

House Calendar No. 40

119TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
119-218

IN THE MATTER OF ALLEGATIONS
RELATING TO REPRESENTATIVE
MIKE KELLY

R E P O R T

OF THE

COMMITTEE ON ETHICS



JULY 29, 2025.—Referred to the House Calendar and ordered
to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ETHICS,
Washington, DC, July 29, 2025.

Hon. KEVIN MCCUMBER,
Clerk, House of Representatives,
Washington, DC.

DEAR MR. MCCUMBER: Pursuant to clauses 3(a)(2) and 3(b) of Rule XI of the Rules of the House of Representatives, we herewith transmit the attached report, "In the Matter of Allegations Relating to Representative Mike Kelly."

Sincerely,

MICHAEL GUEST,
Chairman.
MARK DESAULNIER,
Ranking Member.

CONTENTS

	Page
I. INTRODUCTION	1
II. PROCEDURAL HISTORY	2
III. RELEVANT LAWS, RULES, AND OTHER APPLICABLE STANDARDS OF CONDUCT	3
IV. FACTUAL BACKGROUND	6
A. Representative Kelly's Support for Section 232 Tariffs for GOES Products	6
B. Department of Commerce Announcement of Section 232 Investigation	8
C. Mrs. Kelly's Cleveland-Cliffs Stock Transactions and Related Media Inquiries	10
V. FINDINGS	15
A. The Committee did not Find Substantial Evidence That Representative Kelly Violated Laws, Rules, or Other Standards of Conduct Relating to Insider Trading and Conflicts of Interest	15
B. The Committee Found Substantial Evidence That Representative Kelly Violated the Code of Official Conduct	21
VI. CONCLUSION	23
VII. STATEMENT UNDER HOUSE RULE XIII CLAUSE 3(C)	23
APPENDIX A: REPORT AND FINDINGS OF THE OFFICE OF CONGRESSIONAL CONDUCT	24
APPENDIX B: REPRESENTATIVE KELLY'S SUBMISSIONS TO THE COMMITTEE	430
APPENDIX C: EXHIBITS TO THE COMMITTEE REPORT	442

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IN THE MATTER OF ALLEGATIONS RELATING TO REPRESENTATIVE MIKE KELLY

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Mr. GUEST, from the Committee on Ethics,
submitted the following

R E P O R T

In accordance with House rule XI, clauses 3(a)(2) and 3(b), the Committee on Ethics (Committee) hereby submits the following Report to the House of Representatives:

I. INTRODUCTION

On July 23, 2021, the Office of Congressional Conduct (OCC), then known as the Office of Congressional Ethics, transmitted a Report and Findings (Referral) regarding allegations that Representative Mike Kelly's wife, Victoria Kelly, may have purchased stock based on confidential or material nonpublic information that Representative Kelly had learned during his official job duties. OCC found there was substantial reason to believe Mrs. Kelly's stock purchase was made based on confidential information that Representative Kelly learned from his official work.¹ However, citing the lack of cooperation from Representative Kelly, his wife, and his then-chief of staff, OCC noted that it "cannot definitively say what Representative Kelly and his wife knew about these developments and when they knew them."²

The Committee reviewed the allegations referred by OCC pursuant to Committee Rule 18(a). Representative Kelly cooperated with the Committee's investigation and the Committee did not find evidence that he knowingly or intentionally caused his spouse to trade based on insider information. The Committee did not receive full cooperation from Mrs. Kelly and was therefore unable to determine whether her stock purchase was improper. The Committee also

¹ Report and Findings from the Office of Congressional Conduct (Review No. 21-9221) (Appendix A) at 3 (hereinafter OCC Referral).

² *Id.* at 19.

considered whether Representative Kelly violated conflict of interest standards and did not find a clear violation. Members nonetheless have a duty to protect the integrity of the institution, which requires them to be sensitive to even the appearance of impropriety. The Committee is particularly concerned with Representative Kelly's actions during the Committee's investigation—most notably the fact that his wife made an additional purchase of stock in the same company during the pendency of the investigation, Representative Kelly did not timely disclose that purchase, and he failed to respond to Committee questions regarding the purchase. As discussed further below, the Committee determined that Representative Kelly (and his wife) should divest of any stock in the company before Representative Kelly takes any further official actions directly related to that company. Additionally, the Committee found that Representative Kelly's failure to acknowledge the seriousness of the alleged misconduct and the Committee's investigation violated clause 1 of the Code of Official Conduct.

Accordingly, on July 22, 2025, the Committee unanimously voted to issue this Report, which will serve as a reproof of Representative Kelly's conduct.

II. PROCEDURAL HISTORY

OCC undertook a preliminary review of this matter on March 9, 2021. On April 7, 2021, OCC initiated a second-phase review of this matter. The Committee received the OCC Referral on July 23, 2021.³ Representative Kelly submitted a written response to the OCC Referral through his attorney on August 26, 2021. On September 7, 2021, the then-Chairman and Ranking Member of the Committee issued a statement announcing that they had jointly decided to extend the Committee's consideration of the OCC Referral regarding Representative Kelly for an additional 45-day period. On October 21, 2021, pursuant to House and Committee rules, the Committee publicly released the OCC Referral, along with a copy of Representative Kelly's written response.

The Committee reviewed materials provided by OCC, including its Report and Findings, along with other documentary and testimonial evidence obtained by OCC. In addition, the Committee's then-Chairman and Ranking Member requested information from Representative Kelly and Mrs. Kelly, both of whom voluntarily provided documents to the Committee.

In total, Committee staff reviewed over 25,000 pages of documents, including Representative Kelly's submissions and the other documents described above.⁴ The Committee also interviewed 5 individuals, including Representative Kelly. Mrs. Kelly refused to participate in a voluntary interview or to respond to written questions from the Committee, citing her prior cooperation with document requests as well as health concerns. After Representative Kelly reported an additional purchase of stock in the same company by his wife, the Committee sought additional information

³OCC referred allegations that "Rep. Kelly's wife may have purchased Cleveland-Cliffs stock based upon confidential information Rep. Kelly learned in the course of his official duties" in violation of the Code of Ethics of Government Service and House Rules.

⁴Representative Kelly and Mrs. Kelly were significantly delayed in making their productions to the Committee, and the records they did provide were largely nonresponsive.

from both Representative Kelly and Mrs. Kelly, but neither cooperated with that request.

On June 17, 2025, the Committee notified Representative Kelly that it was considering the adoption of a public report that would serve as a reproof of him regarding this matter. Consistent with the Committee’s longstanding practice when considering a sanction vote, Representative Kelly was provided with a draft of the report under consideration. In response, he reiterated the significance of the company’s plant both to the employees in his district and to the United States’ national security; he also stated that Mrs. Kelly’s purchase of the stock was “to show her support for the workers and management” of the plant.⁵

On July 22, 2025, the Committee unanimously voted to adopt this Report with respect to Representative Kelly.

III. RELEVANT LAWS, RULES, AND OTHER APPLICABLE STANDARDS OF CONDUCT

Federal laws apply to the trading of securities by Members. The Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act) affirms that Members and employees are subject to the insider trading prohibitions under the securities laws, including Section 10(b) of the Securities Exchange Act of 1934 and 17 C.F.R. § 240.10b–5.⁶ This prohibition applies to information learned in both an official capacity and a personal capacity.⁷

Section 4 of the STOCK Act makes clear that Members owe a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States, with respect to material, nonpublic information derived from their position as a Member of Congress.⁸ Material nonpublic information includes any information related to a company “that would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available.”⁹ Securities laws prohibit “undisclosed trading on inside corporate information by individuals who are under a duty of trust and confidence that prohibits them from secretly using such information for their personal advantage.”¹⁰ Accordingly, if a Member chooses to trade on material nonpublic information, then the Member may have engaged in insider trading.

The prohibition on insider trading extends to the “tipping” of inside information to others.¹¹ Tipping is passing along inside information in violation of a duty of confidentiality. A tip occurs when an insider (the “tipper”) discloses inside information to another per-

⁵ Letter from Representative Mike Kelly to Chairman Michael Guest and Ranking Member Mark DeSaulnier, Committee on Ethics (July 7, 2025) (Appendix B).

⁶ 15 U.S.C. § 78j note.

⁷ Comm. on Ethics, *Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement* (June 11, 2020) (hereinafter 2020 Pink Sheet), <https://ethics.house.gov/wp-content/uploads/2020/04/STOCK-Act-6.11.2020-Final.pdf>. See also Comm. on Ethics, *New Ethics Requirements Resulting from the STOCK Act* (April 4, 2012) (hereinafter 2012 Pink Sheet), <https://ethics.house.gov/wp-content/uploads/2012/04/Stock-Act-Pink-Sheet.pdf>; Comm. on Ethics, *Rules Regarding Personal Financial Transactions* (Nov. 29, 2011) (hereinafter 2011 Pink Sheet), <https://ethics.house.gov/wp-content/uploads/2011/11/fin-trans-pink-sheet.pdf>.

⁸ STOCK Act § 21A(g) (1934) (as amended).

⁹ *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976). See also *U.S. v. Bachynsky*, 415 F. App’x 167 (11th Cir. 2011) (“[A] fact is material if there is a substantial likelihood a reasonable investor would consider it important in making an investment decision.”).

¹⁰ *Salman v. United States*, 137 S. Ct. 420, 423 (2016).

¹¹ *Id.*

son, who knows or should have known that the tipper was breaching a duty by disclosing the information and the tipper intended to personally benefit by providing the information.¹² This includes both direct and indirect personal benefit, “such as a pecuniary gain or a reputational benefit that will translate into future earnings,” or “a gift of confidential information to a trading relative or friend.”¹³ This is because “giving a gift of trading information is the same thing as trading by the tipper followed by a gift of the proceeds.”¹⁴ A factfinder in an insider trading case “need only infer the most likely source of” the trader’s belief that “the price of a stock is going up”¹⁵ If a Member chooses to disclose material nonpublic information to another person, then the Member may incur liability for insider trading through tipping.

In general, “ethics principles prohibit a Member from using his or her congressional position for personal gain.”¹⁶ House rule XXIII, clause 3, states that “a Member . . . may not receive compensation and may not permit compensation to accrue to the beneficial interest of such individual from any source, the receipt of which would occur by virtue of influence improperly exerted from the position of such individual in Congress.” The Code of Ethics for Government Service (Code of Ethics) states that “[a]ny person in Government should . . . [n]ever use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.”¹⁷

Section 5 of the Code of Ethics states that “[a]ny person in Government services should . . . never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.” Accordingly, a *quid pro quo* is not necessary to establish a violation of Section 5: “the Committee has consistently prohibited acting on matters in which a Member has a financial interest precisely because the public would construe such action as self-dealing, whether the Member engaged in the action for that reason or not.”¹⁸ Thus, “[t]he only question is whether ‘reasonable persons’ ‘might construe’ [a Member’s interest] as influencing the performance of his government duties” or whether “the public might, and reasonably could, view [the official action] as motivated by his substantial [financial interest].”¹⁹ Section 5 of the Code of Ethics also prohibits a government official from “discriminat[ing] unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not[.]”²⁰

¹²2011 Pink Sheets; see also *Salman*, 137 S. Ct. at 423.

¹³*Salman*, 137 S. Ct. at 427 (quoting *Dirks v. SEC*, 463 U.S. 646, 663–64 (1983)) (internal quotations omitted).

¹⁴*Id.* at 428.

¹⁵*S.E.C. v. Ginsburg*, 362 F.3d 1292, 1298–99 (11th Cir. 2004) (“The temporal proximity of a phone conversation between the trader and one with insider knowledge provides a reasonable basis for inferring that the basis of the trader’s belief was the inside information. The larger and more profitable the trades, and the closer in time the trader’s exposure to the insider, the stronger the inference that the trader was acting on the basis of inside information.”).

¹⁶*House Ethics Manual* (2022) at 196–98 (hereinafter *Ethics Manual*).

¹⁷Code of Ethics ¶ 8.

¹⁸Comm. on Ethics, *In the Matter of Allegations Relating to Representative Roger Williams*, H. Rept. 115–271, 115th Cong., 1st Sess. 3 (2017) (hereinafter *Williams*); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Phil Gingrey*, H. Rept. 113–664, 113th Cong., 2d Sess. 18 (2014) (hereinafter *Gingrey*). See also Comm. on Ethics, *In the Matter of Allegations Relating to Representative Shelley Berkley*, H. Rept. 112–716, 112th Cong., 2d Sess. 55 (2012) (hereinafter *Berkley*).

¹⁹*Williams* at 3 (citing *Gingrey* at 20–21).

²⁰*Id.*

The *Ethics Manual* explains that a “purpose of these rules and standards is to preclude conflicts of interest,” referring to situations “in which an official’s conduct of his office conflicts with his private economic affairs.”²¹ The *Ethics Manual* also notes that the Committee “routinely advises Members and staff to avoid situations in which even an inference might be drawn suggesting improper conduct” that may “undermine the public’s faith in government.”²² The *Ethics Manual* further notes that certain Member actions such as sponsoring legislation or contacting an executive branch agency “entail a degree of advocacy above and beyond that involved in voting[.]”²³ Thus, a “Member’s decision on whether to take any such action on a matter that may affect his or her personal financial interest requires added circumspection.”²⁴ Members considering taking official action other than voting on a matter affecting their financial interests are advised to “first contact the [Ethics] Committee for guidance.”²⁵

Clauses 1 and 2 of the Code of Official Conduct (House rule XXIII) provide that a Member “shall behave at all times in a manner that shall reflect creditably on the House,” and “shall adhere to the spirit and the letter of the Rules of the House.” In enforcing clause 1, the Committee has noted that “[c]ause 1 is a purposely subjective standard designed to ‘have a deterrent effect against improper conduct,’ and to provide ‘the ability to deal with any given act or accumulation of acts which, in the judgment of the [C]ommittee, are severe enough to reflect discredit on the Congress.”²⁶ The provision serves “as a safeguard for the House as a whole.”²⁷

The Committee has also noted that the standards of conduct governing the ethical behavior of the House community are not criminal statutes to be construed strictly, but rather—under clause 2 of House rule XXIII—must be read to prohibit violations not only of the letter of the rules, but of the spirit of the rules. The standard “provide[s] the House the means to deal with infractions that rise to trouble it without burdening it with defining specific charges that would be difficult to state with precision.”²⁸ The practical effect of clause 2 is to allow the Committee to construe the ethical rules broadly and prohibit Members from doing indirectly what they would be barred from doing directly. The *Ethics Manual* states that “a narrow technical reading of a House [R]ule should not overcome its ‘spirit’ and the intent of the House in adopting that and other rules of conduct.”²⁹ Similarly, the Committee has found that conduct that does not strictly meet each of the elements

²¹ *Ethics Manual* at 221.

²² *Id.* at 196; Code of Ethics ¶ 8.

²³ *Ethics Manual* at 246; see also *Williams* at 3.

²⁴ *Ethics Manual* at 246.

²⁵ *Id.*

²⁶ Comm. on Ethics, *In the Matter of Allegations Relating to Representative Matt Gaetz*, H. Rept. 116–479, 116th Cong., 2d Sess. 17 (2020) (hereinafter *Gaetz*) (quoting *House Ethics Manual* (2008) at 13 (citing 114 Cong. Rec. 8778 (Apr. 3, 1968))).

²⁷ Comm. on Standards of Official Conduct, *Inquiry into the Operation of the Bank of the Sergeant-At-Arms of the House of Representatives*, H. Rept. 102–452, 102d Cong., 2d Sess. 22 (1992) (hereinafter *Sergeant-At-Arms*) (citing Comm. on Standards of Official Conduct, H. Rept. 90–1176, 90th Cong., 2d Sess. 17 (1968)).

²⁸ 114 Cong. Rec. 8778 (Apr. 3, 1968) (Statement of Representative Price).

²⁹ *Ethics Manual* at 16–17 (citing House Select Comm. On Ethics, *Advisory Opinion No. 4*, H. Rept. 95–1837, 95th Cong. 2d Sess. 62 (1979)).

of a federal statute may nonetheless violate the Code of Official Conduct.³⁰

IV. FACTUAL BACKGROUND

Representative Kelly has represented the 16th District of Pennsylvania since 2011.³¹ He has been married to his wife, Victoria Kelly, since 1973. Mrs. Kelly, who received a large family inheritance, has her own trading account that is managed by a brokerage; that account was worth over \$7 million in 2020.³²

As discussed in more detail below, in early 2020, Representative Kelly and his staff worked to garner support within the Department of Commerce (Commerce) and the Trump Administration for the implementation of Section 232 tariffs to protect the production of grain oriented electrical steel (GOES) in the United States. AK Steel, which was acquired by Cleveland-Cliffs in early 2020, is the only producer of GOES in the United States. GOES is exclusively produced at a plant in Butler, PA, which is located in Representative Kelly's district. In March 2020, Cleveland-Cliffs' CEO publicly indicated that, without tariff protections, the company may close the Butler plant (as well as a finishing plant in Zanesville, OH) and lay off employees.³³ On April 28, 2020, Cleveland-Cliffs opted not to close the Butler or Zanesville plants after Commerce advised the company that it would initiate a Section 232 investigation covering certain GOES-based steel products. Representative Kelly's staff was apprised of these developments by Commerce officials and Cleveland-Cliffs that same day. The next day, April 29, Mrs. Kelly purchased 5,000 shares of Cleveland-Cliffs stock for \$23,075. This purchase was disclosed in a periodic transaction report (PTR) filed by Representative Kelly on May 15, 2020.

A. REPRESENTATIVE KELLY'S SUPPORT FOR SECTION 232 TARIFFS FOR GOES PRODUCTS

On December 3, 2019, Cleveland-Cliffs announced a merger agreement with AK Steel;³⁴ the acquisition was finalized in March 2020.³⁵ In January and March 2020, Cleveland-Cliffs expressed its intention to shut down both the Butler and Zanesville plants "[u]nless the U.S. government intervened and either extended existing Section 232 steel tariff protections to transformer lamination and cores . . . or instituted standalone Section 232 tariffs for GOES products used in the transformer supply chain," citing circumvention of existing tariffs through Canada and Mexico.³⁶ Rep-

³⁰ See Comm. on Ethics, *In the Matter of Allegations Relating to Representative Ruben Kihuen*, H. Rept. 115-1041, 115th Cong., 2d Sess. (2018) (noting that conduct that may not meet the technical requirements of applicable sexual harassment laws may nevertheless be a violation of the Code of Official Conduct).

³¹ Representative Kelly was originally elected to the 3rd District of Pennsylvania in 2010, which was largely redistricted to the 16th District in 2018.

³² See Exhibit 1.

³³ Daniel Moore, *Steel CEO to Trump administration: Tariffs 'loophole' threatens Butler plant*, PITTSBURGH POST-GAZETTE (Mar. 12, 2020) (hereinafter March 2020 Pittsburgh Post-Gazette Article), <https://www.post-gazette.com/news/politics-nation/2020/03/12/Trump-tariffs-loophole-jobs-Butler-AK-Steel-Cleveland-Cliffs-Mike-Kelly/stories/202003120072>.

³⁴ See Cleveland-Cliffs, *Cleveland-Cliffs to Acquire AK Steel* (Dec. 3, 2019), <https://www.clevelandcliffs.com/news/news-releases/detail/50/cleveland-cliffs-to-acquire-ak-steel>.

³⁵ See Cleveland-Cliffs, *Cleveland-Cliffs Completes Acquisition of AK Steel* (Mar. 13, 2020), <https://www.clevelandcliffs.com/news/news-releases/detail/35/cleveland-cliffs-completes-acquisition-of-ak-steel>.

³⁶ OCC Referral Exhibits 2, 5. Under Section 232 of the Trade Expansion Act, the President can adjust imports of goods or materials from other countries, including by tariffs, if the quan-

representative Kelly was aware of the concerns from individuals working at the Butler plant beginning in early 2020.³⁷ The potential closure of the Butler plant was one of the most important constituent issues that Representative Kelly and his congressional office addressed in the early part of 2020. Representative Kelly described it as “a serious problem” that “is a matter not only of the jobs in my town and in our state but also for national security.”³⁸ Likewise, one of his staffers described the possible plant closure as a “big deal” for the congressional office.³⁹

The Chairman, President, and CEO of Cleveland-Cliffs was a witness at a hearing held by the Congressional Steel Caucus on March 5, 2020.⁴⁰ In his testimony before the Caucus members, including Representative Kelly, he discussed the importance of Section 232 protections and said “1,500 jobs in Butler, PA will be gone . . . if I don’t get help.”⁴¹ On March 6, Representatives Kelly and Troy Balderson (of the 12th District in Ohio that includes the Zanesville plant) transmitted a letter to President Donald Trump regarding the threat of GOES imports into Canada and Mexico being used to create products that are then imported into the United States.⁴² The letter indicated that this practice was a particular threat to AK Steel, and noted AK Steel was soon going to be acquired by Cleveland-Cliffs. Shortly thereafter, on March 9, the Butler County Board of Commissioners sent a letter to President Trump regarding their support for Cleveland-Cliffs’ request to “close the loophole in the ‘Section 232’ steel tariffs” and laying out the potential loss to Butler County if Commerce did not extend the tariffs.⁴³ The Board of Commissioners copied Representative Kelly on this letter.

On April 15, 2020, Members of Congress sent a letter to President Trump regarding their concerns about “the vulnerability of the electrical transformer supply chain and the fate of 1,500 jobs in Pennsylvania and Ohio.”⁴⁴ Representative Kelly was a main signatory on this letter, and copied the U.S. Trade Representative, Secretary of Commerce Wilbur Ross, and White House trade advisor Peter Navarro.

On April 22, 2020, Cleveland-Cliffs informed Representative Kelly that it intended to provide layoff notices at the Butler and Zanesville plants.⁴⁵ From around April 22 through April 27, Representative Kelly was actively engaged in seeking support for Sec-

tivity or circumstances surrounding those imports are found to be a threat to national security. 19 U.S.C. §1862 (as amended). *See also* Cong. Research Service, “Section 232 of the Trade Expansion Act of 1962” (Updated Apr. 1, 2022), available at <https://crsreports.congress.gov/product/pdf/IF/IF10667>; March 2020 Pittsburgh Post-Gazette Article (“Lourenco Goncalves, chairman and CEO of Cleveland-Cliffs Inc., said in an interview he would ‘shut that plant down,’ doubling down on a ‘promise’ he made last week before a Congressional panel to cut those jobs should U.S. officials not act swiftly to stem the flow of [GOES] imports.”).

³⁷ 18(a) Interview of Representative Kelly.

³⁸ *Id.* (also stating that “[M]y entire staff, whether it’s here in D.C. or back home, were alert.”).

³⁹ 18(a) Interview of Congressional Staffer 2.

⁴⁰ Lourenco Goncalves, Congressional Steel Caucus Hearing Testimony (Mar. 5, 2020), <https://www.steel.org/wp-content/uploads/2020/06/Lourenco-Goncalves-Chairman-President-and-CEO-Cleveland-Cliffs-Testimony.pdf>. *See also* OCC Referral Exhibit 5.

⁴¹ OCC Referral Exhibit 5.

⁴² *See* OCC Referral Exhibit 4.

⁴³ OCC Referral Exhibit 1.

⁴⁴ OCC Referral Exhibit 11.

⁴⁵ *See* OCC Referral Exhibit 13. *See also* OCC Referral Exhibit 16 (April 22, 2020, email from Congressional Staffer 2 to Commerce official noting “things are getting dire at the Butler, PA plant.”).

tion 232 tariffs for GOES products. As part of that effort, Representative Kelly and his staff coordinated with other Member offices and contacted Secretary Ross, the U.S. Trade Representative, and senior White House officials.⁴⁶ The matter was a “high priority” for Representative Kelly during this time.⁴⁷

B. DEPARTMENT OF COMMERCE ANNOUNCEMENT OF SECTION 232
INVESTIGATION

On April 24, 2020, Commerce informed Cleveland-Cliffs that it would not pursue coverage of GOES derivative products under the Section 232 tariffs.⁴⁸ Representative Kelly and his staff continued to liaise with the Administration on the issue after April 24, with the discussion turning to whether Commerce would initiate an investigation under Section 232, which allows the Secretary of Commerce to self-initiate an investigation to determine whether foreign imports are a threat to national security.⁴⁹ In a phone call that took place around noon on April 28, 2020, Secretary Ross informed Cleveland-Cliffs’ CEO that Commerce intended to publicly announce a self-initiated Section 232 investigation covering the GOES-based transformer laminations and cores.⁵⁰ Cleveland-Cliffs’ employees informed Representative Kelly’s staff of Commerce’s commitment to the investigation later that same day.⁵¹ Staff from Commerce also directly informed Representative Kelly’s staff that day of the decision to initiate a Section 232 investigation.⁵²

Representative Kelly did not recall the specifics of when he learned of the Section 232 investigation, but he and several of his congressional staffers testified that he would have been informed of the development right away.⁵³ Representative Kelly told the Committee that his wife was aware of the potential layoffs and the impact that would have on the Butler community, but he did not believe he discussed Commerce’s actions with her.⁵⁴ Representative Kelly’s counsel stated in a submission to the Committee that “Mrs. Kelly was aware that Representative Kelly was working hard to protect these jobs and keep the AK Steel Butler Works open and operational.”⁵⁵ Likewise, in his interview with the Committee, Representative Kelly stated that “[e]veryone talked about the closure of the plant” and that people would come up to him and Mrs. Kelly in town to discuss their concerns.⁵⁶ Representative Kelly was also working from his home in Butler, PA during this time period, as he was recovering from COVID.⁵⁷ He told the Committee that

⁴⁶ See, e.g., OCC Referral Exhibits 12–21; Exhibit 2.

⁴⁷ See, e.g., OCC Referral Exhibit 19.

⁴⁸ See OCC Referral Exhibit 13.

⁴⁹ See, e.g., OCC Referral Exhibits 9, 12–27.

⁵⁰ See OCC Referral Exhibit 13.

⁵¹ See OCC Referral Exhibits 13, 28–29, 31.

⁵² See OCC Referral Exhibit 33; 18(a) Interview of Congressional Staffer 2; see also OCC Referral Exhibit 15 (text from a staffer in another congressional office to Representative Kelly’s staff stating, “Wilbur Ross just called AK Steel and they are going to come up with a deal—they are not announcing the closing or announcing they are firing anyone tomorrow!!!”).

⁵³ OCC Referral Exhibits 2, 30; 18(a) Interview of Congressional Staffer 1 (“I was informed by [Congressional Staffer 2], it would’ve gone to the Member first.”); 18(a) Interview of Congressional Staffer 2; 18(a) Interview of Representative Kelly.

⁵⁴ 18(a) Interview of Representative Kelly.

⁵⁵ Letter from counsel to Representative Mike Kelly to Chairman Theodore E. Deutch and Ranking Member Jackie Walorski, Committee on Ethics (Feb. 9, 2022) (Appendix B).

⁵⁶ 18(a) Interview of Representative Kelly.

⁵⁷ See Office of Representative Mike Kelly, *Representative Kelly Tests Positive for COVID-19* (Mar. 27, 2020), <https://kelly.house.gov/media/press-releases/representative-kelly-tests-positive-covid-19>; see also Office of Representative Mike Kelly, *Kelly Defeats COVID-19, Donates Con-*

“Mrs. Kelly would’ve heard any of my conversations” and that she “sits around for most of the time I’m on the phone.”⁵⁸ Representative Kelly’s staffer informed the Committee that he would have informed Representative Kelly by at least 4:00 p.m. on April 28, 2020, that Commerce decided to initiate a Section 232 investigation;⁵⁹ the Committee was unable to determine whether Mrs. Kelly heard any such conversation.

Representative Kelly’s staff initially expected Commerce to issue a press release regarding the Section 232 investigation imminently on the afternoon of April 28, 2020.⁶⁰ In anticipation of this release, Representative Kelly’s policy director emailed senior Cleveland-Cliffs employees, “Assuming everything stays on track with [Secretary] Ross’ offer to help with AK Steel, please let [communications director] know if you need a quote from [Representative Kelly]. He’s happy to help with press!”⁶¹ On the morning of April 29, 2020, Representative Kelly’s policy director informed other staffers that she had spoken with a senior Cleveland-Cliffs employee and that an announcement was likely going to be made later in the week based on a “late night” conversation with the Secretary of Commerce’s chief of staff.⁶² As discussed further below, that same day, Representative Kelly’s wife purchased 5,000 shares of Cleveland-Cliffs stock.

On May 1, 2020, Representative Kelly and several of his staffers had a phone call with Secretary Ross, during which Secretary Ross confirmed that a Section 232 investigation announcement was forthcoming.⁶³ Commerce publicly announced its Section 232 investigation on May 4, 2020.

Following the initiation of the Section 232 investigation, Representative Kelly and his staff continued to work with Cleveland-Cliffs in an effort to secure a favorable investigation result from Commerce. Representative Kelly’s office submitted a letter to the Secretary of Commerce on July 1, 2020, in response to Commerce’s request for comments regarding the 232 investigation. The letter stated:

As the U.S. Representative of Pennsylvania’s 16th Congressional District and lifelong resident of Butler, Pennsylvania, I am writing on behalf of AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc. and the last producer of [GOES] in North America, to express my strong support that the Department of Commerce recommend that Presi-

valescent Plasma to Aid Others in the Fight (May 12, 2020), <https://kelly.house.gov/media/press-releases/kelly-defeats-covid-19-donates-convalescent-plasma-aid-others-fight> (“U.S. Representative Mike Kelly . . . has been declared free of the virus by medical professionals. The congressman tested negative for the virus and positive for antibodies on May 6 . . .”).

⁵⁸ 18(a) Interview of Representative Kelly.

⁵⁹ 18(a) Interview of Congressional Staffer 2.

⁶⁰ See OCC Referral Exhibit 34.

⁶¹ OCC Referral Exhibit 47.

⁶² OCC Referral Exhibit 34.

⁶³ See OCC Referral Exhibits 35–36. Representative Kelly testified that he had no reason to believe that once Commerce had informed Cleveland-Cliffs that it would self-initiate a Section 232 investigation it would not go through with that decision. 18(a) Interview of Representative Kelly.

dent Trump take the necessary steps to preserve the production of this critical material in the U.S.⁶⁴

The letter also explained the plant's importance to the community, the essential nature of GOES for the electric grid, and the related national security implications.⁶⁵ It addressed the concern that companies circumvented the Section 232 tariff through the favored trade status of Canada and Mexico, which would cause Cleveland-Cliffs to permanently shut down the Butler plant.⁶⁶

In September and October 2020, Representative Kelly and his staff continued to have discussions with Cleveland-Cliffs personnel on the status of the Section 232 investigation.⁶⁷ Following publication of a press article critical of the Section 232 investigation, Representative Kelly's staffer emailed Cleveland-Cliffs employees noting that the congressman "was texting with your boss. He thinks it's important that we push back on the article highlighting the national security angle as the last maker of electrical steel."⁶⁸ These communications were happening within a few weeks of local press reaching out to Representative Kelly's office about Mrs. Kelly's stock purchase.⁶⁹

Commerce released its report on the findings of its Section 232 investigation on October 15, 2020.⁷⁰ On November 2, 2020, Section 232 extensions were applied to imported laminations and cores of GOES, and Cleveland-Cliffs "praised President Trump and his Administration for taking action to save 1,400 jobs" at the Butler plant.⁷¹ Prior to President Trump's speech on the Section 232 extensions, Representative Kelly's office provided talking points to the President's chief of staff and another White House official.⁷²

C. MRS. KELLY'S CLEVELAND-CLIFFS STOCK TRANSACTIONS AND RELATED MEDIA INQUIRIES

On April 29, 2020, Mrs. Kelly purchased 5,000 shares of stock in Cleveland-Cliffs for \$23,075.⁷³ This purchase occurred the day after Representative Kelly's staff learned that Commerce would be opening a Section 232 investigation, but five days before this information was announced publicly. Within Mrs. Kelly's vast investment portfolio, the Cleveland-Cliffs stock was an outlier. First, unlike other holdings in her investment portfolio that were traded at PNC's discretion, the purchase of this stock had to be instructed and confirmed directly by Mrs. Kelly in order for the transaction to be completed because it was not on PNC's investment plat-

⁶⁴ Exhibit 3. See also U.S. Department of Commerce, *The Effect of Imports of Transformers and Transformer Components on the National Security*, Appendix D (submission from Congressman Mike Kelly) (Oct. 15, 2020) (hereinafter Commerce Report).

⁶⁵ See Exhibit 3.

⁶⁶ See *id.*

⁶⁷ See Exhibit 4.

⁶⁸ Exhibit 5. See also Wall Street Journal Editorial Board, *Trump's Steel Election Trap*, WALL STREET JOURNAL (Sept. 29, 2020), <https://www.wsj.com/articles/trumps-steel-election-trap-11601420322>.

⁶⁹ See, e.g., Exhibit 6 (September 1, 2020, email chain in which Congressional Staffer 2 notes, "I spoke to Mike about it tonight."); OCC Referral Exhibit 45. Also around that time, Cleveland-Cliffs helped plan a virtual "steel industry" fundraiser for Representative Kelly. Exhibit 7.

⁷⁰ See Commerce Report (finding that GOES is "critical to the national security.>").

