



PROTECT the PUBLIC'S TRUST

VIA ELECTRONICAL MAIL

June 18, 2024

Roderick Anderson
Acting Inspector General
Office of Inspector General
1401 Constitution Avenue N.W.
Washington, DC 20230
[Office of Inspector General \(doc.gov\)](#)
(202) 794-7788

Re: Request for Investigation into Apparent Ethics Violations by the Secretary of Commerce

Dear Mr. Anderson:

We write to alert you of what appears to be pervasive disregard by the Secretary of Commerce, Gina Raimondo, of her obligations to recuse from certain matters and policy issues involving artificial intelligence (AI) due to her husband's employment with and significant financial holdings in PathAI and Sword Health, both of which are heavily involved in the AI industry. Here, the record discloses that Secretary Raimondo not only took actions that could directly benefit the financial interests of PathAI and Sword Health (and therefore the interests of her husband and her) but she also took steps to engage in policy issues that could redound to the benefit of PathAI and Sword Health.

We request you promptly investigate Secretary Raimondo's potential violations of her recusal obligations, take appropriate action to address any violations you uncover, and strictly enforce her recusal obligations going forward.

I Who We Are

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

II Background

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

Secretary Raimondo had been confirmed and was working at the Department of Commerce (Commerce) as of March 15, 2021. Yet, at least as early as January 25, 2021, the Ethics



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Office at Commerce had drafted a “Disqualification Statement” for the Secretary, which provided:

I am disqualified from participating as Secretary in particular matters having a direct and predictable effect on the financial interests of PathAI, a company that makes medical diagnostic software, including matters affecting the company as a member of an industry sector or group.¹

In the course of drafting this provision the ethics office had conducted independent research and determined that PathAI and its competitors were all creating artificial intelligence software for use in a laboratory setting. Following her confirmation on March 1, 2021, Secretary Raimondo executed the Disqualification Statement containing this provision.²

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

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

- This recusal will apply not only to matters in which the company itself is a party before the Commerce Department — which is not likely to happen — **but also a policy issue that affects a group that includes PathAI.** (Emphasis added).³

The Secretary subsequently certified to the Office of Government Ethics (OGE) that she had received her interim ethics training, had been advised of her obligations regarding financial conflicts of interest, and had received no waivers from the ethics office regarding those obligations.⁴

Plainly, the red flags raised by the Ethics Office about Ms. Raimondo serving as the Secretary of Commerce, were well founded as her work was almost certain to involve policy and regulation of the burgeoning AI industry, of which her husband’s companies were a

¹ Department of Commerce, PPT_2022-000417- Interim Production #4 (Interim Production #4), http://protectpublictrust.org/wp-content/uploads/2024/02/PPT_2022-000417-Interim-Production-4.pdf at 1862, also see <https://protectpublictrust.org/wp-content/uploads/2024/02/Raimondo-Disqualification-Statement.pdf>.

² Interim Production #4 at 1862. Although undated, it seems clear the Disqualification Statement was signed on March 15, 2021. Interim Production #4 at 100-102. Even prior to the inauguration Ms. Raimondo also had submitted a letter to the Office of Government Ethics (OGE) regarding her recusal obligations due to her husband’s work at PathAI. Gina Raimondo, U.S. Office of Government Ethics, January 19, 2021, <https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/89BA5C322F850747852586640032DC75/%24FILE/Raimondo,%20Gina%20%20finalEA.pdf>. *Id.*

³ Interim Production #4 at 67.

⁴ *Certification of Ethics Agreement Compliance*, U.S. Office of Government Ethics, February 2021, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/\\$FILE/SEC%20Com merce%20Raimondo%20EA%20Certification%201%20of%201.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/$FILE/SEC%20Com merce%20Raimondo%20EA%20Certification%201%20of%201.pdf)



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part.⁵

As evidenced by the Secretary’s federal financial disclosure filings, in addition to receiving a salary of an undisclosed amount, her husband held the following financial interests in PathAI:

Disclosure Form 278(e)	Financial Interests Held in PathAI	Estimated Value
Filed 1/15/2021 ⁶	Stock options: 160,250 unvested shares, strike \$6.07, one-quarter of shares vest 5/13/21 and the remainder monthly over the next three years, exp. 90 days after employment ends	“Value not readily ascertainable.”
	Unvested restricted stock: 25,000 vesting over one year from 5/13/20, share with price at grant of \$6.07	“Value not readily ascertainable.”
5/16/2022 ⁷	Vested Stock Options	\$250,001-\$500,000
	Restricted Stock	\$250,001-\$500,000
	Common Stock	\$100,001-\$250,000
	Stock options: 109,317 unvested	“Value not readily ascertainable.”

