



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

June 25, 2024

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House Committee on Ethics
U.S. House of Representatives
1015 Longworth House Office Building (LHOB)
Washington, DC 20515

RE: Representative David Trone (MD)

Dear Committee Members,

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 request the Office of Congressional Ethics immediately investigate whether Representative David Trone violated federal law and House ethics rules by failing to disclose financial information.

Federal law and House ethics rules require House candidates and Members to publicly disclose their financial information to the public.¹ The disclosure requirements are an integral part of an ethical and transparent government—accurate and timely filing is the only method for citizens to determine whether candidates or Members have conflicts of interest or are wrongfully profiting from their position.²

Under the public disclosure requirements, a Member must file an annual financial disclosure report that provides a “full and complete” statement of their assets, debts, and income.³

¹ 5 U.S.C. app 4 sec. 101-111; House Rule 26.

² It is a foundational principal and embodied in numerous laws and ethics rules that Members “should not in any way use their office for private gain.” U.S. House of Reps. Comm. on Standards of Official Conduct, *House Ethics Manual*, at 1 (2008 ed.); *see also* House Ethics Manual, at 123-24 (Members cannot use official resources for any campaign or political purpose).

³ 5 U.S.C. app 4 sec. 101-111 (disclosure requirements); House Rule 26.

In addition to the annual report, a Member must file a periodic report to disclose any financial transaction that exceeds \$1,000 within 30 days of notice of the transaction (but never more than 45 days after the transaction).⁴

The disclosure requirements for assets and income are “comprehensive” and include both “earned income” and “unearned income.”⁵ As noted by the Committee on Ethics, “[u]nearned income’ refers to income derived from property held for investment or the production of income . . . Any asset held for such an investment purpose must be disclosed if it either was worth more than \$1,000 at the close of the calendar year or it generated income of more than \$200 during the year.”⁶

This federal law is extremely important, thus it is directly incorporated into House ethics rules and Members are specifically informed of the law.⁷ Each Member has an affirmative duty to ensure compliance with the law.⁸ There is no excuse for inaccurate, incomplete, or late filings, and every violation has consequences.⁹

Rep. David Trone is the co-owner of Total Wine, a liquor retail chain with more than 200 stores in twenty-five states that is valued at approximately \$2.4 billion, and he lists assets related

⁴ *Id.*

⁵ U.S. House of Reps. Comm. on Ethics, *Specific Disclosure Requirements*, accessed June 18, 2024, available at: https://ethics.house.gov/financial-disclosure/specific-disclosure-requirements#fd_income.

⁶ *Id.*

⁷ U.S. House of Reps. Rules (2019), r. 26, cl.2 (“For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be considered Rules of the House as they pertain to Members, Delegates, the Resident Commissioner, officers, and employees of the House.”). Members receive ethics training on the STOCK Act after being sworn in and thereafter on an annual basis, as well as detailed instructions with the form and on the Ethics Committee website and significant press coverage of their duties. *See, e.g.*, U.S. House of Reps. Comm. on Ethics 116th Cong., *Memo Re. Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement*, at 3 (June 11, 2020), available at: https://ethics.house.gov/sites/ethics.house.gov/files/wysiwyg_uploaded/STOCK%20Act%206.11.2020%20Final.pdf. The law is both well publicized and part of ethics training for Members of Congress. *See, e.g.* U.S. House of Reps. Comm. on Ethics, *Training*, <https://ethics.house.gov/training>.

⁸ *See, e.g.*, Comm. on Ethics, *Instruction Guide: Financial Disclosure Statements and Periodic Transaction Reports (CY 2021)*, at 9, 43, available at <https://ethics.house.gov/sites/ethics.house.gov/files/documents/FINAL%202021%20FD%20Instructions.pdf>.

⁹ The Ethics in Government Act does not allow Members to break the law without consequence. *See, e.g.*, 5 U.S.C. app 4 sec. 104(a)(1) (providing for a civil penalty not to exceed \$50,000); sec. 104(a)(2) (making it unlawful for any person to knowingly and willfully fail to file or report any information required under section 102, with penalties of up to \$50,000 and imprisonment of not more than one year); sec. 104(d) (providing for a late filing fee of \$200); *see also* Committee on Ethics, U.S. House of Rep., available at <https://ethics.house.gov/financial-disclosure/general-information-about-financial-disclosure> (“A \$200 late filing fee shall be assessed against any individual who files more than 30 days after the due date of a report or amendment (or the due date of any extension).”).

to Total Wine and its affiliates on his financial disclosure reports.¹⁰ However, according to recent media reports, Trone has significantly underreported his assets by failing to disclose his interest in numerous Total Wine franchises on financial disclosure reports that he filed.¹¹ Trone first filed a financial disclosure report during his House campaign in 2016 and he has continued to do so since being elected to the House in 2018.¹² His financial disclosure reports have not disclosed his ownership interest in at least eight Total Wine franchises, which Trone claimed did not have any value and did not provide him any income.¹³ Contrary to this, Trone pledged several of these franchises as collateral to receive a \$1 million to \$5 million revolving line of credit, which indicates they do have value and should have been reported.¹⁴