⁷¹ Cleveland-Cliffs, *Cleveland-Cliffs Applauds President Trump's Actions to Address Imports of Laminations and Cores from Electrical Steel* (Nov. 2, 2020), <https://www.clevelandcliffs.com/investors/news-events/press-releases/detail/10/cleveland-cliffs-applauds-president-trumps-actions-to>.

⁷² See Exhibit 8.

⁷³ See Exhibit 9.

form.⁷⁴ Second, at the time of the purchase, Mrs. Kelly’s investment activity consisted primarily of funds and bonds, as well as a trust that was substantially invested in “large capitalization” entities.⁷⁵ The Cleveland-Cliffs purchase was Mrs. Kelly’s first purchase of individual stock in nearly a year.⁷⁶

Representative Kelly filed a PTR for this transaction on May 15, 2020; in fact, the only transaction on that PTR was Mrs. Kelly’s Cleveland-Cliffs stock purchase. Individuals involved with filing Representative Kelly’s PTRs generally had different recollections of how that process occurred. For example, one of his staffers explained the process for filing PTRs in Representative Kelly’s office as follows:

[Witness 1] also worked with the firm [PNC] that Mrs. Kelly would do her transactions through, her stock transactions. He would work with them every month and put together the list of transactions. He would put together the report. He would email me four copies of the report. I would print them out. I would walk them into [Representative Kelly’s] office. And every month we would sign them—he would sign them.

We’d walk it down and get it date-stamped on all four. They’d [the Legislative Resource Center] keep three. I would keep them in my desk. I would keep one copy, date-stamped, in my desk.⁷⁷

In contrast, Witness 1 (who assists many other Members with their required disclosures as well) stated he would receive an email from PNC showing the prior month’s transactions, fill out the PTRs as needed, and send them directly to the Legislative Resource Center. He also stated that neither Representative Kelly nor anyone else in his congressional office would receive the PTRs. Representative Kelly stated that Witness 1 took care of the Financial Disclosure statements and PTRs; he acknowledged that he would “sign off” on every PTR filed but said that he was unaware of the actual transactions that are disclosed on the PTRs.⁷⁸

Representative Kelly initially informed the Committee, through counsel, that he “learned of [Mrs. Kelly’s] stock purchase when he was informed by a staff member who received an inquiry shortly after” the May 15, 2020, PTR was filed.⁷⁹ In his interview with the Committee, Representative Kelly first stated that he was unaware of Mrs. Kelly’s stock purchase until he was contacted by OCC in 2021.⁸⁰ Later, he said that Mrs. Kelly herself “probably told” him

⁷⁴ See *id.* (“Per your direction, I purchased 5,000 shares of Cleveland Cliffs (CLF), for a little more than \$20,000. Because this stock is not currently covered by our analysts, I will take all trade direction from you (future buys or sells).”).

⁷⁵ Witness 2 confirmed that Mrs. Kelly had liquidated all of her individual stocks in consultation with PNC. 18(a) Interview of Witness 2.

⁷⁶ See, e.g., Representative Kelly’s 2018 Financial Disclosure Statement (filed June 11, 2019); Representative Kelly’s 2019 Financial Disclosure Statement (filed Aug. 13, 2020).

⁷⁷ 18(a) Interview of Congressional Staffer 2.

⁷⁸ 18(a) Interview of Representative Kelly.

⁷⁹ Letter from counsel to Representative Mike Kelly to Chairman Theodore E. Deutch and Ranking Member Jackie Walorski, Committee on Ethics (Feb. 9, 2022) (Appendix B). In interviews with the Committee, no staffers recalled any press inquiries until the beginning of September 2020. 18(a) Interview of Congressional Staffer 1; 18(a) Interview of Congressional Staffer 2; OCC Referral Exhibit 2.

⁸⁰ Representative Kelly was first notified of OCC’s preliminary review of this matter on March 9, 2021. OCC Referral at 3.

of the Cleveland-Cliffs stock purchase.⁸¹ He then recalled a specific conversation with Mrs. Kelly during which she informed him that she purchased Cleveland-Cliffs stock because “it was [] so cheap”:⁸²

I had a promotion at the [car] dealership one time, it was called “Take Stock in America,” and for every time somebody bought a [car], we were going to give them four shares of Armco stock.⁸³ It was \$27 a share. And she said to me, [] how much did you pay for that stock? I said, like \$27. . . . She goes, do you have any idea what it is today? I said no, I don’t follow but I’m more concerned with the mill staying open. . . . And she said, well, I bought some of that stock [Cleveland-Cliffs]. I bought it for a lot less than you bought it for.⁸⁴

When asked whether Mrs. Kelly knew the plant was going to stay open at the time she purchased the stock, Representative Kelly responded, “I think she thought the stock was so low priced, it’d be foolish not to . . . I know that she thought she made a hell of a buy.”⁸⁵

Several months later, on August 31, 2020, a reporter from the Pittsburgh Post-Gazette reached out to Representative Kelly’s communications director about Mrs. Kelly’s stock purchase.⁸⁶ In response to the reporter’s inquiry, Representative Kelly’s office gave the following statement:

At a time when the entire Butler community is rallying to save the AK Steel plant and its 1,400 jobs, Representative Kelly’s wife made a small investment to show her support for the workers and management of this 100-year old bedrock of their hometown, where they both are life-long residents.⁸⁷

Shortly after the Pittsburgh Post-Gazette ran its story on September 20th, the Butler Eagle reached out to Representative Kelly’s office regarding the stock purchase. The same statement was also sent to the Butler Eagle.

Contemporaneous messages between Representative Kelly’s staffers about the statement show that various iterations were considered before a statement was given to these media outlets.⁸⁸ In text messages from September 1, 2020, Representative Kelly asked one of his staffers: “Let me know how we answer the [Post-Gazette’s] question about my wife’s investment in our hometown steel mill before we release it.”⁸⁹ The staffer responded that he planned to call Representative Kelly the next morning to “go over the draft.”⁹⁰ In

⁸¹ 18(a) Interview of Representative Kelly (he also clarified, “I can tell you this. I would believe that she would tell me, hey, you know what, I know you’re concerned about the mill, I bought some stock in it.”)

⁸² *Id.*

⁸³ Prior to Cleveland-Cliffs and AK Steel, the plant was owned by Armco Steel from 1927 through 1999. See, e.g., Lawrence Sanata, *Retired mill worker preserving history of Armco Steel Co. through book*, TRIB LIVE (Oct. 21, 2021), <https://archive.triblive.com/news/retired-mill-worker-preserving-history-of-armco-steel-co-through-book>.

⁸⁴ 18(a) Interview of Representative Kelly.

⁸⁵ *Id.*

⁸⁶ See OCC Referral Exhibit 44.

⁸⁷ OCC Referral Exhibit 46.

⁸⁸ See, e.g., Exhibit 6; Exhibit 10; Exhibit 11.

⁸⁹ Exhibit 12.

⁹⁰ *Id.*

his interview with the Committee, Representative Kelly did not recall the statement or any discussions about the press coverage around that time.⁹¹

Despite the press statement about the stock purchase being a way for Mrs. Kelly to “show her support” for the community, the staffers involved in crafting the statement did not have discussions with Mrs. Kelly about her reason for purchasing the stock when drafting the statement.⁹² Representative Kelly’s staffer indicated Mrs. Kelly had told him the purpose was to show support to the community, but only after OCC’s investigation had concluded.⁹³ In contrast, Representative Kelly testified that Mrs. Kelly made the stock purchase because it was “cheap.”⁹⁴

None of the witnesses interviewed by OCC or the Committee provided a clear explanation for how Mrs. Kelly’s purchase of the stock served to show support for the workers and management of the Butler plant.⁹⁵ Neither Mrs. Kelly, Representative Kelly, nor the congressional office advertised Mrs. Kelly’s stock purchase at the time it was made.

In late September 2020, Cleveland-Cliffs officials informed Representative Kelly and his staff that the company would acquire ArcelorMittal USA LLC, a steel production company.⁹⁶ This was publicly announced on September 28, 2020.⁹⁷ Cleveland-Cliffs’ acquisition of ArcelorMittal USA LLC closed on December 9, 2020.⁹⁸ Following the acquisition, Cleveland-Cliffs stock increased substantially in value.⁹⁹

On January 11, 2021, Mrs. Kelly sold all her shares of Cleveland-Cliffs stock for \$87,551.06, representing a \$64,476.06 profit.¹⁰⁰ None of the witnesses interviewed by OCC or the Committee, including Representative Kelly, provided an explanation for why Mrs. Kelly chose to sell her stock at that time. Representative Kelly told the Committee he did not speak with Mrs. Kelly about the sale at any point. Representative Kelly filed a PTR disclosing the sale of Mrs. Kelly’s Cleveland-Cliffs stock on February 12, 2021.

⁹¹ 18(a) Interview of Representative Kelly. (“I don’t ever recall reading that statement”; “Q: Do you recall having conversations with any member of your staff about that press coverage? A: No.”).

⁹² Correspondence reviewed by the Committee suggests that the communications director was the first to articulate the purchase was intended to show Mrs. Kelly’s support of the Butler community, rather than Mrs. Kelly or Representative Kelly. *See, e.g.*, Exhibit 10.

⁹³ 18(a) Interview of Congressional Staffer 1.

⁹⁴ 18(a) Interview of Representative Kelly. (“Q: [W]e’re just wondering whether [the communications director] came up with [language about supporting the town] or whether you had talked to him or Congressional Staffer 2 and suggested that that was the reason behind Mrs. Kelly’s purchase? A: Well, Mrs. Kelly made the purchase because she thought it was a good buy. . . .”).

⁹⁵ *See* 18(a) Interview of Congressional Staffer 1; 18(a) Interview of Congressional Staffer 2; OCC Referral Exhibit 2 (testifying regarding the statement, “I don’t know [] exactly what was in [Representative Kelly’s] mind with that. I just know this is what he wanted to say.”).

⁹⁶ *See* Exhibit 5.

⁹⁷ Mark Bergen, Eddie Spence, and Joe Deaux, *Cleveland-Cliffs to Buy ArcelorMittal USA for \$1.4 Billion*, BLOOMBERG (Sept. 28, 2020), <https://www.bloomberg.com/news/articles/2020-09-28/cleveland-cliffs-to-buy-arcelormittal-usa-in-1-4-billion-deal>.

⁹⁸ *See* Cleveland Cliffs, *Cleveland-Cliffs Inc. Completes Acquisition of ArcelorMittal USA* (Dec. 9, 2020), <https://www.clevelandcliffs.com/news/news-releases/detail/8/cleveland-cliffs-inc-completes-acquisition-of>.

⁹⁹ *Cleveland-Cliffs Stock Jumps 3x in 6 Months; What’s Changed?*, FORBES (Jan. 7, 2021), <https://www.forbes.com/sites/greatspeculations/2021/01/07/cleveland-cliffs-stock-jumps-3x-in-6-months-what-s-changed/?sh=5ce217302708>.

¹⁰⁰ Letter from counsel to Mrs. Victoria Kelly to Chairman Theodore E. Deutch and Ranking Member Jackie Walorski, Committee on Ethics (Feb. 9, 2022). The stock price increased by approximately 285% from the close of April 29, 2020 (\$4.70/share) to the close of January 11, 2021 (\$18.11/share). *See also* OCC Referral at n. 121.

In general, Representative Kelly testified that he does not get involved with Mrs. Kelly’s investment portfolio and his wife “doesn’t discuss what she does with her stock,” though she sometimes tells him about stock she purchases after the fact.¹⁰¹ Mrs. Kelly’s investment advisor confirmed that Representative Kelly was not involved with her portfolio.¹⁰²

In February 2024, the Committee requested a voluntary interview of Representative Kelly. On May 8, 2024, Representative Kelly voluntarily testified before the Committee. At that time, Representative Kelly was asked about the most recent PTRs he had filed, which disclosed bond transactions by his wife; he told the Committee he had not been aware of those transactions until asked about them by the Committee.¹⁰³

On June 14, 2024, Representative Kelly filed a PTR disclosing that Mrs. Kelly had purchased between \$50,000 and \$100,000 in shares of Cleveland-Cliffs stock on March 28, 2024.¹⁰⁴ The stock generally declined in value since that purchase. At the time of Mrs. Kelly’s stock purchase, Representative Kelly’s congressional office was involved in another issue of concern to Cleveland-Cliffs. In January 2023, the U.S. Department of Energy (Energy) proposed a rule change that would have rendered GOES immaterial to the production of electrical distribution transformers, again potentially impacting jobs at the Butler plant. After “a years-long legislative effort to reverse the DOE proposed rule to save these jobs,” Energy announced that it would maintain the use of GOES in distribution transformers on April 4, 2024—just one week after Mrs. Kelly’s second purchase of Cleveland-Cliffs stock.¹⁰⁵ Mrs. Kelly declined to respond to written questions regarding this stock purchase. Representative Kelly also did not respond to written questions about the purchase.¹⁰⁶

As discussed above, Mrs. Kelly refused to testify before the Committee. In lieu of her in-person testimony, the Committee sought her responses under oath or affirmation to less than two pages of written questions, including why she purchased the stock, whether

¹⁰¹ 18(a) Interview of Representative Kelly.

¹⁰² 18(a) Interview of Witness 2.

¹⁰³ 18(a) Interview of Representative Kelly.

¹⁰⁴ The disclosure of the March 28, 2024, stock purchase was late under the STOCK Act, which requires PTRs to be filed by the earlier of: (1) 30 days from being made aware of the transaction, or (2) 45 days from the transaction. In August 2024, the Committee sent Representative Kelly a letter informing him that he owed a \$200 late fee. The letter noted that it was Representative Kelly’s fourth late PTR. A second notice of the required fee was sent in November 2024. As of the date of this Report, Representative Kelly has not paid the late filing fee or sought a waiver for the fee.

¹⁰⁵ Office of Representative Mike Kelly, *Representative Mike Kelly Statement on Department of Energy Finalized Rule on Grain Oriented Electrical Steel to Save Hometown Steel Plant* (Apr. 4, 2024), <https://kelly.house.gov/media/press-releases/rep-mike-kelly-statement-department-energy-finalized-rule-grain-oriented>. He also held a townhall about efforts to repeal the rule in order to save the Butler plant. Office of Representative Mike Kelly, *WPXI-TV recaps Rep. Mike Kelly’s town hall to save 1,300 jobs at local steel plant* (Apr. 9, 2024) (sharing broadcast news coverage of an April 1, 2024, town hall), <https://www.youtube.com/watch?v=MS7k2MC-6mI>. Representative Kelly later introduced an amendment to fully repeal the rule. Office of Representative Mike Kelly, *Kelly amendment to fully repeal job-killing Dept. of Energy policy passes House Rules Committee, advances to full House vote* (May 7, 2024), <https://kelly.house.gov/media/press-releases/kelly-amendment-fully-repeal-job-killing-dept-energy-policy-passes-house-rules>.

¹⁰⁶ Representative Kelly requested, through his then-counsel, that Committee communications be sent to him by mail at his home address. The Committee then transmitted the questions by mail and provided an additional two weeks to respond, but did not receive a response. Committee staff also notified Representative Kelly’s chief of staff of the outstanding request. Representative Kelly did not provide an explanation for his refusal to correspond electronically, or his failure to respond to the request. Committee staff renewed the request for information about the second stock purchase in the current Congress; Representative Kelly declined to cooperate.

she discussed Commerce’s actions relating to Cleveland-Cliffs with Representative Kelly or his staff, and why she decided to sell her stock in January 2021. She declined to respond; her counsel cited Mrs. Kelly’s recent health issues and prior cooperation as a basis for not cooperating further. According to Representative Kelly, Mrs. Kelly did not want to interview with the Committee because the process was “invasive.”¹⁰⁷

V. FINDINGS

A. THE COMMITTEE DID NOT FIND SUBSTANTIAL EVIDENCE THAT REPRESENTATIVE KELLY VIOLATED LAWS, RULES, OR OTHER STANDARDS OF CONDUCT RELATING TO INSIDER TRADING AND CONFLICTS OF INTEREST

1. *Insider Trading*

The Committee has long advised that Members and employees are prohibited from entering into personal financial transactions to take advantage of any confidential information obtained through the performance of their official governmental duties.¹⁰⁸ The STOCK Act explicitly affirmed that Members and employees are subject to the insider trading prohibitions arising under federal securities laws as to information learned both in an official capacity and a personal capacity.¹⁰⁹ This also extends to instances where a Member engaged in “tipping.” Tipping is the passing along of inside information in violation of a duty of confidentiality. A tip occurs when the tipper discloses material, nonpublic information to another person, who knows or should have known that the tipper was breaching a duty by disclosing the information and the tipper intended to personally benefit by providing the information.¹¹⁰

OCC commissioned an expert report to provide an opinion on whether Mrs. Kelly’s stock purchase may have violated Federal laws related to insider trading. The expert report concluded that while the fact of the Section 232 investigation was nonpublic information, and therefore confidential, it was not material.¹¹¹ The expert did, however, find that “Ms. Kelly’s purchase of Cleveland-Cliffs stock on April 29, 2020 represented a sharp departure from her investment behavior, leading to the inference that this investment was due to some special event or consideration.”¹¹² On the basis of this report, OCC did not consider whether Representative Kelly engaged in insider trading.¹¹³

Nonetheless, Representative Kelly had a clear duty as a Member of Congress to refrain from using confidential information obtained through the performance of his official duties for private gain. Although his congressional office had been voicing this issue to Commerce for months, Mrs. Kelly did not make her stock purchase until the day after Representative Kelly learned of the Section 232

¹⁰⁷ 18(a) Interview of Representative Kelly.

¹⁰⁸ 2011 Pink Sheet.

¹⁰⁹ 2012 Pink Sheet; 2020 Pink Sheet.

¹¹⁰ 2011 Pink Sheet. A personal benefit can include either a direct profit or an indirect “gift” of information. *See Salman*, 137 S. Ct. at 428.

¹¹¹ *See* Exhibit 13. Specifically, OCC concluded that the information was not material to Cleveland-Cliffs investors and there was not a significant change in the price of Cleveland-Cliffs stock after the Section 232 investigation became public.

¹¹² OCC Referral at 22.

¹¹³ *See* OCC Referral at n. 8.

investigation and that the workers at the Butler plant would continue to be employed—in other words, once the matter was resolved in Cleveland-Cliffs’ favor. Further, Representative Kelly admitted Mrs. Kelly may have overheard his discussions about the matter while he was working from home recovering from COVID.¹¹⁴

While Representative Kelly learned confidential information shortly before Mrs. Kelly’s stock purchase, it is not clear whether Mrs. Kelly made the trade based on this information and no evidence was uncovered to show that Representative Kelly shared nonpublic information with his wife with the intent to personally benefit from that information. However, the timing alone of Mrs. Kelly’s purchase raises serious concerns; these concerns are amplified when coupled with the fact that it was a deviation from her typical trading activity, which principally relied on her broker to identify trades and had otherwise divested of all individual stocks. Unlike every other stock she held since at least 2017 until the Cleveland-Cliffs purchase in 2020, this purchase required her explicit instruction.¹¹⁵ The Committee did not receive convincing evidence from any individual as to why Mrs. Kelly chose to purchase Cleveland-Cliffs stock the day after Representative Kelly learned that Cleveland-Cliffs would not be closing the Butler plant as previously announced.

Likewise, the Committee was unable to find an explanation as to the intent behind Mrs. Kelly’s stock purchase. Representative Kelly’s congressional office provided a statement to the press that she was showing support for the local community. However, there is no evidence that Mrs. Kelly was involved in crafting the statement or that she informed anyone in the community of her stock purchase. Nor did she actually show public support through other actions either before or after the stock purchase. Mrs. Kelly’s refusal to cooperate left the Committee with no viable explanation as to why she purchased Cleveland-Cliffs stock when she did. Furthermore, Representative Kelly’s testimony on the subject was inconsistent. Contemporaneous messages show that his congressional staff may have first suggested the idea that the stock purchase was intended to show community support. Representative Kelly did not recall being involved in these discussions although contemporaneous records show his involvement in reviewing draft press statements. In contrast to the publicly stated reason for the stock purchase, Representative Kelly told the Committee that Mrs. Kelly purchased Cleveland-Cliffs stock “because it was cheap.”¹¹⁶ However, the stock had in fact been “cheap” for years.¹¹⁷ He further stated that “the natural follow [is], I think people buy stock because they think they’re going to make money on it.”¹¹⁸

¹¹⁴ 18(a) Interview of Representative Kelly.

¹¹⁵ After Mrs. Kelly’s sale of the Cleveland-Cliffs stock, she purchased two other stocks between June and December of 2021 that required her instruction; both stocks were sold in 2023. Neither company is local to the congressman’s district.

¹¹⁶ 18(a) Interview of Representative Kelly.

¹¹⁷ AK Steel acquired Armco Inc. in 1999; from 1999–2020, the value of AK Steel stock was, on average, under \$10/share for 12 of those years, including every year since 2012. See *Investing, AK Steel Stock Price History*, <https://www.investing.com/equities/ak-steel-holding-corp-historical-data> (last visited Apr. 23, 2025). See also *Macrotrends, Cleveland-Cliffs-41 Year Stock Price History* (last visited Apr. 23, 2025), <https://www.macrotrends.net/stocks/charts/CLF/cleveland-cliffs/stock-price-history>.

¹¹⁸ 18(a) Interview of Representative Kelly.

Without Mrs. Kelly's cooperation, the Committee was ultimately unable to confirm whether Mrs. Kelly received nonpublic information from her husband or what her intent was in purchasing the Cleveland-Cliffs stock. In light of concerns raised about Mrs. Kelly's health, and the lack of candor in her communications to the Committee over the course of its investigation, the Committee determined not to subpoena Mrs. Kelly.¹¹⁹ Based on the record available, the Committee did not find sufficient evidence that Representative Kelly engaged in or facilitated insider trading with respect to his wife's 2020 purchase of Cleveland-Cliffs stock.¹²⁰

As discussed below, Members must avoid even the appearance of impropriety. Accordingly, the Committee recommends the Kellys divest of all Cleveland-Cliffs stock should he continue to take official actions relating to the company.

2. Conflict of Interest

Representative Kelly continued to advocate for Section 232 tariffs for GOES products even after Mrs. Kelly held stock in Cleveland-Cliffs. As discussed above, he took several actions to specifically benefit Cleveland-Cliffs during the time his wife had a direct financial interest in the company, including: issuing a press release praising Commerce's decision to initiate a Section 232 investigation; communicating with Commerce during the public comment period on behalf of Cleveland-Cliffs; preparing talking points for President Trump when he announced the Section 232 extensions to GOES products; corresponding with senior White House officials regarding Cleveland-Cliffs' competitive position; and, in the case of Mrs. Kelly's most recent Cleveland-Cliffs stock purchase, working to revise and repeal a rule change that would effectively make GOES obsolete. Representative Kelly told the Committee: "I know that plant, and I know what we make, and I know we're the last producer of that product in the United States . . . Am I an insider? Damn right. I have been inside that mill."¹²¹

The Committee has noted that "[t]he rules governing conflicts of interest require a fact-specific analysis, and Members are encouraged to conduct that analysis with the guidance of the Committee's non-partisan, professional staff."¹²² Not every financial interest triggers a requirement of recusal; as the Committee has noted, Members who happen to be farmers may still represent their constituents in matters relating to farm policy. Similarly, "[n]o statute or rule requires the divestiture of private assets or holdings by Members . . . upon entering their official position."¹²³ The Committee "views conflicts of interest differently based on the nature of the personal financial interest relative to the scope of the ac-

¹¹⁹ Representative Kelly informed the Committee that Mrs. Kelly did not want to interview with the Committee because the process was "invasive." *Id.*

¹²⁰ On this basis, the Committee also did not reach a finding regarding whether the confidential information—that Commerce would initiate a Section 232 investigation and the Butler plant would not be closing—was material.

¹²¹ 18(a) Interview of Representative Kelly. See also Letter from Representative Mike Kelly to Chairman Michael Guest and Ranking Member Mark DeSaulnier, Committee on Ethics (July 7, 2025) (Appendix B) ("I've been inside the mill, I've spoken with the workers, and they appreciate the hard work we have done to fight for those jobs and fight for Butler.").

¹²² Comm. on Ethics, *In the Matter of Allegations Relating to Representative Tom Petri*, H. Rept. 113-666, 113th Cong., 2d Sess. 6 (2014) (hereinafter *Petri*).

¹²³ 2011 Pink Sheet.

tion.”¹²⁴ Members are generally only expected to recuse themselves from a vote when they have “a direct personal or pecuniary interest” that would be affected by the legislation.¹²⁵ A Member is not restricted from voting on legislation that affects a class of companies or assets, as opposed to legislation affecting a specific company or asset in which the Member holds a financial interest.¹²⁶ The Committee has noted, however, that certain actions, such as contacting Executive Branch agencies, “entail a degree of advocacy above and beyond that involved in voting,” and Members are held to a higher standard with respect to such activity.¹²⁷

In assessing whether Representative Kelly had an actual conflict of interest with respect to his official actions to the benefit of Cleveland-Cliffs, House rule XXIII, clause 3 provides a framework for reviewing the matter. A violation of clause 3 occurs when a Member “(1) receives or accrues compensation; and (2) that compensation resulted from the ‘improper’ exercise of [the Member’s] influence.”¹²⁸ Regarding the first factor, the Committee has historically “defined ‘compensation’ to include the service of a Member’s own ‘narrow, financial interests as distinct from those of their constituents.’”¹²⁹ With respect to the second factor, the Committee has articulated that it is improper to “take actions which are intended to assist a specific entity in which the Member has a financial interest, and in a manner that could affect that interest.”¹³⁰ In this instance, the Committee recognizes that Representative Kelly’s interests were aligned with his constituents, and there is evidence that Representative Kelly took actions to the benefit of Cleveland-Cliffs both before and after his wife purchased stock in the company. Accordingly, the Committee did not determine that Representative Kelly had an actual conflict of interest.

Even if Representative Kelly did not have an *actual* conflict of interest, his conduct may still be in violation of Section 5 of the Code of Ethics if he had an *apparent* conflict of interest. The Committee has long cautioned Members to “avoid situations in which even an inference might be drawn” that a Member took an official action to benefit their own financial interests.¹³¹ In determining whether a Member’s conduct is in violation of Section 5, the Committee asks “whether a reasonable person might conclude that a Member took an official action for personal financial gain.”¹³² To determine the answer to this question, the Committee typically considers “the totality of the circumstances in each case.”¹³³ In *Williams*, a matter which presented similar allegations of a conflict of interest related to the sponsorship of legislation, the Committee outlined a number of factors for consideration, centering around (a)

¹²⁴ *Gingrey* at 11.

¹²⁵ Members are also expected to recuse themselves when they have even an appearance of a conflict of interest arising out of a negotiation or agreement for future employment. House rule XXVII, cl. 4.

¹²⁶ *Williams* at 9–10.

¹²⁷ *Ethics Manual* at 246.

¹²⁸ *Berkley* at 47.

¹²⁹ *Id.* (quoting *House Ethics Manual* (2008) at 314).

¹³⁰ Comm. on Ethics, *In the Matter of Representative Maxine Waters*, H. Rept. 112–690, 112th Cong., 2d Sess. 14 (2012); see also *Berkley* at 48.

¹³¹ *Ethics Manual* at 196, 261.

¹³² *Williams* at 12.

¹³³ *Id.*

the nature of the Member's financial interest, and (b) the nature of the Member's official action.¹³⁴

The Committee has generally considered the following factors with respect to the nature of the Member's financial interest including: the dollar value of the financial interest; the relative value of the investment compared to the entire investment portfolio; whether the investment is public or private; whether the financial interest is direct or imputed; and whether the interest is aligned with the interest of constituents.

Here, Mrs. Kelly purchased 5,000 shares of Cleveland-Cliffs stock for \$23,075, and later sold them for \$87,551.06, accruing a \$64,476.06 profit. The relative value of this stock compared to the value of Mrs. Kelly's entire investment portfolio was minimal, as the portfolio contained more than 7 million dollars' worth of assets at the time. Additionally, the stock purchase was in a publicly traded company. With respect to whether any financial interest was direct or imputed, Representative Kelly himself appears to have had little or no direct financial interest in the Cleveland-Cliffs stock purchased by Mrs. Kelly. Her portfolio is in her name and, according to Representative Kelly, he has no legal right to any of Mrs. Kelly's invested funds.¹³⁵ However, he could have had an imputed interest in the increased value of the stock between when Mrs. Kelly purchased it in April 2020 and sold it in January 2021. Representative Kelly has not attempted to claim the spousal exemption and while Representative Kelly does not have direct access to the investment account, the funds within the account can be used by Mrs. Kelly to address matters relevant to their joint personal financial dealings.

When asked whether he had any concerns about the potential conflict of interest in working on matters related to Cleveland-Cliffs while his wife owned stock, Representative Kelly responded, "My concern was more for the people I represent and the fact that there's a lot of jobs that were at risk. I don't think my wife buying a small amount of stock is going to drive any decision that I would've had."¹³⁶ The Committee did not find any evidence to the contrary; Representative Kelly consistently emphasized that his primary concern was for his constituents, and the broader policy and security issues he associated with his support for domestic GOES production.

In considering the nature of the Member's official action, the relevant factors include: whether the action was consistent with the treatment of others who requested similar assistance; whether other Members of Congress participated; whether public oversight was applied; the potential effect the proposed activity would have on the official's financial interest; and whether the proposed activity affects a sector or large class of entities or narrowly affects a single or smaller group of entities in which the Member retains a financial interest.

In this matter, Representative Kelly and his staff testified that the potential closure of the Butler plant was a very important issue for the constituents in Representative Kelly's district and that Representative Kelly was directly involved in the work. According to

¹³⁴ *Id.* at 13–16.

¹³⁵ 18(a) Interview of Representative Kelly.

¹³⁶ *Id.*

the congressional staff, it was unusual for him to be involved in casework affecting the district, although constituents would come to Representative Kelly with concerns that he would pass along to district staff.¹³⁷ In the case of Cleveland-Cliffs, this matter was high-profile in the district because of its potential to affect a large number of jobs in the community. Likewise, another Member, Representative Balderson, was also concerned about the potential closure of a Cleveland-Cliffs plant in his district in Ohio. Representatives Kelly and Balderson jointly signed many of the letters to Commerce, and their staff appears to have been in contact frequently in the weeks leading up to the Section 232 investigation announcement. The decision to undertake a Section 232 investigation by Commerce had no public oversight and impacted only two plants in Butler, PA and Zanesville, OH.¹³⁸ However, while the decision had large implications for Representative Kelly's district, the decision did not appear to have a significant impact on Cleveland-Cliffs' stock price.

Given the totality of the circumstances in this case, the Committee did not conclude that Representative Kelly had a clear actual or apparent conflict of interest, as a reasonable person would not conclude that Representative Kelly undertook the work related to the Section 232 investigation by Commerce to benefit himself rather than his constituents. However, the *Ethics Manual* advises Members to use "added circumspection" when sponsoring legislation or contacting the Executive Branch on matters that may affect their financial interest and urges Members to contact the Committee for guidance in deciding how to address potential conflicts. Representative Kelly did not seek the Committee's guidance. In a prior matter, the Committee considered whether a Member's investments violated conflict of interest standards and ultimately concluded that no rules or other laws were violated based in large part on the fact that the Member repeatedly sought advice from the Committee on the official actions taken related to the company in which he invested, and the Member substantially complied with that advice.¹³⁹ While it is not a violation of the rules to not seek advice from the Committee, had Representative Kelly done so, he would have been better able to appreciate the potential appearance of impropriety created by his wife's stock purchase.

Based on the foregoing, the Committee did not find that Representative Kelly clearly violated conflict of interest laws or standards. His ongoing financial interest in Cleveland-Cliffs nonetheless creates an appearance of impropriety, as discussed further below. In light of the significance of the Butler plant to his official work, it would be unreasonable to expect Representative Kelly to refrain from taking actions to benefit Cleveland-Cliffs. To best serve his constituents without creating any appearance of acting for personal gain, neither Representative Kelly nor his spouse should maintain a financial interest in Cleveland-Cliffs.

¹³⁷ 18(a) Interview of Congressional Staffer 1; 18(a) Interview of Congressional Staffer 2.

¹³⁸ Once the Section 232 investigation was initiated, there was a public comment period. See Commerce Report.

¹³⁹ *Petri*.