⁵ Indeed, in the same month she joined the administration, Secretary Raimondo held a roundtable meeting with many of the major stakeholders across the AI industry including, Anthropic, the Center for Democracy & Technology, Demos, Google DeepMind, Greylock, Meta, MLCommons, OpenAI, RAND, Scale AI, the Stanford Center for Research on Foundation Models, and Upturn. *Readout of Secretary Raimondo’s Meeting with Stakeholders on Open AI Models*, U.S. Department of Commerce, March 21, 2024, <https://www.commerce.gov/news/press-releases/2024/03/readout-secretary-raimondos-meeting-stakeholders-open-ai-models>

⁶ *Executive Branch Personnel Public Financial Disclosure Report (278e)*, U.S. Office of Government Ethics, January 19, 2021, at 7. [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/FAADAF81161EE654852586640032DBB5/\\$FILE/Raimondo%20C%20Gina%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/FAADAF81161EE654852586640032DBB5/$FILE/Raimondo%20C%20Gina%20%20final278.pdf)

⁷ *Executive Branch Personnel Public Financial Disclosure Report (278e)*, U.S. Office of Government Ethics, May 16, 2022, at 8, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/6ACD4F276A676F3B85258856002EDD22/\\$FILE/Gina-M-Raimondo-2022-278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/6ACD4F276A676F3B85258856002EDD22/$FILE/Gina-M-Raimondo-2022-278.pdf)



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	shares, strike \$6.07, one-quarter of vest monthly until 1/24, exp. 90 days after employment ends	
6/29/2023 ⁸	Vested Stock Options	500,000-1,000,000
	Restricted Stock	250,000-500,000
	Common Stock	\$100,001-\$250,000
	Stock options: 63,864 unvested shares, strike \$6.07, vest monthly until 1/24.	“Value not easily ascertainable.”

These filings clearly suggest that PathAI had performed increasingly well while Ms. Raimondo was Secretary and as a result had contributed significantly to the family’s wealth. Moreover, Mr. Moffitt was apparently sufficiently confident in the continued success of PathAI that he obtained more shares of PathAI stock for between \$65,000 and \$150,000.⁹

Moreover, while still at PathAI, in October of 2022, Mr. Moffit joined Sword Health and from October of 2022 to April of 2023 appears to have worked for both Sword Health and PathAI.¹⁰ Mr. Moffit apparently continues to work at Sword Health as its Chief Business Development Officer as of the filing of this Complaint.¹¹ Sword Health is a company that provides virtual and digital physical therapy in the healthcare field with a focus on using AI to predict and address issues of pain.¹² Secretary Raimondo’s 2023 278e filing disclosed that Mr. Moffit received a salary, albeit of an undisclosed amount, from Sword Health and also had 166,650 unvested stock options with a strike price of \$11.56, for which vesting begins in October of 2024 and continues monthly until October of 2026.¹³ Mr. Moffitt’s working for two employers in the AI industry, in both of which he held financial interests, seemingly

⁸Executive Branch Personnel Public Financial Disclosure Report (278e), U.S. Office of Government Ethics, June 29, 2023, at 6, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/97D4F5A7D428FF9385258A09002EFAD8/\\$FILE/Gina-M-Raimondo-2023-278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/97D4F5A7D428FF9385258A09002EFAD8/$FILE/Gina-M-Raimondo-2023-278.pdf)

⁹Executive Branch Personnel Public Financial Disclosure Report: Periodic Transaction Report (278t), U.S. Office of Government Ethics, January 21, 2022 at 2.