For example, Trone first reported ownership in the Total Wine California franchise in 2020 and that he received over \$5 million in income from it, though he failed to disclose it in 2016, 2018, and 2019.¹⁵ Of course it is unlikely that the franchise would have no value one year and the very next produce over \$5 million in income. Additionally, there are numerous examples of inconsistencies between Trone's financial disclosure reports and his use of the assets for collateral, as listed below (and in Exhibit A):

- Trone's interest in Total Wine affiliates in Kentucky and two in Tennessee were not reported in his [2016 disclosure](#), but were listed as collateral in a [loan amendment](#) filed the same year.¹⁶
- Trone's interest in Total Wine affiliates of California, Kentucky, and two in Tennessee were not reported in his [2018 disclosure](#), but were listed as collateral in his April [2018 PNC loan](#).

¹⁰ Andrew Kerr, *David Trone Spent \$62 Million To Win Maryland's Democratic Senate Primary. Will It Be Enough?*, Washington Free Beacon, May 14, 2024, available at: <https://freebeacon.com/elections/david-trone-spent-62-million-to-win-marylands-democratic-senate-primary-will-it-be-enough/>; Andrew Kerr, *David Trone Says He Has No Involvement in Total Wine Empire Fueling His Senate Bid. Financial Disclosures Say Otherwise*, Washington Free Beacon, May 7, 2024, available at: <https://freebeacon.com/democrats/david-trone-says-he-has-no-involvement-in-total-wine-empire-fueling-his-senate-bid-financial-disclosures-say-otherwise/>.

¹¹ Andrew Kerr, *David Trone's Financial Disclosures Don't Add Up. Experts Say That Could Land Him in Legal Trouble*, Washington Free Beacon, May 1, 2024, available at <https://freebeacon.com/democrats/david-trones-financial-disclosures-dont-add-up-experts-say-that-could-land-him-in-legal-trouble/>.

¹² Rep. David Trone Financial Disclosure Reports, Clerk of the House of Representatives, available at: <https://disclosures-clerk.house.gov/FinancialDisclosure>; see Exhibit A.

¹³ Andrew Kerr, *David Trone's Financial Disclosures Don't Add Up. Experts Say That Could Land Him in Legal Trouble*, Washington Free Beacon, May 1, 2024, available at <https://freebeacon.com/democrats/david-trones-financial-disclosures-dont-add-up-experts-say-that-could-land-him-in-legal-trouble/>; see Exhibit A.

¹⁴ David Trone UCC Financing Statements, Maryland Department of Assets & Taxation, available via search at: <https://egov.maryland.gov/SDAT/UCCFiling/UCCMainPage.aspx>.

¹⁵ Rep. David Trone Financial Disclosure Reports, Clerk of the House of Representatives, available at: <https://disclosures-clerk.house.gov/FinancialDisclosure>.

¹⁶ 2016 Financial Disclosure Report, Clerk of the House of Representatives, available at: https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2016/10009603.pdf; David Trone UCC Financing Statements, Maryland Department of Assets & Taxation, available via search at: <https://egov.maryland.gov/SDAT/UCCFiling/UCCMainPage.aspx>.

- Trone's interest in Total Wine affiliates of California, Kentucky, and Wisconsin were not reported in his [2019 disclosure](#), but were listed as collateral in his April [2019 PNC loan](#).
- Trone's ownership interest in a Total Wine affiliate in Indiana was omitted from his [2020 financial disclosure](#) despite being used as collateral in a [2020 PNC loan](#).
- In 2022, Trone [omitted](#) his ownership interest in Indiana Fine Wine & Spirits from his financial disclosure, even though it was [maintained](#) as collateral for the PNC loan last updated in 2020 and continued early in 2023.

Because these franchises appear to have a value of more than \$1,000 based upon Trone's use of them as collateral, Trone would be required to disclose them.

The financial disclosure law is extremely important and it must be strictly enforced because it is the only method to determine whether candidates or Members have conflicts of interest.¹⁷ There is no excuse for violating this law even one time, and when a House Member fails to comply with the disclosure laws it is instructive of whether they will follow all the ethics rules. Moreover, the failure of Members to follow the most basic ethics rules leads to public distrust in our elected officials as a whole.¹⁸ We request the OCE and Committee investigate Rep. Trone to determine whether he failed to report assets as required by law and impose any appropriate sanctions.

