He stated that "we were going to pay at first, but the economic situation didn't allow us to pay."[315] He also stated that he saw the 18 U.S.C § 1001 warning at the top of the sponsorship form and understood he was not filing a true submission to the Committee on Ethics.[316] When asked if he talked to Mr. Oksuz about filing a false submission, he explained to the OCE that:

> Yeah, that was the conversation I made with Kemal. That's the reason why I made the conversation with Kemal, that if you, you know fill out all the papers to be you know peace of mind, you're organizing it you have all the details, you know…but then it made sense you know and then he said, 'Well if you want to invite those people, it's your region, your area you know so you have to do it on your own because I'm too much you know overwhelmed with the convention – all the details' and which I think was true.[317]

152. The OCE asked the TAFM President why TCAE did not simply disclose itself as the sponsor for all travel, given that TAFM did not have sufficient funds. He responded "that should've been the approach we made," but after discussing with Mr. Oksuz, the logistics were "too overwhelming for [Kemal]" and that it was Mr. Oksuz's suggestion that each organization invite its own people.[318]

153. While some witnesses told the OCE that they were unaware of any relationship between Kemal Oksuz and SOCAR, the TAFM President explained that leading up to the Convention, he recalled a meeting of the member organizations of TAA.[319] At that meeting, Mr. Oksuz discussed SOCAR and stated that "it's the biggest energy company in Azerbaijan."[320] The TAFM President later stated that Mr. Oksuz's "relations with Azerbaijan got really deep and then he's more involved with . . . Azerbaijan officials, companies and other things."[321]

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[311] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[312] TAFM President Transcript (Exhibit 76 at 15-7713_0916, 919, 940, 944, 956).
[313] *Id*. at 15-7713_0924.
[314] *Id*.
[315] *Id*.
[316] *Id*. at 15-7713_0938.
[317] *Id*. at 15-7713_0937-38.
[318] *Id*. at 15-7713_0925.
[319] *Id*. at 15-7713_0929.
[320] *Id*.
[321] *Id*. at 15-7713_0954.

154. The TAFM President selected invitees based on his geographic region in the Midwest, but also based on past interactions he may have had with congressional staff members.[322] Kemal Oksuz drafted the language for the invitations. In one instance, Mr. Oksuz spoke directly to the Member's staff.[323]

155. The TAFM President also discussed BAKIAD's role in the congressional travel to Turkey. He stated that normally, on other trips sponsored by TAFM, TAFM would cover airfare to Turkey and meals in Turkey, but BAKIAD would cover hotel expenses.[324] He stated that it was also possible that BAKIAD paid for domestic flights in Turkey as well.[325]

156. The TAFM President also told the OCE that he received emails from Kemal Oksuz two to three weeks prior to the interview with the OCE, after Mr. Oksuz's attorneys had been contacted with a request for information from the OCE.[326] He stated that "all of a sudden I had all these invoices in my mailbox. And I understood it was about this investigation because I saw all the names, Turquoise, Azerbaijan so, but we haven't paid for these and I just put these because this was a document about the convention."[327] He further explained that the emails had no text associated with them and were not the result of a prior discussion with Mr. Oksuz.[328]

4. TAFS

157. TAFS was created in 2012, receiving 501(c)(3) tax status the same year.[329] Its mission is to promote cultural, educational, academic, business, social and arts relations, and to organize events and activities to bring together the American and Turkish, Turkic and Eurasian communities within the U.S.[330] TAFS has two employees, the President and an executive assistant.[331] It receives its funding from individual donations.[332] It is located in Atlanta, Georgia.[333]

158. The TAFS President told the OCE that he first became aware of the Convention at a TAA board meeting in Washington, DC, specifically from Kemal Oksuz.[334] Mr. Oksuz asked the TAFS President to invite potential attendees, particularly "from Washington."[335] After making invitations, the TAFS President sent Mr. Oksuz and Mr. Oksuz's assistant

[322] *Id*. at 15-7713_0923.
[323] *Id*. at 15-7713_0935.
[324] *Id*. at 15-7713_0942.
[325] *Id*. at 15-7713_0943.
[326] *Id*. at 15-7713_0944.
[327] *Id*.
[328] *Id*. at 15-7713_0944-45.
[329] TAFS President Transcript (Exhibit 27 at 15-7713_0524). TAFS's website states that the organization was created in 2011. *See* TAFS website, *available at* http://turkicfederation.com.
[330] TAFS website, *available at* http://turkicfederation.com/about-tafs.html.
[331] TAFS President Transcript (Exhibit 27 at 15-7713_0525).
[332] *Id*. at 15-7713_0526.
[333] TAFS Certificate of Organization (Exhibit 78 at 15-7713_0963-64).
[334] TAFS President Transcript (Exhibit 27 at 15-7713_00528).
[335] *Id*. at 15-7713_00531, 00535.

pictures and passport copies of the attendees, who made the appropriate communications with embassies.[336] The TAFS President told the OCE that Mr. Oksuz and Mr. Oksuz's assistant drafted the invitations that were sent by the TAFS President to congressional staff members.[337]

159. TAFS disclosed to the Committee on Ethics that it was the Primary Trip Sponsor for seven congressional staff members on a trip to Turkey and Azerbaijan.[338] The TAFS President confirmed that he disclosed sponsorship of travel to Turkey in addition to Azerbaijan.[339]

160. In its disclosures to the Committee on Ethics prior to the trip, TAFS disclosed destinations of "Istanbul/Baku."[340] It described itself as a "nonprofit 501(c)3 orsanization [sic] that has a vision for future as we work to establish and advance long-term relationships and close cooperation between US and Turkey/Azerbaijan. TAFS is responsible for organization and funding all aspects of the trip."[341]

161. TAFS also submitted, pursuant to 18 U.S.C. § 1001, that TAFS as "the primary trip sponsor has not accepted from any other source funds directly or indirectly to finance any aspect of the trip."[342] The TAFS President signed the sponsorship form, certifying that it was true, complete, and correct to the best of his knowledge.[343]

PRIMARY TRIP SPONSOR FORM

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NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001. Failure to comply with the Committee's Travel Regulations may also lead to the denial of permission to sponsor future trips.

1. Sponsor (who will be paying for the trip): Turkic American Federation of Southeast(TAFS)

2. I represent that the trip will not be financed (in whole or in part) by a registered federal lobbyist or foreign agent (*signify that the statement is true by checking box*): ■

3. *Check only one:* I represent that:
   a. the primary trip sponsor has not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip ■ ***or***
   b. the primary trip sponsor has accepted funds from other source(s) intended directly or indirectly to finance all or part of this trip and has enclosed disclosure forms from each of those entities ☐ ***or***
   c. the trip is arranged without regard to congressional participation and the primary trip sponsor has accepted funds only from entities that will receive a tangible benefit in exchange for those funds. ☐

[336] *Id*. at 15-7713_00534.
[337] *Id*. at 15-7713_00542.
[338] See Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[339] TAFS President Transcript (Exhibit 27 at 15-7713_00564).
[340] TAFS Primary Trip Sponsor Form (Exhibit 79 at 15-7713_00966).
[341] *Id*.
[342] *Id*.
[343] *Id*.; TAFS President Transcript (Exhibit 27 at 15-7713_00561).

