



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

September 23, 2019

Omar Ashmawy
Chief Counsel
Office of Congressional Ethics
U.S. House of Representatives
425 3rd Street, S.W., Suite 1110
Washington, DC 20024
Email: oce@mail.house.gov

Dear Mr. Ashmawy,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. We achieve this mission by hanging a lantern over public officials who put their own interest over the interests of the public good. We request that the Office of Congressional Ethics (“OCE”) immediately investigate Representative Matt Cartwright for taking official action in violation of House ethics rules.

According to media reports, “In June and July, the Pennsylvania Democrat introduced two bills that would require commercial truck drivers to purchase insurance liability coverage at a minimum of \$4.5 million, a 600% hike from the current \$750,000 minimum. . . . Higher insurance liability coverage can allow law firms representing a victim suing truckers to collect greater sums.”¹

Representative Cartwright has a financial interest in a law firm that specializes in “big truck litigation”² and advertises itself as “the nation’s leading truck accident team.”³ Cartwright was previously an attorney with Munley Law, where his wife is currently a partner and specializes in “commercial truck accident-related injury lawsuits.”⁴ The law firm’s website currently promotes a “‘record-breaking \$26 million settlement’ that Munley obtained in a ‘landmark truck accident case’ in 2018.”⁵ In his most recent Financial Disclosure Report,

¹ Alana Goodman, *Democratic Congressman Introduced Truck Crash Legislation Benefiting His Family Law Firm*, Washington Examiner, Sept. 16, 2019 (available at <https://www.washingtonexaminer.com/politics/democratic-congressman-introduced-truck-crash-legislation-benefiting-his-family-law-firm>).

² Peter Lattman, *Here’s A Story . . . Of A Firm Called Munley*, The Wall Street Journal, Aug. 2, 2007 (available at <https://blogs.wsj.com/law/2007/08/02/heres-a-story-of-a-firm-called-munley/>).

³ Dave Bohman, *Congressman Backs Plan to Increase Insurance Truckers Must Carry*, ABC 16 WNEP, Sept. 4, 2019 (available at <https://wnep.com/2019/09/04/congressman-backs-plan-to-increase-insurance-truckers-must-carry/>).

⁴ Alana Goodman, *Democratic Congressman Introduced Truck Crash Legislation Benefiting His Family Law Firm*, Washington Examiner, Sept. 16, 2019; Dave Bohman, *Congressman Backs Plan to Increase Insurance Truckers Must Carry*, ABC 16 WNEP, Sept. 4, 2019.

⁵ Alana Goodman, *Democratic Congressman Introduced Truck Crash Legislation Benefiting His Family Law Firm*, Washington Examiner, Sept. 16, 2019.

Cartwright reported he and his wife each have profit-sharing agreements with Munley Law, together valued between \$2 million and \$10 million.⁶ Additionally, Cartwright's wife was the chair of, and remains associated with, a trial attorney trade group that lobbied for the legislation Cartwright introduced and the group's press release stated Cartwright's wife helped "shape new laws."⁷

The House Ethics rules require Members to "conduct themselves at all times in a manner that reflects creditably on the House" and to adhere to the spirit as well as the letter of the ethics rules.⁸ These rules manifest in the specific rules requiring Members to refrain from taking official action when the Member has an apparent or actual conflict of interest. A conflict of interest exists when a Member's private affairs appear to or actually do conflict with their ability to officially act on behalf of the public interest.⁹ "The ultimate concern 'is risk of impairment of impartial judgment, a risk which arises whenever there is a temptation to serve personal interests.'"¹⁰ There is a range of conflicts, from a Member's personal interest creating doubt the Member can act impartially and in the public interest, to a Member corruptly using his official position for personal or pecuniary gain.¹¹ Because the integrity of government action is at risk, the ethics rules require Members to refrain from official action where there is even an inference of a conflict or where there is an actual conflict.¹²

There are two separate types of official action in a conflict of interest analysis: voting on legislation¹³ and other official action.¹⁴ With respect to voting, a Member should not vote on legislation in which he has "a direct personal or pecuniary interest."¹⁵ However, a stricter conflict analysis applies to other acts connected to a Member's official duties, such as sponsoring

⁶ *Id.*

⁷ *Id.*

⁸ House Ethics Manual, Comm. on Standards of Official Conduct, U.S. House of Reps., at 1, 186 (2008 ed.) (available at https://ethics.house.gov/sites/ethics.house.gov/files/documents/2008_House_Ethics_Manual.pdf).