B. THE COMMITTEE FOUND SUBSTANTIAL EVIDENCE THAT REPRESENTATIVE KELLY VIOLATED THE CODE OF OFFICIAL CONDUCT

House rule XXIII, clause 1, states that “[a] Member . . . shall behave at all times in a manner that shall reflect creditably on the House” and clause 2 states that “[a] Member . . . shall adhere to the spirit and the letter of the Rules of the House” In enforcing clause 1, the Committee has noted that “Clause 1 is a purposely subjective standard designed to ‘have a deterrent effect against improper conduct,’ and provide ‘the ability to deal with any given act or accumulation of acts which, in the judgment of the [C]ommittee, are severe enough to reflect discredit on the Congress.’”¹⁴⁰ The provision serves “as a safeguard for the House as a whole.”¹⁴¹

The *Ethics Manual* also warns Members against actions that “may create an appearance of impropriety that may undermine the public’s faith in government.”¹⁴² The Committee has repeatedly cautioned that Members should avoid even the appearance of impropriety, which undermines the public’s confidence in the integrity of government officials.¹⁴³ The Committee explained its approach to such matters in a recent case, and it has followed this approach in many matters, over many years: “[T]here is no evidence that [the Member] . . . purposefully violated the rules But there are a range of mindsets between completely innocent and unforgivably corrupt. Somewhere along that span sit Members who fail to exercise care that a reasonable Member would exercise in similar circumstances to ensure compliance with the Code of Conduct.”¹⁴⁴

Representative Kelly’s conduct with respect to Cleveland-Cliffs and his wife’s stock purchase raised significant concerns for the Committee, even if it did not rise to the level of insider trading or clearly violate conflict of interest rules. Regardless of his motivations when taking actions on behalf of Cleveland-Cliffs, those actions have been taken against the backdrop of his family’s financial interest in the company. The questions raised about the 2020 stock purchase are not unreasonable; the financial benefit of a nearly \$65,000 profit risks creating an appearance of self-dealing. However, the significance of this profit was dismissed by Representative Kelly, who stated to the Committee multiple times that “no one cares” about his wife’s stock purchase. The conflict of interest standards and federal laws prohibiting insider trading exist be-

¹⁴⁰ Gaetz.

¹⁴¹ *Sergeant-At-Arms* at 22.

¹⁴² *Id.* at 24.

¹⁴³ See, e.g., Comm. on Ethics, *In the Matter of Allegations Relating to Representative Cathy McMorris Rodgers*, H. Rept. 116–359, 116th Cong., 1st Sess. 52 (2019) (“Nonetheless, the Committee cautions Representative Rodgers and the whole House community to avoid even the appearance of a conflict of interest when entering into relationships with contractors on behalf of the House.”); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Thomas Garrett*, Staff Rept., 115th Cong., 2d Sess. 38 (2019) (“However, Members have a duty to avoid even the appearance of impropriety. When Members accept gifts from their employees, it can lead to an appearance that the Member lacks impartiality and create an environment in which staff attempt to win a Member’s favor not based on their work product or effort, but by offering to perform unofficial favors for or providing gifts to the Member.”); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Luis V. Gutiérrez*, H. Rept. 115–617, 115th Cong., 2d Sess. 31 (2018) (“The Committee has also long cautioned Members that when taking official actions, they must ‘avoid situations in which even an inference might be drawn suggesting improper action.’”).

¹⁴⁴ Comm. on Ethics, *In the Matter of Allegations Relating to Representative Bobby L. Rush*, H. Rept. 115–618, 115th Cong., 2d Sess. 24 (2018).

cause people *do* care whether he, in his role as a Member of Congress, obtained confidential information and gave that information to his wife while advocating for policies that would benefit his family, resulting in thousands of dollars in financial gain. Mrs. Kelly's subsequent purchase of Cleveland-Cliffs stock despite the ongoing investigation, and Representative Kelly's failure to timely disclose that purchase and answer questions relating to it, are yet more examples of his failure to recognize the gravity of the allegations in this case and indicate a lack of respect for the Committee's role and processes. Representative Kelly has not demonstrated sufficient appreciation for the harm to the institution caused by the appearance of impropriety.

Members have a duty of candor and diligence when under investigation by the Committee.¹⁴⁵ During his interview with the Committee, some of Representative Kelly's answers to key questions were inconsistent both during his testimony and with his prior written responses to Committee requests for information. In addition, Representative Kelly's production of documents was largely unresponsive. Most concerning, when asked to respond to a limited set of written questions about the second purchase of Cleveland-Cliffs stock, both Representative Kelly and Mrs. Kelly refused to cooperate altogether.

The Committee has previously found Members to be in violation of clause 1 of the Code of Official Conduct when they have acted in a manner that impeded the Committee's investigation.¹⁴⁶ Many of those matters have resulted in a sanction being imposed on the Member. In one matter, the Committee noted that a Member's efforts "to delay and impede [an investigative subcommittee's] investigation were not only highly detrimental to the Committee's work and the reputation of the House, they were themselves sanctionable misconduct."¹⁴⁷ In another matter, the Committee reprimanded a Member for interfering with its investigation, noting that "the Committee cannot perform its essential functions, which are critical to upholding the public's trust in the institution of the House, without the full cooperation of the House Members and staff."¹⁴⁸

The Committee found that Representative Kelly violated clause 1 of the Code of Official Conduct by failing to meet his duty of candor. The Committee further determined that this Report shall serve as a reproof of Representative Kelly's conduct.¹⁴⁹

¹⁴⁵ Comm. on Ethics, *In the Matter of Allegations Relating to Representative George Santos*, H. Rept. 118–274, 118th Cong., 1st Sess. 55 (2023); Comm. on Ethics, *In the Matter of Allegations Relating to Delegate Michael F. Q. San Nicolas*, H. Rept. 117–387, 117th Cong., 2d Sess. 5 (2022); Comm. on Ethics, *In the Matter of Allegations Relating to Representative David Schweikert*, H. Rept. 116–465, 116th Cong., 2d Sess. 6 (2020) (hereinafter *Schweikert*).

¹⁴⁶ See, e.g., *Schweikert*; Comm. on Ethics, *In the Matter of Allegations Relating to Representative Judy Chu*, H. Rept. 113–665, 113th Cong., 2d Sess. 15 (2014) (hereinafter *Chu*); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Laura Richardson*, H. Rept. 112–642, 112th Cong., 2d Sess. 32 (2012) (finding that "Respondent's conduct, including her conduct after receiving notice of the Committee's investigation, evidences a pattern of indifference or disregard for the laws, rules or regulations of the United States House of Representatives.").

¹⁴⁷ *Schweikert* at 6.

¹⁴⁸ *Chu* at 14–15.

¹⁴⁹ Representative Kelly is also directed to pay his outstanding \$200 late filing fee within 30 days of the date of this Report.

VI. CONCLUSION

The Committee reminds all Members to uphold their responsibility to maintain the privacy of confidential information and to avoid even the appearance of impropriety when carrying out their governmental duties. This is particularly important when Members may be viewed by the public as having a personal, financial motive for their official actions and often occurs in the context of stock transactions. The Committee has long advised “added circumspection” when Members take actions above and beyond voting that may affect their personal financial interests. Representative Kelly did not show sufficient circumspection.

It is rare for the Committee to recommend divestment of stocks where there is a potential appearance of a conflict of interest. As Representative Kelly himself noted, however, he is an “insider” when it comes to Cleveland-Cliffs, by virtue of his position as the representative for his district. Representative Kelly has also repeatedly emphasized that the official actions he has taken with respect to GOES tariffs uniquely benefit the Cleveland-Cliffs plant, the only facility in the country currently producing GOES. Even where a company is a major employer in a Member’s district, it is not necessarily an impermissible conflict for the Member to own stock in that company and take official actions that benefit that company. Here, however, where there is evidence that the Member had confidential information at the time his spouse was actively trading on the company’s stock, while the Member took official actions directly affecting the specific company, there is a unique and heightened ethical concern.

In order to avoid any continued appearance of impropriety, the Committee’s position is that Representative Kelly should ensure that he and Mrs. Kelly divest of all shares of Cleveland-Cliffs before taking any further official action relating to the company.¹⁵⁰

Members are entitled to defend themselves when under investigation by the Committee, but they have a duty to diligently address allegations that impact the integrity of the institution. Representative Kelly acted in a manner that did not reflect creditably upon the House by failing to meet his duty of candor to the Committee. The Committee has thus determined to reprove Representative Kelly for his violations of the Code of Official Conduct.

VII. STATEMENT UNDER HOUSE RULE XIII CLAUSE 3(c)

The Committee made no special oversight findings in this Report. No budget statement is submitted. No funding is authorized by any measure in this Report.

¹⁵⁰To the extent divestment results in any profits, the Committee recommends donating the profits to an appropriate charitable organization. An appropriate charitable organization is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of the Code.

APPENDIX A

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 21-9221

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on July 16, 2021, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter “the Committee”).

SUBJECT: Representative Mike Kelly

NATURE OF THE ALLEGED VIOLATION: Rep. Mike Kelly’s wife purchased stock in Cleveland-Cliffs Inc. on April 29, 2020. If this stock purchase was based upon confidential or material nonpublic information that Rep. Kelly learned during his official job duties, then Rep. Kelly may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee further review the above allegation concerning Rep. Kelly because there is substantial reason to believe that this April 29, 2020 stock purchase was based upon confidential information that Rep. Kelly learned during his official job duties.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE: Omar S. Ashmawy, Staff Director & Chief Counsel.

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

FINDINGS OF FACT AND CITATIONS TO LAW

TABLE OF CONTENTS

I.	INTRODUCTION	3
	A. Summary of Allegations.....	3
	B. Jurisdictional Statement	3
	C. Procedural History.....	3
	D. Summary of Investigative Activity	4
II.	REP. MIKE KELLY’S WIFE MAY HAVE PURCHASED CLEVELAND-CLIFFS STOCK BASED UPON CONFIDENTIAL INFORMATION REP. KELLY LEARNED IN THE COURSE OF HIS OFFICIAL DUTIES.....	5
	A. Applicable Law, Rules, and Standards of Conduct.....	5
	B. Rep. Mike Kelly’s Wife May Have Purchased Cleveland-Cliffs Stock Based Upon Confidential Information Rep. Kelly Learned in the Course of His Official Duties ..	7
	i. Cleveland-Cliffs Publicly Seeks Section 232 Assistance for AK Steel	10
	ii. The Department of Commerce Acts in Support of Cleveland-Cliffs & Victoria Kelly Buys Cleveland-Cliffs Stock	13
	iii. Victoria Kelly’s Stock Purchase Anomalies	21
	iv. Rep. Kelly’s Public Statements.....	22
III.	CONCLUSION	25
IV.	INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS.....	25

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 21-9221

On July 16, 2021, the Board of the Office of Congressional Ethics (hereafter “the Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules, and standards of conduct (*in italics*). The Board notes that these findings do not constitute a determination of whether or not a violation actually occurred.

I. INTRODUCTION

A. Summary of Allegations

1. Rep. Mike Kelly’s wife purchased stock in Cleveland-Cliffs Inc. on April 29, 2020. If this stock purchase was based upon confidential or material nonpublic information that Rep. Kelly learned during his official job duties, then Rep. Kelly may have violated House rules, standards of conduct, and federal law.
2. The Board recommends that the Committee on Ethics of the United States House of Representatives (“Committee”) further review the above allegation concerning Rep. Kelly because there is substantial reason to believe that this April 29, 2020 stock purchase was based upon confidential information that Rep. Kelly learned during his official job duties.

B. Jurisdictional Statement

3. The allegations that were the subject of this review concern Rep. Mike Kelly, a Member of the United States House of Representatives from the 16th District of Pennsylvania. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that, “[n]o review shall be undertaken ... by the [B]oard of any alleged violation that occurred before the date of adoption of this resolution.”¹ The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

C. Procedural History

4. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on March 8, 2021. The preliminary review commenced on March 9, 2021.²
5. On March 9, 2021, the OCE notified Rep. Kelly of the initiation of the preliminary review, provided him with a statement of the nature of the review, notified him of his right to be

¹ H. Res. 895 of the 110th Congress § 1(e) (2008) (as amended) (hereafter “the Resolution”).

² A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended represented by counsel in this matter, and notified him that invoking his right to counsel would not be held negatively against him.³

6. At least three members of the Board voted to initiate a second-phase review in this matter on April 7, 2021. The second-phase review commenced on April 8, 2021.⁴ The second-phase review was scheduled to end on May 22, 2021.
7. On April 7, 2021, the OCE notified Rep. Kelly of the initiation of the second-phase review in this matter, and again notified him of his right to be represented by counsel in this matter, and that invoking that right would not be held negatively against him.⁵
8. The Board voted to extend the second-phase review by an additional period of fourteen days on May 7, 2021. The additional period ended on June 5, 2021.
9. The Board voted to refer the matter to the Committee for further review and adopted these findings on July 16, 2021.
10. The report and its findings in this matter were transmitted to the Committee on July 23, 2021.

D. Summary of Investigative Activity

11. The OCE requested documentary and in some cases testimonial information from the following sources:

- (1) Rep. Mike Kelly;
- (2) Victoria Kelly, Rep. Kelly's wife;
- (3) Matt Stroia, Rep. Kelly's Chief of Staff;
- (4) Witness 1, a Rep. Kelly employee with knowledge;
- (5) Witness 2, a Rep. Kelly employee with knowledge;
- (6) Witness 3, Former Acting Assistant Secretary for Legislative and Intergovernmental Affairs, U.S. Department of Commerce;
- (7) Cleveland-Cliffs Inc.;
- (8) AK Steel Corporation;
- (9) Witness 4, Vice President, Government Relations, Cleveland-Cliffs;
- (10) Witness 5, Corporate Manager of Government & Public Relations, AK Steel;
- (11) The U.S. Department of Commerce; and
- (12) Former U.S. Secretary of Commerce Wilbur Ross.

12. The following individuals and entities refused to cooperate with the OCE's review:

- (1) Rep. Mike Kelly;

³ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Mike Kelly (March 9, 2021).

⁴ According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second phase, the second phase commences the day after the preliminary review ends.

⁵ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Mike Kelly (April 7, 2021).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

- (2) Victoria Kelly;
- (3) Matt Stroia; and
- (4) Wilbur Ross.

II. REP. MIKE KELLY’S WIFE MAY HAVE PURCHASED CLEVELAND-CLIFFS STOCK BASED UPON CONFIDENTIAL INFORMATION REP. KELLY LEARNED IN THE COURSE OF HIS OFFICIAL DUTIES

A. Applicable Law, Rules, and Standards of Conduct

13. Code of Ethics of Government Service

*“Any person in Government service should: . . . (8) Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.”*⁶

14. House Rules

Pursuant to House Rule 23, cl.1: “A Member, Delegate, Resident Commissioner, officer, or employee of the House shall behave at all times in a manner that shall reflect creditably on the House.”

Pursuant to House Rule 23, cl.2: “A Member, Delegate, Resident Commissioner, officer, or employee of the House shall adhere to the spirit and the letter of the Rules of the House and to the rules of duly constituted committees thereof.”

Pursuant to House Rule 23, cl. 3: “A Member, Delegate, Resident Commissioner, officer, or employee of the House may not receive compensation and may not permit compensation to accrue to the beneficial interest of such individual from any source, the receipt of which would occur by virtue of influence improperly exerted from the position of such individual in Congress.”

15. House Ethics Manual

*The House Ethics Manual opens by broadly stating that “Members, officers, and employees of the House should: [c]onduct themselves at all times in a manner that reflects creditably on the House; [a]bide by the spirit as well as the letter of the House rules; and [a]dhere to the broad ethical standards expressed in the Code of Ethics for Government Service. They should not in any way use their office for private gain.”*⁷ *The Manual reiterates on several occasions the prohibition against using an official position to secure private gain.*⁸

⁶ Code of Ethics for Government Service, ¶ 8, H. Cong. Res. 175, 72 Stat., Part 2, B12 (1958).

⁷ House Ethics Manual (2008) at 1.

⁸ See e.g., *id.* at 186 (“It is fundamental that a Member, officer, or employee of the House may not use his or her official position for personal gain”), 187 (quoting ¶ 8 of the Code of Ethics of Government Service), 247 (“[A]ll Members, officers, and employees are prohibited from improperly using their official positions for personal gain”).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

The Manual further states: "The Code of Ethics for Government Service was adopted as a concurrent resolution expressing the 'sense of Congress' rather than as a statute. [The Committee] has concluded, however, that the ethical precepts set forth in this code 'represent continuing traditional standards of ethical conduct to be observed by Members of the House at all times.'"⁹ Additionally, the Manual explains the Code of Ethics for Government Service "not only state[s] aspirational goals for public officials, but violations of provisions contained therein may also provide the basis for disciplinary action in accordance with House rules."¹⁰

16. House Committee on Ethics Guidance

In a 2011 memorandum regarding personal financial transactions, the Committee stated the following: "The House Code of Official Conduct prohibits employees from receiving compensation 'by virtue of influence improperly exerted' from a congressional position. The Code of Ethics for Government Service, which was adopted by the 85th Congress in 1958, states that no one in government service shall use 'information coming to him confidentiality in the performance of government duties as a means for making private profit.' The Code of Ethics for Government Service was adopted by the House as a concurrent resolution and this Committee concluded that the ethical standards set forth in the code 'represent continuing traditional standards of ethical conduct to be observed by Members of the House at all times.' Therefore, the Committee's guidance has been that House rules prohibit Members and employees from entering into personal financial transactions to take advantage of any confidential information obtained through performing their official government duties."¹¹

⁹ *Id.* at 20 (citations omitted).

¹⁰ *Id.* at 3.

¹¹ House Committee on Ethics, Press Release, *Rules Regarding Personal Financial Transactions* at 2 (Nov. 29, 2011) (citations omitted). In 2012, after the Committee issued the above guidance, Congress passed the Stop Trading on Congressional Knowledge Act of 2012 or "STOCK Act," Pub. L. No. 112-105, 126 Stat. 291 (2012), which set forth the following:

Section 3: Prohibition of the Use of Nonpublic Information for Private Profit

The Select Committee on Ethics of the Senate and the Committee on Ethics of the House of Representatives shall issue interpretive guidance of the relevant rules of each chamber, including rules on conflicts of interest and gifts, clarifying that a Member of Congress and an employee of Congress may not use *nonpublic information* derived from such person's position as a Member of Congress or employee of Congress or gained from the performance of such person's official responsibilities as a means for making a private profit.

STOCK Act, Pub. L. No. 112-105, 126 Stat. 291 (2012) (emphasis added). The Committee issued further interpretive guidance in the wake of this directive and focused on misuse of *material* nonpublic information. In an April 4, 2012 pink sheet, the Committee incorporated its previous guidance from November 2011 regarding nonpublic information, but also more clearly delineated how the use of material nonpublic information by Members and congressional staff can qualify as insider trading under Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5. House Committee on Ethics, Press Release, *New Ethics Requirements Resulting from the STOCK Act* (April 4, 2012). As discussed below, because the OCE did not conclude that the nonpublic information at issue in this case was necessarily material, the OCE did not consider this case under the STOCK Act or other federal insider trading theories. *See infra* n.119. Instead, the OCE considered whether the use of confidential nonpublic information could violate House rules and standards of conduct articulated above, consistent with the

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

B. Rep. Mike Kelly's Wife May Have Purchased Cleveland-Cliffs Stock Based Upon Confidential Information Rep. Kelly Learned in the Course of His Official Duties

17. Rep. Mike Kelly was raised in Butler, Pennsylvania, currently resides there with his wife, Victoria Kelly, and represents the citizens of Butler in Congress.¹² Butler is home to the Butler Works, an AK Steel-owned steel plant which employs approximately 1,400 individuals from Rep. Kelly's congressional district and is an integral part of the Butler economy.¹³
18. AK Steel is the only remaining domestic producer of grain oriented electrical steel ("GOES"), a type of steel used in U.S. power grid transformers.¹⁴ Because GOES is an essential component of the U.S. power grid, the ability to domestically produce GOES has national security implications.¹⁵
19. AK Steel produces GOES at the Butler Works facility and at one other plant in Zanesville, Ohio, which is located in Rep. Troy Balderson's congressional district.¹⁶ In early 2020, in anticipation of its pending acquisition of AK Steel, Cleveland-Cliffs Inc. ("Cleveland-Cliffs") threatened to close AK Steel's Butler, Pennsylvania and Zanesville, Ohio plants unless the U.S. government intervened and either extended existing Section 232 steel tariff protections to transformer lamination and cores – GOES-based steel products used in power grid transformers¹⁷ – or instituted standalone Section 232 tariffs for GOES products used in the transformer supply chain.¹⁸

Committee's November 2011 guidance and other rules prohibiting Members from using their official positions to try and secure personal gain.

¹² See Rep. Mike Kelly, *Full Biography*, <https://kelly.house.gov/about-me/full-biography> (last visited July 20, 2021).

¹³ See AK Steel, *Butler Works*, <https://www.aksteel.com/about-us/locations/ak-steel/butler-works> (last visited July 20, 2021); Letter from Butler Board of Commissioners to President Donald Trump (March 9, 2020) (Exhibit 1 at 21-9221_0002-03); Transcript of Interview of Witness 1 ("Witness 1 Transcript"), May 20, 2021 (Exhibit 2 at 21-9221_0011-12); Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78).

¹⁴ See e.g., AK Steel, *Our Products, Electrical Steel: Grain Oriented*, <https://www.aksteel.com/our-products/electrical-steel/grain-oriented-electrical-steels> (last visited July 20, 2021); Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); Letter from Reps. Kelly & Balderson to President Trump (March 6, 2020) (Exhibit 4 at 21-9221_0080-81).

¹⁵ See e.g., Press Release, Rep. Mike Kelly, *Rep. Kelly Welcomes Local Steel Company to Congressional Hearing on Tariffs* (April 13, 2018); Press Release, Rep. Mike Kelly, *Kelly, Kaptur, and Balderson Lead Bipartisan Group of Lawmakers Urging President Trump to Preserve American Electrical Steel Industry* (April 15, 2020); Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78).

¹⁶ Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); AK Steel, *Butler Works*, <https://www.aksteel.com/about-us/locations/ak-steel/butler-works> (last visited July 20, 2021); AK Steel, *Steel Production in Zanesville, Ohio*, <https://www.aksteel.com/about-us/locations/ak-steel/zanesville-works> (last visited July 20, 2021); Letter from Reps. Kelly & Balderson to President Trump (March 6, 2020) (Exhibit 4 at 21-9221_0080-81); see also *New owner of AK Steel Warns lawmakers that without stiffer tariffs plants could close*, BUTLER EAGLE (March 6, 2020).

¹⁷ Simply put, laminations and cores are GOES that have been cut or shaped, i.e., slightly altered, for use in electrical transformers.

¹⁸ Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85);

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

20. Section 232 of the Trade Expansion Act of 1962 allows the President of the United States “to impose restrictions on certain imports based on an affirmative determination by the Department of Commerce . . . that the product(s) under investigation ‘is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.’”¹⁹ In 2018, the Trump administration enacted 25% tariffs on certain steel imports under Section 232.²⁰ The administration expanded those tariffs to certain derivative steel products in January 2020, but not GOES-based derivative products (including transformer laminations and cores).²¹
21. According to Cleveland-Cliffs’ CEO, without government intervention in the form of additional Section 232 tariffs, the Butler and Zanesville plants would remain unprofitable and need to be shuttered.²² In support of its request for additional GOES-focused Section 232 tariff protections, Cleveland-Cliffs argued that preserving electrical steel production capabilities in the U.S. should be an imperative for the federal government if it wanted to maintain the security and integrity of its electrical grid.²³ According to Cleveland-Cliffs, the additional tariff protections were required because U.S.-based transformer manufacturers had been buying cheap GOES from foreign countries, importing it into Canada and Mexico, and then slightly altering it in those countries – into laminations and cores – before importing it into the United States.²⁴ By doing this, these transformer manufacturers avoided purchasing more expensive electrical steel in the U.S. and circumvented the Section 232 steel tariffs.²⁵ In short, Cleveland-Cliffs argued that transformer manufactures exploited a loophole in the Section 232 steel tariffs in order to secure transformer lamination and cores made of cheaply produced foreign GOES.²⁶ Cleveland-Cliffs argued this was especially problematic since

Daniel Moore, *Steel CEO to Trump administration: Tariffs ‘loophole’ threatens Butler plant*, PITTSBURGH POST-GAZETTE (Sept. 12, 2020) (“Lourenco Goncalves, chairman and CEO of Cleveland-Cliffs Inc., said in an interview he would ‘shut that plant down,’ doubling down on a ‘promise’ he made last week before a Congressional panel to cut those jobs should U.S. officials not act swiftly to stem the flow of [GOES] imports.”).

¹⁹ See CRS Report, *Section 232 Investigations: Overview and Issues for Congress* (May 18, 2021) (citing 19 U.S.C. §1862(b)(3)(A)).

²⁰ *Id.* at 6-8.

²¹ *Id.* at 6-8, 21; see also Press Release, Mayer Brown, *Commerce Department Announces Sec. 232 Investigation into Imports of Key Electrical Transformer Components* (May 6, 2020).

²² Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85); see also Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85); Moore, *supra* n.18.

²³ See e.g., Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78).

²⁴ See e.g., Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); see also Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85).

²⁵ Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); see also Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85).

²⁶ Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); see also Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85); Moore, *supra* n.18; Scott Suttell, *CEO of Cleveland-Cliffs wants tariff fix*, *Fast*, CRAIN’S CLEVELAND BUSINESS (March 6, 2020).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

part of the justification for the Section 232 steel tariffs originally enacted in 2018 was concern for the domestic electrical steel market.²⁷

22. In the wake of Cleveland-Cliffs' threat to shutter its electrical steel operations in Butler, Pennsylvania and Zanesville, Ohio, numerous Members of the Pennsylvania and Ohio House and Senate delegations – including Rep. Kelly – actively lobbied the Trump administration to take action on Cleveland-Cliffs' behalf.²⁸ Likewise, Cleveland-Cliffs urgently lobbied the Trump administration for Section 232 relief.²⁹ These lobbying efforts culminated in April 2020, just as the COVID-19 pandemic took hold in the U.S. and began consuming much of the federal government's attention.³⁰
23. On April 28, 2020, the Department of Commerce agreed to take action in support of AK Steel.³¹ On that day, Secretary of Commerce Wilbur Ross called Cleveland-Cliffs CEO and advised him that the Department of Commerce intended to announce publicly in the near future that the Department would be self-initiating a new Section 232 investigation covering transformer laminations and cores.³² Cleveland-Cliffs, as owner of the last remaining domestic producer of GOES (AK Steel), could potentially benefit from the results of the investigation. Given Commerce's decision, Cleveland-Cliffs opted not to close the Butler and Zanesville plants.³³
24. Rep. Kelly's staff was apprised of these developments on April 28, 2020 by both Cleveland-Cliffs and a senior Commerce Department official.³⁴
25. The day after Rep. Kelly's office learned about these developments, Victoria Kelly purchased between \$15,001 and \$50,000 of stock in Cleveland-Cliffs.³⁵ As discussed in more detail below, the timing of this stock purchase suggests that it may have been made based on nonpublic information that Victoria Kelly learned from her husband, Rep. Mike Kelly – specifically, that the Department of Commerce intended to initiate the Section 232 investigation in support of AK Steel's electrical steel business and Cleveland-Cliffs' decided

²⁷ Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78). For additional discussion of the tariff issues at stake for Cleveland Cliffs, see e.g., Press Release, Rep. Mike Kelly, *Rep. Kelly Commends Department of Commerce for Opening 232 Investigation on Imported Electrical Steel Components* (May 4, 2020); Letter from Reps. Kelly & Balderson to President Trump (March 6, 2020) (Exhibit 4 at 21-9221_0080-81); Rep. Kelly AK Steel Constituent Letter (Exhibit 6 at 21-9221_0087-89); Moore, *supra* n.18; Suttell, *supra* n.26; *New owner of AK Steel Warns lawmakers that without stiffer tariffs plants could close*, BUTLER EAGLE (March 6, 2020); CRS Report, *Section 232 Investigations: Overview and Issues for Congress* (May 18, 2021).

²⁸ As Witness 3 told the OCE, numerous members of the Pennsylvania and Ohio delegations were contacting the Department of Commerce on Cleveland-Cliffs' behalf and arguing for Section 232 protections. Transcript of Interview of Witness 3 ("Witness 3 Transcript"), May 27, 2021 (Exhibit 7 at 21-9221_0105, 111, 133). With specific respect to Rep. Kelly's efforts, see *infra*.

²⁹ See *infra* Section II.B.i-ii.

³⁰ See Witness 3 Transcript (Exhibit 7 at 21-9221_0118).

³¹ See *infra* Section II.B.ii.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ See Rep. Mike Kelly Periodic Transaction Report (May 15, 2020).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

not to close its electrical steel operations in Pennsylvania and Ohio in the wake of this decision.

26. Rep. Kelly and his wife refused to cooperate with this review. Accordingly, the OCE could not interview them about the extent to which they were aware of and decided to trade on nonpublic information. They also refused to produce documents requested by the OCE.³⁶
27. The OCE did secure cooperation and documents from various third parties with information concerning Victoria Kelly's stock purchase and the Department of Commerce's decision to assist Cleveland-Cliffs' subsidiary through a self-initiated Section 232 investigation. Below is a timeline of events leading up to Victoria Kelly's purchase of Cleveland-Cliffs' stock and a discussion regarding the anomalous nature of her April 29, 2020 trade.
- i. Cleveland-Cliffs Publicly Seeks Section 232 Assistance for AK Steel
28. Founded in 1847, Cleveland-Cliffs describes itself as "the largest and oldest independent iron ore mining company in the United States."³⁷ On December 3, 2019, in an effort to vertically integrate its business, Cleveland-Cliffs announced a definitive merger agreement with AK Steel, in which AK Steel would become a direct, wholly-owned subsidiary of Cleveland-Cliffs, but would retain its branding and corporate identity.³⁸ Soon after this announcement, Cleveland-Cliffs began lobbying the Trump administration to enact tariff protections for AK Steel's GOES products.³⁹
29. For example, on January 15, 2020, Witness 4, Cleveland-Cliffs' then-Senior Director of Government Relations, sent an email to the Department of Commerce's Assistant Secretary for Industry and Analysis, Nazak Nikakhtar.⁴⁰ In that email, Witness 4 attached a letter from Cleveland-Cliffs' CEO Lourenco Goncalves to Secretary Ross regarding "the challenges confronting the Grain Oriented Electrical Steel (GOES) market."⁴¹

³⁶ The OCE was initially told by Rep. Kelly's lawyers to expect cooperation and the production of requested materials. It appears that Rep. Kelly's staff was asked to collect documents in response to the OCE's Request for Information, which they did, *see* Witness 1 Transcript (Exhibit 2 at 21-9221_0063); however, Rep. Kelly opted not to produce those materials to the OCE.

³⁷ Cleveland-Cliffs, *About Us*, <http://www.clevelandcliffs.com/English/about-us/default.aspx> (last visited July 20, 2021).

³⁸ Press Release, AK Steel, *Cleveland-Cliffs to Acquire AK Steel* (Dec. 3, 2019). The acquisition would not be finalized until March 13, 2020. *See* Acquisition Announcement (Exhibit 8 at 21-9221_0154).

³⁹ Below are some prominent actions taken by Cleveland-Cliffs on these issues, but this is not an exhaustive recitation of Cleveland-Cliffs' lobbying efforts on the issue of GOES.

⁴⁰ January 15, 2020 – April 22, 2020 Emails between Witness 4, Nazak Nikakhtar, Talat Goudarzi, and Mikell Hay (Exhibit 9 at 21-9221_0163-64). As Assistant Secretary for Industry and Analysis, Ms. Nikakhtar served as the "Department's primary liaison with U.S. industry and trade associations to help address industry concerns and support American competitiveness." Department of Commerce, *Leadership - Nazak Nikakhtar*, <https://www.commerce.gov/about/leadership/nazak-nikakhtar> (last visited July 20, 2021).

⁴¹ January 15, 2020 – April 22, 2020 Emails between Witness 4, Nazak Nikakhtar, Talat Goudarzi, and Mikell Hay (Exhibit 9 at 21-9221_0163-64); Letter from Lourenco Goncalves, Cleveland-Cliffs' CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78). In the email, Witness 4 explained that "addressing the trade challenges facing electrical steel must be a top priority" for Cleveland-Cliffs given its acquisition of AK Steel. January 15, 2020 – April 22, 2020 Emails between Witness 4, Nazak Nikakhtar, Talat Goudarzi, and Mikell Hay (Exhibit 9 at 21-9221_0163-64).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

30. In the letter, Goncalves: 1) explained that AK Steel is the last remaining U.S. producer of GOES; 2) argued that “preserving this industry within the United States must be an imperative for the federal government” given “the importance of maintaining the security and integrity of our electrical grid”; and 3) detailed the manner in which certain GOES products – namely transformer lamination and cores – are being imported through Canada and Mexico in a manner that circumvents the Section 232 steel tariffs enacted by the Trump administration in 2018.⁴² Goncalves concluded the letter by requesting:

[Secretary Ross] support of a standalone Section 232 on the transformer supply chain or a supplemental Section 232 (under the existing steel tariff structure) covering transformer laminations and cores. ... Please be assured that Cleveland-Cliffs is committed to the success of the AK Steel acquisition irrespective of what becomes of its electrical steel division. However, for the sake of U.S. national security and the fate of roughly 1,500 direct jobs in Pennsylvania and Ohio, I urge your support for action to address this blatant tariff circumvention as soon as possible. I hope to meet with you very soon to discuss the future of electrical steel production in the United States. Thank you for your consideration of this most important matter.⁴³

31. Goncalves did meet with Secretary Ross to discuss these issues further. On February 19, 2020, Goncalves, Witness 4, and Witness 5 (AK Steel’s Corporate Manager of Government & Public Relations), traveled to Washington, DC and personally lobbied Secretary Ross regarding the issues raised in Goncalves’ January 15, 2020 letter.⁴⁴
32. Goncalves continued to press these circumvention concerns following his in-person meeting with Secretary Ross. At a public congressional steel caucus hearing held in Washington, DC on March 5, 2020, Rep. Kelly asked Goncalves to testify about “the danger we have of losing our ability to make grain oriented electrical steel in the United States.”⁴⁵ In response to Rep. Kelly’s invitation to speak, Goncalves told lawmakers that he would be closing down AK Steel’s GOES producing plants in Butler, Pennsylvania and Zanesville, Ohio, unless the federal government addressed GOES tariff circumvention.⁴⁶ Specifically, Goncalves said:

⁴² Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78).