162. Throughout May 2013, the Committee on Ethics approved travel, disclosed as sponsored by TAFS, for congressional staff members.[344]

163. The TAFS President told the OCE that TCAE paid for his travel to Turkey and Azerbaijan, as well as all congressional staff members disclosed as sponsored by TAFS.[345] When asked about his certification on the submission to the Committee on Ethics, the TAFS President responded that "at this point," the submission was not accurate.[346]

164. He explained to the OCE that he "should have paid the costs to Turquoise," but he "didn't have the budget" to pay for the congressional travel.[347] The TAFS President stated that he had a discussion with Kemal Oksuz in 2013, whereby TAFS would agree to pay back the costs associated with congressional travel.[348] However, he has not had the funding to pay TCAE back, including this year.[349] He also stated that in accounting for TAFS finances, he has not included the amounts paid by TCAE for TAFS's sponsored trip participants, as a debt owed by TAFS.[350]

165. When asked whether TAFS accepted any funds from BAKIAD for travel in Turkey, the TAFS President discussed "Nissan Travel" and told the OCE that "no, actually it was part of the deal with Turquoise, I mean they were going to send us just one invoice, they are responsible for the Nissan Travel that I know. They should pay them. Then I should pay Turquoise."[351] As explained by the TAA President, NISAN or Nissan Travel works with BAKIAD in its efforts to organize and conduct congressional travel in Turkey.

5. CTAA

166. CTAA was founded in 2009 and is based in New York, New York.[352] It obtained 501(c)(3) tax status in 2010.[353] Its mission is to serve as a resource for the Turkic American community and bring people with an interest in American and Turkic cultures together.[354] The CTAA covers nine states and has member organizations in each of those

[344] *See* Travel Disclosures, Clerk of the House of Representatives website, *available at* http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[345] TAFS President Transcript (Exhibit 27 15-7713_00544).
[346] *Id*. at 15-7713_00562.
[347] *Id*. at 15-7713_00544.
[348] *Id*. at 15-7713_00545.
[349] *Id*.
[350] *Id*. at 15-7713_00547.
[351] *Id*. at 15-7713_00564.
[352] CTAA President Transcript (Exhibit 48 15-7713_00720).
[353] Letter from IRS to CTAA dated August 30, 2011 (Exhibit 80 at 15-7713_00971).
[354] CTAA 2013 Annual Return of Organization Exempt from Income Tax (Form 990) (Exhibit 81 at 15-7713_00975).

states.[355] CTAA has two staff members who are paid a monthly salary.[356] The CTAA is funded by donations mostly from Turkic Americans.[357]

167. The CTAA President told the OCE that Kemal Oksuz created the U.S.-Azerbaijan Convention in 2012 and hosted it at the Willard hotel in Washington, DC.[358] That was the CTAA President's first introduction to Azerbaijani officials, including some SOCAR executives and members of the Azerbaijani parliament.[359] He did not remember ever traveling to Baku prior to the Convention.[360]

168. In 2013 during a TAA board meeting, Kemal Oksuz raised the idea of hosting another U.S.-Azerbaijan Convention in Baku.[361] The CTAA President noted it was "easy" to host the event in the United States and that doing the same in Baku would be a "hard job."[362] The CTAA President stated that TAA and each of the six federations agreed to "use their connections" to invite people to the event.[363] The CTAA President said his role was largely to inform other Turkic organizations of the Convention and ask them to be a part of it.[364]

169. The CTAA "brought" three Members of Congress to the Convention.[365] Two of those Members traveled to Istanbul and Ankara in Turkey prior to arriving in Baku, Azerbaijan.[366] Documents suggest that roughly 19 non-congressional travelers were also attributed to CTAA by other organizations involved in arranging logistics.[367] Airfare for these non-congressional attendees was invoiced to and paid by TCAE.[368] The CTAA Program Director told the OCE that he understood the tickets for these non-congressional travelers were being paid for by Kemal Oksuz's organizations.[369]

170. CTAA disclosed that it was the Primary Trip Sponsor for each of the three Members of Congress for trips to Turkey and Azerbaijan. In filing paperwork for this congressional travel to the Committee on Ethics, CTAA described itself as a "nonprofit 501(c)(3) organization with the mission of providing educational programming about the U.S.-Turkic relationship."[370] On sponsorship forms for two Members, including one who

[355] CTAA Program Director Transcript (Exhibit 23 15-7713_00393).
[356] *Id.* at 15-7713_00403.
[357] CTAA President Transcript (Exhibit 48 at 15-7713_00721).
[358] *Id.* at 15-7713_00722-23.
[359] *Id.* at 15-7713_00722.
[360] *Id.* at 15-7713_00733.
[361] *Id.* at 15-7713_00723.
[362] *Id.*
[363] *Id.*
[364] *Id.* at 15-7713_00724.
[365] *Id.*
[366] Member CTAA Educational Seminar in Turkey and Azerbaijan Itinerary (Clarke) (Exhibit 2 at 15-7713_00006); CTAA President Transcript (Exhibit 48 at 15-7713_00739).
[367] Email from Resul Aksoy to Tursan Travel dated May 3, 2013 (Exhibit 82 at 15-7713_01007).
[368] Invoice from Tursan Travel to TCAE (Exhibit 36 at 15-7713_00652); Bank Statement of Tursan Travel for May 2013 (Exhibit 41 at 15-7713_00691-92).
[369] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00412).
[370] CTAA Primary Trip Sponsor Form for Yvette Clarke (Exhibit 83 at 15-7713_01013).

traveled to Turkey, CTAA stated "[t]he trip will provide a well understanding [sic] and analyzing of Azerbaijan that will help in serving Azerbaijan and Turkic community in U.S. and in having better relations with Azerbaijan."[371] As a reason for selecting the location for the trip, CTAA stated, "Turkey and Azerbaijan are a significant country [sic] for the U.S. in relations of political, commercial, and cultural interests of both countries in the Middle East, Central Asia, and Europe."[372]

171. CTAA also submitted, pursuant to 18 U.S.C. § 1001, that CTAA as "the primary trip sponsor has not accepted from any other source funds directly or indirectly to finance any aspect of the trip."[373] The CTAA President signed the sponsorship form, certifying that it was true, complete, and correct to the best of his knowledge.[374]

PRIMARY TRIP SPONSOR FORM

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NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001. Failure to comply with the Committee's Travel Regulations may also lead to the denial of permission to sponsor future trips.

1. Sponsor (who will be paying for the trip): Council of Turkic American Associations (CTAA)

2. I represent that the trip will not be financed (in whole or in part) by a registered federal lobbyist or foreign agent (*signify that the statement is true by checking box*): ■

3. *Check only one:* I represent that:
   a. the primary trip sponsor has not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip ■ ***or***
   b. the primary trip sponsor has accepted funds from other source(s) intended directly or indirectly to finance all or part of this trip and has enclosed disclosure forms from each of those entities ☐ ***or***
   c. the trip is arranged without regard to congressional participation and the primary trip sponsor has accepted funds only from entities that will receive a tangible benefit in exchange for those funds. ☐

172. Throughout May 2013, the Committee on Ethics approved travel, disclosed as sponsored by CTAA, for Members of Congress.

173. During his interview with the OCE, the CTAA President stated that BAKIAD paid for most of the in-country expenses for CTAA travelers while in Turkey, including all hotels.[375] He also stated that CTAA did not pay for the in-country expenses while in Azerbaijan.[376] Not knowing for sure who paid for hotels, food, and transportation in

[371] *Id.* One Member who traveled to both Turkey and Azerbaijan only referenced Turkey in this section. Primary Trip Sponsor Form for Leonard Lance (Exhibit 84 at 15-7713_01017).
[372] CTAA Primary Trip Sponsor Form for Yvette Clarke (Exhibit 83 at 15-7713_01013). One Member who traveled to both Turkey and Azerbaijan only referenced Turkey in this section. *See* Primary Trip Sponsor Form for Leonard Lance (Exhibit 84 at 15-7713_01017).
[373] Primary Trip Sponsor Form for Yvette Clarke (Exhibit 83 at 15-7713_01012); Primary Trip Sponsor Form for Gregory Meeks (Exhibit 85 at 15-7713_01019); Primary Trip Sponsor Form for Leonard Lance (Exhibit 84 at 15-7713_01016).
[374] *Id.*
[375] CTAA President Transcript (Exhibit 48 at 15-7713_00726).
[376] *Id.* at 15-7713_00726-27.