¹⁰ Andy Moffit, LinkedIn, https://www.linkedin.com/in/andy-moffit-02932215/?original_referer=

¹¹ Andy Moffit, LinkedIn, https://www.linkedin.com/in/andy-moffit-02932215/?original_referer=

¹² *Freeing the World from Pain*, Sword Health Digital, <https://swordhealth.com>; *Sword Health*, Wikipedia, February 10, 2024, <https://en.wikipedia.org/wiki/Sword>

¹³ Executive Branch Personnel Public Financial Disclosure Report (278e), U.S. Office of Government Ethics, June 29, 2023, at 7, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/97D4F5A7D428FF9385258A09002EFAD8/\\$FILE/Gina-M-Raimondo-2023-278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/97D4F5A7D428FF9385258A09002EFAD8/$FILE/Gina-M-Raimondo-2023-278.pdf)



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would only heighten Secretary Raimondo's obligation to recuse from issues affecting segments of the AI industry or in matters specifically affecting either company.¹⁴

B. It Appears that Secretary Raimondo May Not Have Abided by Her Obligations to Recuse as They Pertain to PathAI and/or Sword Health

i. Secretary Raimondo Engaged In Communications Where She Was in a Position to Advance the Financial Interests of PathAI and/or Sword Health.

Despite her Disqualification Statement, Secretary Raimondo seems to have *sought out* opportunities to engage in AI issues with the potential to specifically advance the financial interests of PathAI and/or Sword Health as well as the AI industry, undeniably a "group that includes Path AI." Tellingly, some key examples are found in text messages.

On August 22, 2021, the Secretary received a text from Helmy Eltouhky, CEO of Guardant Health -- a high-tech cancer treatment company -- who wrote, "It was very nice meeting you and your husband Andy. Such a small world given the PathAI and Failkow connections I would love to help out in 3 areas" ¹⁵ Mr. Eltouhky co-founded Guardant Health "to 'forge a new frontier' in cancer detection and treatment using artificial intelligence and a big data approach."¹⁶ Guardant is a publicly traded company and at the time of the text had a market capitalization in excess of \$10 billion.¹⁷ The "Path" in PathAI refers to "pathology," and a review of PathAI's website reveals dozens of references to ways that PathAI's products and services apply to cancer diagnosis and treatment.¹⁸ Thus, it appears that the Secretary was in a position to have engaged in communications about specific matters involving PathAI and AI in the health care industry that undoubtedly could have affected her imputed financial interests in PathAI.

What exactly Mr. Eltouhky meant by the 'Failkow connection' is unclear, however, he is presumably referring to David Failkow, the "Co-founder and Director of General Catalyst, a venture capital firm [, where he] focuses on financial services, *digital health*, *artificial intelligence* and data analytics" ¹⁹ [Emphasis added.] Not only is General Catalyst an investor in PathAI,²⁰ but Mr. Failkow gifted Secretary Raimundo with dinner and three tickets to the prestigious 2021 "Kennedy Center Honors" gala, estimated by Secretary Raimondo to be worth \$2,700.²¹ The lowest priced

¹⁴ To date, it seems neither Secretary Raimondo's financial disclosures for 2023 nor an updated version of her Disqualification Statement have been released to the public.

¹⁵ Interim Production #4 at 1859.

¹⁶ *Helmy Eltouhky*, Wikipedia, April 7, 2024, https://en.wikipedia.org/wiki/Helmy_Eltouhky

¹⁷ *Market capitalization of Guardant Health (GH)*, Companies MarketCap, <https://companiesmarketcap.com/guardant-health/marketcap/>

¹⁸ Search, Pathai, <https://www.pathai.com/search/?query=cancer>

¹⁹ *David Fialkow*, Boston Investment Conference 2023, <https://bostoninvestmentconference.com/speakers/david-fialkow>

²⁰ *PathAI Stock Price, Funding, Valuation, Revenue & Financial Statements*, CBS Insights, <https://www.cbinsights.com/company/pathai/financials>