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,

/s/Kendra Arnold

Kendra Arnold
Executive Director
Foundation for Accountability & Civic Trust

¹⁷ Members may obtain nonpublic information about a company or economic sector during the course of the official duties. U.S. House of Reps. Comm. on Ethics 116th Cong., *Memo Re. Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement*, at 3 (June 11, 2020).

¹⁸ See, e.g., Tim Mak, *TikTokers Are Trading Stocks By Copying What Members Of Congress Do*, NPR, Sept. 21, 2021, available at: <https://www.npr.org/2021/09/21/1039313011/tiktokers-are-trading-stocks-by-watching-what-members-of-congress-do> (discussing that a portion of the public has lost trust in government to the extent they believe Members' stock trades are based on corruption and it would be financially beneficial to copy the Members' trades).

Exhibit: Analysis of Rep. David Trone's Financial Disclosure Statements

2016 FINANCIAL DISCLOSURE STATEMENT

Company Used As Collateral	State	Listed On Financial Disclosure	Notes
Arizona Fine Wine & Spirits	AZ	Schedule A	
California Fine Wine & Spirits	CA	Schedule E	Listed as Co-Manager/President
Cherry Hill Wine & Spirits	NJ	Schedule A	
Connecticut Fine Wine & Spirits	CT	Schedule A	
DRT Wine & Spirits	MN	Schedule A	
DT Georgia Holdings	GA	Schedule E	Listed As Director/President
DT Virginia Fine Wines	VA	Schedule E	Listed As Manager/President
Fine Wines & Spirits of North Texas	TX	Schedule A	
Florida Fine Wine & Spirits	FL	Schedule A	
GFWS Holdings	GA	Schedule A	
Kentucky Fine Wines & Spirits	KY	No	
Massachusetts Fine Wines & Spirits	MA	Schedule E	Listed As President
Minnesota Fine Wines & Spirits	MN	Schedule A	
Nevada Fine Wine & Spirits	NV	Schedule A	Listed As Co-Manager/President
Retail Services & Systems	PA	Schedule A	
Tennessee Fine Wines & Spirits	TN	No	
TFWS	MD	Schedule A	
Washington Fine Wine & Spirits	WA	Schedule E	Listed As Co-Manager/President
Wisconsin Fine Wines & Spirits	TN	No	

Key:

Green = Listed On 2016 Financial Disclosure As Asset Or Unearned Income (Schedule A)

Yellow = Listed Otherwise On 2016 Financial Disclosure

Red = Not Listed On 2016 Financial Disclosure

Note: [UCC](#) Filed 12/6/16

Note: [Ethics Disclosure](#) Filed 3/4/16

2018 FINANCIAL DISCLOSURE STATEMENT

Company Used As Collateral	State	Listed On Financial Disclosure	Notes
Arizona Fine Wine & Spirits	AZ	Schedule A	
California Fine Wine & Spirits	CA	No	
Cherry Hill Wine & Spirits	NJ	Schedule A	
Connecticut Fine Wine & Spirits	CT	Schedule A	
DRT Wine & Spirits	MN	Schedule A	
DT Georgia Holdings	GA	Schedule A	
DT Virginia Fine Wines	VA	Schedule A	
Fine Wines & Spirits of North Texas	TX	Schedule A	
Florida Fine Wine & Spirits	FL	Schedule A	
GFWS Holdings	GA	Schedule A	
Kentucky Fine Wines & Spirits	KY	No	
Massachusetts Fine Wines & Spirits	MA	Schedule A	
Minnesota Fine Wines & Spirits	MN	Schedule A	

Nevada Fine Wine & Spirits	NV	Schedule A	
Retail Services & Systems	PA	Schedule A	
Taste of New York Beer & Grocery	NY	Schedule E	Listed As Manager/President/Secretary/ Treasurer
Tennessee Fine Wines & Spirits	TN	No	
TFWS	MD	Schedule A	
Washington Fine Wine & Spirits	WA	Schedule A	
Wisconsin Fine Wines & Spirits	TN	No	

Key:

Green = Listed On 2018 Financial Disclosure As Asset Or Unearned Income (Schedule A)