Azerbaijan, the CTAA President presumed that Mr. Oksuz did because, "[h]e was the sole organizer for everything" related to the Convention.[377] The CTAA Program Director believed there was an understanding that TCAE was handling the hotels and ground transportation.[378]

174. When asked whether a representation to the Committee on Ethics on the trip sponsor form that CTAA had not accepted funds from any other source was untruthful, the CTAA President responded: "I mean, to be honest, it seems . . . like so, yes. I mean, we didn't accept it maybe, but yes we did. What can I say?"[379] Regarding hotels for another traveler, the CTAA President stated, "I mean if it's not free, you know we haven't paid."[380]

175. When asked how he determined the monetary amount to put on the post-travel disclosure form for hotel costs, the CTAA President said it was a "ballpark."[381] CTAA looked online to determine how much per night a four-star hotel cost in the location and then put that amount on the form.[382]

176. Although he explained to the OCE that CTAA accepted certain funds for travel in Turkey and Azerbaijan, the CTAA President maintained that CTAA paid for airfare for its sponsored Members of Congress.[383] It appears the flights for the Members traveling with CTAA were treated differently from other Convention travelers, with designations indicating that CTAA would be responsible for paying for airfare.[384] This distinction did not apply to the airfare for the additional nineteen travelers attributed to CTAA, the CTAA President, and the CTAA Program Director. Flights for these twenty-one individuals were paid for by TCAE.[385]

177. The OCE interviewed a travel agent of Tursan Travel, the agency used to book all of the flights to the Convention. The travel agent remembered a conversation with the CTAA President where the CTAA President said CTAA would have to pay for the airfare of its congressional travelers because of a letter to the Ethics Committee.[386] Tursan Travel directed the invoice for flights related to CTAA congressional travelers to CTAA, not AFAZ or TCAE, for $14,886.90.[387] Tursan Travel also invoiced CTAA for the cost of a flight change for the CTAA President's flight.[388] Tursan Travel followed up with CTAA in June and July of 2013 seeking payment.[389]

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[377] *Id*. at 15-7713_0731.
[378] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00408-09).
[379] CTAA President Transcript (Exhibit 48 at 15-7713_00736).
[380] *Id.* at 15-7713_00738.
[381] *Id.*
[382] *Id.*
[383] *See, e.g.*, *id.* at 15-7713_00724.
[384] *See* Tursan Travel Invoice to CTAA (Exhibit 86 at 15-7713_01024).
[385] Tursan Travel Invoice to TCAE (Exhibit 36 at 15-7713_00652).
[386] Travel Agent Transcript (Exhibit 35 at 15-7713_00623).
[387] Tursan Travel Invoice to CTAA (Exhibit 86 at 15-7713_01024).
[388] *Id.*
[389] Emails from Tursan Travel to CTAA dated June 7, 2013 and July 9, 2013 (Exhibit 87 at 15-7713_01026-27).

178. CTAA also used another travel agency to book portions of one Member's flight and paid for it with a check.[390] The CTAA Program Director stated another travel agency was used because the Member wanted to depart from New Jersey using United Airlines rather than Turkish Airlines.[391]

179. The CTAA President said that CTAA "didn't have that much money" before the trip, so it collected donations.[392] He told the OCE that if CTAA did not have enough funds, he would have said "we cannot take to the Turkey anymore because we don't have the money."[393] The CTAA Program Director said he and the CTAA President met with local businessmen and "gave them information about the trip" to encourage them to donate.[394] The CTAA Bookkeeper believed they collected money for the Convention in May 2013 and pointed to a $25,000 deposit from Vakif Bank.[395] The CTAA Program Director confirmed the amount was from fundraising activities.[396] The CTAA Bookkeeper remembered a conversation with the CTAA President in May or June of 2013 where the CTAA President said CTAA would have to make a payment to Tursan Travel.[397]

180. However, the CTAA President was unable to show records of expenditures to pay Tursan Travel.[398] The Tursan travel agent said that he wrote off the debt as an expense because it was unpaid.[399] The CTAA Bookkeeper said he never saw an invoice from Tursan Travel.[400] CTAA did not account for this unpaid invoice as debt.[401] Instead the CTAA Bookkeeper stated that the CTAA President apparently decided to cash his salary checks from the money raised in May 2013.[402] The CTAA Bookkeeper pointed to four checks paid to the CTAA President for salary, each in the amount of $2,600, in May 2013.[403] The CTAA Bookkeeper suggested that the CTAA President may have thought he could pay the airfare in another month.[404]

181. Seven days after the CTAA President's interview with the OCE, he provided a letter to the OCE stating that CTAA had "outstanding balances" to Tursan Travel, BAKIAD, and

[390] World of Travel Invoice for Leonard Lance dated May 15, 2013 (Exhibit 88 at 15-7713_01029); Check No. 1021 from CTAA dated May 23, 2013 (Exhibit 89 at 15-7713_01032). CTAA received a donation on May 13, 2013 from Burak Yeneroglu for the exact amount of the flight, $6,100. *See* CTAA Statement of Account for May 2013 (Exhibit 90 at 15-7713_01038); CTAA 2013 Annual Return of Organization Exempt from Income Tax (Form 990) (Exhibit 91 at 15-7713_01061).
[391] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00413).
[392] CTAA President Transcript (Exhibit 48 at 15-7713_00725).
[393] *Id.* at 15-7713_00729.
[394] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00405).
[395] Transcript of Interview of CTAA Bookkeeper, April 10, 2015 ("CTAA Bookkeeper Transcript") (Exhibit 92 at 15-7713_01085); CTAA Statement of Account for May 2013 (CTAA_0137) (Exhibit 90 15-7713_01038); CTAA 2013 Annual Return of Organization Exempt from Income Tax (Form 990) (Exhibit 91 at 15-7713_01062).
[396] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00415).
[397] CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01088).
[398] CTAA President Transcript (Exhibit 48 at 15-7713_00728).
[399] Travel Agent Transcript (Exhibit 35 at 15-7713_00629).
[400] CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01081).
[401] *Id.* at 15-7713_01087.
[402] *Id.* at 15-7713_01085.
[403] *Id.* at 15-7713_01083.
[404] *Id.* at 15-7713_01085.

TCAE for travel related to the Convention.[405] The letter was purportedly from CTAA's Bookkeeper.[406] The CTAA Program Director told the OCE that he drafted the letter at the direction of the CTAA Bookkeeper.[407] The CTAA Bookkeeper told the OCE that the letter had been prepared by CTAA's Program Director and provided to him so that "If they contact you, you can explain to him. You can send this email to him."[408]

182. Following the CTAA President's interview with the OCE, CTAA began to raise money to pay the "outstanding balances."[409] It deposited three $5,000 checks and $3,000 cash.[410] On March 31, 2015, CTAA wrote a check to Tursan Travel for $14,886.90 for the congressional flights.[411] On April 7, 2015, it wire transferred $2,280 to repay BAKIAD.[412] The CTAA Program Director stated the amounts were derived from the forms that were sent to the Ethics Committee.[413] CTAA never received an invoice from TCAE or BAKIAD for any expenses related to the Convention.[414] The CTAA Bookkeeper told the OCE that neither BAKIAD nor TCAE had ever been entered into CTAA's accounting system.[415] CTAA has never paid BAKIAD for travel expenses prior to April 7, 2015.[416]

6. WATC

183. WATC is a regional federation created in 2010 under the umbrella of TAA and oversees twelve western states and their local Turkic American associations.[417] Its mission is to service Turkic American communities through its member organizations.[418] WATC is a 501(c)(3) organization funded by membership fees and through donations.[419] Roughly fifteen percent of WATC's revenue comes from donations, with the rest coming from membership dues.[420] WATC has only one employee, its President and CEO.[421]

184. Although WATC did not sponsor any congressional travel to the Convention, WATC has sponsored congressional travel in the past: one trip to Turkey in 2010 or 2011 and one