²¹ *Executive Branch Personnel Public Financial Disclosure Report (278e)*, U.S. Office of Government Ethics, June 29, 2023, at 17,



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single ticket to the 2023 Kennedy Center Honors performance that included dinner was \$2,000, while the highest priced ticket was \$10,000.²²

In another series of messages dated July 9, 2021, Secretary Raimondo texted with Senator Maria Cantwell, who thanked the Secretary “for coming” and stated that her participation had a “big impact.”²³ At the time (and currently) Senator Cantwell was chair of the Senate Commerce, Science, and Technology Committee, which has jurisdiction over AI, and the Senator has been an active participant in the development of AI legislation and policy.²⁴ Secretary Raimondo’s calendar reveals that on July 8, 2021, she was in Washington State with Senator Cantwell²⁵ and among the activities that day was a call with Madrona Ventures, a venture capital company specializing in AI start-ups.²⁶ In responding to the Senator’s text, Secretary Raimondo raises her husband’s connection with artificial intelligence and her goal of having the two meet: “[S]ometime you’re in DC I’d love to have dinner with you and my husband. He works at a very cool artificial intelligence start up.”²⁷ Recently produced calendar entries reveal that Secretary Raimondo has maintained her relationship with Senator Cantwell even as news was about to break that the Senator was readying a series of bills related to artificial intelligence.²⁸ Again, Secretary Raimondo can be seen acting in areas that have the potential to directly impact PathAI’s financial interests, both in the commercial and political worlds, and in ways that appear to be at odds with her Disqualification Statement.

Moreover, Secretary Raimondo’s calendar reveals that on July 12, 2023, she was among the A-list guests attending the annual Sun Valley Conference in Idaho. Her day concludes with this entry: “Meeting with Sam Altman, CEO OpenAI (Inn bar; Sam’s cell).” As the co-founder and CEO of OpenAI, Mr. Altman is considered to be one of the “leading figures of the AI boom.”²⁹ With its recent release of ChatGPT, OpenAI is valued at more than \$80 billion.³⁰ Although it is not clear

[https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/6ACD4F276A676F3B85258856002EDD22/\\$FILE/Gina-M-Raimondo-2022-278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/6ACD4F276A676F3B85258856002EDD22/$FILE/Gina-M-Raimondo-2022-278.pdf)

²² *2023 Honors Ticket Purchasing Guidelines*, The Kennedy Center Honors, December 3, 2023, <https://www.kennedy-center.org/globalassets/support/special-events/honors-ticket-purchasing-guidelines-2023.pdf>

²³ Interim Production #4 at 1860.

²⁴ *See, e.g.*, Committee Press Release, July 22, 2020 “Cantwell Bill Promoting Development and Understanding of Artificial Intelligence Passes Commerce Committee.” <https://www.commerce.senate.gov/2020/7/cantwell-bill-promoting-development-and-understanding-of-artificial-intelligence-passes-commerce-committee>; Office of Senator Maria Cantwell Press Release, October 30, 2023, “ , , , As Chair of the Senate Commerce Committee, Cantwell Will Oversee Legislation on Emerging AI Technologies.” <https://www.cantwell.senate.gov/news/press-releases/cantwell-applauds-president-bidens-executive-order-on-artificial-intelligence>

²⁵ Department of Commerce, “_2021_July_sec_Daily&Detailed_Calendar_Redacted.pdf (commerce.gov)”, https://www.commerce.gov/sites/default/files/opog/2021_July_sec_Daily%26Detailed_Calendar_Redacted.pdf

²⁶ Madrona Venture Labs, <https://www.madronavl.com>

²⁷ Interim Production #4 at 1860.

