

APPENDIX C

**BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
ETHICS**

IN THE MATTER OF REPRESENTATIVE LORI TRAHAN

RESPONSES TO QUESTIONS FOR REPRESENTATIVE LORI TRAHAN

1. *In the November 7, 2007 prenuptial agreement (Agreement) you entered into with David Trahan, paragraph 6 states, “Each party to this Agreement has given the other a full and complete disclosure of the assets, income, and other property of the party or the party’s estate. A list of the assets, income and property of Husband and his estate is attached as Exhibit A and incorporated by reference.”*

a. Why was DCT Development, Inc. (DCT Development) not included in Exhibit A?

Answer: Mr. Trahan did not include DCT Development on Exhibit A because it did not normally have substantial assets besides cash, but instead served as a Subchapter S corporation through which he could receive income in connection with various construction projects. Moreover, Exhibit A lists assets that were intended to be treated as Mr. Trahan’s separate property, and Mr. Trahan treated DCT Development and the income he received from it as marital property.

b. Did you and Mr. Trahan intend for DCT Development, and any income and increases in value arising from it, to be marital property under the Agreement?

Answer: Yes.

c. Were any other assets owned by Mr. Trahan excluded from Exhibit A to the Agreement? If so, what were those assets, why were they excluded, and were they separate or marital property?

Answer: Mr. Trahan did not include Granite Rock Management and Granite Rock Construction on Exhibit A because, like DCT Development, they did not normally have substantial assets besides cash. Exhibit A lists assets that were intended to be treated as Mr. Trahan’s separate property, and Mr. Trahan treated Granite Rock Management, Granite Rock Construction and the income he received from them as marital property.

2. *For the \$55,000 disbursement that Mr. Trahan received from DCT Development on July 9, 2018, please state the following:*

a. Whether the disbursement was considered wages, salary or income under the Agreement, and why;

Answer: Representative Trahan and Mr. Trahan considered the disbursement to be income earned or received by Mr. Trahan during marriage, and thus as marital property under the Agreement, because it was treated as income to Mr. Trahan for tax purposes.

b. Whether the disbursement was returned capital;

Answer: The disbursement was not returned capital.

c. How the disbursement was classified for tax purposes; and

Answer: DCT Development and Mr. Trahan classified the disbursement as income to Mr. Trahan for tax purposes.

d. The value of DCT Development on the date of the disbursement.

You may provide any documents you wish to support or explain the characterization, valuation and tax treatment of the relevant amounts.

Answer: On the date of the disbursement, DCT Development had a cash balance of \$112,861.37, which represented DCT Development's value at that time.

3. *You wrote a check to your campaign committee, Lori Trahan for Congress (Campaign) on March 31, 2018 for \$50,000. The memo on the check stated, "donation." The Campaign reported the check on its Federal Election Commission (FEC) disclosures as a personal loan from you. Why did you write "donation" on the check?*

Answer: While Representative Trahan consistently intended for the check to be treated as a loan to her campaign, she was a first-time candidate for federal office and did not know how to characterize the disbursement in the memo line of the check. Because Representative Trahan intended when she issued the check that the funds would be reimbursed to her, if feasible, the Campaign correctly reported the check as a personal loan from her.

4. *Please provide any additional information related to the Committee's investigation that you believe the Committee should be aware of and which you have not yet provided.*

Answer: Representative Trahan respectfully submits that the information she has voluntarily provided to the Committee is sufficient to establish that no further action is warranted in this matter.

Questions for Representative Lori Trahan

June 4, 2020

Instructions

- ❖ The House of Representatives Committee on Ethics (Committee) is investigating allegations concerning you. The Committee has not made any conclusions about these allegations, and you should not take any of the written questions to imply that the Committee has made any judgment or conclusions about the allegations. The questions below are designed to help the Committee build a complete and thorough record.
- ❖ There are four (4) questions. Review each question and each sub-question carefully and provide your answer in writing.
- ❖ If you do not know the answer to a question (for example, if you do not have personal knowledge or have not otherwise been made aware of an answer to any of the questions), indicate in writing that you do not know.
- ❖ You may use estimates if you do not know exact amounts or figures; however, please indicate that your answer contains an estimation.
- ❖ There is no limit on how long your answers to any of the questions may be. You may provide any additional facts that you believe are relevant to the question or that you believe the Committee should be made aware of.
- ❖ If you do not understand any of the questions below, please let the Committee know through your attorneys.
- ❖ This is a voluntary questionnaire; you are not required to answer any of the questions below. However, if you choose not to answer any of the questions below, the Committee may note your missing responses in a public report, if one is issued in this matter. To the extent you refuse to answer any question based on attorney-client privilege or any other protection or privilege, state the nature of the claimed privilege.
- ❖ Your answers and statements may be considered by the Committee in its deliberations and official business. Therefore, if you make any intentionally false statements or intentionally attempt to mislead the Committee through your answers, that could be a crime, such as making false statements under 18 U.S.C. § 1001 or obstruction of Congress under 18 U.S.C. § 1505.
- ❖ The Committee requests that you provide your answers no later than June 18, 2020.

I, Lori Trahan,
(Print Name)

Certify that I have fully read and understand the instructions above and that, to the best of my knowledge and belief, all of the written answers included in my response are true, accurate and complete.

Lori Trahan 6/18/20
(Signature) (Date)

Questions:

1. In the November 7, 2007 prenuptial agreement (Agreement) you entered into with David Trahan, paragraph 6 states, "Each party to this Agreement has given the other a full and complete disclosure of the assets, income, and other property of the party or the party's estate. A list of the assets, income and property of Husband and his estate is attached as Exhibit A and incorporated by reference."
 - a. Why was DCT Development, Inc. (DCT Development) not included in Exhibit A?
 - b. Did you and Mr. Trahan intend for DCT Development, and any income and increases in value arising from it, to be marital property under the Agreement?
 - c. Were any other assets owned by Mr. Trahan excluded from Exhibit A to the Agreement? If so, what were those assets, why were they excluded, and were they separate or marital property?
2. For the \$55,000 disbursement that Mr. Trahan received from DCT Development on July 9, 2018, please state the following:
 - a. Whether the disbursement was considered wages, salary or income under the Agreement, and why;
 - b. Whether the disbursement was returned capital;
 - c. How the disbursement was classified for tax purposes; and
 - d. The value of DCT Development on the date of the disbursement.

You may provide any documents you wish to support or explain the characterization, valuation and tax treatment of the relevant amounts.

3. You wrote a check to your campaign committee, Lori Trahan for Congress (Campaign) on March 31, 2018 for \$50,000. The memo on the check stated, "donation." The Campaign reported the check on its Federal Election Commission (FEC) disclosures as a personal loan from you. Why did you write "donation" on the check?
4. Please provide any additional information related to the Committee's investigation that you believe the Committee should be aware of and which you have not yet provided.