[405] Letter from CTAA Bookkeeper to Omar Ashmawy (Exhibit 93 at 15-7713_01092).
[406] *Id.*
[407] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00420).
[408] CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01088).
[409] *Id.* at 15-7713_01086.
[410] *Id.*
[411] CTAA Check No. 1042 (Exhibit 94 15-7713_01094).
[412] CTAA Bank Statement for April 2015 (Exhibit 95 at 15-7713_01096).
[413] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00419).
[414] *Id.*
[415] CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01087).
[416] *Id*. The Board notes that in addition to the question of whether CTAA intended to pay, prior to the OCE's review for the travelers it disclosed as sponsoring, the manner in which CTAA raised funds to cover its "debts" implicates potential prohibitions under House rules and regulations regarding permissible sponsors. *See generally* House Travel Regulations.
[417] Transcript of Interview of WATC President, March 26, 2015 ("WATC President Transcript") (Exhibit 96 at 15-7713_01099).
[418] *Id*.
[419] *Id*.
[420] *Id*.
[421] *Id*. at 15-7713_01100.

trip to Turkey in March 2015.[422] WATC has a Bank of America account where general funds are used to pay for congressional travel.[423] The WATC President told the OCE that for both trips sponsored by WATC, he did not accept any funds from BAKIAD to defray costs associated with airfare, lodging, meals, or other costs while in Turkey.[424]

185. The WATC President first learned of the Convention in late January or February 2013 during a meeting of the regional federations in Washington, DC.[425] Kemal Oksuz stated at the meeting that he was planning travel to the Convention in Baku and asked whether the regional federation presidents would invite attendees and participate in the Convention.[426] Although the WATC President did not plan on attending the Convention because he had an event in Los Angeles to attend around the same time, he ultimately attended the Convention as a guide.[427] His flight to and from Baku, lodging, and food, were paid for by TCAE.[428]

186. WATC did not sponsor any congressional travel for the Convention in Baku or to Turkey in 2013, nor did it sponsor any state or local government officials' travel.[429] WATC did not organize or plan the Convention or travel to the Convention.[430] The WATC President told the OCE that various invitees to the Convention communicated with him, asking if WATC was attending the Convention.[431] He responded that those individuals may have received information that WATC was a sister organization to TCAE, but that TCAE was making the formal invitation.[432]

7. MAFTAA

187. MAFTAA is an umbrella organization for Turkish and Turkic organizations located in the Mid-Atlantic states, including Maryland, Virginia, West Virginia, Kentucky, North Carolina, and Washington, D.C.[433] It is a cultural, educational, and business organization based in Washington, D.C.[434] MAFTAA is funded by dues collected from its member organizations and by contributions from individuals.[435] Its annual revenue is "very low" and ranges from $40,000 to $50,000 per year.[436]

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[422] *Id*.
[423] WATC President Transcript (Exhibit 96 at 15-7713_01101).
[424] *Id*.
[425] *Id*. at 15-7713_01103.
[426] *Id*.
[427] *Id*. at 15-7713_01102.
[428] *Id*. at 15-7713_01104.
[429] *Id*. at 15-7713_01105.
[430] *Id*. at 15-7713_01104-6.
[431] *Id*.
[432] *Id*.
[433] Transcript of Interview with MAFTAA Executive Director, March 31, 2015 ("MAFTAA Executive Director Transcript") (Exhibit 97 at 15-7713_01115).
[434] *Id*.
[435] *Id*. at 15-7713_01117.
[436] *Id*.

188. The MAFTAA Executive Director told the OCE that his organization has sponsored congressional travel in the past, organizing three to four trips to Turkey between 2011 and 2015.[437] He explained that MAFTAA has an agreement with BAKIAD to organize hotels and whatever is needed in Turkey, including meals.[438] In addition, the MAFTAA Executive Director asks member organizations in the states to send donations to MAFTAA for congressional travel, including airfare.[439] The MAFTAA Executive Director stated that he signs all sponsorship forms with the Committee on Ethics and no member organizations that send donations to MAFTAA for congressional travel, sign or fill out any forms.[440]

189. The MAFTAA Executive Director first learned of the Convention in late 2012 or early 2013 at a meeting of the federations under TAA.[441] The Convention was discussed by TCAE because it was the "initiator" and "had the relations" with Azerbaijan.[442] His role was limited to inviting potential attendees.[443]

190. Although MAFTAA had sent invitations to congressional staff members and Members of Congress, it did not disclose to the Committee on Ethics any sponsorship.[444] The MAFTAA Executive Director told the OCE that they missed the "ethics timeline" and asked the TAFM President if he would sponsor MAFTAA's invitees instead.

191. The MAFTAA Executive Director told the OCE that TCAE covered expenses for the other nonprofit organizations sponsoring congressional travel to Turkey and Azerbaijan in 2013.[445] MAFTAA did not have the funds to cover the expenses, and because the other organizations under the TAA umbrella are structured like MAFTAA, "they're not generating a lot of money for everything. It's impossible to do it."[446] He stated that he also heard other nonprofit presidents say that they could not afford to cover expenses for the trips to Turkey and Azerbaijan and that everyone was relying on TCAE to cover the costs.[447]

192. In almost every instance, the leaders of each nonprofit informed the OCE that they disbursed no funds whatsoever from their accounts to pay for any portion of the trip to Turkey and Azerbaijan, yet they disclosed to the Committee on Ethics otherwise. The TAA and TAFS Presidents told the OCE they believed that they had to pay Kemal Oksuz

[437] *Id*. at 15-7713_01118.
[438] *Id*. at 15-7713_01119.
[439] *Id*. Similar to CTAA, the Board notes that additional sponsorship issues are raised by the manner in which MAFTAA raised money for congressional travel; namely, that undisclosed local organizations in MAFTAA's member states may have earmarked money for congressional travel and were not disclosed to the Committee on Ethics.
[440] *Id*. at 15-7713_01122.
[441] *Id*. at 15-7713_01123.
[442] *Id*.
[443] *Id*. at 15-7713_01128.
[444] *Id*. at 15-7713_01129.
[445] *Id*.
[446] *Id*. at 15-7713_01130.
[447] *Id*. at 15-7713_01131. The MAFTAA Executive Director explained later in the interview that CTAA was in a better financial situation than MAFTAA and may have been able to afford paying for the travel.

and TCAE back for the funds used on congressional travel. The CTAA President told the OCE during an interview that he believed his organization paid for Member travel, and later explained in a letter purportedly from his bookkeeper that he too had to pay TCAE back. However, none of these individuals could provide credible evidence supporting these claims of a loan arrangement with TCAE, or for those organizations taking Members and staff to Turkey, BAKIAD as well. The overwhelming testimonial and documentary evidence shows willful and intentional misrepresentations made to the Committee on Ethics concerning funding and sponsorship.

E. BAKIAD Organized and Sponsored Travel in Turkey

193. Four of the nonprofit sponsors discussed above—TAA, TAFM, CTAA, and MAFTAA—used another nonprofit entity based in Istanbul, Turkey, called the Bosphorus Atlantic Cultural Association of Friendship and Cooperation ("BAKIAD") to arrange and finance all in-country expenses for congressional travel in Turkey.[448] Importantly, however, BAKIAD's role does not appear to have been disclosed to the Committee on Ethics in 2013 or in other years. BAKIAD was established in 2006 to oversee and coordinate trips and events related to North America.[449] It has sponsored thousands of visitors to Turkey.[450]

194. The sponsors believed that BAKIAD's funding comes from donations from Turkish nationals.[451] One sponsor thought BAKIAD might receive commissions from hotels and restaurants for using their services.[452]

195. One sponsor provided a copy of its contractual agreement with BAKIAD.[453] Translating that contract during the interview with OCE, the CTAA Program Director told the OCE that BAKIAD agreed to handle: (1) pick-up and drop-off at the airport; (2) currency exchange; (3) reservations for hotels and restaurants; (4) guides and sightseeing; (5) in-country flights; and (6) security and health insurance.[454] He told the OCE that the third paragraph of the contract explains that BAKIAD does not ask for payment for what it provides during the trips, but transportation to arrive in Turkey must be paid for by the U.S. organization.[455]

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[448] TAA President Transcript (Exhibit 26 at 15-7713_00503); TAFM President Transcript (Exhibit 75 at 15-7713_00921); CTAA President Transcript (Exhibit 48 at 15-7713_00726); WATC President Transcript (Exhibit 96 at 15-7713_01101); MAFTAA Executive Director Transcript (Exhibit 97 at at 15-7713_01119). TAFS may have also used BAKIAD in a manner consistent with the other nonprofits but referenced "Nissan Travel." Nissan Travel was explained by the TAA President as a travel agency that works with BAKIAD.