⁹ *Id.* at 187. "A conflict of interest is generally defined as a situation in which an official's private financial interests conflict or appear to conflict with the public interest. . . . At the other extreme, a conflict of interest becomes corruption when an official uses his position of influence to enhance his personal financial interests. Between these extremes are those ambiguous circumstances which may create a real or potential conflict of interest. The problem is identifying those instances in which an official allows his personal economic interests to impair his independence of judgment in the conduct of his public duties." *Id.* at 250-51.

¹⁰ *Id.* at 187 (citing Association of the Bar of the City of New York Special Comm. on Congressional Ethics, Congress and the Public Trust 39 (1970)).

¹¹ *Id.* at 250-51; *see also id.* at 185-86 (citing House Rule 25, clause 1(a)(2)) (stating a "key provision" of the House Code of Official Conduct prohibits a Member from using his official position for personal gain, including pecuniary gain).

¹² *Id.* at 186 (the Standards Committee advises Members to "to avoid situations in which even an inference might be drawn suggesting improper conduct."); *Id.* at 251 ("The Standards Committee has admonished all Members 'to avoid situations in which even an inference might be drawn suggesting improper action.'").

¹³ "Every Member . . . shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question." *Id.* at 234 (quoting House Rule 3).

¹⁴ *Id.* at 237.

¹⁵ "Since legislation considered by Congress affects such a broad spectrum of business and economic endeavors, a Member of the House may be confronted with the possibility of voting on legislation that would have an impact upon a personal economic interest." *Id.* at 234. In drawing the distinction of when a Member has a conflict that disqualifies him from voting, the principle generally applied has been "where legislation affected a class as distinct from individuals, a Member might vote." *Id.* at 234. On the other hand, the Ethics Committee has advised "it would be inappropriate for them to vote or to introduce legislation directly affecting significant and uniquely held financial interests." *Id.* at 237. Essentially, in determining whether a conflict prohibits voting, the relevant factors to consider are whether the legislation affects a large group and the Member's interest is small in the group.

legislation.¹⁶ “Such actions entail a degree of advocacy above and beyond that involved in voting, and thus a Member’s decision on whether to take any such action on a matter that may affect his or her personal financial interests requires added circumspection”, in addition to the prohibition of using one’s official position for personal gain.¹⁷ For example, a Member would wrongly use his official position for personal benefit if he sponsored legislation relating to an issue in which the Member had a personal financial interest.¹⁸ In assessing whether a Member has a conflict that prohibits official action, the Member’s spouse’s employment and investments are fully considered.¹⁹ Moreover, a Member’s spouse is also prohibited from lobbying the Member.²⁰

In this case, Representative Cartwright has a clear conflict of interest. This is not a case where Cartwright simply voted on legislation, but is a case where he used his official position to sponsor legislation. Therefore, the conflict rules must be applied strictly to prevent an apparent or actual conflict of interest. Not only does Cartwright have a financial interest that would be directly affected by his sponsored legislation, but it is a unique and specific interest in a law firm specializing in the type of litigation that would be impacted. There is no doubt the law firm would be positively impacted because the attorney trade group lobbied for the legislation. Cartwright’s financial interest alone is sufficient to prohibit his official action, but his interest combined with his wife’s employment, similar significant financial interest in the law firm specializing in this subject area, and involvement with an organization lobbying for the legislation undermines public confidence. The ethics rules function to maintain the integrity of government action, which is questioned in this case. Therefore, we urge the Committee to immediately investigate Representative Cartwright and impose any required penalties.

To the best of my knowledge and ability, all evidence submitted was not obtained in violation of any law, rule, or regulation. Further, I am aware that the False Statements Act, 18 U.S.C. § 1001, applies to information submitted to the Office of Congressional Ethics.

Sincerely,



Kendra Arnold
Executive Director, Foundation for Accountability & Civic Trust

¹⁶ *Id.* at 237.

¹⁷ *Id.* at 237.

¹⁸ The House Ethics Manual discusses a case in which a Member “sponsored legislation to remove restrictions on the development of property in which he had a personal financial interest. Thus, the Member was found to have wrongly used his official position for personal benefit.” *Id.* at 186 (citing *In the Matter of a Complaint Against Rep. Robert L.F. Sikes*, H. Rep. 94-1364, 94th Cong., 2d Sess. 3-4 (1976)); see also James T. Wooten, *Congressman Profited in Land Deals as a Result of His Own Bill*, New York Times, May 22, 1975 (available at <https://www.nytimes.com/1975/05/22/archives/congressman-profited-in-land-deals-as-a-result-of-his-own-bill.html>).

¹⁹ See, e.g., *id.* at 187-88 (“outside employment of a spouse”); *id.* at 244 (employment); *id.* at 245 (spouse’s income generally accrues to Member’s benefit); *id.* at 253 (investments).

²⁰ *Id.* at 245.