

Dear Federal Trade Commission Chair Khan, Commissioner Slaughter, Commissioner Wilson, Commissioner Phillips, and Inspector General Katsaros,

Cc Assistant Attorney General Polite

We write to urge action to respond to a lingering threat to public trust in your agency. The issue results from the prior administration's failure to respond to former Commissioner Joshua Wright's documented ethics violations. Although the events underlying the complaint and the referral both predate your time with the agency, the lack of credible resolution to these troubling allegations casts a shadow over the agency's integrity at a moment when it is launching its most ambitious agenda in decades. To bring ethics rules and enforcement at the FTC up to date, we ask that you re-refer the unresolved ethics complaint against former Federal Trade Commissioner Joshua Wright to the Department of Justice and conduct a thorough investigation into the extent of related and similar ethical violations that have occurred within the past several years.

Thanks to a Freedom of Information Act request from the Tech Transparency Project we know that a 2019 Office of Inspector General investigation found that former Commissioner Joshua Wright had clearly and repeatedly violated "federal conflict of interest rules [that] impose strict ethical restrictions including a lifetime ban on former senior government officials lobbying the government on matters in which they were 'personally and substantially' involved while serving in government." In this case, Commissioner Wright, who served on the FTC from 2013 to 2015 "[met or attempted to meet](#) with FTC officials on at least six different occasions" in the spring of 2017 to encourage the agency to settle the lawsuit it had just announced against the tech company Qualcomm. Having worked on the Qualcomm case while serving on the Commission, Wright was legally barred from lobbying any officials on it. To make matters worse, Wright was, at the time, working for one of the law firms representing Qualcomm before the FTC. Further, the think tank he leads — the Global Antitrust Institute (GAI) — receives substantial funding from Qualcomm, including a donation less than two months before the above-referenced communications occurred.

In 2018, the OIG referred the alleged violations to the Department of Justice, which declined to take action. Unfortunately, given what is known about the lengths the Department of Justice went to during the last administration to protect political allies, the public has little reason to trust the integrity or wisdom of that decision. A new, genuinely independent inquiry is clearly needed.

The OIG report requested by the Tech Transparency Project raised other questions that were left unresolved. Two of the officials whom Wright contacted to discuss a Qualcomm settlement resigned from the FTC shortly thereafter as the OIG investigation got underway. One of those officials, Todd Lipsky, was immediately hired to work with Wright at the GAI. This is highly unusual and demands further investigation, including into the troubling possibility that there was some sort of quid pro quo between Lipsky and Wright.

The public also deserves to know if the OIG has carried out other investigations into ethics violations in recent years. After all, this report was only uncovered thanks to a Freedom of Information Act request. If other such reports exist, the FTC should proactively publish them to help the public understand the extent and nature of the problem.

These steps are all the more important because the officials and institutions that feature in the OIG's report remain major players in antitrust policy today. As the FTC looks at Google, former Commissioner Wright and former Acting Director of the Bureau of Competition Lipsky have acted as paid advocates for the search engine giant. Google donated \$200,000 in 2017 and \$300,000 in 2018 to the Global Antitrust Institute. In turn, Wright has conducted [indirect](#) lobbying of Senator Mike Lee, the former chair and now ranking member of the Senate Judiciary's Antitrust Subcommittee. The Institute has also been heavily involved in quashing international antitrust action. It has, for example, wooed Brazilian regulators and judges — paying for business-class flights and high-end meals — who subsequently dismissed three separate investigations of Google in 2018 and 2019. The extent to which the domestic federal ethics system allows corporations to influence the regulatory process is scandalous. To then fail to enforce the law when officials do step over the line is an outrage. If Wright or others violated the law, they must face consequences and lose credibility.

At the Federal Trade Commission, you have a clear mandate to investigate and correct unfair business practices. And as you have written, the agency should have a "[holistic](#) approach...[that is] forward-looking...and looks at root causes." Without examining potential industry intellectual capture, shadow lobbying, and influence-peddling within the FTC, we fear you cannot truly aim to regulate effectively. That is why we believe it is necessary for you to re-refer the case of former Commissioner Wright to the Department of Justice and to investigate and publicize the extent of related and similar ethical violations at your agency.

Sincerely,

Government Information Watch
The Revolving Door Project

Prof. Marshall Steinbaum, in his individual capacity