[449] Sophia Pandya & Nancy Elizabeth Gallagher, The Gulen Hizmet Movement and Its Transnational Activities: Case Studies of Altruistic Activism in Contemporary Islam at 80 (2012).

[450] *Id.* at 81.

[451] CTAA President Transcript (Exhibit 48 at 15-7713_00723); TAFM President Transcript (Exhibit 76 at 15-7713_00922).

[452] CTAA President Transcript (Exhibit 48 at 15-7713_00723).

[453] CTAA contract with BAKIAD, dated Feb. 15, 2013 (Exhibit 98 at 15-7713_01149-50).

[454] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00418-19).

[455] *Id.*

196. An independent translation of the contract corroborated the CTAA Program Director's translation. Language in the agreement also suggests that it was drafted by BAKIAD and used for a variety of organizations. CTAA is often referred to as the "concerned institution" or the "corresponding institution."[456] The "cooperation protocol" states that BAKIAD "demands no payment for the services described," but "traveling expenses to and from Turkey will be covered by the concerned institution."[457]

197. The MAFTAA President stated that the relationship with BAKIAD is not like "business relations where I want my money now," and that he can pay BAKIAD back "whenever [he is] ready to send the money."[458] However, evidence suggests that the terms of the contract between CTAA and BAKIAD were likely the same between all of the nonprofits – providing in-country travel expenses without any requirement or expectation of reimbursement.

198. TAA, TAFM, CTAA, and MAFTAA told the OCE in interviews that congressional travel expenses in Turkey were covered by BAKIAD.[459] The travel expenses included: hotel costs, meal expenses, and other miscellaneous expenses such as museum fees and tips. The OCE was unable to find any instances in which BAKIAD's role was disclosed to the Committee on Ethics on travel forms.[460]

199. None of the nonprofit sponsors that used BAKIAD reimbursed the organization for any expenses it paid for congressional travel prior to the OCE review.[461] CTAA represented to the OCE, during the review, that it transferred funds to pay BAKIAD for costs associated with two Members of Congress traveling to Turkey before and after the Convention.[462]

200. For the reasons stated above, there is a substantial reason to believe that BAKIAD, because of its role as an undisclosed sponsor of congressional travel, provided gifts in the form of impermissible travel expenses to congressional travelers in violation of House rules and regulations.

F. Congressional Travelers Received Gifts in Azerbaijan and Turkey

1. Sources and Acceptance of Gifts

[456] CTAA contract with BAKIAD dated Feb. 15, 2013 (Exhibit 98 at 15-7713_01151-52).
[457] *Id*.
[458] MAFTAA Executive Director Transcript (Exhibit 97 at 15-7713_01121).
[459] TAA President Transcript (Exhibit 26 at 15-7713_00503); TAFM President Transcript (Exhibit 76 at 15-7713_00921); CTAA President Transcript (Exhibit 48 at 15-7713_00726); WATC President Transcript (Exhibit 96 at 15-7713_01101); MAFTAA Executive Director Transcript (Exhibit 97 at 15-7713_01121).
[460] *See* Gift and Travel Filings Database, Office of the Clerk available at http://clerk.house.gov/public_disc/giftTravel-search.aspx.
[461] TAA President Transcript (Exhibit 26 at 15-7713_00505); TAFM President Transcript (Exhibit 76 at 15-7713_00921); CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01087); MAFTAA Executive Director Transcript (Exhibit 97 at 15-7713_01121).
[462] CTAA Bookkeeper Transcript (Exhibit 92 at 15-7713_01086).

201. The OCE obtained evidence indicating that Members of Congress and other congressional travelers received tangible gifts during their travel in Azerbaijan and Turkey. Without the cooperation of TCAE and AFAZ, the OCE was not able to verify the source of the gifts. To assess the propriety of accepting these gifts, it is critical to identify the source of the gifts to determine whether acceptance was permissible under the House gift rules or the Foreign Gifts and Decorations Act ("FGDA").[463]

202. The House gift rule prescribes the limited circumstances in which a Member or employee may accept a gift, including circumstances in which a Member or employee may accept a gift from a nonprofit entity.[464] The maximum allowable gift acceptable under the House gift rule is $50.[465]

203. Additionally, the FGDA creates a monetary gift threshold – which was fixed at $350 in 2013[466] - under which acceptance of a gift from a foreign government without disclosure does not violate the Emoluments Clause of the U.S. Constitution.

204. Notwithstanding the question regarding the source of the gifts described below, the OCE Board notes that many Members who participated in this trip retained gifts without a clear understanding of whether the source of the gift was a foreign government, including SOCAR, or the Member's purported nonprofit trip sponsor. In one case, a Member who reported believing that her trip was entirely funded by a U.S.-based nonprofit, nevertheless told the OCE that the numerous gifts she received in Turkey and Azerbaijan were provided by foreign governments and therefore permissible under the FGDA.[467]

2. Gifts Provided in Azerbaijan

a. Rugs

205. The OCE obtained evidence that congressional attendees accepted rugs during the Convention in Baku, the value of which likely exceeded the permissible limits under either House gift rules or the FGDA. All five Members of Congress who interviewed with the OCE confirmed receipt of rugs.[468] Given the documentary and testimonial evidence provided by the Members and staff, all Members and congressional staff who attended the Convention appear to have been given rugs as gifts.

206. The OCE received inconsistent descriptions of the value of the rugs, the source, and circumstances in which the rugs were provided. However, the evidence OCE obtained

[463] 5 U.S.C. §7342.
[464] House Rule XXV.
[465] *See generally*, House Gift Rules.
[466] Letter from the Committee on Ethics to Rep. Jim Bridenstine, dated May 8, 2013 (Exhibit 112 at 15-7713_01275).
[467] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00117).
[468] Rep. Davis Transcript (Exhibit 12 at 15-7713_149-50); Transcript of Interview of Rep. Jim Bridenstine, March 26, 2015 ("Rep. Bridenstine Transcript") (Exhibit 99 at 15-7713_01168); Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00113); Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00252); Transcript of Interview of Rep. Yvette Clarke, April 14, 2015 ("Rep. Clarke Transcript") (Exhibit 100 at 15-7713_01203); Memorandum of Interview of Rep. Yvette Clarke, updated April 16, 2015 ("Rep. Clarke MOI") (Exhibit 101 at 15-7713_01208).

indicates that Members likely received two rugs during their trip to Baku: a larger rug and a smaller one.