Yellow = Listed Otherwise On 2018 Financial Disclosure

Red = Not Listed On 2018 Financial Disclosure

Note: [UCC](#) Filed 1/2/18

Note: [Ethics Disclosure](#) Filed 5/13/19 Covering 1/1/17-12/31/18

2019 FINANCIAL DISCLOSURE STATEMENT

Company Used As Collateral	State	Listed On Financial Disclosure	Notes
Arizona Fine Wine & Spirits	AZ	Schedule A	
California Fine Wine & Spirits	CA	No	
Cherry Hill Wine & Spirits	NJ	Schedule A	
Colorado Fine Wines & Spirits	CO	Schedule E	Listed As Co-Manager
Connecticut Fine Wine & Spirits	CT	Schedule A	
DRT Wine & Spirits	MN	Schedule A	
DT Georgia Holdings	GA	Schedule A	
DT Virginia Fine Wines	VA	Schedule A	
Fine Wines & Spirits of North Texas	TX	Schedule A	
Florida Fine Wine & Spirits	FL	Schedule A	
GFWS Holdings	GA	Schedule A	
Kentucky Fine Wines & Spirits	KY	No	
Massachusetts Fine Wines & Spirits	MA	Schedule A	
Minnesota Fine Wines & Spirits	MN	Schedule A	
Nevada Fine Wine & Spirits	NV	Schedule A	
Retail Services & Systems	PA	Schedule A	
Taste of New York Beer & Grocery	NY	Schedule E	Listed As Manager/President/Secretary/Treasurer
TFWS	MD	Schedule A	
Washington Fine Wine & Spirits	WA	Schedule A	
Wisconsin Fine Wines & Spirits	WI	No	

Key:

Green = Listed On 2019 Financial Disclosure As Asset Or Unearned Income (Schedule A)

Yellow = Listed Otherwise On 2019 Financial Disclosure

Red = Not Listed On 2019 Financial Disclosure

Note: [UCC](#) Filed 8/5/19

Note: [Ethics Disclosure](#) Filed 8/13/20, Covering All Of 2019

2020 FINANCIAL DISCLOSURE STATEMENT

Company Used As Collateral	State	Listed On Financial Disclosure	Notes
Arizona Fine Wine & Spirits	AZ	Schedule A	
California Fine Wine & Spirits	CA	Schedule A	
Cherry Hill Wine & Spirits	NJ	Schedule A	
Colorado Fine Wines & Spirits	CO	Schedule A	
Connecticut Fine Wine & Spirits	CT	Schedule A	
DRT Wine & Spirits	MN	Schedule A	
DT Georgia Holdings	GA	Schedule A	
DT Virginia Fine Wines	VA	Schedule A	
Fine Wines & Spirits of North Texas	TX	Schedule A	
Florida Fine Wine & Spirits	FL	Schedule A	
GFWS Holdings	GA	Schedule A	
Indiana Fine Wine & Spirits	IN	No	
Kentucky Fine Wine & Spirits	KY	Schedule A	
Massachusetts Fine Wines & Spirits	MA	Schedule A	
Minnesota Fine Wines & Spirits	MN	Schedule A	
Nevada Fine Wine & Spirits	NV	Schedule A	
Retail Services & Systems	PA	Schedule A	
TFWS	MD	Schedule A	
Washington Fine Wine & Spirits	WA	Schedule A	
Wisconsin Fine Wines & Spirits	WI	Schedule A	

Key:

Green = Listed On 2020 Financial Disclosure As Asset Or Unearned Income (Schedule A)

Yellow = Listed Otherwise On 2020 Financial Disclosure

Red = Not Listed On 2020 Financial Disclosure

Note: [UCC](#) Filed 8/4/20

Note: [Ethics Disclosure](#) Filed 8/13/21, Covering All Of 2020

2022 FINANCIAL DISCLOSURE STATEMENT

Company Used As Collateral	State	Listed On Financial Disclosure	Notes
Arizona Fine Wine & Spirits	AZ	Schedule A	
California Fine Wine & Spirits	CA	Schedule A	
Cherry Hill Wine & Spirits	NJ	Schedule A	
Colorado Fine Wines & Spirits	CO	Schedule A	
Connecticut Fine Wine & Spirits	CT	Schedule A	
DRT Wine & Spirits	MN	Schedule A	
DT Georgia Holdings	GA	Schedule A	
DT Virginia Fine Wines	VA	Schedule A	
Fine Wines & Spirits of North Texas	TX	Schedule A	
Florida Fine Wine & Spirits	FL	Schedule A	
GFWS Holdings	GA	Schedule A	
Indiana Fine Wine & Spirits	IN	No	
Kentucky Fine Wine & Spirits	KY	Schedule A	
Massachusetts Fine Wines & Spirits	MA	Schedule A	
Minnesota Fine Wines & Spirits	MN	Schedule A	
Nevada Fine Wine & Spirits	NV	Schedule A	
Retail Services & Systems	PA	Schedule A	

TFWS	MD	Schedule A	
Washington Fine Wine & Spirits	WA	Schedule A	
Wisconsin Fine Wines & Spirits	WI	Schedule A	

Key:

Green = Listed On 2022 Financial Disclosure As Asset Or Unearned Income (Schedule A)

Yellow = Listed Otherwise On 2022 Financial Disclosure

Red = Not Listed On 2022 Financial Disclosure

Note: [UCC](#) Filed 8/4/20

Note: [Ethics Disclosure](#) Filed 5/15/23, Covering All Of 2022

Note: [UCC Continuation](#) Filed 1/6/23 Without Changes To Underlying Collateral