⁴³ *Id.*

⁴⁴ January 15, 2020 – April 22, 2020 Emails between Witness 4, Nazak Nikakhtar, Talat Goudarzi, and Mikell Hay (Exhibit 9 at 21-9221_0158-64). Emails indicate Goncalves, Witness 4, and Witness 5 all planned to attend the February 19, 2020 meeting with Secretary Ross. *Id.* While Witness 4 and Witness 5’s attendance was not definitive, the OCE gathered no evidence suggesting they did not attend, and both Witness 4 and Witness 5 remained on emails with the Department of Commerce during the day of the visit. *Id.*

⁴⁵ Excerpt from March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85). Before providing Goncalves with the opportunity to speak, Rep. Kelly described AK Steel’s electrical steel business as being in “a death situation right now.” *Id.*

⁴⁶ *Id.*

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

“I’m talking [1,400]⁴⁷ jobs in Butler, PA and 100 jobs in Zanesville, Ohio that will be gone. I promise they will be gone if I don’t get help.”⁴⁸

33. The following week, Goncalves personally addressed his concerns with Joseph Semsar, the Department of Commerce’s Undersecretary for International Affairs.⁴⁹ Goncalves also publicly reiterated his plans to shutter AK Steel’s electrical steel business – including the Butler Works.⁵⁰ These closures would have resulted in almost 13% of the companies’ combined workforce being terminated.⁵¹
34. The possibility of closing the Butler Works plant was significant to the Butler community and Rep. Kelly. As the Butler Board of Commissioners explained in a March 9, 2020 letter to President Trump, “the loss of this plant would be devastating to the Butler County economy.”⁵² Witness 1, a Rep. Kelly employee working on Cleveland-Cliffs matters, similarly described the potential plant closure as a “huge issue” for Rep. Kelly’s congressional office given the “incredibly important” role that the plant plays in the Butler community.⁵³ According to Witness 1, the potential plant closure was one of the most pressing issues for the congressional office in 2020.⁵⁴
35. As discussed more fully below, as the close of the Butler Works plant became more imminent, Rep. Kelly’s office began more actively assisting Cleveland-Cliffs with its efforts to secure Section 232 relief from the Trump administration.⁵⁵

⁴⁷ *Id.* During his testimony, Goncalves said that the plant closure in Butler would affect 1,500 jobs, but other evidence collected by the OCE indicates that 1,400 jobs would have been lost in Butler, PA and 100 jobs in Zanesville, OH. *See e.g.*, Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78); Letter from Rep. Kelly (and other Members) to President Trump (April 15, 2020) (Exhibit 11 at 21-9221_0169-71). Accordingly, the OCE altered the text of the quote above for accuracy and consistency.

⁴⁸ Excerpt of March 5, 2020 Steel Caucus Hearing (Exhibit 5 at 21-9221_0083-85).

⁴⁹ *See* Moore, *supra* n.18.

⁵⁰ *Id.*

⁵¹ In his January 15, 2020 Letter to Sec. Ross, Goncalves says the combined workforce of AK Steel and Cleveland-Cliffs after the acquisition would be approximately 11,700 employees. Letter from Lourenco Goncalves, Cleveland-Cliffs CEO to Sec. of Commerce Wilbur Ross (Jan. 15, 2020) (Exhibit 3 at 21-9221_0077-78). A layoff of 1,500 individuals of the combined workforce of 11,700 employees is 12.82%.

⁵² Letter from Butler Board of Commissioners to President Donald Trump (March 9, 2020) (Exhibit 1 at 21-9221_0002-03). The commissioners implored President Trump to “take action on the request by Cleveland-Cliffs Inc. CEO Lourenco Goncalves to close the loophole in the ‘Section 232’ steel tariffs to protect electrical steel laminations and cores.” *Id.*

⁵³ Witness 1 Transcript (Exhibit 2 at 21-9221_0011-13); *see also* Rep. Kelly AK Steel Constituent Letter (Exhibit 6 at 21-9221_0087-89). Rep. Kelly’s lawyers similarly echoed these points in their correspondence with the OCE, stating that “without [the Butler Works], there would be no Butler.” *See* Letter from Thomas W. King, Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 5, 2021).

⁵⁴ Witness 1 Transcript (Exhibit 2 at 21-9221_0012-13).

⁵⁵ Rep. Kelly has actively worked with AK Steel for several years to address unfair trade practices in the electrical steel market. *See e.g.*, Press Release, Rep. Mike Kelly, *Rep. Kelly Commends Department of Commerce for Opening 232 Investigation on Imported Electrical Steel Components* (May 4, 2020); Moore, *supra* n.18. For example, in April 2018, Rep. Kelly invited AK Steel’s then-CEO to testify before the House Ways and Means Committee on the effects that tariff increases were having on AK Steel’s electrical steel business. Press Release,

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

ii. The Department of Commerce Acts in Support of Cleveland-Cliffs & Victoria Kelly Buys Cleveland-Cliffs Stock

36. The Department of Commerce took action in support of Cleveland-Cliffs in late April 2020, just as Cleveland-Cliffs' decision to close the Butler Works plant and lay off its 1,400 workers was coming to a head.⁵⁶ Victoria Kelly purchased stock in Cleveland-Cliffs just after the Commerce Department advised Cleveland-Cliffs about its planned support – in the form of a self-initiated Section 232 investigation – but before the Department publicly announced this course of action. Below is a detailed timeline of these events that the OCE was able to reconstruct based upon evidence collected during this review.

Wednesday April 22nd – Friday April 24th

37. On Wednesday, April 22, 2020, Cleveland-Cliffs “informed Rep. Kelly of potential layoff notices at the Butler Works and Zanesville Works operations.”⁵⁷ It appears Cleveland-Cliffs attempted to relay this information to Secretary Ross on the same day,⁵⁸ and that the company intended to provide layoff notices to its employees on April 29th.⁵⁹

38. This disclosure by Cleveland-Cliffs led to a flurry of activity by Rep. Kelly and his congressional staff. On Wednesday, April 22nd, Matt Stroia contacted Witness 3, the most senior political official in the Department of Commerce's Office of Legislative and Intergovernmental Affairs,⁶⁰ seeking an update “on any potential developments from [the Department of Commerce]?”⁶¹ In that email he described the situation as “getting dire at the Butler, PA plant.”⁶² Witness 3 responded later in the day, saying:

I know this issue is a priority for [Congressman Kelly] as I was on a call with him and Nazak [Nikakhtar] from ITA several weeks back. As you know, the Department [of Commerce] is familiar with

Rep. Mike Kelly, *Rep. Kelly Welcomes Local Steel Company to Congressional Hearing on Tariffs* (April 13, 2018). In 2019, Reps. Kelly and Balderson wrote a letter to U.S. Trade Representative Lighthizer regarding the challenges AK steel faced in the electrical steel market. Letter from Reps. Kelly and Balderson to Hon. Robert Lighthizer (Nov. 20, 2019) (Exhibit 10 at 21-9221_0166-70). More recently, as the close of the Butler Works plant became more imminent, Rep. Kelly – along with other Members of Congress – sent a variety of letters to President Trump and Trump administration officials urging action on behalf of Cleveland-Cliffs and AK Steel. *See e.g.*, Letter from Reps. Kelly & Balderson to President Trump (March 6, 2020) (Exhibit 4 at 21-9221_0080-81); Letter from Rep. Kelly (and other Members) to President Trump (April 15, 2020) (Exhibit 11 at 21-9221_0169-71). Rep. Kelly also directly raised GOES concerns during this timeframe with administration officials. *See e.g.*, April 23, 2020 Email from Matt Stroia to Natalie Joyce (Exhibit 12 at 21-9221_0173); Moore, *supra* n.18. As discussed below, Rep. Kelly and his staff's efforts became more active as the plant's closure appeared more imminent.

⁵⁶ On March 13, 2020, Cleveland-Cliffs officially completed its acquisition of AK Steel. *See Acquisition Announcement* (Exhibit 8 at 21-9221_0154).

⁵⁷ Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

⁵⁸ January 15, 2020 – April 22, 2020 Emails between Witness 4, Nazak Nikakhtar, Talat Goudarzi, and Mikell Hay (Exhibit 9 at 21-9221_0157).

⁵⁹ April 28, 2020 Email between Witness 1 and Erin Collins (Exhibit 14 at 21-9221_0177); *see also* April 28, 2020 Text Messages between Witness 1 and Erin Collins (Exhibit 15 at 21-9221_0179).

⁶⁰ Witness 3 Transcript (Exhibit 7 at 21-9221_0097-98).

⁶¹ April 22, 2020 Emails between Witness 3 and Matt Stroia (Exhibit 16 at 21-9221_0181-82).

⁶² *Id.*

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

[Cleveland-Cliffs'] concerns and has been engaged with them over many meetings and discussions. . . . DOC continues to look into this matter. As soon as there is additional information to share, you have my commitment that I will let you know immediately.⁶³

39. On Thursday, April 23rd, Rep. Kelly and his staff continued their efforts to assist Cleveland-Cliffs and prevent the shutdown of the Butler Works facility. On the morning of Thursday, April 23rd, Matt Stroia sent Natalie Joyce, Minority Leader Kevin McCarthy's Deputy Chief of Staff, a detailed email about the issues confronting Cleveland-Cliffs and the Butler Works plant.⁶⁴ The goal of this email was to schedule a meeting for Reps. Kelly and Balderson to "speak with the Leader for a few minutes on the phone at some point soon to brief him on the issue and ask for his advice on the strategy with the administration. Simply put...we need the administration to extend the 232 tariffs to [GOES] coming into the US."⁶⁵ Joyce responded by setting up a call between Reps. McCarthy, Kelly, and Balderson for the following week.⁶⁶
40. Later in the day, Rep. Kelly also directed his staff to set up telephone calls between him and Secretary Ross, Ambassador Robert Lighthizer (the United States Trade Representative), and Peter Navarro (trade advisor to President Trump).⁶⁷ On Friday, April 23rd, Rep. Kelly's staff began scheduling those calls.⁶⁸
41. On Friday, April 23rd, Rep. Kelly also reached out to Mark Meadows, President Trump's then-Chief of Staff, about Cleveland-Cliffs' request for GOES-specific tariff protections.⁶⁹ Before Rep. Kelly contacted Meadows, Matt Stroia contacted individuals in the White House to give them background on the underlying issues and advise them that Rep. Kelly would be contacting Meadows for assistance.⁷⁰ As of Friday, April 23rd at 9:30AM, Stroia described the Cleveland-Cliffs situation as such:⁷¹

⁶³ *Id.*

⁶⁴ April 23, 2020 Email from Matt Stroia to Natalie Joyce (Exhibit 12 at 21-9221_0173).

⁶⁵ *Id.*

⁶⁶ April 23, 2020 – April 27, 2020 Emails between Reps. McCarthy, Kelly & Balderson Staffs (Exhibit 17 at 21-9221_0184-87).

⁶⁷ April 24, 2020 Scheduling Request Emails between Witness 2, James Marsh, and Jill Burke (Exhibit 18 at 21-9221_0189-90).

⁶⁸ *Id.*; Ross, Lighthizer, and Navarro Scheduling Emails (Exhibit 19 at 21-9221_0192-98).

⁶⁹ April 24, 2020 Stroia Outreach Regarding Mark Meadows Contact (Exhibit 20 at 21-9221_0200-01); April 24, 2020 Email from Witness 2 to Cleveland-Cliffs (Exhibit 21 at 21-9221_0203); Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

⁷⁰ April 24, 2020 Stroia Outreach Regarding Mark Meadows Contact (Exhibit 20 at 21-9221_0200-01).

⁷¹ *Id.*

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

Mike is going to be texting Mr. Meadows about an issue this morning. We have a non-coronavirus related issue that is critical to Mike's district and Troy Balderson's district. AK Steel/Cleveland Cliffs employs over 1400 people in Mike's hometown and a large amount in Mr. Balderson's district. Unfortunately, the CEO has declared he plans to shut down both locations IF the government doesn't extend the 232 tariffs to grain oriented electrical steel, a type of steel that goes into transformers used in our electrical grid. The company has shown that Russian, Japan, S. Korea have been shipping electrical steel into Canada and Mexico. Once in Canada/Mexico, these two countries superficially enhance the product and then send it into the US. Obviously, this rages against the spirit of the USMCA.

The issue for our offices is two fold. One, jobs obviously, but two, AK Steel is the last American maker of electrical steel. This is a national security issue.

The CEO has had meetings with Secretary Ross. Our bosses have had calls with the Secretary and follow up calls with his assistants. They are very well aware of the issue and have alerted CPB and USTR about the issues within their jurisdiction as well. Mike has personally spoken to Amb. Lighthizer about this issue and he is supportive but doesn't want to get into anyone else's lane. We have had conversations with Peter Navarro's office. Most recently, Mike, Troy and Marcy Kaptur sent a letter to the President on this issue and gathered 20 others to join. I have attached those letters to this email. We believe that Sec. Ross is assembling his senior team to discuss next steps related to his issue as well?

Simply put...we need the administration to extend the 232 tariffs to Grain Oriented Electrical Steel coming into the US.

42. Later in the day, Witness 2, another Rep. Kelly employee working on matters involving Cleveland-Cliffs, informed Cleveland-Cliffs about this White House outreach and other efforts that Senator Rob Portman and Rep. Balderson were making on Cleveland-Cliffs' behalf.⁷² Witness 2 concluded the email by saying that Rep. Kelly and others on the Hill will "continue to keep up the drum beat" in support of Cleveland-Cliffs.⁷³
43. During this same time, Cleveland-Cliffs was also actively lobbying the Department of Commerce for action and keeping Rep. Kelly's staff informed of its contacts with senior Commerce Department officials.⁷⁴

⁷² April 24, 2020 Email from Witness 2 to Cleveland-Cliffs (Exhibit 21 at 21-9221_0203).

⁷³ *Id.*

⁷⁴ On Wednesday, April 22, 2020, as detailed above, Cleveland-Cliffs advised Rep. Kelly of pending layoffs at the Butler and Zanesville Works and also sought out a call with Secretary Ross on this issue. *See supra* par. 37. On Thursday, April 23, 2020, Cleveland-Cliffs had discussions with Department of Commerce officials and updated Rep. Kelly's staff about these contacts. *See e.g.*, Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175); April 23, 2020 Emails between Witness 4, Witness 5, and Reps. Kelly and Balderson Staffs (Exhibit 22 at 21-9221_0205-06). On Friday, April 24, 2020, Cleveland-Cliffs had additional discussions with the Department of Commerce and again alerted Rep. Kelly's staff to these developments. *See e.g.*, Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175); April 24, 2020 Emails between Deborah Curtis and Witness 4 (Exhibit 23 at 21-9221_0208-090); April 24, 2020 Emails between Witness 4, Witness 5 and Reps. Kelly and Balderson Staffs (Exhibit 24 at 21-9221_0211-12).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

44. Ultimately, however, during the afternoon of Friday, April 23rd, the Department of Commerce informed Cleveland-Cliffs that it was “declin[ing] to pursue coverage of laminations and cores as ‘derivative products’ under the existing steel Section 232 tariffs/quotas.”⁷⁵ This information was relayed to Rep. Kelly’s staff on Friday afternoon as a part of a conference call initiated by Cleveland-Cliffs.⁷⁶

Saturday April 25th – Monday April 27th

45. While the Department of Commerce declined to extend the existing Section 232 tariffs to GOES products the day before, the Department of Commerce remained engaged on these issues with Cleveland-Cliffs and various interested parties on Capitol Hill, including Rep. Kelly and his staff. On Saturday, April 25th, Secretary Ross requested his Chief of Staff set up a phone call with Cleveland-Cliffs later in the day.⁷⁷ The following day, Sunday, April 26th, Witness 3 invited various congressional staffers, including Matt Stroia and Witness 2, to attend an April 27th Commerce Department “staff briefing on Cleveland-Cliffs.”⁷⁸
46. Likewise, Rep. Kelly and his staff continued to assist Cleveland-Cliffs. On Monday, April 27th, Rep. Kelly left a voicemail for Cleveland-Cliffs’ CEO Goncalves, noting that he had contacted Mark Meadows, who would be speaking with President Trump that afternoon about the company’s GOES concerns.⁷⁹ Goncalves called Rep. Kelly back and the two men further discussed the company’s GOES concerns.⁸⁰

Tuesday April 28th – Wednesday April 29th

47. At around noon on April 28th, Cleveland-Cliffs CEO received a call from Secretary Ross. On that call, Secretary Ross informed Goncalves that the Department of Commerce intended to announce publicly in the near future that the Department would be self-initiating a new Section 232 investigation covering transformer laminations and cores.⁸¹ Additionally, Secretary Ross conveyed to Goncalves that (1) the Department believed the prospective new Section 232 investigation could be handled in an expedited fashion, meaning that it could be completed in as little as four months; (2) the investigation would be overseen by Under Secretary of Commerce for International Trade Joe Semsar; and (3) Secretary Ross would be given regular updates that he would pass along to the Company to the extent legally

⁷⁵ Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

⁷⁶ *Id.*; April 24, 2020 Emails between Witness 4, Witness 5 and Reps. Kelly and Balderson Staffs (Exhibit 24 at 21-9221_0211-12).

⁷⁷ April 25, 2020 Email from Wilbur Ross Regarding Cleveland Cliffs (Exhibit 25 at 21-9221_0214); *see also* Witness 3 Transcript (Exhibit 7 at 21-9221_0124-26).

⁷⁸ April 26, 2020 DOC Staff Briefing Email (Exhibit 26 at 21-9221_0216).

⁷⁹ Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

⁸⁰ April 27, 2020 Emails between Witness 4, Patricia Persico, and Lourenco Goncalves (Exhibit 27 at 21-9221_0218).

⁸¹ Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222); *see also* Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended permissible.⁸² Given this development, Cleveland-Cliffs opted not to lay off its Butler and Zanesville workforces.⁸³

48. Goncalves recounted the details of this call with Witness 4, who in turn shared the update with Witness 5.⁸⁴ Witness 4 and Witness 5 then set about sharing the news with interested parties on Capitol Hill, including Rep. Kelly's staff.⁸⁵
49. At 2:45 PM on Tuesday, April 28th, Witness 2, Witness 4 and Witness 5 all joined a conference call.⁸⁶ On that call, Witness 4 and Witness 5 updated Witness 2 on the Department of Commerce's intent to initiate a Section 232 investigation covering transformer laminations and cores.⁸⁷ Witness 2 would later describe this Department of Commerce communication as a "verbal commitment" to proceed with the Section 232 investigation.⁸⁸
50. While it is unclear exactly when Stroia and Witness 1 were informed of the Department of Commerce's decision, documents obtained by the OCE suggest that Stroia and Witness 1 called into the Witness 2-Witness 4-Witness 5 conference call at around 2:52PM, and were likely alerted to Commerce's decision at or around that time.⁸⁹
51. Additionally, it appears Stroia was directly informed by the Department of Commerce of its decision to self-initiate the Section 232 investigation. Consistent with his prior commitment to contact Stroia when developments arose relative to Cleveland-Cliffs, Witness 3, in his role as Assistant Secretary for Legislative and Intergovernmental Affairs at the Commerce Department, contacted Stroia at 2:51PM on April 28th asking for the "best # to reach [him on]"⁹⁰ Witness 3 and Stroia appear to have spoken sometime after 3:14PM about the Department's decision to initiate the Section 232 investigation.⁹¹
52. Throughout the remainder of the day, Rep. Kelly's staff communicated about the Department of Commerce's decision to self-initiate the Section 232 investigation. Documents suggest that Rep. Kelly's staff originally expected the Department of Commerce to issue a press

⁸² Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222).

⁸³ It appears Cleveland-Cliffs intended to provide layoff notices on April 29, 2020, *see* April 28, 2020 Email between Witness 1 and Erin Collins (Exhibit 14 at 21-9221_0177); April 28, 2020 Text Messages Witness 1 and Erin Collins (Exhibit 15 at 21-9221_0179); however, those layoffs never materialized given the Department of Commerce's action on April 28th. Witness 1 Transcript (Exhibit 2 at 21-9221_0025, 45); Transcript of Interview of Witness 2 ("Witness 2 Transcript") (Exhibit 30 at 21-9221_0303).

⁸⁴ Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222).

⁸⁵ Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222).

⁸⁶ Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222); Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175); April 28, 2020 Emails between Witness 1, Witness 2, Witness 4, Witness 5, and Matt Stroia 5 (Exhibit 31 at 21-9221_0328).

⁸⁷ Statement of Witness 4 (Exhibit 28 at 21-9221_0220); Statement of Witness 5 (Exhibit 29 at 21-9221_0222); Cleveland-Cliffs Call Summaries (Exhibit 13 at 21-9221_0175).

⁸⁸ September 2, 2020 – September 4, 2020 Emails between Witness 1 and Daniel Moore (Exhibit 32 at 21-9221_0330-32).

⁸⁹ *See* April 28, 2020 Emails between Witness 1, Witness 2, Witness 4, Witness 5, and Matt Stroia 5 (Exhibit 31 at 21-9221_0328).

⁹⁰ April 28, 2020 – April 30, 2020 Emails between Witness 3 and Matt Stroia (Exhibit 33 at 21-9221_0334-35).

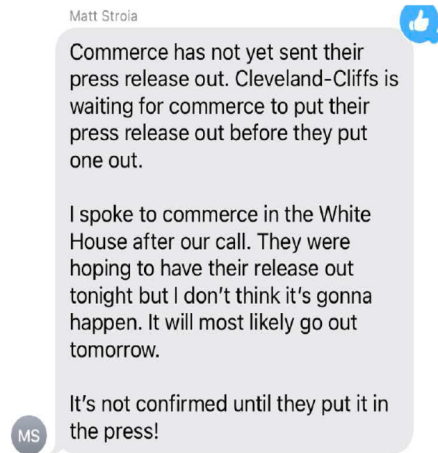
⁹¹ *Id.*; *see also* Witness 3 Transcript (Exhibit 7 at 21-9221_0134-45).

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release announcing the investigation on the 28th.⁹² Later that evening, when the investigation had not been publicly announced, Rep. Kelly's staff texted about the status of the pending announcement.⁹³

53. At approximately 8:05PM, Stroia texted Witness 1 and Witness 2 that he spoke with Witness 3 earlier in the day, and while he understood that Commerce intended to announce the Section 232 investigation on the 28th, it will most likely be announced the following day.⁹⁴



54. The following morning at 9:04AM, Witness 1 responded to the above text by noting that he still did not see an announcement from the Department of Commerce, which he had been expecting to see.⁹⁵ At approximately 9:05AM, Witness 2 responded to Stroia and Witness 1's texts, noting that she spoke with Witness 5 at AK Steel, and explained that the announcement of the Section 232 investigation is now "likely to come later in the week. Hopefully by Friday based upon a late night conversation [Witness 4] had with [Secretary of Commerce Wilbur] Ross' Chief [of] Staff."⁹⁶

⁹² April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39); *see also* Witness 1 Transcript (Exhibit 2 at 21-9221_0033-34).

⁹³ April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39).

⁹⁴ *Id.*; Witness 3 Transcript (Exhibit 7 at 21-9221_0134-45) (while he could not definitively recall speaking with Stroia about the Section 232 investigation, Witness 3 acknowledged that the reference in the above text message appeared to be a reference to him).

⁹⁵ April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39); *see also* Witness 1 Transcript (Exhibit 2 at 21-9221_0033-34).

⁹⁶ April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39).

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55. Because Rep. Kelly, Victoria Kelly, and Matt Stroia refused to cooperate with the OCE's review, the OCE cannot definitively say what Rep. Kelly and his wife knew about these developments and when they knew them. However, when asked whether Rep. Kelly would have been alerted to these key developments on April 28th as they occurred, Witness 1 and Witness 2 both said they believed Rep. Kelly would have been informed by Stroia given their significance to Rep. Kelly personally and to the Butler community.⁹⁷ Rep. Kelly's personal involvement with this issue also suggests he would have been fully apprised on April 28th of the day's developments.
56. On April 29th, Victoria Kelly purchased between \$15,001 and \$50,000 of stock in Cleveland-Cliffs.⁹⁸ This purchase occurred just after Rep. Kelly's office learned the Department of Commerce planned to self-initiate the Section 232 investigation, but before a public announcement was made. This purchase also occurred just after Cleveland-Cliffs opted not to issue termination notices to 13% of its workforce.⁹⁹ Further, and as discussed more fully below, this purchase by Rep. Kelly's wife was anomalous in several respects, suggesting that the confidential information available to Rep. Kelly may have played a role in her decision to purchase the stock.

Thursday April 30th – Monday May 4th

57. On Thursday, April 30th, Matt Stroia emailed Witness 3: "Just checking in, any word from your comms team on getting out the [Section 232 press] release?"¹⁰⁰ Consistent with prior information provided to Rep. Kelly's staff, Witness 3 responded: "Slipped a few days. But the decision has been made. Just internal clearing process still going."¹⁰¹
58. On Friday, May 1, 2020, at 3:30PM, Rep. Kelly, Matt Stroia, Witness 1, and Witness 2 had a phone call with Secretary Ross regarding Cleveland-Cliffs and the Butler Works steel plant.¹⁰² On that call Secretary Ross directly confirmed to Rep. Kelly and his staff what had been previously conveyed to Cleveland-Cliffs – a Section 232 announcement was forthcoming.¹⁰³
59. Finally, on Monday, May 4th, the Department of Commerce announced its Section 232 investigation.¹⁰⁴ Specifically, the Department announced that it had launched an investigation under Section 232 of the Trade Expansion Act of 1962 into whether imports of transformer laminations and cores, electrical transformers, and transformer regulators "are

⁹⁷ Witness 1 Transcript (Exhibit 2 at 21-9221_0012-13, 38-39); Witness 2 Transcript (Exhibit 30 at 21-9221_0279-81).

⁹⁸ Rep. Mike Kelly Periodic Transaction Report (May 15, 2020).

⁹⁹ See *supra* n.51.

¹⁰⁰ April 28, 2020 – April 30, 2020 Emails between Witness 3 and Matt Stroia (Exhibit 33 at 21-9221_0334).

¹⁰¹ *Id.*

¹⁰² Calendar Invite for May 1, 2020 Call between Sec. Ross and Rep. Kelly (Exhibit 35 at 21-9221_0341); May 1, 2020 Text Messages between Rep. Kelly, Matt Stroia, Witness 1, and Witness 2 (Exhibit 36 at 21-9221_0343); Witness 1 Transcript (Exhibit 2 at 21-9221_0041-42, 68-71).

¹⁰³ May 1, 2020 Text Messages between Rep. Kelly, Matt Stroia, Witness 1, and Witness 2 (Exhibit 36 at 21-9221_0343); Witness 1 Transcript (Exhibit 2 at 21-9221_0041-42, 68-71).

¹⁰⁴ May 4, 2020 Dept. of Commerce Section 232 Investigation Press Release (Exhibit 37 at 21-9221_0345-46); see also May 4, 2020 Dept. of Commerce Section 232 Investigation Tweet (Exhibit 38 at 21-9221_0348).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security [of the U.S.].”¹⁰⁵ Rep. Kelly, through his staff, was provided with advance notice of the announcement.¹⁰⁶

60. Cleveland-Cliffs praised the Department of Commerce’s announcement in a May 4, 2020 press release:

Cleveland-Cliffs Inc. (NYSE: CLF) today praised the U.S. Department of Commerce’s self-initiation of an urgent Section 232 investigation The outcome of this investigation will be critical to addressing circumvention of existing national security tariffs covering Grain Oriented Electrical Steel (GOES) using laminations and cores cut in Mexico and in Canada as means for tariff evasion. Cleveland-Cliffs’ wholly-owned subsidiary AK Steel is the last remaining producer of GOES in North America. This blatant circumvention activity has degraded the domestic electrical steel market and now threatens the viability of Cleveland-Cliffs continuing to produce GOES, a critical element to the security of America’s electric grid.

Lourenco Goncalves, Chairman, President and Chief Executive Officer said, “We are confident that this self-initiated investigation will reinforce the critical nature of ensuring a reliable domestic supply of GOES to support electric power distribution, and will address the circumvention of national security tariffs involving transformer laminations and cores of GOES. Cleveland-Cliffs greatly appreciates the bipartisan leadership of Senator Rob Portman (OH), Senator Bob Casey (PA), Senator Sherrod Brown (OH), Congressman Mike Kelly (PA), Congressman Troy Balderson (OH), Congresswoman Marcy Kaptur (OH) and other Congressional leaders who helped facilitate this path forward, as well as the great support from our Union partners with the United Auto Workers. The integrity of America’s electric grid and over 1,400 family-sustaining jobs at AK Steel’s Butler Works in Pennsylvania and Zanesville Works in Ohio depend on speedy resolution of this investigation.”¹⁰⁷

61. Likewise, Rep. Kelly also lauded the announcement of the investigation in a May 4th press release:

¹⁰⁵ May 4, 2020 Dept. of Commerce Section 232 Investigation Press Release (Exhibit 37 at 21-9221_0345-46).

¹⁰⁶ May 4, 2020 Email from Eileen Dombrowski to Witness 2 and Matt Stroia (Exhibit 39 at 21-9221_0350).

¹⁰⁷ Press Release, Cleveland-Cliffs, *Cleveland-Cliffs Applauds U.S. Department of Commerce’s Self-Initiation of a Section 232 Investigation on Transformer Laminations and Cores, Electrical Transformers and Transformer Regulators* (May 4, 2020).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

As the last American producer of electrical steel products that are key components of the electrical grid, Cleveland-Cliffs owned AK Steel is a bedrock of our national security and the Butler economy. Thank you to President Trump, Secretary Ross, and U.S. Trade Representative Robert Lighthizer for hearing our community's concerns and taking action to end the unfair trade practices that threaten AK Steel's ability to continue production of electrical steel.¹⁰⁸

62. Following the initiation of the Section 232 investigation, Rep. Kelly and his staff continued to work with Cleveland-Cliffs in an effort to secure a favorable investigation result from the Department of Commerce.¹⁰⁹ Victoria Kelly maintained her Cleveland-Cliffs holdings during this timeframe.¹¹⁰

iii. Victoria Kelly's Stock Purchase Anomalies

63. In this review, the OCE employed an expert consultant to analyze Victoria Kelly's April 29, 2020 stock purchase. In making these findings, the OCE relied on the evidence obtained during the review and the expert's opinions regarding Victoria Kelly's trading activities.
64. Victoria Kelly's stock purchase appears to be anomalous in certain respects. First, the timing of the trade suggests that nonpublic information may have formed the basis for this trade.¹¹¹ As detailed above, Victoria Kelly purchased stock in Cleveland-Cliffs the day after her husband was informed that 1) the Department of Commerce would be initiating a Section 232 investigation that could benefit Cleveland-Cliffs, and 2) Cleveland-Cliffs would not be shuttering its electrical steel business and terminating 13% of its workforce.¹¹² The OCE's expert concluded that this information was nonpublic, and thus confidential, at the time of Victoria Kelly's trade.¹¹³
65. Second, Victoria Kelly's purchase is also atypical when considered in conjunction with her prior investment activities. At the end of 2018, Victoria Kelly held 61 individual stocks.¹¹⁴ By June 2019, Victoria Kelly liquidated all her individual stock holdings and appears to have converted any profits into bond and mutual fund holdings.¹¹⁵ Then, on April 29, 2020, Victoria Kelly purchased individual stock in Cleveland-Cliffs.¹¹⁶ This was her first individual stock purchase in eleven months and is the only single corporate stock purchased

¹⁰⁸ Press Release, Rep. Mike Kelly, *Rep. Kelly Commends Department of Commerce for Opening 232 Investigation on Imported Electrical Steel Components* (May 4, 2020).

¹⁰⁹ See e.g., Sample Witness 2 and 3 Emails Regarding Post-232 Investigation Announcement Work (Exhibit 40 at 21-9221_0352-60).

¹¹⁰ See *infra* par. 67.

¹¹¹ See *supra* Section II.B.ii.

¹¹² *Id.*

¹¹³ Expert Report (on file with OCE).

¹¹⁴ Rep. Mike Kelly 2018 Annual Financial Disclosure Report (June 11, 2019).

¹¹⁵ Compare Rep. Mike Kelly 2018 Annual Financial Disclosure Report (June 11, 2019) with Rep. Mike Kelly 2019 Annual Financial Disclosure Report (Aug. 13, 2020).

¹¹⁶ Rep. Mike Kelly Periodic Transaction Report (May 15, 2020).