207. One Member reported receiving a smaller rug at a meeting with Azerbaijan border security officials, and explained that a larger rug appeared in her hotel room during the Convention.[469]

208. After returning from Baku, Representative Bridenstine sought advice from the Committee on Ethics regarding two area rugs he received in Baku.[470] Representative Bridenstine is the only Member who appears to have filed FGDA disclosures with the Committee on Ethics regarding the rugs. Representative Bridenstine reported receiving appraisals of $3,500 and $2,500 for the larger rug and the smaller rug, respectively.[471] Initially Representative Bridenstine's office appears to have presumed the rugs were provided by TCAE.[472] Representative Bridenstine reached out to Kemal Oksuz and was told the rugs were a gift from AFAZ.[473] Representative Bridenstine then filed an FGDA submission indicating that the rugs were provided by AFAZ.[474] When asked, Representative Bridenstine's Chief of Staff told the OCE he believed that AFAZ was an "international organization" for purposes of the FGDA.[475]

209. Representative Bridenstine received guidance from the Committee on Ethics suggesting that acceptance of the rugs should be analyzed under the House Gift Rule.[476] The Committee described AFAZ as a private company headquartered in the United States and determined that the rugs were not eligible for acceptance under the FGDA.[477] Representative Bridenstine then returned the rug to Mr. Oksuz.[478]

210. For most Members of Congress and congressional staff, at least one rug appeared in their hotel rooms in Baku, [479] except for one Member who reported receiving the rug by mail in his office a few weeks after the Convention.[480]

211. Some members described them as area rugs,[481] while others indicated that they were "prayer rugs" that were smaller in size.[482] Representative Lujan Grisham remembered

[469] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00118).
[470] Representative Bridenstine Disclosures to the Committee on Ethics Regarding Rugs, July 17, 2013 (Exhibit 102 at 15-7713_01210-12).
[471] *Id.*
[472] Handwritten notes by Rep. Bridenstine's Chief of Staff (Exhibit 103 at 15-7713_01214).
[473] Text Messages between Rep. Bridenstine and Kemal Okzus (Exhibit 104 at 15-7713_01216).
[474] *Id.*
[475] Rep. Bridenstine's Chief of Staff Transcript (Exhibit 105 at 15-7713_01233).
[476] Email Between Carol Dixon and Joseph Kaufman, August 5, 2013, (Exhibit 106 at 15-7713_01247);
[477] *Id.*
[478] Text Message from Rep. Bridenstine' Chief of Staff to Kemal Oksuz, dated Oct. 6, 2013 (Exhibit 107 at 15-7713_01249).
[479] Rep. Bridenstine Transcript (Exhibit 99 at 15-7713_01168-69); Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_0013); Rep. Davis Transcript (Exhibit 12 at 15-7713_00149).
[480] Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00252).
[481] Email Between Carol Dixon and Joseph Kaufman, August 5, 2013, (Exhibit 106 at 15-7713_01247);
[482] Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00252); Rep. Yvette Clarke MOI (Exhibit 101 at 15-7713_01208).

receiving a bigger rug in her hotel room and potentially received a smaller rug at a meeting in Baku.[483] Some Members noted that in their opinions, the rugs did not seem particularly expensive.[484]

212. There were varying accounts of the source of the rugs, with some Members indicating that they thought the rugs came from their nonprofit trip sponsor,[485] and some Members indicating that they thought it was a gift from the Republic of Azerbaijan.[486] One Member sent the rug back to his sponsoring organization, CTAA, only to have CTAA return the rug to Kemal Oksuz.[487]

213. Despite conflicting accounts, the OCE obtained evidence that all conference attendees appeared to have been provided Azerbaijani rugs at their hotels.[488]

214. The TAFM President indicated that the rugs were distinctly Azerbaijani, and stated that the rugs seemed like they were provided by the Republic of Azerbaijan, rather than by TCAE.[489] One list described one rug as "wool" and another as "silk."[490]

215. Both Members and third-party witnesses reported seeing conference attendees carrying rugs in carrying cases.[491] One Member said that she remembered that "everybody had one [rug] in the morning" and believed that there was a TCAE representative handing the rugs out in the hotel.[492]

216. Although, the OCE received one representation from congressional staff members that the rugs may have been valued at approximately $300,[493] the CTAA Program Director was told by TCAE that Representative Lance's rug was valued at $10,000.[494] Even given the wide range in purported values, the Board notes that it is likely that acceptance of the rugs would violate the House gift rule or the FGDA depending on the source of the rugs.

b. Additional Gifts in Azerbaijan and Turkey

217. Although not all Members recall receiving the same gifts in Azerbaijan, there is strong evidence to suggest that Members received additional gifts during the Baku Convention.

[483] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00114)
[484] Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00253); Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00115).
[485] Rep. Davis Transcript (Exhibit 12 at 15-7713_00150); Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00252).
[486] Rep. Lujan Grisham Transcript (Exhibit 11 at at 15-7713_00114)
[487] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00424-26).
[488] TAFM President Transcript (Exhibit 76 at 15-7713_00948).
[489] TAFM President Transcript (Exhibit 76 at 15-7713_00949).
[490] Email from Counsel to Lujan Grisham, April 17, 2015 (Exhibit 109 at 15-7713_01253-54).
[491] Rep. Bridenstine Transcript (Exhibit 99 at 15-7713_01169); Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00113); CTAA President Transcript (Exhibit 48 at 15-7713_00747).
[492] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00113).
[493] This estimate was provided by congressional staffers who attended the trip and subsequently sought an appraisal of the rugs from a Washington, D.C. based auction house. The appraisal was based only on a photograph. The OCE did not interview either the congressional staffers who provided the information or a relevant employee of the auction house.
[494] CTAA Program Director Transcript (Exhibit 23 at 15-7713_00425).

While there may have been variations based on what meetings were attended by a given Member, as well as gender-based distinctions, some Members and congressional staff appear to have received: a six-piece crystal tea set, a silk scarf, a DVD-box set about the President of Azerbaijan, a briefcase, and a paperweight with stationery items.[495]

218. Similarly, the OCE obtained evidence that Members and staff received gifts in Turkey such as Turquoise earrings, a two-cup tea set, stationery and pen, tickets to the Palace of Ayasofya, a glass gold painted plate, and a framed title.[496]

219. The OCE did not receive any evidence regarding the value of the additional items given to congressional travelers in Turkey and Azerbaijan, or any information indicating whether they would be valued above the then-applicable $350 disclosure threshold under the FGDA or the $50 threshold pursuant to the House Gift Rule.[497] However, the Board notes that some of these gifts may have values over the applicable limits of either the House gift rules or the FGDA.

G. Conclusion

220. In May 2013, Members of Congress and congressional staff were invited to a Convention in Baku, Azerbaijan. The Convention brought hundreds of local, state, and federal government officials from the United States to Baku to discuss diplomatic relations, energy issues, and security in the region. Most Members and staff also spent time, before or after the Convention, in Turkey.

221. Five nonprofits, all with missions of promoting awareness of issues related to Turkic peoples, invited the Members and staff to Azerbaijan and Turkey. The nonprofits informed the congressional attendees of destinations, itineraries, and other trip logistics. These five nonprofits then submitted required sponsorship disclosures to the Committee on Ethics, complete with trip details, certifying that the representations they made to the House of Representatives were true and accurate.

222. Through its review, the OCE discovered a different factual scenario than the one disclosed to the public and to the Committee on Ethics.

223. SOCAR planned, organized, and financed the Convention in the role of a trip sponsor for travel to Baku. SOCAR helped process visas, reviewed itineraries of attendees, sought corporate contributions for Convention funding, used a consulting company to provide organizational support, assisted in arranging hotels, and engaged in continuous communications with Kemal Oksuz. Mr. Oksuz was not only the purported architect of the Convention, and President of both TCAE and AFAZ (the publicly advertized

[495] Email from Amy Travieso to Dominic Gabello dated June 19, 2013 (Exhibit 108 at 15-7713_01251); Email from Counsel to Lujan Grisham, April 17, 2015 (Exhibit 109 at 15-7713_01253-54); Rep. Davis Transcript (Exhibit 12 at 15-7713_00148); Rep. Hinojosa Transcript (Exhibit 15 at 15-7713_00253); Rep. Clarke MOI (Exhibit 101 at 15-7713_01208).
[496] Rep. Lujan Grisham Transcript (Exhibit 11 at 15-7713_00115).
[497] Email from Amy Travieso to Dominic Gabello dated June 19, 2013 (Exhibit 108 at 15-7713_01251); Email from Counsel to Lujan Grisham, April 17, 2015 (Exhibit 109 at 15-7713_01253-54).