²⁸ *E.g.*, Department of Commerce, Calendar Entry for October 23, 2023, “Call with Senator Maria Cantwell,”

http://protectpublictrust.org/wp-content/uploads/2024/05/Secretary-Raimondos-October-2023-Daily-Calendar_Redacted.pdf. *See also*, FedScoop, January 11, 2024, “First crack at comprehensive AI legislation coming early 2024 from Senate Commerce Chair Cantwell,” <https://fedscoop.com/bipartisan-ai-legislation-senate-commerce-committee-cantwell/>

²⁹ *Sam Altman*, Wikipedia, May 23, 2024, https://en.wikipedia.org/wiki/Sam_Altman

³⁰ *OpenAI*, Wikipedia, May 24, 2024, <https://en.wikipedia.org/wiki/OpenAI>



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from the calendar entry what might have been discussed at the scheduled meeting, Secretary Raimondo was in a situation where her impartiality could easily be questioned given that Mr. Altman was in a position to directly affect the financial interests of both PathAI and Sword Health as well as the AI industry, a “group that includes PathAI.” The appearance of impropriety is palpable given the seemingly personal nature of the meeting in a bar between regulator and regulated, with whom the Secretary is on a first name basis and whose cell phone number she apparently has obtained.

Recently released calendars further document the relationship between the Secretary and Mr. Altman. On November 1, 2023, she attended OpenAI’s “First Developer Conference,” during which she scheduled a “Pull aside with Sam Altman, CEO of OpenAI.”³¹ Later that same month, on November 14, 2023, the Secretary scheduled a meeting with Mr. Altman at 1 p.m. followed by the “Responsible AI Roundtable,” hosted by Responsible Innovation Labs.³² Again, on November 16, 2023, Secretary Raimondo had a “Meeting with Sam Altman, CEO, OpenAI, Microsoft and [Assistant to the President for National Security Jake] Sullivan.”³³

While all the details of what was discussed at these meetings have not been disclosed, even in the absence of her Disqualification Statement, these scheduled meetings with Mr. Altman, often in conjunction with engagements with the AI industry, raise serious questions about her impartiality and the potential impact of the meetings on PathAI and/or Sword Health.

ii. Secretary Raimondo Engaged In Events With the Potential to Advance the Financial Interests of PathAI and/or Sword Health

Despite her Disqualification Statement, Secretary Raimondo also participated in events and policy matters where she was again in a position to take actions that could benefit the financial interests of PathAI and/or Sword Health.

In June of 2021, Secretary Raimondo was scheduled to participate in a fireside chat with European Commission Executive Vice-President Margrethe Vestager during a conference hosted by BSA/The Software Alliance.³⁴ The conference was titled “Confronting Bias - A Path Toward Transatlantic Cooperation on AI Policy,” and “[p]art of the reason [for the Conference was] to highlight the

³¹ Department of Commerce, Calendar Entry for November 1, 2023, https://protectpublictrust.org/wp-content/uploads/2024/05/Secretary-Raimondos-November-2023-Daily-Calendar_Redacted.pdf

³² Department of Commerce, Calendar Entry for November 14, 2023, https://protectpublictrust.org/wp-content/uploads/2024/05/Secretary-Raimondos-November-2023-Daily-Calendar_Redacted.pdf

³³ Department of Commerce, Calendar Entry for November 16, 2023, https://protectpublictrust.org/wp-content/uploads/2024/05/Secretary-Raimondos-November-2023-Daily-Calendar_Redacted.pdf

³⁴ Interim Production #4 at 252-264; *Virtual Event: Confronting Bias: A Path Toward Transatlantic Cooperation on AI Policy*, BSA, June 24, 2021, <https://www.bsa.org/news-events/events/virtual-event-confronting-bias-a-path-toward-transatlantic-cooperation-on-ai-policy> See also, *About BSA*, BSA, <https://www.bsa.org/about-bsa> “BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry before governments and in the international marketplace. Its members are among the world’s most innovative companies, creating software solutions that help businesses of all sizes in every part of the economy to modernize and grow.” BSA’s website is heavily focused on AI issues. *Id.*



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release of BSA's Framework to Promote Trust in AI.”³⁵ Draft questions were provided to Secretary Raimondo in advance of the fireside chat and included:

“Given that the challenges of AI are global in nature, what can be done to ensure that the US and EU remain aligned on their approaches?”

“One of the issues that is really driving the calls for regulation is the concern about the potential for AI to exacerbate societal and historical biases. . . . Can you talk a bit about how the Commission and the Biden Administration view these issues?”