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

or held by the Kellys between May 2019 and the date of this report.¹¹⁷ As the OCE's expert explained, "Victoria Kelly's investment in Cleveland-Cliffs represented a clear departure from her investment practices at the time."¹¹⁸

66. The OCE's expert ultimately concluded that "Ms. Kelly's purchase of Cleveland-Cliffs stock on April 29, 2020 represented a sharp departure from her investment behavior, leading to the inference that this investment was due to some special event or consideration."¹¹⁹
67. Victoria Kelly sold her Cleveland-Cliffs investment on January 11, 2021 for a profit.¹²⁰ She had purchased Cleveland-Cliffs' stock for approximately \$4.70/share on April 29, 2020 and sold it for approximately \$18.11/share.¹²¹

iv. Rep. Kelly's Public Statements

68. While Rep. Kelly and his wife refused to produce documents to or interview with the OCE, Rep. Kelly did address the April 29, 2020 stock purchase publicly in response to press inquiries.¹²² As discussed below, the public response appears inconsistent with the evidence uncovered by the OCE in its review.
69. In September 2020, various news outlets raised questions about the timing and appropriateness of Victoria Kelly's stock purchase in Cleveland-Cliffs.¹²³ In response to press inquiries, Rep. Kelly, through Witness 1, issued the following statement:

¹¹⁷ See Rep. Mike Kelly 2018 Annual Financial Disclosure Report (June 11, 2019); Rep. Mike Kelly 2019 Annual Financial Disclosure Report (Aug. 13, 2020). Rep. Kelly's publicly available periodic transaction reports from 2020 and 2021 do not include any corporate stock purchases, aside from Cleveland-Cliffs. See Rep. Mike Kelly Periodic Transaction Report (Feb. 25, 2020); Rep. Mike Kelly Periodic Transaction Report (April 10, 2020); Rep. Mike Kelly Periodic Transaction Report (April 29, 2020); Rep. Mike Kelly Periodic Transaction Report (May 15, 2020); Rep. Mike Kelly Periodic Transaction Report (July 14, 2020); Rep. Mike Kelly Periodic Transaction Report (Jan. 25, 2021); Rep. Mike Kelly Periodic Transaction Report (Feb. 12, 2021); Rep. Mike Kelly Periodic Transaction Report (April 9, 2021).

¹¹⁸ Expert Report (on file with OCE).

¹¹⁹ Expert Report (on file with OCE). Put differently, the expert said: "Victoria Kelly made what was for her a highly unusual investment in Cleveland-Cliffs stock on April 29, 2020 . . . [and this] investment occurred one day after Cleveland-Cliffs informed Rep. Kelly's staff that the [Department of Commerce] would be initiating an investigation into downstream GOES products, information that was not yet public." *Id.* While the expert concluded that the trade could have been based on nonpublic information, the expert stopped short of finding that nonpublic information was necessarily material. *Id.* Given the expert's conclusions regarding materiality, the OCE did not consider this matter under federal insider trading law.

¹²⁰ Compare Rep. Mike Kelly Periodic Transaction Report (May 15, 2020) with Rep. Mike Kelly Periodic Transaction Report (Feb. 23, 2021).

¹²¹ On April 29, 2020, Cleveland-Cliffs stock price closed at \$4.70/share, and on January 11, 2020, it closed at \$18.11/share.

¹²² While Rep. Kelly did not cooperate with this review, his lawyers responded to the OCE's requests for information and interviews by reiterating the same statements he provided to news outlets inquiring about Victoria Kelly's stock purchase. See Letter from Thomas W. King, Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 5, 2021); Letter from Thomas W. King, Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 20, 2021).

¹²³ See e.g., Daniel Moore, *Experts say stock buy may be ethics issue*, PITTSBURG POST-GAZETTE (Sept. 20, 2020). This matter first came to the attention of the Pittsburg Post-Gazette because Witness 2 was providing background to

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At a time when the entire Butler community is rallying to save the AK Steel plant and its 1,400 jobs, Representative Kelly's wife made a small investment to show her support for the workers and management of this 100-year old bedrock of their hometown, where they both are life-long residents.¹²⁴

70. While this statement suggests the stock purchase was intended to be a “show [of] support for the workers and management” of AK Steel, the OCE found no public announcement by the Kellys about this purchase that would have elicited or demonstrated support for the plant employees. Witness 1 was unaware of Rep. Kelly or his wife making any public announcement of this stock purchase on or around April 29th.¹²⁵ Witness 1 first learned about the stock purchase when a local reporter brought it to his attention and raised questions about the propriety of the trade.¹²⁶ Similarly, Witness 2 was also unaware of the purchase prior to this press inquiry.¹²⁷ Rep. Kelly appears to acknowledge that prior to these press reports, the only disclosure of this purchase was on his Periodic Transaction Report, filed May 15, 2020.¹²⁸

the paper on Rep. Kelly's role in securing the Section 232 investigation. *See* September 2, 2020 Email from Daniel Moore to Witness 1 Regarding 232 Timeline (Exhibit 41 at 21-9221_0362-63); September 2, 2020 Email from Daniel Moore to Witness 1 Regarding Verbal Commitment (Exhibit 42 at 21-9221_0365); *see also* September 3, 2020 Texts Messages between Witness 1 and Matt Stroia (Exhibit 43 at 21-9221_0367-68) (noting that staff provided background to the Post-Gazette to ensure Rep. Kelly got “credit” for his part in the Section 232 achievement). As a part of that back and forth, Witness 2 advised the Pittsburgh Post-Gazette reporter that the Department of Commerce had made a “verbal commitment on or around April 28” to self-initiate the Section 232 investigation. September 2, 2020 Email from Daniel Moore to Witness 1 Regarding Verbal Commitment (Exhibit 42 at 21-9221_0365). The reporter realized, looking at Rep. Kelly's May 15, 2020 Periodic Transaction Report, that Victoria Kelly purchased stock in Cleveland-Cliffs the day after this “verbal commitment” was made. This led the reporter to seek information from Rep. Kelly's congressional office about the timing of and basis for the stock purchase. August 31, 2020 – September 1, 2020 Emails between Witness 1 and Daniel Moore Regarding Call (Exhibit 44 at 21-9221_0370-71); September 1 Email from Daniel Moore to Witness 1 (Exhibit 45 at 21-9221_0373-74); September 2, 2020 – September 4, 2020 Emails between Witness 1 and Daniel Moore (Exhibit 46 at 21-9221_0376-78). It also led Rep. Kelly's office to internally strategize on how to respond to the reporter's inquiries. *See e.g.*, September 2, 2020 – September 4, 2020 Emails between Witness 1 and Daniel Moore (Exhibit 46 at 21-9221_0376-78). The OCE asked Witness 1 about Rep. Kelly's response when initially confronted with allegations that his wife purchased stock based upon nonpublic information. Witness 1 Transcript (Exhibit 2 at 21-9221_0046-51). Witness 1 could not recall the specifics of his conversation with Rep. Kelly and did not recall discussing with Rep. Kelly whether Rep. Kelly and his wife discussed the stock purchase. *Id.*

¹²⁴ *See e.g.*, Moore, *supra* n.123; *see also* September 2, 2020 – September 4, 2020 Emails between Witness 1 and Daniel Moore (Exhibit 46 at 21-9221_0377).

¹²⁵ Witness 1 Transcript (Exhibit 2 at 21-9221_0049-50).

¹²⁶ *Id.* (Exhibit 2 at 21-9221_0045-46).

¹²⁷ Witness 2 Transcript (Exhibit 30 at 21-9221_00303-04, 306-07). Rep. Kelly's lawyers also appear to acknowledge that no public “show of support” was ever made, and the purchase was first publicly reported on May 15, 2020, when Rep. Kelly filed his Periodic Transaction Report for the April 29, 2020 purchase. Letter from Thomas W. King, Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 20, 2021). Witness 2 described the “show [of] support” quote as “wordsmithing” by Rep. Kelly's press team. Witness 2 Transcript (Exhibit 30 at 21-9221_0307).

¹²⁸ *See* Letter from Thomas W. King, Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 5, 2021); Letter from Thomas W. King,

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

71. When specifically asked whether Rep. Kelly and his wife knew at the time of Victoria Kelly's stock purchase that the "Commerce Department had verbally confirmed a Section 232 investigation" would be announced, Witness 1 told reporters: "Whether the 232 investigation would be launched was uncertain until Secretary Ross confirmed the plan in a private phone conversation with the congressman on May 1."¹²⁹ As discussed above, this statement is inconsistent with the evidence uncovered by the OCE.¹³⁰ In fact, on April 28, 2020, the Commerce Department alerted Cleveland-Cliffs and Rep. Kelly's staff that it would be self-initiating a Section 232 investigation in the immediate future.¹³¹ Indeed, Witness 2 described the Department of Commerce's April 28th conversation with Cleveland-Cliffs as a "verbal commitment" to self-initiate an investigation,¹³² and at no point in time after April 28, 2020 did anyone suggest to Rep. Kelly's staff that this decision to self-initiate was altered or being rescinded.¹³³

72. In summary, Victoria Kelly made an uncharacteristic stock purchase in Cleveland-Cliffs on April 29, 2020 and profited from this purchase. The purchase occurred just after her husband, in the course of his official job duties, learned confidential information about the company.

Partner, Dillon, McCandless, King, Coulter & Graham, LLP to Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics (April 20, 2021).

¹²⁹ September 2, 2020 – September 4, 2020 Emails between Witness 1 and Daniel Moore (Exhibit 46 at 21-9221_0376).

¹³⁰ See *supra* Section II.B.i-ii.

¹³¹ See *supra* Section II.B.ii.

¹³² See *id.*

¹³³ Despite confirmation from Cleveland-Cliffs and the Department of Commerce that the investigation announcement was forthcoming, Rep. Kelly and his staff appeared to harbor some degree of internal concern about the issuance of the announcement. See *e.g.*, April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39); April 28, 2020 Email from Witness 2 to Cleveland-Cliffs (Exhibit 47 at 21-9221_0380); May 1, 2020 Text Messages between Rep. Kelly, Witness 1, Witness 2 and Matt Stroia (Exhibit 36 at 21-9221_0343). This concern appears unfounded as neither the Department of Commerce nor Cleveland-Cliffs ever suggested to Rep. Kelly or his staff that investigation announcement was in jeopardy. Witness 1 Transcript (Exhibit 2 at 21-9221_0036-38, 40-41, 68-71); Witness 2 Transcript (Exhibit 30 at 21-9221_0293-97, 317-18); see also Witness 3 Transcript (Exhibit 7 at 21-9221_0148-49). Instead, the staffs' real concern appears more fairly characterized as an effort to keep the Section 232 investigation announcement "on track." See April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39) (discussing a need to keep the Section 232 announcement "on track" and staying engaged until the announcement occurs); April 28, 2020 Email from Witness 2 to Cleveland-Cliffs (Exhibit 47 at 21-9221_0380) (discussing the need for press "assuming everything stays on track"); May 1, 2020 Text Messages between Rep. Kelly, Witness 1, Witness 2 and Matt Stroia (Exhibit 36 at 21-9221_0343). Indeed, Witness 1 and Witness 2 acknowledged to the OCE that their real concern was more about *when* the announcement would be made, not *if* it would be made. Witness 1 Transcript (Exhibit 2 at 21-9221_0036-38, 40-41, 68-71); Witness 2 Transcript (Exhibit 30 at 21-9221_0293-97, 317-18). This is consistent with the fact that Matt Stroia was told by the Department of Commerce on both April 28th and April 30th that the announcement would be forthcoming. April 28, 2020 – April 29, 2020 Text Messages between Witness 1, Witness 2, and Matt Stroia (Exhibit 34 at 21-9221_0337-39); April 28, 2020 – April 30, 2020 Emails between Witness 3 and Matt Stroia (Exhibit 33 at 21-9221_0334-35) ("[The Section 232 press release by the Department of Commerce] [s]lipped a few days. But the decision has been made.").

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

73. Based on the foregoing information, the Board finds that there is substantial reason to believe that Victoria Kelly's April 29, 2020 stock purchase was based upon confidential information that Rep. Kelly learned from his official job duties.

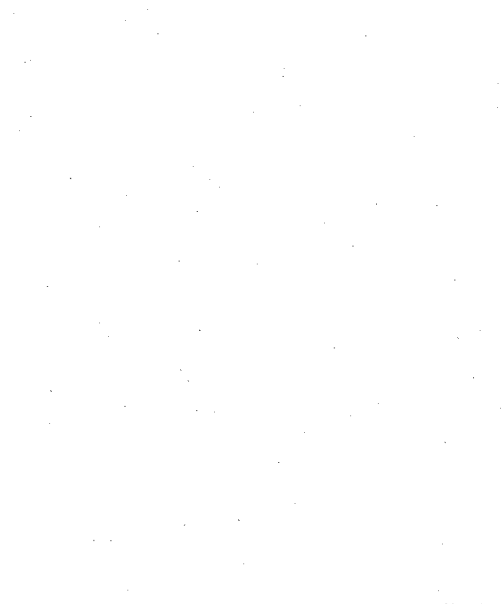
III. CONCLUSION

74. Based on the foregoing information, the Board finds that there is substantial reason to believe that Victoria Kelly's April 29, 2020 stock purchase was based upon confidential information that Rep. Kelly learned from his official job duties.
75. Accordingly, the Board recommends that the Committee further review the above allegation that Victoria Kelly's April 29, 2020 stock purchase was based upon confidential information that Rep. Kelly learned from his official job duties.

IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS

76. The following witnesses, by declining to provide requested information to the OCE, did not cooperate with the OCE review:
- a. Rep. Kelly;
 - b. Victoria Kelly;
 - c. Matt Stroia; and
 - d. Wilbur Ross.
77. The Board recommends that the Committee issue subpoenas to Rep. Kelly, Victoria Kelly, Matt Stroia, and Wilbur Ross.

EXHIBIT 1



County of Butler

Board of Commissioners

124 W. Diamond Street, PO Box 1208, Butler, PA 16003-1208
Phone 724-284-5100 Fax 724-284-5400 TDD 724-284-5473

Commissioners

Leslie A. Osche, *Chairman*
Kimberly D. Geyer, *Vice Chairman*
Kevin E. Boozel, M.S., *Secretary*



Solicitor

H. William White, III

Director of Human Resources/Chief Clerk
Lori Altman

Budget & Human Services Finance Director
Ann M. Brown

March 9, 2020

U.S. President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Trump:

As County Commissioners for Butler County, Pennsylvania, we write to respectfully implore you to take action on the request by Cleveland-Cliffs Inc. CEO Lourenco Goncalves to close the loophole in the "Section 232" steel tariffs to protect electrical steel laminations and cores. We join voices with Mr. Goncalves, AK Steel management and the members of UAW Local 3303 in making this request. The plant, formerly known as Armco Steel, was founded in Butler County in 1933 and has long been the economic force for our County. The AK Steel Butler Works, along with the AK Steel plant in Zanesville, Ohio, are the last two producers of grain-oriented electrical steel laminations and cores in the United States—actually, the last in all of North America.

Further challenging the scenario is the request by neighboring Allegheny Technologies Inc. for exemptions from the tariffs. AK Steel could supply ATI with the specialty slabs it needs, so we would encourage the administration and our local Congressional delegation to broker a deal that would help both AK Steel and ATI prosper for our entire Southwest PA region.

We would like to put the potential loss into perspective. The AK Steel plant in Butler County generates nearly \$130 million in payroll annually, the highest employee payroll of any company in Butler County, including Westinghouse Electric Company when it was at full operation generating \$70 million. The third largest annual payroll comes from the federal government at OPM in the Iron Mountain installation at approximately \$37 million.

Clearly, the loss of this plant would be devastating to the Butler County economy. Wage losses will immediately affect countless car dealers, retailers, and other service providers. Butler Health System, one of the last successful locally based health systems providing both standard and specialty healthcare services to the employees and their families would be severely impacted.

In addition to affecting 1,500 employees and their families, the loss to AK Steel suppliers – including multiple trucking companies, scrap and alloy suppliers, refractories and companies like Air Products, located next to the plant, that supply argon, oxygen, nitrogen and more – would be significant. The plant is served daily by the B&E and BP short line railroads, making connections to the CSXT, Norfolk Southern and CN main lines. The international markets are served via truck shipments to the east coast with vessels loaded at the ports of Chesapeake and Eddystone. The plant uses \$750,000 per month in electricity when operating at capacity. Countless building trade contractors and union workers are in the plant daily, including the Electrical Workers, Ironworkers, Pipefitters, Carpenters, Bricklayers and more. The plant's weekly stock of safety supplies comes from a Philadelphia-based company.

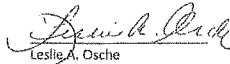

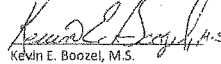
Finally, the plant generates \$236,195 in property tax that sustains the local school district and additional tens of thousands that support local municipalities in an already constrained revenue environment. AK Steel Foundation has made generous contributions to the Commonwealth's Number One Community College for the last five years, Butler County Community College, along with contributions to many other local charitable and civic organizations.

We have celebrated so many economic wins in business growth, infrastructure investments, our regional airport, education, health care and more in our County in the last several years. Butler County is one of the fastest growing counties in Pennsylvania, and the one with most new housing starts in the Commonwealth, but much of that would be lost with the closure of the AK Steel Butler Works.

We stand ready to assist AK Steel, Cleveland Cliffs, your Administration and our Congressional delegation in whatever manner you need us. Thank you for your service and your attention to this critical issue for our County and its citizens.

Sincerely,

BUTLER COUNTY BOARD OF COMMISSIONERS

		
Leslie A. Osche Chairman	Kimberly D. Geyer Vice Chairman	Kevin E. Boozel, M.S. Secretary

BOC/mm

CC:

U.S. Secretary of Commerce Wilbur Ross
 U.S. Senator Pat Toomey
 U.S. Senator Robert P. Casey, Jr.
 U.S. Representative Mike Kelly
 U.S. Representative Glenn Thompson
 U.S. Representative Conor Lamb
 PA Governor Thomas Wolf
 PA DCED Secretary Dennis Davin
 Mr. Lourenco Goncalves, Cleveland-Cliffs CEO
 Mr. Roger Newport, AK Steel CEO
 Mr. Aaron Steinhelser, AK Steel General Manager
 Mr. Jim Panel, UAW Local 3303 President

EXHIBIT 2



CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

Transcript of Interview of Witness One

Review No. 21-9221
May 20, 2021

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OFFICE OF CONGRESSIONAL ETHICS

AUDIO TRANSCRIPTION OF RECORDED INTERVIEW

OF

WITNESS 1

Conducted Virtually

Washington, DC

May 20, 2021

3:08 p.m. (Eastern Standard Time)

Job No. 375423

Pages: 1-70

Transcribed by: Annette M. Montalvo, RDR, CRR

Court Reporter: Martin Onuegbu

1 APPEARANCES:

2

3 ON BEHALF OF THE OFFICE OF CONGRESSIONAL ETHICS:

4 Jeff Brown, Esq.

5 Omar Ashmawy, Esq.

6 Annie Cho

7 (appeared via video teleconference)

8

9

10

11

12

13

14 ALSO PRESENT:

15 Saul Gan, Planet Depo Zoom Technician

16

17

18

19

20

21

22

Transcript of Virtual Interview - Witness One
 Conducted on May 20, 2021

3

INDEX		
WITNESS		PAGE
WITNESS 1		4
QUESTIONING BY MR. BROWN		4
QUESTIONING BY MR. ASHMAWY		59
FURTHER QUESTIONING BY MR. BROWN		63
QUESTIONING BY MS. CHO		66
EXHIBITS	DESCRIPTION	MARKED FOR ID
	Document 1, text message	12
	Document 2, e-mail	14
	Document 3, text message	17
	Document 4, text message	23
	Document 5, e-mail	34
	Document 6, text message	36
	Document 7, text message	48
	Document 12, Periodic Transaction Report	55
	Document 8, text message	56
	(Exhibits 9-11 omitted)	
	(Exhibits retained by Attorney Brown)	

1 (Proceedings commenced at 3:08 p.m., via
2 Zoom videoconference, and the following was
3 transcribed from an audio recording, to wit:)

4 MR. BROWN: Let's go on the record.

5 WITNESS 1,

6 called as a witness herein by the Office of
7 Congressional Ethics, was questioned and testified
8 as follows:

9 QUESTIONING BY MR. BROWN:

10 Q All right. This is Jeff Brown with the
11 Office of Congressional Ethics. With me are my
12 colleagues Omar Ashmawy and Annie Cho. Before us is
13 Witness 1, director of communications with
14 Representative Kelly's office.

15 We are doing a remote video interview. It
16 is May 20, 2021, just after 3:00 p.m. Witness 1's
17 been given a copy of the false statements warning.
18 And, with that, we'll get started.

19 Witness 1, thank you again for taking some
20 time to sit down with us today and chat. What I
21 primarily want to do here today is walk through a
22 timeline of events. First part of that timeline I

1 want to talk about is events leading up to the
2 May 4, 2021 announcement by the Department of
3 Commerce of the Section 232 investigation.

4 But before we get there, I'll back up a
5 little bit and just ask you, so when are you and
6 folks in Representative Kelly's office first alerted
7 to the fact that the Butler works plant, the AK
8 Steel plant in Butler, Pennsylvania, may be shutting
9 down, maybe laying off employees?

10 A When I found out about that is what you see
11 in the text message here from April 28, when Troy
12 Balderson's office reached out to me. That's when I
13 found out about that.

14 Q Okay.

15 A So I don't know if that -- about anybody
16 else, but that's when I was made aware of it.

17 Q And you're made aware of it through
18 Balderson's communications director?

19 A As far as I recall, that's correct, yes.

20 Q Okay. So it's not something you are
21 communicating with to Witness 2 or to Matt or
22 anybody else in your office before the --

1 A To the best of my knowledge, no. I mean, I
2 went through all my stuff and looked, and so to the
3 best of my knowledge, that's correct.

4 Q Yeah, I should just -- I should have said
5 this earlier. You know, again, I am just asking you
6 these questions to the best of your recollection. I
7 know sometimes it can be a little hazy and stuff.
8 So to the best --

9 A It's been a year, so.

10 Q I understand. And I do appreciate it looks
11 like you pretty carefully went back through your
12 materials. And so that really definitely helped us
13 piece together a timeline, which was helpful.

14 Okay. So then with respect to the
15 initiation of a Section 232 review and the potential
16 closure of the AK Steel plant, how big of an issue
17 is this for Representative Kelly for the office?

18 A It's a huge issue. I mean, this company is
19 an incredibly important part of the Butler
20 community. As you know from looking at the
21 documents, it's got 1,400 jobs. There's -- you
22 know, Butler's not a very big town, and it is

1 something that our office has been engaged in for
2 quite some time. And so that plant shutting down
3 would have massive implications not just for the
4 community but also for our country's national
5 security. I mean, AK Steel is the last producer of
6 electrical steel in the country and so, you know,
7 from a policy perspective, it's critical that we
8 keep it because the electrical steel is a key
9 component of the electric grid. And if that plant
10 shuts down and we rely on other countries for that
11 component of the grid, is my understanding of the
12 issue.

13 Q How big of a deal is this to Representative
14 Kelly himself?

15 A I mean --

16 Q Let me ask that a different way.

17 A Okay.

18 Q How involved is Representative Kelly? Is
19 this sort of one of the most pressing issues of the
20 day for the congressional office and for the
21 Congressman?

22 A Yeah. It's a -- I mean, it was certainly

1 then and was throughout last year. And I don't know
2 how much has been done on it this year, but, yeah, I
3 mean, it's a pretty big issue for us, yeah.

4 Q And so to the extent that there are, you
5 know, updates or, you know, you guys are getting
6 information about -- from Commerce or from other
7 offices, like this is something that Representative
8 Kelly knows about or wants to know about? It is one
9 of the more important things going on in the office
10 at the time?

11 A Yeah. Yeah.

12 Q How about for Cleveland Cliffs and AK Steel,
13 how big of an issue is, you know, the potential
14 closure of these plants and the ability to secure
15 232 tariff reliefs for the electrical steel?

16 A So I'm a little less familiar with that. I
17 know that Cleveland Cliffs is a large company, I
18 think. And they bought, I believe, bought AK Steel
19 a year or longer ago.

20 I don't know exactly how important AK Steel
21 is to Cleveland Cliff's business model. Obviously,
22 it's a part of their business, but I don't know

1 exactly how it would affect them if it was shut
2 down.

3 Q It looks to me like you had some
4 interactions with Witness 5 and Witness 4, who I
5 understand are two lobbyists with Cleveland Cliffs
6 and AK Steel.

7 Did you get a sense from your interactions
8 with them how important this issue was to them?

9 A I am trying to think back to -- I mean, I'm
10 sure I was on a call or two with them and the other
11 staffers. I mean, obviously, they were engaged in
12 it and it was important to them. But, you know, I
13 can't say for sure exactly how important.

14 Q Okay.

15 A Yeah.

16 Q Well, when you find out that the plant may
17 close, sounds like April 28 is when you kind of get
18 pulled into this, and that Cleveland Cliffs is, you
19 know, looking for the government to intervene in
20 order to prevent the layoffs and prevent the plant
21 from being closed, what's the plan of attack?
22 What's the game plan in Representative Kelly's

1 office for trying to address these issues for, you
2 know, to assist Cleveland Cliffs and also to, you
3 know, present any potential layoffs?

4 A So as far as the office's plan and what we
5 would do in that situation, that would be something
6 that our chief of staff and Witness 2 would work
7 with Commerce and the company on. Generally
8 speaking, I'm usually pulled in when we are about to
9 announce something publicly.

10 Q Okay.

11 A And so, you know, Witness 2 was the one, I
12 believe, that was dealing mostly with Cleveland
13 Cliffs, I don't -- and probably Commerce. I don't
14 know to what extent Matt was involved with those
15 things, our chief of staff.

16 But, yeah, I mean, I don't think I ever had
17 any direct communication with Commerce, and then I
18 just had some direct communication with Cleveland
19 Cliffs, usually on technical stuff for public
20 statements.

21 Q Okay.

22 A So.

1 Q When are you first alerted that the
2 Department of Commerce is intending to initiate the
3 Section 232 review?

4 A So, I mean, I guess it depends on what you
5 mean is intending to do it. In those text messages
6 there's some back and forth about, you know, that
7 they're potentially going to do it. And so,
8 obviously, I learned about it during those messages.
9 I think that was on -- when was that. Sorry. I'm
10 going to look back at the dates here. Have the
11 documents pulled up in front here.

12 I guess it would have been the 28th as well,
13 right? Let me see here. I want to make sure that
14 I'm correct in answering you.

15 Yeah. I believe that's the 28th, and, you
16 know, you can see we go back and forth about, okay,
17 we're hearing they're going to do it, but, you know,
18 until they release it publicly, like, we're not, you
19 know, certain they're going to do it. So it would
20 have been around that time, you know.

21 Q Okay. Well, let's -- I think it might be
22 helpful -- again, I really appreciate it, all the

1 documents you sent and how you labeled them. It was
2 very easy to follow. There are some documents I
3 want to put up, ask you a couple questions on.

4 A Sure.

5 MR. BROWN: So, with that, Saul, can you do
6 me a favor and can you put up Document 1.

7 (Document 1, text message, marked for
8 identification and retained by Attorney Brown.)

9 Q It's always a little easier to look at and
10 talk about them with reference to documents. But I
11 did kind of want to get your impressions of things
12 generally before I showed you all the documents.

13 All right. So this is the first document,
14 Witness 1. It's a document that you sent to us.
15 It's a text message that --

16 A Yeah.

17 Q -- you have at 2:40 p.m. on April 28, 2020,
18 with Matt. I take it that's chief of staff, Matt
19 Stroia?

20 A Yes, correct. Yes.

21 Q And he says, on the phone, can I call you
22 back.

1 Just curious, what proceeds that, this text?

2 Did you call him?

3 A I think I tried to call him, yeah.

4 Q Okay.

5 A I must have tried to call him, yeah.

6 Q Okay. And you say, yeah, just got an e-mail
7 from Balderson's CD. I take it that's the
8 communications director?

9 A Yes. It is, correct.

10 Q About a statement on AK Steel plant closure
11 announcement tomorrow. I thought that wasn't
12 happening yet.

13 Why -- walk me through that. Why didn't you
14 think that was happening yet?

15 A You know, that's funny. I don't -- so I
16 don't really recall why I said that. I mean, it is
17 possible that there was talk about it before, but I
18 didn't find anything about that -- about the issue
19 before April 28 in my texts.

20 So I'm not a hundred percent sure. I know
21 that there had been talk at -- I think there had
22 been various points where there was talk about the

1 plant potentially shutting down because, I mean,
2 that's why we were working on the issue.

3 So I don't -- I don't know exactly why I
4 said that. I don't know.

5 Q Okay. Did he end up calling you back?

6 A I don't know. I don't recall. I just
7 don't.

8 Q Let me -- let's go to Document 2.

9 MR. BROWN: Saul, if you can go to Document
10 2.

11 (Document 2, e-mail, marked for
12 identification and retained by Attorney Brown.)

13 Q So just to remind you, Document 1 there that
14 we were looking at, that was a 2:40 p.m. text
15 message with Matt?

16 A Right.

17 Q This is a 2:52 p.m. e-mail, on April 28,
18 from Witness 2 to both you and Matt?

19 A Right.

20 Q Call back in on this number.

21 MR. BROWN: And, Saul, if you could scroll
22 down a little bit.

1 Q She seems to be referring to --

2 MR. BROWN: Sorry, go up, Saul. Yes. Stop
3 right there.

4 Q She seems to be referring to a dial-in that
5 Witness 5 had provided to her and Witness 4.

6 A Right.

7 Q What can you tell me about this document,
8 and, you know, any phone call you joined as a result
9 of this document?

10 A Well --

11 MR. BROWN: Actually, Saul, can you give me
12 control of this document.

13 A Would you like me to answer or are you --

14 Q Yes. Sure.

15 A Okay.

16 Q Go ahead, Witness 1.

17 A So, yeah, I was racking my brain when I saw
18 this one. I am assuming that that call was probably
19 about the potential closure. I don't know for sure,
20 again, because I don't have recordings of any phone
21 conversations, so I don't really know exactly, and
22 it's been a year. But I would imagine that's what

1 we were talking about. But it's just been
2 speculation.

3 Q Let me just read for you real quick. I've
4 got a call summary provided to me by Cleveland
5 Cliffs.

6 A Okay.

7 Q And see if it helps jog your memory a little
8 bit.

9 A Sure.

10 Q It says, this is a phone call between
11 Witness 4, Witness 5, and Witness 2, in which
12 Witness 5 and Witness 4 provided notification of the
13 Department of Commerce's intent to initiate a
14 Section 232 investigation covering transformer,
15 laminations and cores.

16 A Uh-huh.

17 Q Does that sound like what would have been
18 discussed on this call?

19 A Well, I mean, if that's what the readout is,
20 then that's what I would imagine. I don't recall
21 being on it, but that's possible, yeah.

22 Q So what this call summary suggests is that

1 Witness 2, Witness 4, and Witness 5 are on a call
2 together?

3 A Okay...

4 Q Do you remember being on a call with the
5 three of them?

6 A No. I do not.

7 Q Okay. How do you first learn then on this
8 day, you think, that the Commerce department intends
9 to initiate a Section 232 review? Do you remember
10 ever hearing that from Witness 5 and Witness 4?

11 A I do not remember hearing it directly from
12 them, but when I look back through my messages, I'm
13 guessing that the text message from Balderson's
14 communications director saying, oh, they're going to
15 work it out, might be the first that I learned about
16 it.

17 Q Okay. And so I think you are probably
18 referring to --

19 MR. BROWN: Saul, can we go to Document 3.

20 A And, again, this is just to the best of my
21 recollection. I am not sure exactly.

22 (Document 3, text message, marked for

1 identification and retained by Attorney Brown.)

2 Q I think Document 3 should be the text
3 message that you're referring to.

4 A Document 3?

5 Q Yeah. Give Saul a second here.

6 MR. BROWN: Saul, can you pull up Document
7 3. There we go.

8 A Yeah.

9 MR. BROWN: And if you can zoom out a little
10 bit, Saul, or if you want to give me control, I can
11 take over.

12 Q All right. Document 3 here is a text
13 message from Erin, EC. I believe, is that Erin
14 Collins?

15 A Correct. Yes.

16 Q Okay. And that's at 3:51 p.m. on April 28,
17 2020.

18 First part of the text message says, hey,
19 Witness 1, Erin Collins again. My LA called me
20 right after we spoke. Apparently, Wilbur Ross is
21 going to make the necessary fix.

22 The "LA" that she's referring to, do you

1 know who that is?

2 A I do not.

3 Q Does Nate Zimpher, does that sound like that
4 is who it could be?

5 A I do not recall that name.

6 Q Okay.

7 A I don't know if I've ever interacted with
8 that person.

9 Q Okay. You said, I think a couple, you know,
10 minutes ago, that you don't have a lot of
11 recollection about that, like 2:45 or 2:50
12 conference call, Document 3 that we looked at --

13 A Yeah.

14 Q -- and, you know, your first understanding
15 of what was going on may have happened in maybe
16 response to -- is this the text that you were
17 referring to?