Convention organizers), but he was also an individual with close ties to the Republic of Azerbaijan and SOCAR.

224. Under House travel regulations, "trip" is defined as "[a]ll aspects of the proposal from the trip sponsor, including the transportation to and from the destination; all activities, conferences, and events at the destination(s); meals; local transportation; and lodging.

225. In April 2013, only a month before the Convention, SOCAR created AFAZ and appointed Kemal Oksuz as President. In early May 2013, as trip details began to take form, SOCAR agreed to pay AFAZ $750,000 for Convention organizing that specifically included directives that funding be spent on hotels, flights, and other costs associated with travel to Baku for Convention attendees. AFAZ received that money and Mr. Oksuz began purchasing airfare through a travel agency via both of his organizations. That travel agency drew no distinction between flights purchased by AFAZ and flights purchased by TCAE, a nonprofit disclosed to the Committee on Ethics as Primary Trip Sponsor. TCAE, AFAZ, and Mr. Oksuz refused to cooperate with the OCE's review and consequently the Board draws an inference that AFAZ's and TCAE's finances, controlled exclusively by Mr. Oksuz and potentially shared, were sourced at least in part by SOCAR.

226. However, even if TCAE and AFAZ did not share finances under the direction of Kemal Oksuz, SOCAR and AFAZ were undisclosed, impermissible sponsors of congressional travel given their roles in planning, organizing, and funding the trip and Convention.

227. During the same time that SOCAR and Mr. Oksuz conducted planning and financing operations for travel to the Convention, Mr. Oksuz, now acting in his role as the TCAE President, began recruiting the presidents of the four other nonprofits discussed above to invite congressional attendees to the Convention. He offered them full costs of travel to Turkey and Azerbaijan using TCAE funds as long as the presidents made the invitations and the requisite disclosures to the Committee on Ethics. In at least one instance, a nonprofit president explained to Mr. Oksuz that any disclosures representing that his nonprofit was the sole sponsor would not be accurate, given that TCAE would be covering all costs. Mr. Oksuz rejected that concern and continued to offer all nonprofits the same arrangement. Each organization accepted it, knowing they did not have the funds necessary to cover the costs associated with congressional travel to Turkey and Azerbaijan.

228. During the OCE's interviews of the nonprofit organizations, the OCE staff also learned that the congressional travel to Turkey was financed in part by a Turkish organization called BAKIAD. BAKIAD paid for hotels, meals, and other costs while congressional attendees were in Turkey. The Board notes that multiple witnesses told the OCE that BAKIAD's role in congressional travel to Turkey is not limited to 2013, and that the organization played a role in congressional travel in most instances of travel sponsored by the nonprofit organizations reviewed here.

229. Based on the above findings, the Members of Congress acted in good faith reliance on information received from the purported trip sponsor and approval from the Committee

on Ethics. The evidence obtained by the OCE supports the conclusion that the Members of Congress did not know the actual circumstances surrounding the sponsorship of their travel.

230. However, the Board recommends that the Committee on Ethics further review the allegations above because there is a substantial reason to believe SOCAR and AFAZ[498] were undisclosed, impermissible sponsors of congressional travel. Because of this impermissible sponsorship, the Board also finds a substantial reason to believe that Members of Congress accepted payment of travel expenses from an impermissible source, resulting in impermissible gifts, in violation of House rules and regulations, standards of conduct, and federal law.

231. There is also a substantial reason to believe that BAKIAD contributed funds for congressional travel in Turkey, becoming an undisclosed, impermissible sponsor of congressional travel. Because of this impermissible sponsorship, the Board also finds a substantial reason to believe that Members of Congress who traveled to Turkey accepted payment of travel expenses from impermissible sources, resulting in an impermissible gift, in violation of House rules and regulations, standards of conduct, and federal law.

H. Information the OCE was Unable to Obtain and Recommendations for the Issuance of Subpoenas

232. The following witness, by declining to provide documentary or testimonial evidence to the OCE, did not cooperate with the OCE's review:

(1) Representative Leonard Lance;

(2) Representative Gregory Meeks;

(3) Representative Ted Poe;

(4) Representative Sheila Jackson Lee;

(5) Kemal Oksuz;

(6) TCAE;

(7) AFAZ;

(8) Azeri MI Drilling Fluids, Ltd.;

(9) CDC;

(10) BP; and

(11) M-I SWACO.

[498] And TCAE for travelers not listed as being sponsored by TCAE.

233. The Board recommends the issuance of subpoenas to Representatives Lance, Poe, Meeks, and Jackson Lee, Kemal Oksuz, TCAE, AFAZ, CDC, Azeri MI Drilling Fluids, Ltd., BP, and M-I SWACO.

IV. REPRESENTATIVE JACKSON LEE TRAVELED TO AZERBAIJAN

A. Summary of Allegations

234. Representative Jackson Lee may have violated House rules, standards of conduct, and federal law by receiving travel expenses to Baku, Azerbaijan from entities prohibited from organizing or funding congressional travel.

235. The Board recommends that the Committee on Ethics further review the above allegation concerning the Baku, Azerbaijan trip, as there is substantial reason to believe that although Representative Jackson Lee did not knowingly accept, she nevertheless received, an impermissible gift of travel from an impermissible source in violation of House rules, standards of conduct, and federal law.

B. Jurisdiction Statement

236. The allegations that were the subject of this review concern Representative Sheila Jackson Lee, a Member of the United States House of Representatives from the 18th District of Texas. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (hereafter "OCE") directs that, "[n]o review shall be undertaken . . . by the board of any alleged violation that occurred before the date of adoption of this resolution."[499] The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

C. Procedural History

237. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on January 28, 2015. The preliminary review commenced on January 29, 2015.[500] The preliminary review was scheduled to end on February 27, 2015.

238. On January 29, 2015, the OCE notified Representative Jackson Lee of the initiation of the preliminary review, provided her with a statement of the nature of that review, and notified her of her right to be represented by counsel in this matter, and that invoking that right would not be held negatively against her.[501]

[499] H. Res 895, 110th Cong. §1(e) (2008) (as amended).
[500] A preliminary review is "requested" in writing by members of the OCE Board. The request for a preliminary review is "received" by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is thirty days from the date of receipt of the Board's request.
[501] Letter from Omar S. Ashmawy, Staff Director and Chief Counsel, Office of Congressional Ethics, to Representative Jackson Lee, dated Jan. 29, 2015.

239. At least three members of the Board voted to initiate a second-phase review in this matter on February 27, 2015. The second-phase review commenced on February 28, 2015. The second-phase review ended on April 13, 2015.[502]

240. On March 2, 2015, the OCE notified Representative Jackson Lee of the initiation of the second-phase review in this matter, and again notified her of her right to be represented by counsel in this matter, and that invoking that right would not be held negatively against her.[503]

241. On March 4, 2015, the Committee on Ethics requested that the OCE cease its review in this matter and refer the matter, but not any findings of fact, to the Committee for further review.[504]

242. The Committee's request was considered by the OCE Board during its next Board meeting, which was held on March 27, 2015. The Board unanimously voted to respectfully decline the Committee's request. The Committee was notified of the Board's decision on March 30, 2015.[505]

243. Representative Jackson Lee declined the OCE's request for an interview.

244. The Board voted to refer the matter to the Committee on Ethics for further review and adopted these findings on April 22, 2015.

