United States Senate

BUDGET

HEALTH, EDUCATION, LABOR,
AND PENSIONS

VETERANS' AFFAIRS

COMMITTEES:

APPROPRIATIONS

WASHINGTON, DC 20510-4704

March 30, 2017

Ms. Marcella Goodridge Designated Agency Ethics Official U.S. Department of Education 400 Maryland Avenue, SW Washington, D.C. 20202

Dear Ms. Goodridge:

I write today to confirm that the U.S. Department of Education ("Department") and its employee, Mr. Robert Eitel, have taken sufficient steps to ensure that Mr. Eitel is able to perform his job at the Department free of any conflicts of interest or perception of impropriety.

Executive branch employees, including employees of the Department, must comport themselves in a manner that ensures "every citizen can have complete confidence in the integrity of the Federal Government." Employees are expected to put the public interest ahead of private gain and guarantee that there are no conflicts of interest between their private interest and public responsibility either in appearance or reality. To that end, a number of federal laws and regulations lay out standards of ethical conduct for employees including the Ethics in Government Act of 1978 and criminal conflict of interest statutes. Additionally, President Trump has issued an executive order imposing further ethics commitments on federal employees.

Reportedly, Mr. Eitel is on a leave of absence from his job as Vice President at Bridgepoint Education, Inc., a for-profit college company. He is also employed by the Department to work on higher education matters. Findgepoint is under active investigation for misrepresentations and improper accounting by the U.S. Department of Justice, the Securities and Exchange Commission, and the state attorneys general of California and Massachusetts. Bridgepoint has also previously been fined more than \$23 million by the Consumer Financial Protection Bureau for allegedly deceiving students about the cost of their private student loans, and has been fined by the Department for incorrect and late refunds.

Moreover, the Department's policies related to higher education—including compliance requirements for colleges and universities—directly and substantially impact Bridgepoint, raising questions about how Mr. Eitel has addressed conflicts of interest between his employment at Bridgepoint and work at the Department and how he plans to comply with the requirements of federal ethics laws. VIII

In order to confirm that the Department and Mr. Eitel have appropriately addressed any potential conflict-of-interest violations, I write to request the following:

154 Russell Senate Office Building Washington, DC 20510-4704 (202) 224-2621 2930 WETMORE AVENUE SUITE 903 EVERETT, WA 98201–4107 (425) 259–6515 2988 JACKSON FEDERAL BUILDING 915 2ND AVENUE SEATTLE, WA 98174–1003 (206) 553–5545 TOLL FREE: (866) 481–9186 10 North Post Street Suite 600 Spokane, WA 99201–0712 (509) 624–9515 950 Расігіс Avenue Suite 650 Тасома, WA 98402–4450 (253) 572–3636

- 1. A list and full description of all remedies agreed to by Mr. Eitel to cure any potential conflicts of interest including recusals and waivers.
- 2. A copy of any paperwork submitted by Mr. Eitel to the Department of Education related to potential conflicts of interest.
- 3. A description of all matters Mr. Eitel has worked on during his time at the Department and all matters he anticipates working on, including party matters.
- 4. The date Mr. Eitel was employed by the Department of Education and the number of days Mr. Eitel is expected to work at the Department.
- 5. Clarification about what authority the Department used to hire Mr. Eitel, and whether he was hired as part of the Intergovernmental Personnel Act Mobility Program or as a special government employee pursuant to 18 U.S.C. § 202.

I ask that you provide all copies of documents and information no later than close of business April 13, 2017. If you have any questions related to this request please contact Carly Rush or Bryce McKibben with the Health, Education, Labor, and Pensions Committee at 202-224-0767. I appreciate your assistance with this request.

Sincerely,

Patty Murray

Ranking Member

Senate Committee on Health, Education,

Labor, & Pensions

ⁱ 5 C.F.R. Part 2635 as amended at 81 FR 81641 lays out standards of ethical conduct for executive branch employees.

ii Id.

iii 5.U.S.C. app. § 101 et seq.

iv 18 U.S.C. §§ 202-209.

^v Executive Order No. 13770 "Ethics Commitments by Executive Branch Appointees" (January 28, 2017).

vi Patricia Cohen, Betsy DeVos's Hiring of For-Profit College Official Raises Impartiality Issues, New York Times, March 17, 2017.

vii Consumer Financial Protection Bureau, "Consumer Financial Protection Bureau Takes Action Against Bridegpoint Education, Inc. for Illegal Student Lending Practices" *available at* www.consumerfinance.gov; David Halperin, *Another Univ. of California Leader Quits Another College Board*, The Huffington Post, March 20, 2017.

viii Cohen, supra note 6.