18 A Yes. Yeah.

19 Q Walk me through this text. What do you --
20 what do you see in that first text message?

21 A So Erin e-mailed me, from what I remember,
22 earlier in the day, asking to do maybe a joint

1 statement, right. Because I have that e-mail in
2 here. So she wants to talk about it. So she and I
3 may have talked on the phone after that to kind of
4 go through like, oh, this is what's happening, like
5 they might be talking about shutting down the plant,
6 letting workers know that they are laying people off
7 the next day.

8 And then I don't know exactly where we left
9 that, but then she texts me this and says, oh, right
10 after we spoke, my LA says that Commerce is going to
11 fix it or -- maybe fix it. Yeah.

12 Q What do understand that to mean? The text
13 says, apparently Wilbur Ross is going to make the
14 necessary fix.

15 What do you understand her to be saying
16 there when she says makes the necessary fix?

17 A I mean, I would imagine the investigation or
18 the -- yeah, the 232 investigation or something
19 along those lines that convinces the company not to
20 go ahead with layoffs.

21 Q Okay.

22 A So.

1 Q So, in other words, Wilbur Ross is -- he's
2 going to initiate the Section 232 review?

3 A Potentially. I don't know if he means that
4 or something else, but come up with a deal, I don't
5 know exactly what that meant, but I know that we
6 were pushing for a 232 investigation, so I assume
7 that's what --

8 Q Okay.

9 A Yeah.

10 Q So given your understanding of what the
11 efforts were from the Kelly office, and I know
12 several other offices, the make the necessary fix
13 and come up with a deal, probably relates to
14 initiation of a Section 232 review?

15 A I would imagine so, yeah.

16 Q Okay. Do you recall after you get this
17 message, what do you do with it? Do you call Erin?

18 A Honestly, I -- honestly, I do not recall
19 what I did after that. No. I was looking through
20 these texts, and it looks like I had texted Witness
21 2 and -- I text Witness 2 and Matt about the
22 exchange with Erin, I think. I'm trying to find

1 that document here.

2 Q Yeah, you're talking about the text messages
3 that span like April 28 through the 29th?

4 A Yes. I'm sorry. Let me just make sure that
5 I'm correct here. I want to find it. Why is not --
6 well, I'm not finding it, but I believe you're
7 correct there.

8 Q That's okay because I actually think that's
9 the next document I want to show you. But before I
10 get there, I want to ask you one other question
11 about this.

12 So the date -- the timing of this message is
13 around -- it's just shy of 4:00 p.m. on April 28.

14 You know, if we go back and look --

15 MR. BROWN: Saul, if you can go back to
16 Document 2, which I think you have saved up there.
17 Yes.

18 Q That's at 2:52, this e-mail from Witness 2
19 is at 2:52. So we're kind of like an hour later in
20 time.

21 It does seem to me that a conversation was
22 had with Cleveland Cliffs about the section --

1 initiation of a Section 232 investigation. So my
2 thought is if we go back to Document 2, Saul, that
3 the -- you know, you probably had or the office had
4 some idea of Wilbur Ross and what he had agreed to
5 do with AK Steel before Erin Collins texted all
6 this?

7 A Okay. Yeah. That must -- yeah, that sounds
8 like that could be right then.

9 Q Okay.

10 A Yeah.

11 Q I realize it's been a year.

12 A Yeah. Forgive me. Yeah.

13 MR. BROWN: Let's go to Document 4, if you
14 could, Saul. Thank you.

15 And then do I still have control? Great. I
16 can control it here.

17 (Document 4, text message, marked for
18 identification and retained by Attorney Brown.)

19 Q I think these are the text messages that you
20 were just referring to a second ago?

21 A Yes, that's right. That's what this is.
22 Yeah.

1 Q Let me scroll down a little here. So this
2 is a April 28, 2020, text message, 3:41 p.m. You
3 are texting Witness 2 and Matt Stroia?

4 A That's right.

5 Q Let's just walk through this text. And I've
6 combined a couple of the text that you have sent so
7 they are in order. But you say, Balderson team
8 wants to do a positive joint statement. They are
9 going to e-mail us within the hour.

10 What are you saying -- what's that initial
11 text in reference to?

12 A Geez, I think that is about, I think,
13 that -- so the plant shutting down, I think
14 originally Erin and I were talking about a statement
15 that was like maybe -- we were talking about --
16 statement and not to do that. Gosh. I don't --
17 Balderson's team want to do -- I mean, I'm guessing
18 that's -- I'm guessing that's what it is. It feels
19 like we have two different things going on at one
20 time here while we're talking about two issues and
21 so I'm just like kind of confused myself just
22 looking back at the messages.

1 Q It almost looks to me like Erin and your
2 texts are lagging a little behind, maybe the
3 knowledge that has happened in the office --

4 A Which would make sense because Commerce
5 people are usually the last people to know things,
6 so.

7 Q All right. Well, then that makes sense.

8 Let me walk you down this text a little bit
9 further then. You said, I get annoyed when
10 unnecessary headaches are created, and it feels like
11 bureaucracy and politics are getting in the way.
12 Shouldn't be this hard to fix.

13 Does that help jog your memory at all?

14 A Yeah, I think that's probably me -- and,
15 again, I'm speculating, but I'm pretty sure that I'm
16 referring to like the plant doesn't have to shut
17 down, it shouldn't be bureaucracy or politics
18 getting in the way of the plant staying open. And
19 if I'm like referring to, you know, why hasn't the
20 Administration like done a 232 yet. Like why are
21 they not doing it, kind of thing. I'm assuming
22 that's what I'm talking about. Yeah.

1 Q Well, I think things will get a little
2 clearer here because at -- if you look down at this
3 text message, we're on April 28, 2020, 8:05 p.m. So
4 that's the evening.

5 A Yeah.

6 Q You have had conversations, it sounds like,
7 with Matt and Witness 2 about the Section 232
8 investigations, and you have had conversations with
9 Balderson's com folks. So now -- those are in the
10 afternoon, now we're in the evening. You say, never
11 heard from Witness 5 about whether they want a quote
12 from us or not.

13 Witness 5, I take it, means --

14 A Witness 5.

15 Q -- Witness 5?

16 A Yeah. From AK.

17 Q From AK.

18 A Yeah.

19 Q And then you say, is everything confirmed?

20 A Yeah. I think I'm asking if they're
21 confirming that they're do the 232.

22 Q Okay.

1 A I believe that's what I am asking there.
2 And I think that the quote was -- request, I think,
3 was it Witness 2 --
4 Q Yeah, I think that Witness 2 mentions, and
5 that's another document I'll show you.
6 A Yeah. Witness 2 sent an e-mail to Witness 5
7 offering me for a potential quote if they do any
8 releases or anything like that.
9 Q To AK Steel and/or Cleveland Cliffs?
10 A Yeah, yeah.
11 Q Okay. So you say, is everything confirmed.
12 And then I'm scrolling down here a little. And Matt
13 Stroia, as chief of staff, responds and says,
14 Commerce has not sent out their press release yet.
15 When he's referring to a press release,
16 what's he referring to, as you understand it?
17 A Let's see. Oh, so he'd be talking about
18 the -- because right after that he says, Cleveland
19 Cliffs is waiting for Commerce to put their release
20 out.
21 So I would imagine that they're talking --
22 he's talking about the 232 investigation.

1 Q Okay. So, in other words, what Matt is
2 saying here is Commerce hasn't yet publicly
3 announced the 232 investigation?

4 A I believe that's correct, yeah.

5 Q Okay. And Cleveland Cliffs is waiting to
6 put out a press release until Commerce publicly
7 announces it?

8 A Yes. I believe that's correct. Yes.

9 Q Okay. A little bit further down the text
10 message, Matt says, I spoke to Commerce in the White
11 House after our call.

12 Do you know who he's referring to, who's the
13 individual at Commerce?

14 A I do not, no.

15 Q He says, they were hoping to have their
16 release out tonight,

17 Again, I assume that release means a release
18 on the initiation of the Section 232 review?

19 A That's a reasonable assumption, I think.

20 Q Is that your understanding of it, though?

21 A Yeah, I mean, I think so.

22 Q I just want to make sure I'm not missing

1 anything.

2 A Yeah. I think so.

3 Q Okay. So if you scroll down a little

4 further, you know, Matt says, it's not confirmed

5 until they put it in the press.

6 Then it looks like we get to the next

7 morning, April 29, 2020, 9:04 a.m. You text and

8 say, I still don't see it.

9 Are you referring to the press release by

10 Department of Commerce?

11 A Yes.

12 Q Okay.

13 A Yeah.

14 Q You're expecting to see a press release that

15 says, Department of Commerce has announced -- has

16 initiated the Section 232 review?

17 A Yeah. That's right, yeah.

18 Q Witness 2 then responds, and Witness 2 says,

19 just talked to Witness 5.

20 Again, that's Witness 5 at AK Steel?

21 A Uh-huh.

22 Q Okay.

1 A I think, yeah. Yeah, I would imagine so,
2 yeah.

3 Q The announcement is likely to come later in
4 the week. Again, announcement, as I understand it,
5 and I want to make sure it's your understanding,
6 too, is plan -- you know, initiation of the Section
7 232 review?

8 A Yeah. Yeah, I would think so.

9 Q Okay. Hopefully by Friday, based upon a
10 late night conversation Witness 4 had with Ross'
11 chief of staff.

12 "Witness 4" there is Witness 4 at Cleveland
13 Cliffs?

14 A Yes. I believe so.

15 Q And so Ross' chief of staff is Secretary of
16 Commerce, Wilbur Ross?

17 A Yes. I mean -- yeah. Yeah. And I don't
18 know who the chief of staff was.

19 Q Do you know what -- or did you have any
20 follow up with her about, she said, they need to get
21 their legal ducks in a row, what that meant?

22 A No. Not that I recall.

1 Q Okay. So then Witness 2 goes on to say, it
2 ain't over until Congress makes that announcement.
3 You say, foot on the gas until we cross the finish
4 line.

5 A Yeah.

6 Q Is there anything that I'm missing here that
7 suggests that the Department of Commerce, you know,
8 may change its mind, or is this just you guys saying
9 like, keep our foot on the gas and keep doing what
10 we are doing until it's official, out of an
11 abundance of caution.

12 In other words, has something, you know,
13 changed from what Wilbur Ross and the Department of
14 Commerce has communicated about their plans to
15 initiate a Section 232 review, or is this you and
16 the rest of the staff saying sort of like, out of an
17 abundance of caution, let's keep moving forward and
18 keep pushing the issue?

19 A I think it is just us saying let's push and
20 keep going until it is publicly announced because,
21 you know, we are operating under the assumption that
22 until Commerce says this, does this, says it

1 publicly, that it still could change.

2 Q Okay.

3 A I don't know that there's any like evidence
4 or anything that suggests that it had or was going
5 change, but we weren't -- I wasn't operating under
6 the assumption that it was going to be -- that it
7 was going to happen until it actually was announced.
8 So I can't speak for other people, but, yeah.

9 Q Let me just get it straight and make sure.

10 The assumption is, or the understanding is, on the
11 part of Representative Kelly's office, you and other
12 folks, is that Wilbur Ross -- the Department of
13 Commerce has indicated that they plan to initiate a
14 Section 232 review, it is just a matter of when that
15 announcement's going to occur?

16 A Yes. I think so. Yeah.

17 Q Okay. I just want to make sure nothing had
18 changed, there wasn't any, you know, there wasn't
19 anything that happened that made you guys feel like,
20 okay, now maybe it's a little less likely than it
21 was, you know, a day ago?

22 A I was going to say, I just think that the

1 longer -- like when they say they're going to do
2 something, and then the longer it doesn't happen,
3 you start to wonder if it's going to happen.

4 Q Right.

5 A So, but.

6 Q All right. I think that's -- so these text
7 messages occur between April 28 and the morning of
8 April 29.

9 A Uh-huh.

10 Q We talked about this earlier on. You know,
11 my understanding is this is an issue that's
12 important to the office, it's important to
13 Representative Kelly. Is Representative Kelly, is
14 he in the loop on these issues?

15 A I can't say what he knows when because it's
16 not me who would be talking to him about these
17 things. It would be Matt and/or Witness 2. Because
18 they're the ones communicating with the company and
19 Commerce.

20 So, I mean, it's reasonable to assume that
21 he might have been, but I don't know for sure. I
22 can't speculate.

1 Q Okay. So Matt and Witness 2 are the two who
2 are most likely going to be communicating with
3 Representative Kelly about these issues.

4 A Yeah. Yeah.

5 Q Okay. It is -- you said it's probably fair
6 to assume that he is in the loop, and that's because
7 this is an important issue for the district, this is
8 an important issue for Butler, Pennsylvania, and,
9 therefore, he's -- Matt and/or Witness 2 are
10 probably keeping him in the loop on these things?

11 A Can't say for sure, but probably. I don't
12 know.

13 MR. BROWN: Can we go to, Saul, can we go to
14 Document 5, please.

15 (Document 5, e-mail, marked for
16 identification and retained by Attorney Brown.)

17 MR. BROWN: All right. Thank you.

18 Q Witness 1, I think this is an e-mail that
19 you were referring to earlier?

20 A Yeah.

21 Q Okay. Just for the record, here, this is an
22 e-mail from Witness 2 on Tuesday, April 20 at 4:05

1 p.m. It is to Witness 4 at Cleveland Cliffs,
2 Witness 5 at AK Steel, Matt Stroia, and yourself.

3 Witness 2 says, assuming everything stays on
4 track with Ross' offer to help AK Steel, please let
5 Witness 1 know if you need a quote from Mike.

6 Again, I just want to make sure I'm
7 understanding things. When Witness 2 says, Ross'
8 offer to help with AK Steel, she is referring to his
9 offer to initiate a Section 232 review, would that
10 be your understanding of that?

11 A I mean, yeah. I -- yes. I don't -- I don't
12 think there was anything else going on, but I would
13 imagine that's probably right.

14 Q That's the reading I take away. I just want
15 to make sure you don't have some other reading of
16 this that I'm missing?

17 A Yeah, no, I don't think so.

18 Q Okay.

19 A Yeah.

20 Q And then she prefaces this with, assuming
21 everything stays on track.

22 I think this just goes back to the point you

1 and I were discussing a couple minutes ago, until
2 it's public, you know --

3 A Yeah.

4 Q We're not a hundred percent certain so
5 assuming everything stays on track. But you don't
6 have any reason to believe that, you know, things
7 are looking like they're going to get off track?

8 A Nothing specific, but, yeah, I mean, until
9 it is publicly announced, we had no idea if it was
10 going to happen or not.

11 Q Okay.

12 A Really. That's the way I felt about it.

13 MR. BROWN: Okay. Saul, can you go to
14 Document 6, please.

15 (Document 6, text message, marked for
16 identification and retained by Attorney Brown.)

17 Q This is a text message from May 1, 2020 at
18 3:49 p.m.

19 A Uh-huh.

20 Q The text message between yourself, Witness
21 2, and Mike Kelly, and Matt Stroia. I will jog your
22 memory here a little bit and remind you that at 3:30

1 p.m., the Congressman had a conversation with Wilbur
2 Ross. Were you on that call?

3 A Yes, I believe -- yeah, I must have been
4 because it says, so that was a great call.

5 Q Tell me, why was that a great call?

6 A Well, I think the messages speak for
7 themselves, that I believe that the Secretary told
8 us that they were going to move forward on May 1.
9 That's the day he told us they were going to move
10 forward.

11 Q With the Section 232 review?

12 A Yes. Yes.

13 Q Let's go back to that phone call. You're on
14 it. Just, how does it go, how does it start, who
15 says what?

16 A That, I don't know. I can't go back and
17 speculate about that. It's been a year. But,
18 obviously, they said that they were going to move
19 forward, and we were excited about that as an
20 office.

21 Q Okay. When you say king history of
22 advocacy, what are you talking about there?

1 A I think that that's a typo, and I don't know
2 exactly what I meant to say. But I think the spirit
3 of it sounds like we have to have a victory lap
4 statement ready to go with what we've done on the
5 issue and what's about to happen for -- because I
6 think the call May 1 was Friday, and then sounded
7 like they must have told us they were going to do it
8 the next week or something, and I said, okay, we
9 have to have something ready for Monday or Tuesday.

10 Q Okay.

11 A I'm pretty sure that's what this means.

12 Q Okay. So the announcement does -- this is a
13 Friday. The announcement does come out late in the
14 afternoon on Monday.

15 What's the hope post announcement? And sort
16 of what are the office's plans after the Section 232
17 investigation announcement's occurred?

18 A Well, I mean, you're talking about like
19 right after the announcement, like are we going to
20 announce it ourselves? Is that what you're asking?

21 Q No. Let me clarify a little bit.

22 A Sure.

1 Q So I know you're the coms guy, you're not
2 the policy guy, but I --

3 A Yeah.

4 Q -- suspect you have some insight into, you
5 know, what's the game plan, what's the plan of
6 attack moving forward for the Kelly office. A
7 Section 232 investigation has been initiated. But,
8 you know, that doesn't mean the tariff issue is
9 resolved. So what is the Kelly office doing after
10 May 4 to continue to address AK Steel, Cleveland
11 Cliffs issues and concerns?

12 A I think once the 232 investigation was
13 announced, it was about waiting to see what the
14 investigation would yield. So I don't know what our
15 office would have been doing during that time
16 period. I don't recall us doing a lot during that
17 time -- or at least me doing a lot during that
18 period.

19 Q And I don't want to put words in your mouth
20 here, but I assume that's not like your wheelhouse?

21 A Correct, yeah. I mean, I'm looped into
22 things when we're ready to publicly announce them.

1 Q Do you have any awareness of what the
2 current status is of the Section 232 investigation?

3 A It is my understanding that the
4 investigation like happened, but I don't know that
5 the administration ever did anything with it.

6 Q Okay.

7 A I don't think they ever put -- if they had
8 put tariffs on something, we would have announced
9 that for sure, so I don't think they ever did that.

10 Q And what is -- to the extent you are aware,
11 what is the status of the Butler works, you know, AK
12 Steel plants? Any threat of layoffs? Is everybody
13 still employed?

14 A I haven't heard of any issues for a while.

15 Q Okay.

16 A Yeah, yeah.

17 Q All right. Let me switch gears a little
18 bit.

19 When did you first become aware of Victoria
20 Kelly's stock purchase in Cleveland Cliffs?

21 A That would have been when the Pittsburgh
22 Post Gazette reached out to us about it in

1 September.

2 Q Okay.

3 A Yeah.

4 Q Do you remember when in September they
5 reached out to you on it?

6 A Yes. It was early in September because I
7 remember that we waited several -- a few weeks
8 before the story dropped. So it was early
9 September.

10 Q Okay. Because I think we requested
11 documents from the 14th forward, but I gather from
12 the materials that you had some communications about
13 this early in September. And is it fair to say you
14 had communication with both the Pittsburgh Post
15 Gazette and internal communication?

16 A Yes.

17 Q And you have -- do you have those documents
18 saved as well?

19 A I do not, no.

20 Q Well, I have some questions about it. I may
21 ask you for some of those materials, but let me ask
22 you some questions about this stuff. We can come

1 back to that.

2 What happens after the Pittsburgh Post
3 Gazette approaches you about this potential story?

4 A So without looking back at everything, I'm
5 not a hundred percent sure, but normally what would
6 happen with a press inquiry is I would receive it
7 from, you know, the reporter, and then I would run
8 it up the chain, depending on where it needed to go.
9 So if it was just a simple policy issue, I would go
10 to the policy person, work on a short statement, and
11 then work and get it approved by Matt, and we would
12 send that out. And in this case, since the inquiry
13 was about the Congressman, we ended up, you know, we
14 would run it up to him, give him an inquiry, like
15 what do you want to say to this, and then he would
16 kind of give an overview of what he wants to say,
17 and I would kind of just condense it and we'd shoot
18 it off to the reporter, so.

19 Q All right. Well, talk to me about that.
20 What does he say when you approach him about this
21 inquiry?

22 A These were -- this was a conversation from

1 eight and a half months ago. So I'm not exactly
2 sure, but like I can't recount the exact
3 conversation, but I -- whatever we sent to the Post
4 Gazette is going to be a microcosm of that.

5 So he was, from what I recall, you know,
6 pretty passionate about the fact that like we're
7 trying to save the Butler community, or save the AK
8 Steel plant, the Butler community is like rallying
9 around to save it.

10 And, you know, whatever, I took whatever he
11 said and just kind of condensed it down into this.
12 So if you want me to read you the statement we sent
13 the Post Gazette, I can do that.

14 Q No, that's okay.

15 What did he tell you about the conversations
16 he had with his wife about making the purchase?

17 A Nothing that I recall. When I would -- I
18 don't have any reason -- I don't know what they
19 talked about, so.

20 Q Okay.

21 A If anything.

22 Q I think you said you first learned about the

1 stock purchase in September?

2 A Uh-huh.

3 Q Okay. So then as I -- as I surmised, you
4 didn't assist the Kellys with any sort of
5 announcement back in April about the purchase of
6 this stock?

7 A No.

8 Q Do you know that they -- did they make any
9 sort of public announcement about the purchase of
10 the stock?

11 A Are you referring to a disclosure?

12 Q No, not a PTR, I'm talking about, you know,
13 a public comment, like, you know, we bought this
14 stock in order to support the local --

15 A No, I don't think they made that -- any
16 public statements. They certainly didn't do one
17 through me.

18 Q Would you have been aware of that if -- if
19 they were going to make some sort of public
20 statement on this?

21 A If they were going to make a public -- if
22 Congressman Kelly was going to make a public

1 statement through his congressional office, yes, I
2 would have known about it unless he was talking to
3 some reporter off the cuff somewhere and I wasn't
4 there or it was impromptu.

5 Q Okay.

6 A So, yeah.

7 Q So I guess what I'm trying to get out of
8 here is the quote, the response you provided to the
9 Pittsburgh Post Gazette and the Butler Eagle and
10 maybe some others, was, Representative Kelly's wife
11 made a small investment to show her support for the
12 workers and management of this 100 year old bedrock
13 in their hometown.

14 I guess I'm just trying to find out or
15 trying to figure out how that purchase showed
16 support.

17 A I mean, that's not something I can answer.
18 I don't know, you know, exactly how they look at
19 these things. That's just what he wanted to say in
20 response to the inquiry. So I don't -- I mean,
21 obviously, I think if I'm just spit balling, an
22 investment in the company is a small cash infusion.

1 I don't know if that is what you're asking me. But
2 I can't speak to their state of mind or whether they
3 had conversations about it, or, you know. I don't
4 know. I don't know what they -- exactly what was in
5 his mind with that. I just know this is what he
6 wanted to say.

7 Q When you asked him about -- when you brought
8 this press inquiry to him in the first instance, did
9 he respond to you right away on it?

10 A So I think so. I mean, I think -- because
11 typically what would happen is like I would
12 probably -- I am trying to remember back. I may
13 have called Matt first, and then I think we might
14 have -- this is typically how this would go, if we
15 got an inquiry. Like I would call Matt about it,
16 and then we might patch Mike in to kind of read
17 what's going on, and, you know, read to him and
18 whatnot.

19 So, again, I'm dealing with a hazy memory
20 about the exact sequence, so I am hesitant to just
21 kind of say this is what happened. Because I
22 don't --

1 Q I understand and I appreciate that.

2 I think the one thing I would ask, if you
3 could go back to wherever it was in early September
4 and look at your materials and see if those, you
5 know, jog your memory a little bit, and if you could
6 forward those along to us, to the extent there are
7 texts or e-mails, those would be helpful.

8 As a bit of a non sequitur here, the
9 Congressman, he doesn't e-mail, does he?

10 A No. I don't believe he uses e-mail at all.

11 Q Okay. So if it's a -- if you are going to
12 communicate with him, it sounds like it is text or
13 phone call?

14 A Yeah. And he doesn't text very often,
15 either, generally speaking. So, yeah.

16 Q Well, back to this quote, I guess really
17 what I'm trying to grapple with is, the way the
18 quote is written it says, like, you know, small
19 investment to show her support. To me, that
20 suggests a show of public support, you know, by the
21 Congressman and his wife. But I don't get the
22 impression that any -- you know, there was anything

1 public about this stock buy.

2 A I mean, other than the disclosure, I don't
3 think so, no.

4 Q Okay. Give me one second here.

5 MR. BROWN: Saul, can you pull up Document
6 7.

7 (Document 7, text message, marked for
8 identification and retained by Attorney Brown.)

9 Q Witness 1, while he's pulling that up, let
10 me ask you, I know that your -- I said that you said
11 normally you sort of run things up through Matt. So
12 Matt was likely involved in any response or the
13 crafting of any response to this article or this
14 request for information in the Pittsburgh Post
15 Gazette?

16 A Yes. I mean, typically if I'm drafting
17 something based on something we've all talked about,
18 we'll either -- like I'll text with Matt about it,
19 or Matt and Mike, and we'll just kind of go back and
20 forth about it. So, yeah. I mean, I don't send
21 anything out without the approval of both Matt and
22 Mike usually.

1 Q Okay. Well, if there are some text messages
2 with respect to the crafting of this response from,
3 it sounds like, maybe early September, and you have
4 those and you can forward those along, that would be
5 great.

6 A Okay.

7 Q It looks like this is Exhibit 7, another
8 text message you sent to us. This is from September
9 14, 2020.

10 You say, Mike's not in today. It's a text
11 to Witness 2. Sorry. You say, Mike's not in today.

12 She responds, since Vicky's driving down
13 with him -- is Vicky the Congressman's wife,
14 Victoria Kelly?

15 A Yes.

16 Q Okay. Witness 2 says, I bet he doesn't come
17 in until tomorrow.

18 You say, oh, perfect. She gets to be here
19 when our favorite story drops.

20 A Yes.

21 Q Tell me what you're referring to there.

22 A Yeah. So I'm making the assumption that the

1 Pittsburgh Post Gazette is going to drop sometime
2 that week, but I don't have confirmation of that at
3 that point because the confirmation comes later, so.

4 Q And why is this your favorite story?

5 A That's tongue and cheek. Obviously, as
6 communications director, I'm worried about, you
7 know, stories and how they portray the Congressman
8 in the public. And so I wasn't sure what this story
9 was going to look like and I was nervous about it.

10 Q Tell me more about that. Why -- what was
11 the anxiety associated with?

12 A Well, I think, I mean, anytime you have
13 something that like suggests there might be an
14 ethics issue or whatever, then it could get picked
15 up and become a much larger story. And I think you
16 saw my concern for that in the other text messages
17 as well.

18 Q What's your understanding of the potential
19 ethics issue that the Congressman faces?

20 A I think what's in the story is, you know,
21 the -- is the debate, the timing, I mean, that's the
22 question that's posed in here, you know, whether or

1 not there's an issue with them having stock in the
2 company, you know, that we're working on behalf of
3 in the office. I mean, that's -- I was worried that
4 people would take that as wrongdoing. I mean,
5 that's --

6 Q Was that discussed among staff?

7 A Yeah. I mean, you saw that in some of the
8 other -- well, you saw that in some of like my
9 concern about that in some of the other text
10 messages, we were worried about it being used
11 against us politically and, you know, trying to
12 paint Mike as something that we don't believe is
13 true, you know, so.

14 Q Obviously, I am guessing from the inquiry
15 from the Pittsburgh Post Gazette, you know, they're
16 framing this as a potential ethics issue.

17 A Uh-huh.

18 Q How does the Congressman respond to you, you
19 know, and to the implication that the timing of this
20 purchase is suspect? What are his initial reactions
21 to you?

22 A Trying to think back to the calls, but I

1 don't -- I mean, you know, just knowing him, I mean,
2 obviously, I think he would be frustrated that that
3 would be the implication or the insinuation. But,
4 again, because this was so long ago, I can't go back
5 and like actually give you a detailed thing about
6 his response. I wish that I could, but I just
7 can't. And I don't want to do that, you know, and
8 be wrong.

9 Q Is there an office, you know, is there an
10 office policy about staff members and the purchase
11 of stock or securities?

12 A An office policy about it? I'm not aware of
13 one, if there is.

14 Q I guess what I'm -- maybe I can ask it this
15 way: Do folks in the office, you know, buy and
16 trade securities?

17 A I don't know of anyone -- I don't know of
18 anyone else's financial situation. I don't buy
19 individual stocks.

20 Q I guess the question I'm getting at, or the
21 issue that I'm struggling with here is just, you
22 know, given the timing and what you knew at the time

1 about the potential layoffs coming off the table and
2 there being a deal with the Department of Commerce
3 initiating the Section 232 review, you know, would
4 you have felt comfortable, based upon that
5 knowledge, purchasing securities at that time?

6 A Me, personally?

7 Q Right, because --

8 A No.

9 Q Sorry.

10 A No. I mean, I don't buy individual stocks
11 anymore, or I used to do that in college, but then I
12 stopped doing that. So I don't -- I wouldn't have
13 done that, but I don't know what that means for
14 their state of mind or why they did it or anything
15 like that.

16 Q Well, and tell me why wouldn't you have done
17 that?

18 A I don't know. I wouldn't want -- I just --
19 I wouldn't want the appearance of any wrongdoing,
20 even if there was nothing wrong with it.

21 MR. BROWN: Omar, did you want to jump in?

22 MR. ASHMAWY: Actually, no. You just asked

1 the question I was going to ask. I'm good.

2 MR. BROWN: Okay.

3 Q And I ask that, Witness 1, not to -- you
4 know, I know it's a hypothetical for you, but you're
5 in the position of having -- you're in the position
6 of knowing sort of what was going on in the office
7 and what the office was aware of at the time. And
8 so I'm -- I'm trying to get a sense of whether or
9 not there was a sense in the office that, you know,
10 the timing of these trades was suspect, given the
11 information that was known to folks in the office,
12 given their positions, given their official
13 positions?

14 A I mean, I don't recall ever like talking
15 specifically about that with anyone. But you're
16 asking me what I thought, and I just -- what I
17 think, if it were me, I probably wouldn't have done
18 it. But that doesn't mean, in my mind, that what
19 they did was wrong or she did was wrong. Again, I
20 don't know what, if anything, they talked about or
21 what anything other than what's in the statement, I
22 don't know anything about a motivation other than

1 what's here, so.

2 Q And I appreciate all that, like I said. I'm
3 just trying to get at, you know, you've got -- you
4 have a better sense than I do, certainly, what was
5 known at what time, but I completely understand what
6 you're saying.

7 MR. BROWN: Let me pull up, Saul, if we can,
8 can you pull up Document 12. That's the PTR.

9 (Document 12, Periodic Transaction
10 Report, marked for identification and retained by
11 Attorney Brown.)

12 Q You know what that is, Witness 1, the
13 periodic transaction report? Have you seen this?

14 A Take a look at it, see if I've seen it.

15 Q Witness 1, I don't know if you have seen
16 this report. Have you seen this report before?

17 A It looks familiar. I'm wondering if the
18 reporter sent it to me. That might be where I've
19 seen it.

20 Q Well, take your time and look at it for a
21 second here. I'll just highlight a couple things
22 for you.

1 So this is a periodic transaction report
2 from Representative Kelly. If you look at the
3 bottom there, the full asset name, it says Cleveland
4 Cliffs, Inc. You can see the checkmark there, it
5 says, purchase, and it says between \$15 and \$50,000.

6 Now, if you look at the date there, it says
7 date of transaction, 4-29-20. April 29, 2020. And
8 then next to that it says date notified of
9 transaction, 5-27-20.

10 Do you know why those dates are different?

11 A The date? No, I don't. I have no idea why
12 those are different.

13 Q Have you ever talked to Matt or the
14 Congressman about those dates?

15 A No.

16 Q Okay.

17 A No.

18 MR. BROWN: Saul, can you pull up Document 8
19 real quick.

20 (Document 8, text message, marked for
21 identification and retained by Attorney Brown.)

22 Q This is a text message you provided. It's

1 from Daniel, on Friday, September 18, at 1:44 p.m.
2 Daniel says, hey, there. I've been told the story
3 will run Sunday.

4 I take it this is Daniel Moore at the
5 Pittsburgh Post Gazette?

6 A Yes. That's right, yes.

7 Q And he's saying, the story that you have
8 been going back and forth on will be published in
9 Sunday's paper?

10 A Yes.

11 Q Okay.

12 A I am trying to wrap it up, Witness 1. I
13 have just a couple more questions for you.

14 Q Do you guys work through -- do you guys in
15 the Kelly office, work through a -- like a platform
16 like Teams or anything like that?

17 A No. I mean, we have it, but we have -- we
18 don't really use it.

19 Q Okay.

20 A At least I don't.

21 Q So if communications about any of the stuff
22 that I request from you were going to have occurred,

1 it would have been text or e-mail or phone call?

2 A Yes. Yes, that's right.

3 Q And it looks like you went through both your
4 text and your e-mails then and produced that?

5 A Yes.

6 Q Okay. In advance of this, in advance of
7 this interview, have you spoken to anybody else
8 about our office initiating an investigation or
9 producing documents or having to sit for an
10 interview?

11 A So at one point my chief, Matt, asked for
12 some documents a while back. I don't remember
13 exactly when it was. And so then we -- I think I
14 went through my e-mails for a certain period and
15 gave them to him. And then I don't know what they
16 did with that stuff or what he did with that stuff.
17 And then when I got the e-mails from you that said
18 you had a communication for me, I was not -- I
19 wasn't sure what it was about. So he knows that I
20 got that. But yeah. Is that what you're asking?