245. The report and findings in this matter were transmitted to the Committee on Ethics on May 8, 2015.

D. Representative Jackson Lee May Have Received an Impermissible Gift of Travel Expenses from an Impermissible Source

246. Representative Jackson Lee appears to have been invited to travel to Azerbaijan from May 27 to May 30, 2013 by Kemal Oksuz.[506]

247. On April 25, 2013, Representative Jackson Lee's congressional office submitted pre-travel forms to the Committee on Ethics seeking approval of Representative Jackson Lee's Baku, Azerbaijan trip.[507]

[502] According to the Resolution, the Board must vote on whether to conduct a second-phase review in a matter before the expiration of the thirty-day preliminary review. If the Board votes for a second-phase, the second-phase begins when the preliminary review ends. The second-phase review does not begin on the date of the Board vote.
[503] Letter from Paul J. Solis, Deputy Chief Counsel, Office of Congressional Ethics, to Representative Jackson Lee, dated Mar. 2, 2015.
[504] Letter from Chairman Charles W. Dent and Ranking Member Linda T. Sanchez, Committee on Ethics, to Chairman Porter J. Goss and Co-Chairman David Skaggs, Office of Congressional Ethics, dated Mar. 4, 2015.
[505] Letter from Chairman Porter J. Goss and Co-Chairman David Skaggs, Office of Congressional Ethics, to Chairman Charles W. Dent and Ranking Member Linda T. Sanchez, Committee on Ethics, dated Mar.30, 2015.
[506] Emails between Kemal Oksuz and Rep. Jackson Lee's staff, dated May 21, 2013 (Exhibit 113 at 15_7713_1278-83).

248. The pre-travel approval forms included a Primary Trip Sponsor Form, discussed above, was purportedly completed by Kemal Oksuz of TCAE.[508] The Primary Trip Sponsor Form included a notification that "Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001."[509]

NOTE: Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001.

19. Check one:
    a. I certify that I am an officer of the organization listed below. ■ *or*
    b. N/A sponsor is an individual or a U.S. institution of higher education. ☐
20. I certify that I am not a registered federal lobbyist or foreign agent for any sponsor of this trip. ■
21. I certify by my signature that the information contained in this form is true, complete, and correct to the best of my knowledge.

Signature:

Name: Kemal Oksuz

Title: President

249. The Primary Trip Sponsor Form also provided good faith estimates of Representative Jackson Lee's trip expense as the following: $13,388 for transportation; $320 for lodging; $150 for meals; and $25 for other expenses, described as "Tipping."[510]

18. TOTAL EXPENSES FOR EACH PARTICIPANT:

☐ actual amounts ■ good faith estimates	Total *Transportation* Expenses per Participant	Total *Lodging* Expenses per Participant	Total *Meal* Expenses per Participant
For each Member, Officer, or employee	$13,388	$320	$150
For each accompanying relative			

	Other Expenses (dollar amount per item)	Identify Specific Nature of "Other" Expenses (*e.g.*, taxi, parking, registration fee, etc.)
For each Member, Officer, or employee	$25	Tipping
For each accompanying relative		

250. Representative Jackson Lee's flight itinerary was forwarded to Representative Jackson Lee's staff by Kemal Oksuz on May 21, 2013. The flights appear to have been booked by the Travel Agent at TURSAN Travel.[511] The itinerary does not indicate the cost of

[507] Representative Jackson Lee Traveler Form, TCAE Primary Trip Sponsor Form (Exhibit 114 at 15-7713_1285-90).
[508] *Id.*
[509] *Id.*
[510] *Id.*
[511] Emails between Kemal Oksuz and Rep. Jackson Lee's staff, dated May 21, 2013 (Exhibit 113 at 15_7713_1278-83).

Representative Jackson Lee's flights.[512]

251. On May 20, 2013, the Committee on Ethics sent a letter to Representative Jackson Lee notifying her that the Committee "hereby approves your proposed trip to Azerbaijan, scheduled for May 27 to 30, 2013, sponsored by the Turquoise Council of Americans and Eurasians."[513]

252. Following the trip, Representative Jackson Lee appears to have submitted post-travel paperwork with the Clerk of the House on or about June 19, 2013.[514] In her Post-Travel Disclosure Form, Representative Jackson Lee noted in Baku that she "was briefed on energy issues and Customs and Border issues."[515]

253. Representative Jackson Lee's post-travel filing included a copy of the Sponsor Post-Travel Disclosure Form, signed by Kemal Oksuz of TCAE, which like the Primary Trip Sponsor Form, indicated that TCAE was the "sponsor" of Representative Jackson Lee's trip, and provided the following amounts as Representative Jackson Lee's "actual" travel expenses: $11,563.90 for transportation; $320 for lodging; $150 for meals; and "—" for other expenses."[516] The Sponsor Post-Travel Disclosure Form also included a notification that "Willful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001."[517]

5. **Actual amount** of expenses paid on behalf of, or reimbursed to, each individual named in response to Question 4:

	Total *Transportation* Expenses	Total *Lodging* Expenses	Total *Meal* Expenses	*Other* Expenses (dollar amount per item and description)
Traveler	$11,563.90	$320	$150	--
Accompanying Relative				

254. The OCE did not receive any evidence that Representative Jackson Lee knew that TCAE was not the sole organizer or sponsor the travel to the Convention, nor that the additional sponsors may have been prohibited from funding congressional travel.

255. Without the opportunity to interview Representative Jackson Lee, the OCE was unable to identify specific information regarding the Congresswoman's acceptance of rugs or other gifts during the trip to Baku, Azerbaijan. Based on the OCE's review, there is ample evidence that Representative Jackson Lee received gifts in Azerbaijan.

[512] *Id.*
[513] Letter from Chairman K. Michael Conway and Ranking Member Linda T. Sanchez, Committee on Ethics, to Representative Jackson Lee, dated May 20, 2013 (Exhibit 115 at 15-7713_1292-93).
[514] Representative Jackson Lee's Post-Travel Disclosure Form, Sponsor Post-Travel Disclosure Form (Exhibit 116 at 15-7713_1295-96).
[515] *Id.*
[516] TCAE Sponsor Post-Travel Disclosure Form (Exhibit 116 at 1295-96).
[517] *Id.*

E. Conclusion

256. Based on the above findings, Representative Jackson Lee acted in good faith reliance on information received from the purported trip sponsor and approval from the Committee on Ethics. The evidence obtained by the OCE supports the conclusion that Representative Jackson Lee did not know the actual circumstances surrounding the sponsorship of her travel.

257. In many circumstances, the apparent lack of knowledge and good faith reliance on both the assertions of the private sponsor and the written approval by the Committee on Ethics would result in no liability on the part of Representative Jackson Lee. However, under the precedent established by the Committee on Ethics in certain, limited circumstances, an individual who relies on approval from the Committee on Ethics in accepting a proscribed gift, may nevertheless be liable for its receipt.[518]

258. In this matter, the Board finds that although Representative Jackson Lee may have acted in good faith reliance on the written pre-approval of the Committee on Ethics, she nevertheless may have received an impermissible gift of travel from impermissible sources in violation of House rules, standards of conduct, and federal law. In similar matters, the Committee on Ethics has found that the receipt of the gift was impermissible and proscribed by House rules even when an individual may reasonably have believed otherwise.[519]

259. The Board recommends that the Committee on Ethics further review the allegations above because there is a substantial reason to believe SOCAR and AFAZ were impermissible sponsors of travel to Azerbaijan through their extensive organization and financing of the trip. Because of this sponsorship, the Board also finds a substantial reason to believe that Members of Congress and staff accepted payment of travel expenses from impermissible sources, resulting in an impermissible gift, in violation of House rules and regulations, standards of conduct, and federal law.

260. Accordingly, the OCE Board finds there is substantial reason to believe that although Representative Jackson Lee did not knowingly accept, she nevertheless received an impermissible gift proscribed by House rules and regulations, standards of conduct, and federal law.

[518] Report of the Committee on Ethics, *In the Matter of Allegations Relating to Staff Travel Provided by the Turkish Coalition of America in August 2008* (July 26, 2013) at 5.; Report of the Committee on Standards of Official Conduct, *In the Matter of the Investigation into Officially Connected Travel of House Members to Attend the Carib News Foundation Multinational Business Conferences in 2007 and 2008* (Feb. 25, 2010) at 172.
[519] *Id.*