“During your time as Governor, you were a big advocate for adopting technology to improve the delivery of government service. What do you think the greatest challenges of widespread adoption of AI are?”³⁶

The answers to these questions about global cooperation, regulation and the administration’s views on both of them could have had direct implications for the financial interests of the AI healthcare sector and PathAI individually. Moreover, regardless of whether these specific questions were asked, they lay bare the organizer’s interest in having Secretary Raimondo participate in the conference in a manner seemingly at odds with the Secretary’s recusal obligations.

Notably, the two powerful regulators reprised their discussion of US-EU policy issues regarding artificial intelligence at a conference hosted by the Atlantic Council in 2024, which included the issue: “Can the US and European Union make the most of the transformative potential of artificial intelligence while regulating its biggest risks?”³⁷ It would seemingly be difficult to take on such an ambitious regulatory issue without implicating the AI healthcare sector, which could have serious implications for the financial fortunes of both PathAI and Sword Health.

In this same regard, the Secretary’s calendar shows that on May 3, 2023, she engaged in an hour of “Prep for AI Meeting,” followed the next day by a two-hour meeting at the White House titled on her calendar as “AI Convening.”³⁸ White House records show that senior administration officials met with CEOs of four American companies at the forefront of AI innovation, including Sam Altman of OpenAI, to announce key AI policies.³⁹

³⁵ Interim Production #4 at 258, 260.

³⁶ Interim Production #4 at 258-260. It appears that the Ethics Office was aware of the Secretary’s anticipated participation in the fireside chat and may have raised concerns about the Q&A session. See Interim Production #4 at 1571.

³⁷ *Gina Raimondo and Margrethe Vestager on the future of US-EU economic ties*, Atlantic Council, January 30, 2024, <https://www.atlanticcouncil.org/event/gina-raimondo-and-margrethe-vestager-on-the-future-of-us-eu-economic-ties/>

³⁸ *Secretary Raimondo's May 2023 Daily Calendar_Redacted.pdf* at 3-4, https://protectpublictrust.org/wp-content/uploads/2024/02/Secretary-Raimondos-May-2023-Daily-Calendar_Redacted-1.pdf.

³⁹ *Readout of White House Meeting with CEOs on Advancing Responsible Artificial Intelligence Innovation*, The White House, May 4, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/04/readout-of-white-house-meeting-with-ceos-on-advancing-responsible-artificial-intelligence-innovation/>



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Similarly, Secretary Raimondo's calendar reveals that on July 21, 2023, she had a scheduled meeting labelled: "White House AI Business Leaders Meeting, Jeff Zients."⁴⁰ In a statement released following the meeting, the White House explained that seven companies: Amazon, Anthropic, Google, Inflection, Meta, Microsoft, and OpenAI, had participated in the meeting and "committed to develop and deploy advanced AI systems to address society's greatest challenges" including, "cancer prevention."⁴¹

Plainly, such collaboration between officials at the highest levels of government and a select group of business leaders in the AI industry provide ample opportunity to develop policies favorable to PathAI and/or Sword Health, whether as individual entities or members of the AI industry.

IV. Analysis

A. Legal Standards

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

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

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

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

Moreover, with respect to financial interest in stocks, the focus is on the effect of the particular matter on *the company's* financial interests and not just the impact of the matter on the company's stock price. See OGE Legal Advisory LA-20-03 (2020).

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

§ 502(a) provides:

⁴⁰ Department of Commerce, FOIA-DOC-IOS-2022-000418-Jan.-2024-Interim.pdf at 85, <https://protectpublictrust.org/wp-content/uploads/2024/02/FOIA-DOC-IOS-2022-000418-Jan.-2024-Interim.pdf>

⁴¹ *FACT SHEET: Biden-Harris Administration Secures Voluntary Commitments from Leading Artificial Intelligence Companies to Manage the Risks Posed by AI*, The White House, July 21, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/21/fact-sheet-biden-harris-administration-secures-voluntary-commitments-from-leading-artificial-intelligence-companies-to-manage-the-risks-posed-by-ai/>