21 Q Yes. It is. And have you guys discussed
22 request for information or this interview?

1 A No. He has not -- basically, I expressed to
2 him that I was nervous about the situation because I
3 didn't know what to expect from the process. He's
4 my boss.

5 Q Yep.

6 A And, basically, all he said to me was, hey,
7 you need to just do -- you know, do what you need to
8 do, do what you think is right.

9 Q Okay.

10 A And that's all we've done. So we did not
11 discuss what I would be submitting, we did not
12 discuss what I would say or -- and he did not
13 pressure me one way or the other, whether to
14 participate or not.

15 Q Okay.

16 MR. BROWN: Omar or Annie, do you guys have
17 any follow-up that you'd like to ask Witness 1?

18 MR. ASHMAWY: Yes. Thank you, Jeff.

19 QUESTIONING BY MR. ASHMAWY:

20 Q And, Witness 1, thank you very much for your
21 time as well. I appreciate it.

22 A Sure.

1 Q And, honestly, just pretty generically,
2 just --

3 MR. BROWN: Omar, I don't think you're on
4 video. Are you?

5 ZOOM TECHNICIAN: His video is not showing.

6 MR. BROWN: There you go.

7 MR. ASHMAWY: There we are. Look at that.
8 Sorry about that.

9 Q So, pretty generically, I wanted to ask you,
10 the statement about the Congressman's spouse's stock
11 purchase to the Pittsburgh Gazette, was that the
12 only public statement that you're aware of?

13 A No. So we sent -- I believe we sent this
14 one, and then I think a couple days later, from what
15 I recall, Daniel might have followed up. And then
16 we sent him like a brief statement about like when
17 we were certain that the investigation was moving
18 forward. And then I think I might be -- that might
19 be it.

20 Q Actually, I apologize. I don't think I
21 asked a specific enough question.

22 A Okay.

1 Q Which is, the statement to the Pittsburgh
2 Gazette about why Ms. Kelly made the stock purchase,
3 to support the local business, is that the only time
4 that explanation was made, as far as you know, in a
5 public manner?

6 A As far as I know, that's the only time I've
7 given it out to anyone except to the Butler Eagle,
8 who asked for our statement that we gave to the
9 Gazette. So yes. Other than the two times that I
10 gave the statement out, I'm not aware of it being
11 used elsewhere. Does that answer your question?

12 Q Yes, that answers it directly.

13 And then even more generically, you said
14 that you used to trade stocks when you were in
15 college, it's not something you do anymore. I was
16 just wondering why? Like why don't you -- you know,
17 is it because you work in Congress now and you're
18 worried about the optics, you just don't like the
19 idea of trading stock anymore? Just curious.

20 A No, I stopped probably just shortly after
21 college because I no longer had time to delve into
22 what stocks were good to pick and whatnot. And, of

1 course, now working for Congress, I just, you know,
2 I just do like random investing. So it's like the,
3 you know, the bot investing, it kind of just picks
4 where it -- you know what I'm saying, like you just
5 given money to like an auto investor, and then it
6 just picks for you and, yeah. So that's what I do.

7 Q And, again, just speaking for yourself and
8 no one else, do you think that trading specific
9 stocks while being an employee of Congress or
10 working for a member or like us working for an
11 ethics organization, is potentially problematic, at
12 least from an optics perspective? Again, speaking
13 for yourself.

14 A Just speaking for me, yeah, I mean, I've
15 already said I probably wouldn't, but --

16 Q Okay.

17 A -- that doesn't mean that it's wrong or
18 anything like that, so.

19 Q No. I understand --

20 A I probably wouldn't, but, yeah.

21 MR. ASHMAWY: Jeff, that's all I have. I
22 don't know if Annie has any questions.

1 This is probably the last time you're going
2 to hear from me, Witness 1. So, again, thank you
3 very much for your time, and we really do appreciate
4 your cooperation.

5 MR. BROWN: Saul, can you take down the
6 document.

7 FURTHER QUESTIONING BY MR. BROWN:

8 Q Witness 1, I did just have one more question
9 as I was flipping back through my notes here.

10 In the statement you provided to the
11 Pittsburgh Post Gazette and the Butler Eagle that
12 Omar was just referencing, there were kind of two
13 parts. The second part, you said, whether a trade
14 investigation will be launched, quote, was uncertain
15 until Secretary of Commerce Wilbur Ross confirmed
16 the plan in a private phone conversation with the
17 Congressman on May 1.

18 I take it that that's a reference to the
19 May 1 phone conversation that you were on with
20 Representative Kelly and some others?

21 A That's correct, yeah.

22 Q Okay. When you say it was uncertain, the

1 initiation of the Section 232 investigation was
2 uncertain, it was uncertain in the sense that it had
3 not yet been publicly announced?

4 A That's right, and that's what a lot of us
5 thought was the -- was going to be the -- be what
6 meant that it was happening, that it was publicly
7 announced.

8 Q Okay.

9 A But, of course, the conversation with
10 Secretary Ross was a very close second to that.

11 Q Okay.

12 A So, yeah.

13 Q Given everything that we talked about sort
14 of earlier on in this interview and all the
15 documents and such that we went through, is it fair
16 to say that, you know, it's, you know, uncertain in
17 the sense that it hasn't been announced, but you and
18 the office have gotten very good indications that it
19 is going to be announced, it is just a matter of
20 when, not if?

21 A I think that's a probably fair
22 characterization, but I would also say that, you

1 know, we had been dealing with the issue for a long
2 time, and so until it actually was publicly
3 announced and until the Commerce Secretary told Mike
4 directly, I don't know that we -- any of us were
5 actually certain that it was -- it might occur.

6 Q Okay.

7 A So does that make sense?

8 Q Yeah, no. That does. That absolutely makes
9 sense.

10 A Okay.

11 Q I think the point, maybe the clearer way to
12 ask this question is, there was nothing -- let me
13 rephrase.

14 Cleveland Cliffs, it sounds like, advised
15 Witness 2 that they had a conversation with
16 Commerce, and Secretary Ross indicated they were
17 going to initiate a Section 232 review, and then
18 Matt has a conversation later that day with somebody
19 at Commerce, who says, you know, the announcement,
20 it's coming, it's just a matter of when.

21 You know, I just want to make sure that
22 those clear -- those are -- what seem to be fairly

1 clear indications that the announcement is coming.
2 I just want to make sure that there's nothing that
3 happened at any point in time to suggest that what
4 Secretary Ross had said or what this gentlemen from
5 the White House had shared with Matt had somehow
6 changed, and that the uncertainty stems more from
7 wanting to see it in writing than it does from any
8 communication that would suggest that --

9 A Yes. I think that that's fair. Yeah, I
10 mean, I don't know exactly what they were talking
11 about or if anything made them uncertain about it.
12 But, yeah, it's a general feeling that until
13 something is publicly announced, we aren't certain
14 that it is happening.

15 Q Okay.

16 A Of course, but once the Secretary said, this
17 is happening, we are obviously much happier about
18 it, much more certain, so.

19 Q Okay.

20 MR. BROWN: All right. Annie, did you have
21 anything for Witness 1?

22 QUESTIONING BY MS. CHO:

1 Q I just had one follow up, and I'm sorry if I
2 missed it, if you answered this before. But
3 regarding Ms. Kelly, does she come down to the
4 office often and, you know, how involved is she with
5 the staff?

6 A She doesn't come to DC often, and usually
7 when she's here, I don't think I've ever seen her
8 come into the office. So there are weeks where
9 she's driven down with Mike and spent the week here
10 doing whatever she does while she's here. But as
11 far as direct involvement with me, personally, I've
12 probably spoken to her only twice in two and a half
13 years, and it wasn't about any of this.

14 Q Okay. And you're -- sorry. You can finish.

15 A Couple of times.

16 Q Okay. And with regards to this -- her stock
17 purchase, was that ever discussed in the office at
18 all with her, personally, with the --

19 A Not with me.

20 Q Or you. Okay.

21 A No. I mean, if it did, which I don't think
22 it did, but I wasn't there. But I have never seen

1 her in the DC office that I can recall.

2 Q Okay. That's all I had.

3 MR. BROWN: All right. Well, with that,
4 Witness 1, thank you very much.

5 I think we can go off the record. So,
6 Martin, if you want to stop the record at this
7 point, that would be great.

8 (Off the record discussion regarding
9 witness signature and the transcript order.)

10 (Audio recording ends; proceedings
11 concluded at 4:20 p.m., Eastern Standard Time.)

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1 CERTIFICATE OF COURT REPORTER - NOTARY PUBLIC

2

3 I, Martin Onuegbu, the officer before whom
4 the foregoing proceedings were taken, do hereby
5 certify that said proceedings were electronically
6 recorded by me; and that I am neither counsel for,
7 related to, nor employed by any of the parties to
8 this case and have no interest, financial or
9 otherwise, in its outcome.

10 IN WITNESS WHEREOF, I have hereunto set my
11 hand and affixed my notarial seal this 25th day of
12 May, 2021.

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Martin Onuegbu

19 Martin Onuegbu, Notary Public

20 for the State of Maryland

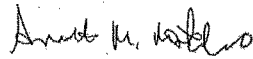
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CERTIFICATE OF TRANSCRIBER

I, Annette M. Montalvo, do hereby certify that the foregoing transcript is a true and correct record of the recorded proceedings; that said proceedings were transcribed to the best of my ability from the audio recording and supporting information; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.



Annette M. Montalvo, RDR, CRR

Date: May 25, 2021

EXHIBIT 3





DAVID HENCO GONCALVES
 Director of Sales & Marketing
 [REDACTED]

CLEVELAND-CLIFFS INC.
 200 Public Square, Suite 3300, Cleveland, OH 44114
 P 216 094 6700 cleveland@cliffs.com

January 15, 2020

The Honorable Wilbur L. Ross, Jr.
 Secretary of Commerce
 Herbert Clark Hoover Building
 1401 Constitution Avenue, NW
 Washington, DC 20230

Dear Secretary Ross:

On December 3, 2019, Cleveland-Cliffs publicly announced that it had entered into a definitive merger agreement to acquire AK Steel. Once final, this acquisition will bring together two storied, Ohio-based companies, with a combined workforce of approximately 11,700 employees. AK Steel is the sole producer of Grain-Oriented Electrical Steel (GOES) and Non-Oriented Electrical Steel (NOES) in the United States. Production of GOES accounts for the majority of AK Steel's electrical steel business. Given the importance of maintaining the security and integrity of the electrical grid, preserving this industry within the United States must be an imperative for the federal government. Simply put, we cannot rely on foreign powers to maintain our electrical grid.

Thanks to the Section 232 steel tariffs implemented by President Trump's Administration, imports of GOES coils into the U.S. market are down significantly over 2017 levels. **However, during the same period, GOES imports into Mexico and Canada have soared to a stunning 80% over 2016 levels** (see attached GOES 'fact sheet'). In order to continue capitalizing on unfairly-traded GOES from countries including Japan, Russia, China and Korea, transformer manufacturers within the United States have moved production of laminations and cores (intermediate products predominantly consisting of GOES by value) to Canada and Mexico or are sourcing these intermediate inputs from those two countries to evade the 232 tariff on GOES. **Importantly, neither Mexico nor Canada have domestic GOES production. Rather, those countries are conduits for circumvention of the Section 232 tariffs through the production and export of laminations and cores to the U.S.**

These unfair trade practices have degraded the domestic electrical steel market to the point where the viability of maintaining AK Steel's electrical steel business is in immediate question. If AK Steel were to idle its electrical steelmaking operations, it would likely result in the elimination of approximately 1,400 jobs at Butler Works and over 100 jobs at the Zanesville Works finishing facility in Ohio. These workforce impacts would be devastating to the Butler and Zanesville communities and would be deeply felt throughout the Western Pennsylvania and Central Ohio regions due to the high spin-off value of steel jobs.

Furthermore, **the challenges facing the electrical steel market were cited by the Department of Commerce as one of the primary justifications of the Section 232 tariffs.** The idling of AK's electrical steel business would cede control of electrical transformer manufacturing capabilities to GOES producers in China, Russia, Japan and Korea.

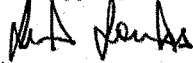
I respectfully request your support of a standalone Section 232 on the transformer supply chain or a supplemental Section 232 (under the existing steel tariff structure) covering transformer laminations and cores, which are simply cut or shaped electrical steel, that would address GOES tariff circumvention via production of these products in Canada and Mexico.

Please be assured that Cleveland-Cliffs is committed to the success of the AK Steel acquisition irrespective of what becomes of its electrical steel division. However, for the sake of U.S. national security and the fate of

roughly 1,500 direct jobs in Pennsylvania and Ohio, I urge your support for action to address this blatant tariff circumvention as soon as possible.

I hope to meet with you very soon to discuss the future of electrical steel production in the United States. Thank you for your consideration of this most important matter.

Very truly yours,



Lourenco Goncalves
Chairman, President & Chief Executive Officer
Cleveland-Cliffs Inc.

Enclosure

cc: Ms. Nazakhtar Nikakhtar, Under Secretary for Industry and Security – Designate

EXHIBIT 4



Congress of the United States
Washington, DC 20515

March 6, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to express our urgent concerns threatening America's electrical steel market. We have strong reason to believe that unfairly traded imports of minimally transformed grain-oriented electrical steel (GOES) are pouring into Canada and Mexico, contrary to the intent of the administration's action pursuant to Section 232 of the Trade Expansion Act of 1962. These imports are then being used to create downstream products that are entering the U.S. at such low prices they are further eroding the U.S. electrical steel market. We urge you and the administration to address this matter immediately before the doors of the last American maker of electrical steel close.

We represent the nation's only producer of electrical steel, AK Steel, which will soon be acquired by Cleveland-Cliffs. This week, Lourenco Goncalves, chairman and chief executive officer of Cleveland-Cliffs testified before the Congressional Steel Caucus in Washington, D.C., that unless his company receives Section 232 tariff relief, he will be forced to close the two AK Steel plants in our districts. This would mean the loss of thousands of jobs in Butler, Pennsylvania, and Zanesville, Ohio. Moreover, if the AK Steel plants close, this country will no longer produce GOES that go into transformers for the electrical grid, which poses a serious national security risk.

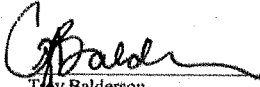
The United States cannot afford to lose the one remaining producer for grain-oriented electrical steel (GOES), for economic or national security reasons. GOES, which is used to make electrical transformers, is critical for our national power grid. Without AK Steel's GOES, the U.S. will be solely reliant on overseas production for material that supports America's critical infrastructure. If the national electrical grid were to be attacked or compromised by a natural disaster, the U.S. would need a dependable source of electrical steel to allow for rapid repair. Becoming wholly dependent on foreign producers for this vital product puts Americans at grave and unnecessary risk.

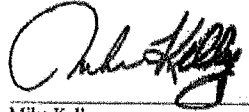
For now, U.S. imports of GOES are restricted by tariffs imposed under Section 232 of the Trade Expansion Act of 1962. However, there has been a *dramatic* increase in imported GOES into Canada and Mexico - two countries with no capacity to make GOES. GOES shipped to Canada and Mexico does not stay there. Instead, after very limited processing, much of it enters the U.S. market in the form of internal components of electric transformers. These products include

laminations, cores, and core assemblies – products that generally consist of GOES that has been merely stacked, slit, or wound.

We appreciate your valiant work to improve the U.S. global trade situation and national security, especially your work to rebuild and support the American steel industry and its workers. We implore the U.S. Trade Representative and the Department of Commerce to address this matter immediately before our communities lose thousands of jobs and our country sees the doors of the last American maker of electrical steel shuttered. America cannot afford to lose its last remaining producer of electrical steel.

Sincerely,


Timy Balderson
Member of Congress


Mike Kelly
Member of Congress

cc: Ambassador Robert Lighthizer
Secretary Wilbur Ross

EXHIBIT 5



Congressional Steel Caucus Hearing Excerpt

- March 5, 2020 -

1 Chairman Lamb: Thank you, happy to have another Western Pennsylvanian with us today,
2 Mr. Kelly recognized for three minutes.

3 Rep. Kelly: Thank you chairman, thank you all for being here, but more than anything
4 else, thank you for your patience. I came here in 2011, and you put out the
5 same message that you're putting out today. And we all sat up here and we
6 appreciated you saying we want to thank you for your service, and we
7 didn't do a damn thing for you. Not until 2017 did anybody actually back
8 up their words with some action.

9 Now, I represent Pennsylvania's 16th congressional district, but more than
10 anything else, about a half a mile down over the hill where I've spent most
11 of my life, and my family's business, is a company called AK Steel. And
12 Mr. Goncalves is with us today, and I want you to talk about this because I
13 am so – I'll just stop the first half – I'm so damn mad about what it is...
14 actions speak a hell of a lot louder than words. We're in a death situation
15 right now because we are the last producer of electrical steel in the United
16 States, grain oriented electrical steel. Could you please share with the rest
17 of the people here today, and listen I mean this – I am so glad you are
18 here. I can't believe that you've sat there for so many years telling us what
19 your problem is and we keep nodding our heads and tell you we're going
20 to do something about it, and we didn't do anything about it until 2017.
21 The Congress had nothing to do with it; it came from the White House, so
22 strong leadership.

23 Mr. Goncalves if you could, the state we are in today, and the danger we
24 have of losing our ability to make grain oriented electrical steel in the
25 United States, and the way right now, it's being circumvented. You know
26 you make steel in China and in Korea, you send it to Mexico over to
27 Tijuana and then they do their act on it, and then the send it back to the
28 States and they say no, no this isn't foreign steel. This is from your friends
29 in Mexico, so friends shouldn't treat friends that way. Would you please
30 talk about exactly what's happening at AK Steel and the danger the United
31 States has in losing that ability to make its own grain oriented electrical
32 steel?

33 Mr. Goncalves: Thank you Congressman Kelly, I appreciate giving me the opportunity to
34 express that here. AK Steel is the last producer of grain oriented electrical
35 steel in the United States. What does that mean? It means we are the last
36 man standing between this country's ability to produce transformers for
37 the electric grid and having to import everything.

38 During the last few years, Section 232 action actually took care of the
39 dumped electrical steel from China, South Korea, and Japan. But bad
40 players always find a way to circumvent things, so couple clients – buyers

1 of electric steel – grain oriented electric steel, found their way to put
2 pieces of equipment, not entire plants, pieces of equipment in Mexico, in
3 Canada, and they operate more or less like that. Instead of importing in the
4 coil directly from these three countries, they import the coil into the West
5 Coast of Mexico, then they slit the coils in bulks, move those coils by
6 truck between the West Coast of Mexico and Matamoros across the border
7 from Brownsville, Texas. Cut in pieces called laminations, these
8 laminations go on a truck. The truck goes across the border, and back into
9 for example, Mississippi, and build a beautiful made in USA transformer
10 done with dumped Chinese, South Korean, and Japanese steel with the
11 great help of our friends from Mexico, and our friends from Canada,
12 circumventing under our very nose, and taking advantage of our
13 friendship. That's what's happening.

14 But this company, I'm closing next week, I put three billion there, I put
15 another billion, so I understand numbers very well. And if I don't get help
16 – and by the way, someone here who told that Section 232, I think it was
17 Vice-Chairman Bost, Section 232 was done among other things to protect
18 our ability to produce transforms. I'm telling you right now Chairman
19 Lamb, coming March 13, this thing is not corrected, I told Secretary of
20 Commerce, Wilbur Ross, that I'm not in this business to lose money. We
21 are together in the business of protecting the United States, but I can't lose
22 money for that or at least not that much. I'm willing to lose a little bit, but
23 not that much. So, I'm closing on the deal; I understand numbers; I know
24 what to do. I need help. The work is in Butler, PA and the workers in a
25 plant in Zanesville, Ohio also need help. I'm talking fifteen hundred jobs
26 in Butler, PA and 100 jobs in Zanesville, Ohio that will be gone. I promise
27 they will be gone if I don't get help.

28 Rep. Kelly: I want to thank you, but also there's not many of our members left because
29 they're off doing other things and that's very important. We have watched
30 for 50 years the erosion of this business, and we've let it happen. There's
31 an old saying, "you can't forfeit the game and then cry because you lost."

32 It's time for us to stand up and actually defend these industries, not with
33 words, and not with an eye or two on the Hill in Washington, D.C., but
34 actually back in the places that we represent and on the floor of the
35 Congress, and make sure we back this administration and encourage them
36 to continue to fight this the only way we can. I'm tired of losing jobs; I'm
37 tired of hearing about what we're doing for people; and I'm tired of
38 hearing people say, "well there's just nothing we can do about it." Well
39 goddammit, find an answer and get it done. We're losing too many jobs.
40 Thank you very much for being here.

EXHIBIT 6



Eisenberger, Andrew

From: McCleaf, Anna
Sent: Thursday, May 7, 2020 2:44 PM
To: Eisenberger, Andrew
Subject: AK Steel Letter
Attachments: AK Steel.docx

Attached is our draft for the updated AK Steel letter.

Thanks!

Anna McCleaf | Legislative Correspondent
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 | www.kelly.house.gov

Eisenberger, Andrew

From: Eisenberger, Andrew
Sent: Thursday, May 7, 2020 2:58 PM
To: Anna McCleaf
Subject: AK Steel
Attachments: AK Steel.docx

Anna –

My changes in red.

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
(202) 225-5406



Thank you for contacting me regarding AK Steel. I appreciate hearing from you on this important matter for the Butler community and America as a whole.

As you may know, Lourenco Goncalves, the chairman and chief executive officer of Cleveland-Cliffs, which owns AK Steel, testified before the Congressional Steel Caucus that unless certain electrical steel products receive Section 232 tariff protection, he will be forced to close the Butler plant. Currently, U.S. imports of grain-oriented electrical steel (GOES) from China are assessed Section 232 tariffs under the Trade Expansion Act of 1962, but several nations are exploiting a loophole by dumping cheaper, slightly modified product into Mexico and Canada. Those products inevitably make their way into the United States, undercutting AK Steel's ability to continue producing electrical steel. AK Steel is the last American electrical steelmaker, and if these unfair trade practices continue, the United States will rely on foreign nations for key components of its electrical grid. We cannot stand idly by and watch this happen. The loss of this plant would be detrimental to our community and threaten national security.

Thankfully, On May 4, 2020, the U.S. Department of Commerce started an investigation into whether imported GOES products are a threat to America's national security interests. I personally urged President Trump and Secretary of Commerce Wilbur Ross to take this necessary first step to save AK Steel, and I will continue working with the president, Secretary Ross, United States Trade Representative Robert Lighthizer, Mr. Goncalves, and labor representatives at AK Steel to fight these unfair trade practices.

Again, thank you for expressing your thoughts on this important issue. Please do not hesitate to contact me or my staff if I can be of assistance in the future.

If you would like to hear more from me on this issue and others, please subscribe to my newsletter at www.kelly.house.gov.

EXHIBIT 7



CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

Transcript of Interview of Witness Three

Review No. 21-9221
May 27, 2021

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May 27, 2021
11:06 a.m. - 12:02 p.m.
OCE Matter (21-9221)

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ZOOM VIRTUAL INTERVIEW
OF WITNESS 3

Job No.: 376739
Pages 1-61
Transcribed by: Molly Bugher

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A P P E A R A N C E S

(Teleconference via ZOOM)

OFFICE OF CONGRESSIONAL ETHICS (OCE)
OF THE U.S. HOUSE OF REPRESENTATIVES

By: JEFF BROWN, ESQUIRE

OMAR ASHMAWY, ESQUIRE

ANNIE CHO, ESQUIRE

425 3rd Street, S.W.

Suite 1110

Washington, DC 20024

Phone: 202.225.9739

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C O N T E N T S

INTERVIEW OF WITNESS 3.....4

E X H I B I T S

EXHIBITS	PAGE
Document 1 4/15/20 Email	12
Document 2 Letter attachment	12
Document 3 4/26/20 email	28
Document 4 4/28 email	38
Document 5 4/28 email	41
Document 6 Text messages	48
Document 10 4/25 email	33

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P R O C E E D I N G S

MR. BROWN: This is Jeff Brown with the office of Congressional Ethics. With me or my colleagues, Omar Ashmawy and Annie Cho. Before us today we have Witness 3. And we are undertaking a remote video interview of Witness 3. And it is May 27, 2021 at 11:05 in the morning.

Witness 3 has been given a copy of the false statements warning, and signed the acknowledgment. And with that we will get started.

So Witness 3, you were at the Department of Commerce previously. How long were you there for and what was your role?

WITNESS 3: I was at the Department of Commerce for approximately two years, eight months. In the final year and a half I was in the capacity of the acting assistant secretary for legislative affairs.

MR. BROWN: Okay. So since -- from January 2020 forward until you left, acting

1 assistant secretary for legislative and
2 government affairs?

3 WITNESS 3: Yes.

4 MR. BROWN: Okay. What are your duties
5 in that role?

6 WITNESS 3: I'm sorry, Jeff. I'm
7 sorry. Your question -- I'm no longer in that
8 capacity. Are we saying something differently?
9 I'm no longer in that capacity. My
10 responsibilities as acting assistant secretary
11 ended on January 20th. Did we get that right?

12 MR. BROWN: We didn't cover that, but I
13 knew that. And thank you for clarifying.

14 WITNESS 3: Okay.

15 MR. BROWN: So from January --

16 WITNESS 3: Past tense, yeah.

17 MR. BROWN: From January 2020 through
18 January 2021, that was the role that you held?

19 WITNESS 3: Well, yeah. It was
20 actually November 2019 through -- actually
21 October 2019 through January 20, 2021, yes. Just
22 to kind of set the parameters.

1 MR. BROWN: And just walk me through,
2 what were your responsibilities in that role?

3 WITNESS 3: My responsibilities as the
4 acting assistant secretary included -- well, I
5 was the principal liaison between the
6 administration, United States Congress, the
7 Department of Commerce, tribes, state, and local
8 governments. In sort of a 30,000 foot overview I
9 was responsible for coordinating and overseeing
10 the Department's legislative initiatives and
11 articulating the Department's positions on
12 legislative initiatives and proposals to
13 Congress, tribes, state governments, and local
14 governments.

15 MR. BROWN: And that's the senior-most
16 position in the legislative affairs shop; is that
17 correct?

18 WITNESS 3: It is. It is. I had a
19 staff of probably a half a dozen deputies that
20 worked with me and under me. But, yes, the
21 assistant secretary is the senior-most position
22 within the legislative affairs unit.

1 MR. BROWN: And so how close did that
2 put you to decision-makers like Secretary Ross or
3 his Chief of Staff? How frequently are you
4 interacting with the Secretary and his people?

5 WITNESS 3: Quite frequently.

6 MR. BROWN: Okay. My real goal with
7 this interview is to just walk you through a
8 timeline of events about the Section 232
9 investigation that was ultimately publicly
10 announced on May 4th. And I want to do that
11 primarily in reference to the documents. But
12 before I do that, I am going to just ask you, now
13 that you've -- I sent you a couple of documents
14 to try and jog your memory on some of these
15 issues and hopefully you had a chance to think
16 about these issues a little bit.

17 So before I get to any documents, I'm
18 just going to ask you to tell me when did the
19 Department of Commerce first decide internally
20 that it was going to initiate this Section 232
21 review on AK Steel?

22 WITNESS 3: My recollection is not

1 strong on the specific date. I do recall
2 generally there was a great deal of interest on
3 the part of a 232 investigation that was
4 articulated from the Hill, primarily from the
5 Ohio and Pennsylvania congressional delegations,
6 both the Senate and the House of Representatives,
7 over a period of months before the May 4th
8 declaration.

9 When the determination was made to
10 proceed with the 232 investigation specifically,
11 on or about that -- on or about the May 4th -- I
12 don't know if I necessarily have a specific date.

13 I don't recall a specific date when the
14 determination was made. There was a -- it was on
15 or about the time of that press release being
16 issued.

17 MR. BROWN: Okay. Well, I have some
18 documents that I can walk you through and we will
19 get to those. But do you remember how the
20 decision, even if you don't remember a date, do
21 you remember how the decision came about
22 internally?

1 WITNESS 3: I wasn't part of the
2 decision-making process. So I don't have any
3 recollection of how it was made. I know that
4 there was a great deal of -- I would say a great
5 deal of interest from outside stakeholders
6 including industry and elected officials from the
7 Hill over a period of a month to my recollection,
8 strongly urging the Department of Commerce and
9 BIS to consider self-initiating.

10 But my recollection how that decision
11 was made -- that was a decision that would have
12 made -- been made directly within BIS. And I
13 wasn't involved in any of the day-to-day
14 decision-making process in any of those
15 conversations.

16 MR. BROWN: Okay. The ultimate
17 decision likely made by BIS I assume in
18 conjunction with the secretary of commerce?

19 WITNESS 3: I think that's a fair
20 representation. Again, I was not involved in any
21 of the decision-making process that would have
22 taken place between the Secretary, the

1 Secretary's Chief of Staff, or anyone within BIS
2 about the merits of proceeding with such an
3 investigation.

4 MR. BROWN: But at some point it is
5 decided and then you are alerted to that. And
6 then it may make sense -- I will walk you through
7 some documents --

8 WITNESS 3: Sure.

9 MR. BROWN: And we will see if I can't
10 jog your recollection on this stuff little bit.

11 WITNESS 3: Sure.

12 MR. BROWN: So Jesse, can you pull up
13 documents 1 and 2?

14 PD TECHNICIAN: Just one moment.

15 MR. BROWN: And Witness 3, while he
16 pulls those up, I will mention the first document
17 is an email. The second document is the April 15
18 letter, which I already provided you a copy of.

19 WITNESS 3: Is the April 15 letter,
20 Jeff, the letter from the members of Congress?

21 MR. BROWN: It is. It is, yes.

22 WITNESS 3: Okay.

1 MR. BROWN: One of them, yes.
2 WITNESS 3: Okay.
3 MR. BROWN: The one that I sent you.
4 WITNESS 3: Sure. That makes sense.
5 All right.
6 MR. BROWN: And actually -- I have
7 control here?
8 WITNESS 3: Okay, sorry. Oh, my gosh.
9 You guys are straining my eyes here.
10 MR. BROWN: Yeah, give me one second,
11 Witness 3, I will make this bigger for you.
12 MR. BROWN: Jesse, can you -- can we
13 actually do it such that we just have Document 1
14 up and enlarged?
15 PD TECHNICIAN: Yeah, just one second.
16 MR. BROWN: Thank you.
17 The joys of doing this remotely.
18 WITNESS 3: That's totally
19 understandable. It's more of the strain on my
20 aged eye. Less about the remoteness, more about
21 my eyesight not being what it once was.
22 MR. BROWN: All right, Jesse, if you

1 could, give me control of this.

2 MR. BROWN: Witness 3, I will walk you
3 through it.

4 WITNESS 3: Great.

5 MR. BROWN: Jesse, you just let me know
6 when I -- do I have control of this point?

7 PD TECHNICIAN: You should have control
8 now, sir.

9 MR. BROWN: Okay, there we go. Thank
10 you.

11 MR. BROWN: All right, Witness 3. I'm
12 going to start here at the bottom. You can see
13 here we've got an April 15, 2020 email from Matt
14 Stroia to, it appears to be, you, Witness 3, and
15 Garrett.

16 (Exhibit 1 was introduced)

17 MR. BROWN: Just a heads up, this
18 letter was sent over to the White House today
19 regarding AK Steel/232 tariff issue. Thanks,
20 Matt.

21 Just a couple of questions on this
22 email. First of all, who is Garrett?

1 WITNESS 3: I don't know who Garrett
2 is. Is it -- maybe it's -- I just have no
3 recollection who Garrett is. So maybe it --
4 maybe if it's in the rest of the thread it will
5 jog my memory, but I don't know who Garrett is at
6 this point.

7 MR. BROWN: Let's see if his last name
8 is on any of this. Garrett Zigler?

9 WITNESS 3: Garrett Zigler, he's in
10 EOP. I don't -- I'm not -- I don't -- I'm not
11 familiar with Garrett Zigler.

12 MR. BROWN: Okay. Who is Matt Stroia?

13 WITNESS 3: I believe Matt Stroia was
14 or is -- at that time was Congressman Kelly of
15 Pennsylvania's Chief of Staff.

16 MR. BROWN: Okay. How well do you know
17 or how frequently do you interact, did you
18 interact with Matt Stroia?

19 WITNESS 3: Infrequently. I mean, my
20 interaction with Mr. Stroia was limited to his
21 advocacy on behalf of this issue for constituents
22 in his boss' congressional district.

1 MR. BROWN: And talk to me just
2 generally. What do you remember about his
3 advocacy with respect to this issue?

4 WITNESS 3: Nothing stood out more --
5 nothing stood out from his advocacy any
6 differently from the rest of the Pennsylvania and
7 Ohio delegation. The entire delegations from
8 both of those states were -- my recollection is,
9 were regularly -- and I don't know how you define
10 regularly. But on more than one occasion over a
11 period of time reaching out to the offices of the
12 secretary on behalf of this 232 tariff issue.

