

FRANK PALLONE, JR., NEW JERSEY
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ONE HUNDRED SEVENTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-2927

Minority (202) 225-3641

December 17, 2021

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Secretary Raimondo:

We write with significant concerns about a recent report that your husband is a top executive at a venture capital firm backed by the Chinese government.¹ According to a report by *The Washington Free Beacon*, Danhua Capital was “established with the financial backing of the Chinese Communist Party, is one of the main funders of PathAI, an artificial intelligence firm that employs [your] husband, Andy Moffit, as its chief people officer.”² Danhua Capital has been invested in PathAI since at least 2017 and lists the company “as one of its featured ‘biotech and health’ investments.”³ As the Secretary of Commerce, an agency central to America’s competition with China, particularly when it comes to artificial intelligence (AI), this revelation is deeply concerning and raises significant questions about obvious conflicts of interest and our strategic interests to lead on AI.

Additionally, this complacency with the People’s Republic of China (PRC) seems to extend across the entire Biden-Harris Administration. Since taking office, President Biden and his Administration have been soft on China, overlooking humanitarian, national security, and economic security matters for the sake of climate change.⁴ For example, the Administration has

¹ Matthew Foldi, *Commerce Secretary’s Husband Is Top Executive at Tech Firm Funded by Chinese Government*, *Free Beacon* (Dec. 14, 2021), available at <https://freebeacon.com/biden-administration/commerce-secretarys-husband-is-top-executive-at-tech-firm-funded-by-chinese-government/>

² *Id.*

³ *Id.*

⁴ Alexander Ward, *Biden’s new Cold War with China will result in climate collapse, progressives warn*, *Politico*, (July 7, 2021), available at <https://www.politico.com/news/2021/07/07/biden-china-climate-collapse-progressives-498588>

reportedly lobbied against the Uygur Forced Labor Prevention Act,⁵ recently cut the video feed of a Taiwanese minister during the Administration's "Summit for Democracy,"⁶ and sided with TikTok in its decision to rescind then-President Trump's 2020 executive order.⁷ We also note that we are still waiting for Transportation Secretary Buttigieg to answer our questions about the Administration's reported approval of semiconductor technology transfers for Huawei's interests in the transportation sector.⁸

Notably, and of particular concern given the revelation of your husband's employer's apparent ties to the Chinese Communist Party (CCP), the Commerce Department has reportedly been stalling efforts to blacklist certain Chinese technology companies and investments. *The Wall Street Journal* recently reported that "U.S. officials are also considering...adding more Chinese technology companies to the Commerce Department's entity list and to the Treasury list banning U.S. investment," but that "leaders at the Commerce Department remain opposed" to these efforts.⁹

In light of these developments and our concerns about PathAI's apparent ties to the CCP, please respond to the following by December 31, 2021:

1. Have you or your staff taken any meetings with PathAI since you assumed your role as Secretary? If yes, please identify when, for what purpose, who from the Department of Commerce attended, and if anyone from PathAI participated in those meetings.
2. Have you or your staff contacted anyone on the National Economic Council regarding PathAI? If yes, please provide documentation of those communications and the purpose for such outreach.
3. Have you or your staff taken any meetings with any company or entity at the request of anyone from PathAI? If yes, please identify the company or entity, when you or your staff met with them, who from the Department was involved in the meeting, and the purpose of those meetings.

⁵ Callie Patteson, *Biden administration pushed Congress to water down anti-China bill: report*, New York Post (Dec. 3, 2021), available at <https://nypost.com/2021/12/03/biden-officials-lobbied-congress-to-water-down-anti-china-bill-report/>

⁶ Humeyra Pamuk, Michael Martina, and David Brunnstrom, *The curious case of a map and a disappearing Taiwan minister at U.S. democracy summit*, Reuters, (December 13, 2021), available at <https://www.reuters.com/world/asia-pacific/curious-case-map-disappearing-taiwan-minister-us-democracy-summit-2021-12-12/>

⁷ Brian Fung, *TikTok, Biden administration agree to drop litigation over Trump-era app store ban*, CNN Business (July 22, 2021), available at <https://www.cnn.com/2021/07/22/tech/tiktok-trump-ban-dismissed/index.html>

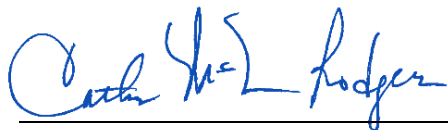
⁸ Committee on Energy and Commerce Republicans, *09.09.21 Huawei letter to DOT on semiconductors*, (September 9, 2021), available at <https://republicans-energycommerce.house.gov/wp-content/uploads/2021/09/9.9.21-Huawei-letter-to-DOT-on-semiconductors.pdf>

⁹ Kate O'Keefe, *U.S. to Bar Investment in Chinese AI Giant, Considers Banning Key Exports to Top Chip Maker*, *The Wall Street Journal* (Dec. 9, 2021), available at https://www.wsj.com/articles/u-s-to-bar-investment-in-chinese-ai-giant-considers-banning-key-exports-to-top-chip-maker-11639092799?st=geamltnvx128z&reflink=share_mobilewebshare

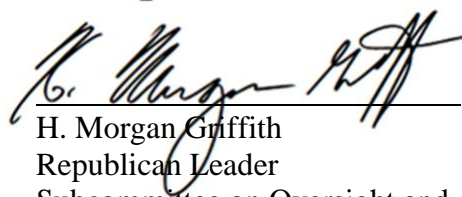
4. Do you agree that the PRC poses a humanitarian, national security, and economic security threat to the United States? If yes, why? If no, why not?
5. Do you agree that the U.S. government should preserve and promote private sector innovation as it relates to emerging technologies, such as AI, and related applications like autonomous vehicles, to compete with the PRC? If yes, why? If no, why not?
6. Please outline the specific policies you have in place to ensure your husband and PathAI do not influence you or your staff.
7. Are you one of the “leaders at the Commerce Department” opposing other U.S. officials attempts to add more technology companies directly or indirectly related to PRC state sponsorship to your agency’s entity list? If yes, why? If no, do you know who at your agency opposes these attempts? If the latter, please identify those individuals.
8. When did you first become aware of PathAI’s direct ties to the CCP?
9. During your nomination and confirmation process, were you aware of PathAI’s direct ties to the CCP? If so, did you ever disclose such ties?
10. Prior to your nomination, did you disclose to President Biden or any White House official PathAI’s direct ties to the CCP? If yes, when? If no, did you intentionally conceal these ties or were you not aware of them?
11. If you have not known about PathAI’s direct ties to the CCP, do you now plan to take any steps to address the clear conflict of interest? If yes, please outline those specific steps. If no, why not?

After providing written responses, please make arrangements to schedule the briefing for Committee staff. If you have any questions, please contact Bijan (BJ) Koochmaraie or Tim Kurth of the Minority Committee staff at (202) 225-3641. Thank you for your attention to this request.

Sincerely,



Cathy McMorris Rodgers
Republican Leader
Committee on Energy and Commerce



H. Morgan Griffith
Republican Leader
Subcommittee on Oversight and
Investigations

Letter to Secretary Raimondo

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A handwritten signature in blue ink, reading "Gus M. Bilirakis". The signature is written in a cursive style with a horizontal line underneath it.

Gus Bilirakis

Republican Leader

Subcommittee on Consumer Protection and
Commerce