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

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

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

iii. Disqualification Statement

Secretary Raimondo also executed a “Disqualification Statement,” which provided:

I am disqualified from participating as Secretary in particular matters having a direct and predictable effect on the financial interests of PathAI, a company that makes medical diagnostic software, including matters affecting the company as a member of an industry sector or group.⁴²

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

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

- This recusal will apply not only to matters in which the company itself is a party before the Commerce Department — which is not likely to happen — **but also a policy issue that affects a group that includes PathAI.** Emphasis added.⁴³

Finally, Secretary Raimondo filed a “Certification of Ethics Agreement Compliance” with OGE in which she certified that she had completed her initial ethics briefing, would continue

⁴² Interim Production #4 at 1862. Although undated, an email from the Chief of the Ethics Office indicates that the date can be determined as March 15, 2021. *Id.* at 100-102. *PPT_2022-000417- Interim Production #4*, September 29, 2023

⁴³ Interim Production #4 at 67. As noted above, it would seem that the same admonition would apply to Mr. Moffit’s work at Sword Health.



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to recuse from particular matters as provided for in § 208(a) and that she had received no waivers from ethics officials for any of her recusal obligations.⁴⁴

B. Discussion

Secretary Raimondo has engaged in a series of actions that may have redounded to the financial benefit of PathAI and/or Sword Health. In sum, she:

- communicated via text with a leader in the AI/healthcare industry whose interests appeared to be closely aligned with those of PathAI;
- attempted via text message to arrange a dinner with her husband and Senator Cantwell, noting that her husband “works at a very cool artificial intelligence start up.” The Senator is the chair of a key Committee that originates legislation on AI matters, and has been active in developing such legislation;
- scheduled a meeting in a hotel bar with Mr. Altman, one of the most prominent players in the AI industry, with whom she was on a first name basis and whose cell number she apparently had obtained. Additional records show that the relationship was ongoing and frequently involved meetings not open to the public;
- accepted a gift of tickets and dinner for three at the prestigious Kennedy Center Honors gala worth thousands of dollars from a venture capitalist who was an investor in her husband’s company and whose business focuses on digital health and artificial intelligence;
- participated in meetings and conferences with the high-ranking officials in the US and UN governments along with leaders in the AI industry during which important regulatory and policy issues pertaining to AI were discussed.

Plainly, these actions by Secretary Raimondo could have resulted in direct financial benefit to PathAI and/or Sword Health as proscribed by § 208(a) and merit careful scrutiny by your office.

Perhaps even more importantly, the potential effect of Secretary Raimondo’s numerous actions detailed above on the value of the companies her husband worked for and held a financial stake in, would seem to be a classic case where a reasonable person with knowledge of the relevant facts could question her impartiality. In such circumstances, the prohibitions on mingling financial interests with government service as set forth in § 502(a) would seem to apply with particular force.

In this same regard, the Department of Commerce’s Ethics Office admonished Secretary Raimondo *even before she joined the administration* that she was disqualified from particular matters involving

⁴⁴ *Certification of Ethics Agreement Compliance*, U.S. Office of Government Ethics, February 2021, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/\\$FILE/SEC%20Commerce%20Raimondo%20EA%20Certification%201%20of%201.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BC3DCD911C119BE78525869B002C2027/$FILE/SEC%20Commerce%20Raimondo%20EA%20Certification%201%20of%201.pdf)



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PathAI. This recusal obligation appears to have extended to matters implicating PathAI as a member of an industry sector or group and even when the matter was one of policy. Although he might have, Mr. Moffit did not divest his ownership interests in these companies and, in fact, obtained *additional* stock while his wife was Secretary and, for a time, appears to have simultaneously worked for two different AI companies. The prospect of ethics entanglements when a Secretary of Commerce's spouse has significant interests, including stock and stock options, in companies involved in one of the most important new industries in the world was palpable. Yet, Secretary Raimondo appears to have engaged in AI issues with the potential to affect the financial interests of both PathAI and Sword Health as if these concerns did not exist and in potential derogation of her recusal obligations.

VI Conclusion

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

Sincerely,

Michael Chamberlain
Director
Protect the Public's Trust