13 So he was one of many chiefs of staff
14 or legislative directors or members of Congress
15 that would have, as my recollection serves me,
16 would have been in contact with us to express an
17 opinion on this issue.

18 MR. BROWN: Okay. Let's walk through
19 this email a little bit further. Matt's email
20 was at 1:51 to you. You respond the same day,
21 3:32 p.m. and say, Matt, thanks for sharing. I
22 will be sure to provide this to the Secretary.

1 Did this get shared with the secretary?

2 WITNESS 3: My recollection is any
3 correspondence that came in -- now, I don't the
4 attachment there. If you have the attachment --
5 is the attachment the letter that you sent me?

6 MR. BROWN: That is right.

7 WITNESS 3: I'm assuming it is. Yeah,
8 any congressional correspondence that we received
9 on this issue or any issue, for that matter,
10 would've been included in the Secretary's, what
11 we call daily briefing book, which would have
12 been his schedule as well as correspondence that
13 came in from elected officials. So I'm confident
14 that this letter would have been included in
15 that.

16 MR. BROWN: So that's how he would have
17 got it? It's not you personally forwarding
18 along? It's materials like this are put together
19 and provided to the secretary each morning
20 (inaudible)?

21 WITNESS 3: Yeah, correct. Correct.
22 This letter that I mean, it's a little wonky, but

1 this letter, like all congressional, or all
2 correspondence in general, would have first come
3 in. It would have been forwarded to the
4 executive secretary -- the office of the
5 executive secretary, which handles all incoming
6 correspondence. And then the executive secretary
7 would have -- who is responsible for preparing
8 the daily briefing, but would have included this
9 in the secretary's daily briefing book and would
10 have also logged it electronically, so to speak,
11 so that would be a historical record of it.

12 MR. BROWN: Okay.

13 WITNESS 3: But to answer your
14 question, no, I would not have personally shared
15 it with the secretary, but it would have been
16 shared with the secretary via the executive
17 secretary internal letter processing protocol.

18 MR. BROWN: Understood. Let's scroll
19 up here little bit. On April 22, so a couple
20 days later, Matt follows up with you and says,
21 Just wanted to follow up on this letter. I know
22 there's a lot going on, but things are getting

1 dire at the Butler, PA plant (1,400 employees in
2 the last U.S. maker of electrical steel).

3 Then you are asked if you were advised
4 on developments. You respond on April 22, the
5 same day, a couple of hours later copying a few
6 other folks. I'll give you a chance to read your
7 response before asking the questions.

8 WITNESS 3: That's the same day Jeff?

9 MR. BROWN: Yes.

10 WITNESS 3: Okay, gotcha.

11 MR. BROWN: (Inaudible).

12 WITNESS 3: That's okay. No, no, I'm
13 sorry. I just wanted to make sure.

14 Okay. Yeah, read it.

15 MR. BROWN: Is this an accurate
16 assessment of the state of play on the 232 issue
17 on the 22nd?

18 WITNESS 3: I believe so.

19 MR. BROWN: Okay. And how do you --
20 how are you aware of these issues? Like, how are
21 you crafting this response to Matt?

22 WITNESS 3: My recollection of this is

1 that there was a phone call -- and my memory is a
2 little vague on this. But I believe there was a
3 phone call between Congressman Kelly and Nazak.
4 And Nazak is Nazak Nikakhtar. She would have
5 been the deputy secretary. I'm sorry, the
6 assistant secretary of ITA, which my recollection
7 is both BIS and ITA sort of have jurisdiction
8 over 232. One is the enforcement arm and one is
9 the -- sort of the merit decision arm of it. And
10 they both work jointly. So it doesn't strike me
11 as anything unusual that somebody from ITA would
12 have been conversing with a Congressman on an
13 issue that is important to his or her
14 constituency.

15 So I would have -- you know, in a
16 perfect world, I would have been flagged that a
17 conversation was going to take place with a
18 member of Congress and one of our agencies and
19 bureaus. But it might not come as a surprise to
20 you that it's not often the case -- it's not
21 always the case, I should say, where -- in which
22 I would have been informed, but it appears in

1 this instance I was informed, which is a delight
2 to see. But are many instances where the
3 agencies or the bureaus are having one off
4 conversations with elected officials that I don't
5 learn about until after the fact.

6 But it appears on this one that I was
7 at least part of a conversation, which is
8 heartening to know.

9 MR. BROWN: So that seems to me you're
10 primarily referring to -- I think it's the third
11 sentence here. I know this issue is a priority
12 for the Congressman as I was on a call with him
13 and Nazak from ITA. And then you go on and say,
14 As you know, the Department is familiar with the
15 company's concern and has been engaged with them
16 through the course of many meetings and
17 discussions.

18 Were you involved with the prior calls?
19 As we have seen, there's been a fair bit of
20 correspondence between Cleveland-Cliffs and AK
21 Steel and the Secretary's office. So I'm trying
22 to get a sense -- you're -- it sounds like you're

1 looped into this to some degree, or did you have
2 to reach out somewhere else to try and -- to
3 learn all this stuff? Or were you able to put
4 this email together from the knowledge that you
5 had?

6 WITNESS 3: My recollection is that
7 there were many forms of conversations, whether
8 it was email correspondence or phone calls or
9 letters from members of Congress, including Mr.
10 Kelly, to both ITA and BIS on this issue. My
11 involvement in terms of speaking directly with
12 company officials on this matter -- I would not
13 have been involved in any of those conversations.

14 I think I'm confident that when the Department
15 and BIS and ITA consider a 232 investigation,
16 that there is a comment period and there is an
17 ability to express opinions from all
18 stakeholders, including Cleveland-Cliffs I guess
19 in this case, or others.

20 So none of this strikes me -- none of
21 this really strikes me as something that is
22 unusual. It doesn't stand out to me as being

1 necessarily different from anyone else. I
2 believe -- I would guess, Jeff, that there might
3 have been an open -- or something for the record
4 for this if there was a conversation. But that
5 would have been probably Nazak's responsibility
6 or somebody from ITA or BIS.

7 But those day to day conversations on
8 decision-makings pertaining to 232, I was limited
9 at best in my involvement in those. I would have
10 been brought in at the tail end to deal with
11 communicating with the Congressman or linking a
12 Congressman to an appropriate person within the
13 Department or a staff member, but sort of the
14 day-to-day decision making as it relates to that
15 third sentence that you reference, the Department
16 of Commerce connected with the company, I don't
17 believe I was engaged in any of those sort of
18 day-to-day decision-making conversations.

19 MR. BROWN: Okay. You mentioned when
20 we first spoke -- and I'm just looking at the
21 dates here noticing this is sort of, you know
22 this is April, end of April 2020. So this is

1 shortly after the world shuts down because of the
2 pandemic.

3 WITNESS 3: Yeah.

4 MR. BROWN: And you had mentioned in
5 our initial conversation that obviously, given
6 the state of affairs in the United States and
7 elsewhere, that a lot of the Department's focus
8 probably would've been on coronavirus issues.

9 During the same timeframe, there does
10 seem to be a lot of engagement between Secretary
11 Ross and Cleveland-Cliffs and their lobbyists and
12 such. I'm wondering -- and again, please, if you
13 don't have -- if you're not the person who would
14 have had a lot of exposure to this, let me know.

15 But it seems like there is a fair bit of back-
16 and-forth and a fair bit of -- you know,
17 Cleveland-Cliffs is pressing this issue pretty
18 hard. And they are able to get access to the
19 Secretary and ultimately the Section 232
20 investigation.

21 So I'm wondering, is this level of --
22 is this level of communication and correspondence

1 and meetings with the Secretary and the senior
2 officials, is that ordinary? Particularly in
3 this timeframe?

4 WITNESS 3: It doesn't strike me as
5 unusual. I think any -- I would step back and
6 say all 232 investigations tend to elicit a
7 significant amount of outside stakeholder
8 interests. So whether it's this one or whether
9 it was aluminum, or steel, or autos, the 232
10 investigations in particular elicit a significant
11 amount of outside interest. So I don't want to
12 isolate this one from any of the other 232
13 investigations.

14 I would venture to guess that the
15 amount of interest in this as it relates to,
16 let's say the 232 investigation of automobiles,
17 would be very similar. There is just as the 232
18 investigations by their nature elicits a
19 significant amount of outside stakeholder
20 interest, including from elected officials. And
21 they are just -- they are big deal items, to put
22 it kind of, sort of simple. They have -- impact

1 a lot of stakeholders.

2 And so this 232 investigation versus
3 something of less significance within BIS
4 would -- it doesn't surprise me that the
5 Secretary would be involved and it doesn't
6 surprise me that elected officials would be as
7 involved as much on this because it is a 232,
8 generally speaking, a 232 investigation, which
9 again tends to generate a great deal of interest
10 from outside stakeholders.

11 MR. BROWN: You said 232 investigations
12 tend to be a big deal. Can you elaborate on
13 that? Why are they such a big deal?

14 WITNESS 3: I think the fact that the
15 investigation could lead to, depending on its
16 findings, and again, I was not involved in the
17 decision-making, but depending on the findings of
18 the investigation, it could lead to a
19 determination of tariffs and that could lead to a
20 potential shift in a market source, so to speak.
21 So I think that -- I think that alone is why the
22 232 investigations merited -- or demonstrated a

1 lot of interest.

2 And the 232, keep in mind, before
3 President Trump had been in office, the 232,
4 while it was a vehicle that had been in law for
5 many years, was not used as frequently. And so
6 this was the first time in probably several
7 administrations across many presidents,
8 Republican and Democrat, that used the 232 -- I
9 don't want to say aggressively, but more
10 frequently I guess. And so I think by the very
11 nature there was a lot of -- I think the outside
12 stakeholders were somewhat uncertain about 232
13 despite it had been on the books.

14 And I think the frequency in which the
15 232 was being utilized as a tool by the
16 administration to combat what they thought was
17 unfair trade practices might have been something
18 that outside stakeholders hadn't been necessarily
19 used to from prior administrations.

20 MR. BROWN: Okay.

21 MR. BROWN: Jesse, can you pull up
22 document three?

1 And while he is doing that Witness 3, I
2 will ask you -- Eileen Dombrowski is on this
3 email. And it's my impression she is the
4 legislative affairs shop. But who is she?

5 WITNESS 3: Eileen worked for me. She
6 was one of my staff members. She handled the BIS
7 portfolio. So Jeff, similar to a congressional
8 office where you divide the issue portfolios
9 between your legislative director and your
10 legislative aides. Think of it sort of that
11 structure, if that gives you some good
12 comparison.

13 Our legislative affairs shop at the
14 Department of Commerce was divided in portfolios.
15 And so the issues of the BIS portfolio fell
16 under Eileen's responsibility. But she was on
17 my -- I think her title was legislative affairs
18 specialist, but she was one of my -- she worked
19 for me. She was on my staff.

20 MR. BROWN: Would she have any more or
21 less insight into the 232 announcement than you
22 would have?

1 WITNESS 3: She might. She might.
2 Only because it was her -- she was more involved
3 on the day-to-day issues of all things BIS. And
4 so she -- I mean, she might get I can't say with
5 certainty, but she might.

6 MR. BROWN: She wouldn't have though --
7 she would not have likely had more information
8 than you about when internal decisions were made
9 about deciding to initiate the 232 investigation?

10 WITNESS 3: I can't say with certainty.
11 She might only because she worked on an hourly
12 basis with BIS and maybe I worked on a daily
13 basis with BIS.

14 MR. BROWN: Okay.

15 WITNESS 3: I covered all portfolios.

16 MR. BROWN: Right.

17 WITNESS 3: So depending on if I was
18 focused on other things, which in this period of
19 time, the Cares Act funding and COVID response
20 was occupying a great deal of my bandwidth in
21 addition to the census related activities. So
22 I -- it wouldn't surprise me if Eileen had some

1 greater interaction on sort of the less than
2 30,000 foot level of some of these conversations.

3 But the decision-making side of it would've been
4 wholly within BIS and the secretary himself.

5 MR. BROWN: Okay. The last email
6 string we were looking at was the 20 -- I believe
7 it was the 23rd, April 22nd and 23rd.

8 WITNESS 3: Yes.

9 MR. BROWN: Now I've got up in front of
10 you another email string here. You can see the
11 first email is Sunday, April 26, just after noon,
12 from you to a variety of individuals on the Hill
13 and copying some folks at the Department of
14 Commerce. The email subject line reads,
15 conference call re Cleveland-Cliffs Incorporated.
16 Please join the Department of Commerce officials
17 for a staff briefing regarding Cleveland-Cliffs
18 on Monday, April 27 at 4:00 p.m. And then go on
19 to talk about the purpose of the call. Why was
20 this call set up?

21 (Exhibit 3 introduced)

22 WITNESS 3: If my recollection serves

1 me, I believe it was in response to a -- the
2 continuation of -- I'm just looking at -- this is
3 both the Ohio and the Pennsylvania delegation
4 members. I think it was just a -- in response to
5 the congressional delegation from those two
6 states asking questions. And it was a -- an
7 opportunity to have one conversation with
8 everyone versus a number of one off conversations
9 separately. And I think it was more of a useful
10 exercise of efficiency to answer any questions
11 that the staff members from these two
12 delegations, if they had any, could be addressed.

13 MR. BROWN: Did anything specific
14 prompt this? Or was it just that there was a lot
15 of phone calls and a lot of pressure being
16 applied from these various offices?

17 WITNESS 3: My (inaudible) recollection
18 it was just the normal phone calls (inaudible)
19 and emails (inaudible). Not even sure if this
20 call eventually took place. But my
21 recollection -- it wouldn't be uncommon. We held
22 conference calls with staff on the Hill for

1 various reasons throughout the Department on --
2 and agencies on a regular basis.

3 So this would have been, my
4 recollection, a good way to utilize some measures
5 of efficiency to talk about it once instead of
6 many times. We would have done this for the
7 Census Bureau. We would have done this for -- I
8 mean, we regularly engaged in conference calls
9 with Hill staff to give them updates and to do it
10 an efficient manner.

11 So this doesn't strike me as anything
12 unusual other than a way to answer, be responsive
13 to everyone all at once as opposed to many
14 people, many different times.

15 MR. BROWN: Okay. Let me scroll up
16 here a little bit. The first email you sent was
17 Sunday, April 26 at 12:05 p.m. And then Harry
18 Kumar on the following day at 12:30, 12:37 in the
19 afternoon, sends a follow-up. Says, Hey all,
20 apologies for the short notice. Because of
21 scheduling conflicts, we're going to pull this
22 from the calendar. Is this -- was this pulled

1 because of scheduling conflicts?

2 WITNESS 3: You know, I don't recall.
3 I just vaguely remember that we did pull this
4 call. And I do believe it was because of
5 scheduling conflicts. And then I -- yeah, I
6 honestly don't remember this call taking place.
7 So it's funny because when I first read it, I
8 felt like we ended up pulling this down because
9 of scheduling conflicts.

10 MR. BROWN: And who's Harry Kumar?

11 WITNESS 3: Harry would've been my
12 deputy as well. Harry would've been -- I think
13 his title was director of federal legislative
14 affairs. But he would've worked with me as well
15 in our office of legislative affairs.

16 MR. BROWN: And how well-versed is he
17 on things related to Cleveland-Cliffs or 232
18 investigations?

19 WITNESS 3: Eileen handled the
20 portfolio for BIS. So she would have been the
21 most versed because that was her issue area.
22 Harry and I -- Harry would have been read-in

1 because we have weekly meetings to talk about
2 priorities throughout the week. But he would
3 have been marginally -- I think probably the best
4 way to describe it, marginally aware of it
5 because of the nature in which we communicated
6 with whether it was weekly tag ups or end of the
7 week wrap-ups or just going over what's going on
8 each week. So he would've had some basic
9 familiarity, but probably not necessarily in the
10 weeds as much as Eileen would have been because
11 he didn't have that portfolio.

12 MR. BROWN: You say we will be -- or
13 Harry says, We will be in touch soon. Do you
14 know if this call got rescheduled?

15 WITNESS 3: I can't recall, Jeff. I
16 don't know.

17 MR. BROWN: Okay. Let me go to
18 Document 10.

19 WITNESS 3: This was the 27th, right?
20 So this would've been only maybe a week out from
21 I think the announcement.

22 MR. BROWN: Right.

1 WITNESS 3: But I don't recall if it
2 was ever rescheduled.

3 MR. BROWN: Okay. Well, I'm going to
4 go to document 10, Witness 3. And I will tell
5 you, you're not on document 10. But I'm hoping
6 you can help explain some of it to me.

7 WITNESS 3: Sure.

8 MR. BROWN: And this is a Saturday,
9 April 25 email.

10 (Document 10 introduced)

11 MR. BROWN: So that would be the day
12 before you sent the last email that we just
13 looked at. And if you look here, it's from
14 Wilbur Ross on Saturday, April 25 at about 9:14
15 in the morning. And it's too
16 Bucks3421 [REDACTED]. Do you know who
17 Bucks3421 --

18 WITNESS 3: I don't. Yeah, I do not
19 recognize who Bucks3421 is, no.

20 MR. BROWN: What do you -- when you
21 read this email, what you understand is going on
22 here?

1 WITNESS 3: So this is Wilbur's
2 writing? This piece -- if I understand this,
3 this is Wilbur writing this piece with Mike
4 from --

5 (Crosstalk)

6 WITNESS 3: Okay, yeah. So my guess
7 is, if I'm understanding this, Mike would have --
8 but you're asking me to infer a lot. So I could
9 be completely wrong. Mike would be Mike. I'm
10 guessing Mike would be Mike Walsh, because Mike
11 Walsh is the --

12 MR. BROWN: That's his Chief of Staff.

13 WITNESS 3: That's his Chief of Staff.
14 But Mike was also dual headed. He was the chief
15 of staff, but he was also the acting --

16 MR. BROWN: Chief, yeah.

17 WITNESS 3: At this time he would have
18 been the acting GC at that point. I think he
19 would have been the acting GC. I might be wrong
20 on the date that he became acting GC. But my
21 guess is that Mike and this would be -- Mike
22 Walsh a time slot for a call this afternoon or

1 evening. I - no, I'm not sure who the Mike is
2 there. But the only Mike who comes to my mind is
3 Mike Walsh. And he's on the CC line, which makes
4 it a little weird.

5 MR. BROWN: Yeah.

6 WITNESS 3: Cordell, obviously the
7 undersecretary of BIS. And Nazak is the
8 assistant secretary at ITA. Subject line is
9 Cleveland-Cliffs. And I'm sorry, I'm not really
10 sure. I don't know who Bucks3421 is.

11 MR. BROWN: Okay. We'll let me just --
12 let me interrupt you and say the way I read this
13 is I think similar to you. Please set up with
14 Mike a time slot for a call this afternoon or
15 evening, Wilbur. I think that signed Wilbur
16 Ross. And the directive here is I -- it seemed
17 to me is set up a time slot for a call. And
18 given the subject line, seems to me like that
19 would be in relation to Cleveland-Cliffs. Is
20 that a fair understanding of this email to you?

21 WITNESS 3: Oh, absolutely.

22 MR. BROWN: You're not on this, but --

1 WITNESS 3: No, absolutely. I think we
2 read it the same way.

3 MR. BROWN: Okay.

4 WITNESS 3: Wilbur sent an email to
5 somebody by the name of Bucks and CCed at least
6 four folks and asking him -- asking a call be set
7 up with somebody by the name of Mike to talk
8 about Cleveland-Cliffs. I think that's Wilbur's
9 desk Wilbur, believe it or not, for an 82-year-
10 old man, was -- used the internet -- or uses
11 email pretty regularly. So it wouldn't be
12 unusual for any of us to get an email from Wilbur
13 on a Friday, Saturday, Sunday or Monday. He was
14 very engaged with his emails.

15 MR. BROWN: Okay.

16 WITNESS 3: So this -- none of this --
17 yeah, definitely seems like his --

18 MR. BROWN: So this email occurs on
19 Saturday. It seems to suggest that there is
20 going to be a call between Secretary Ross and
21 folks at Cleveland-Cliffs this weekend,
22 presumably on Saturday. Does seeing this

1 email -- does it suggest to you or refresh your
2 recollection at all about why the staff briefing
3 call came off? In other words, do you recall
4 that a phone call with Cleveland-Cliffs occurred?

5 WITNESS 3: So this is before the staff
6 briefing? I'm trying to remember the chronology.
7 When was the staff briefing call? Was that --

8 MR. BROWN: The staff briefing was set
9 for Monday. This -- you sent the email out on
10 Sunday about the staff briefing. And this email
11 is from Saturday morning. So you set the staff
12 briefing on Sunday. I'm just wondering --

13 WITNESS 3: Yeah, I hear --

14 MR. BROWN: You said scheduling
15 conflicts. And that was your recollection. But
16 I'm just trying to jog your memory. Do you
17 recall a phone call being had? And did that
18 phone call -- were you ever updated on what that
19 phone call was about?

20 WITNESS 3: In reference to this phone
21 call here you are talking about?

22 MR. BROWN: Correct, yeah.

1 WITNESS 3: Yeah, I don't know. Yeah.
2 No, I'm not aware of that. I don't think I was
3 involved with any direct phone calls with
4 Cleveland-Cliffs. But I wouldn't say never, but
5 I don't know that I was involved in any of like
6 the CEO type phone calls with Cleveland-Cliffs.

7 MR. BROWN: Yeah.

8 WITNESS 3: So I'm sorry I can't be
9 more helpful on this. I just don't know.

10 MR. BROWN: I appreciate it. Again,
11 only asking to the best of your recollection.
12 And I very much appreciate that you are not on
13 this email. So a little harder to recall.

14 MR. BROWN: Jesse, can you do me a
15 favor and take this one down? And can you pull
16 up Document 4?

17 (Document 4 introduced.)

18 PD TECHNICIAN: Okay, just one moment.

19 MR. BROWN: And Witness 3, I will
20 frankly, again, you're not on this email, but I
21 want to walk you through this one and in
22 particular timing of this email because I think

1 it becomes relevant to the next two documents
2 that I want to show you.

3 MR. BROWN: Let me see; do I have
4 control here?

5 PD TECHNICIAN: You should have control
6 now.

7 MR. BROWN: Thank you.

8 MR. BROWN: I'm just going to scroll
9 down to the bottom here. And I will just walk
10 you through this. So now we are on April 28,
11 which is Tuesday. It was Monday the 27th was the
12 staff briefing. And now we on Tuesday the 28th.
13 Witness 5 at AK Steel, do you know who she is?

14 WITNESS 3: I don't.

15 MR. BROWN: Okay. Witness 5 is a
16 lobbyist for AK Steel. It's a subsidiary of
17 Cleveland-Cliffs.

18 WITNESS 3: She's their in-house
19 lobbyist I would assume, right?

20 MR. BROWN: Yes, that has a steel plant
21 in Butler, Pennsylvania.

22 WITNESS 3: Gotcha.

1 MR. BROWN: Witness 5 is writing an
2 email to Witness 2. Do you know Witness 2?

3 WITNESS 3: I don't.

4 MR. BROWN: Okay Witness 2 is a staffer
5 in Representative of Kelly's office. Witness 5
6 says to Witness 2, Hey there, I sent you a text.
7 Can you do an update call with me and Witness 4
8 any time after 2:45 p.m.? Witness 4 is the
9 Cleveland-Cliffs lobbyist.

10 WITNESS 3: Okay.

11 MR. BROWN: Witness 2 responds, I'm on
12 a call. I can do the call at 2:45. And then you
13 see Witness 5 sends, okay, we can use the line at
14 2:45 p.m. So Witness 5 is setting up a
15 conference call at 2:45 p.m. on April 28 with
16 Witness 2. So Cleveland-Cliffs lobbyist, AK
17 Steel lobbyist, and Witness 2 from Mike Kelly's
18 office are getting on a phone call at 2:45. And
19 then as you will see here at 2:52 p.m. Witness 2
20 actually forwards that to Matt Stroia, who we
21 talked about, and Witness 1, who was
22 another staffer at the Kelly office.

1 WITNESS 3: Gotcha.

2 MR. BROWN: So this is all occurring,
3 as you see, around -- roughly around 2:45 on
4 April 28 and then, 2:52.

5 MR. BROWN: Jesse, if you can, pull up
6 Document 5.

7 (Document 5 introduced.)

8 MR. BROWN: Witness 3, you are on this
9 email string. And I'm hoping to get to
10 recollections on this email.

11 MR. BROWN: Do I have control?

12 PD TECHNICIAN: You should have
13 control.

14 MR. BROWN: Great, thank you.

15 MR. BROWN: All right, Witness 3. I
16 will start at the bottom here. So there's, you
17 can see is an email from you. This is again on
18 April 28, 2020 at 2:51 p.m. So right around the
19 same time as this prior email. You say, Hi Matt,
20 what's the best number to reach you at. Matt
21 responds at -- it says 4:01 p.m. That's
22 obviously not accurate in light of the fact that

1 you then respond there at 3:14 and say, just
2 tried your cell. Give me a ring.

3 It appears to me that you guys speak
4 just after that. What did you guys talk about on
5 this call? April 28, the afternoon of April 28?

6 WITNESS 3: Yeah, I don't recollect
7 what we might have discussed. I think we had --
8 there were -- I don't recollect, to be honest
9 with you. I can --

10 MR. BROWN: Let me --

11 WITNESS 3: I would guess we were -- on
12 any given occasion they were -- I would say this.
13 There were multiple -- the amount of inquiries
14 they came from congressional delegation members,
15 whether it was staff or members of Congress
16 themselves, was broad. I mean, I think literally
17 every member of Congress from both the Ohio and
18 Pennsylvania delegations were contacting me. So
19 I'm guessing this was just yet another -- I sort
20 of had a system in place.

21 To shock you, I tried to be responsive
22 to everyone who called. I -- there was the chief

1 of staff on the Hill that drove me nuts when I
2 wasn't responsive. So it wouldn't be unusual for
3 me in the way I manage myself to follow up with
4 somebody that would have reached out to me.
5 So -- but beyond that, I don't recall this. I
6 don't recall this specific -- what might have
7 been talked about on the specific conversation.

8 MR. BROWN: So let me fill you in a
9 little bit further here. So Cleveland-Cliffs
10 provided us with information that said the April
11 28 phone call that happened in the last email
12 that I showed you around 2:45 p.m., that
13 conference call, they said that was a phone call
14 in which Witness 5 and Witness 4, so the
15 Cleveland-Cliffs and AK Steel government affairs
16 folks provided notification of the Department of
17 Commerce's intent to initiate a section 232
18 investigation covering transformer lamination and
19 wound cores.

20 So that's what they talked about at
21 2:45 on that last email. It looks to me like
22 right around that same time, you reach out to

1 Matt. And I'm wondering if you recall speaking
2 with him about the internal decision at
3 Commerce -- to initiate the Section 232 review.

4 WITNESS 3: It wouldn't -- I don't -- I
5 wouldn't be surprised if I would have reached out
6 to Mr. Kelly's office as well as others from
7 those two states to give them an update on the
8 status of the investigation.

9 MR. BROWN: You don't have any
10 recollection though of being told at some point
11 on April 28, Section 232 investigation is going
12 forward and picking up the phone and calling
13 folks?

14 WITNESS 3: I think -- well, I think
15 with this, as it relates to any of the internal
16 232 investigations, I think -- if my recollection
17 serves me, I don't -- I don't even know that
18 we -- I -- we necessarily knew -- we knew a
19 decision was -- I would say this. I was aware
20 that a decision was going to be made. I don't
21 recall knowing what the decision would be. Does
22 that make sense?

1 MR. BROWN: No. Elaborate.

2 WITNESS 3: My recollection is I was --
3 I was aware that the -- that BIS had reached a
4 determination whether to proceed with an
5 investigation or not. That's -- but whether they
6 were going to or not, I don't know. I don't
7 recall necessarily knowing which direction they
8 were going. In other words, they could have said
9 we reviewed everything and we are not going to
10 proceed. Or it could have been we've reviewed
11 everything and we are going to proceed.

12 I just -- my recollection is I was
13 aware that they had reached a conclusion. I'm
14 trying recall. I don't know if I necessarily
15 knew what the conclusion was going to be. I
16 think that was still being closely held by BIS
17 and the Secretary until a future press release
18 was being developed by the comms team. And that
19 would've been somebody different than me. Does
20 that make sense?

21 MR. BROWN: You know --

22 WITNESS 3: I'm just trying to recall

1 that I don't remember exactly what the
2 decision -- what decision was reached as opposed
3 to having a decision reached versus what it was.
4 That's what I'm trying to say.

5 MR. BROWN: I realize too, it's been a
6 year. So we have -- we received some -- again,
7 that communications from Cleveland-Cliffs. And
8 we've got some text messages from around the time
9 that says, on April 28, Wilbur Ross spoke with
10 folks at AK Steel and advised them of this plan
11 to initiate a Section 232 review.

12 So it seems like, given that, and given
13 the time frame of this, this email, that you
14 probably would have been picking up the phone to
15 call Matt about that. But I understand from you
16 now it's been a year and your recollection is
17 that you know, you don't have a clear
18 recollection of what you guys would have talked
19 about on April 28th.

20 WITNESS 3: I think that's safe to say.

21 But --

22 MR. BROWN: Because when I look up a

1 little further at this email, it's April 30. So
2 it's two days later. But he says, Good morning,
3 Witness 3. Just checking in. Any word from your
4 comms team on getting out the release?

5 My understanding of what you -- what he
6 means by the release, getting out the press
7 release that the --

8 WITNESS 3: Yeah.

9 MR. BROWN: That we are going forward
10 with the Section 232 investigation.

11 WITNESS 3: I think that's fair to say.
12 My recollection is there was somewhat of a
13 delay. I think, without having my calendar in
14 front of me, I think there was a desire -- sort
15 of the timeline was to get something out on a
16 certain day. And I think a couple of days
17 lapsed. I think it was an internal delay. And I
18 don't remember the reason for the delay, but I
19 think a few days lapsed from when we initially
20 thought we were going to make this announcement
21 to when we actually did.
22 But there are delays for -- yeah, I

1 just remember -- for some reason I remember that
2 there were -- my recollection, I could be wrong.

3 It might not be serving me well that there was
4 some sort of delay.

5 MR. BROWN: Well, that actually -- I'm
6 glad you said that, because that's consistent
7 with I think what I want to show you as the next
8 document.

9 So Jesse, if you can show -- if you
10 can, pull up Document 6.

11 (Document 6 introduced)

12 MR. BROWN: And Witness 3, again, I
13 will inform you, you are not on this document.

14 WITNESS 3: Yeah.

15 MR. BROWN: But I think you're
16 referenced in this document. So would like to
17 see if you can't help walk me through this and
18 make sure I'm understanding correctly.

19 WITNESS 3: Sure. Jeff, I apologize.
20 My dog is becoming very ill. So I might have to
21 step away. If my wife --

22 MR. BROWN: If you need to take a pause

1 any point --

2 WITNESS 3: No, no. Hold on. I think
3 my wife is able -- we have a very sick little
4 puppy and --

5 MR. BROWN: I'm sorry to hear that.

6 WITNESS 3: That's okay. She's been
7 sick for the last couple of days.

8 MR. BROWN: Oh, no.

9 WITNESS 3: Okay, sorry. Go ahead
10 Jeff.

11 MR. BROWN: Again, if you need to get
12 up at any time, just holler and we will push --
13 will put this on pause --

14 WITNESS 3: I'm good. Puppy is
15 outside.

16 MR. BROWN: Okay, great. So I think --
17 there we go. I have control. I will show you
18 the top here. This is a text message between
19 folks in Representative Kelly's office. The Wit
nes
20 is Witness 2. We mentioned her before. MS is
21 Matt Stroia. And Witness 1, the other Kelly
22 staffer, is the other individual on this.

1 So let me draw your attention to the
2 date here, April 28 at 8:05 p.m. is when these
3 text messages that I want to direct you to are
4 being sent. **Witness 1** says, Is everything
5 confined -- confirmed? And then scroll down,
6 Matt Stroia response. Again, this is the evening
7 of April 28. He says, Commerce has not yet sent
8 their press release out. Cleveland-Cliffs is
9 waiting for Commerce to put their press release
10 out before they put one out. I spoke to Commerce
11 and the White House after our call. They were
12 hoping to have the release out tonight, but I
13 don't think it's going to happen. It will most
14 likely go out tomorrow.

15 So when I read this and he says, I
16 spoke to Commerce and the White House after our
17 call, when he says our call, I think he's
18 referring to that 2:45 p.m. call that he had with
19 Witness 2 and some of the folks at Cleveland-
20 Cliffs. And that to me suggests that -- and when
21 he says I spoke to Commerce and the White House
22 after our call, I think he's talking about that

1 3:00 call that he had with you or the 3:00
2 something call that he had with you. Does that
3 jog any memory at all?

4 WITNESS 3: It seems plausible, Jeff,
5 but I don't recall. I will say this, I had so
6 many phone calls with members of Congress and
7 elected -- and staff from these two delegations
8 over a period of a few months that, whether -- it
9 certainly fits the timeline. It seems plausible,
10 but I don't necessarily recall any one specific
11 phone call with Matt Stroia differing from any
12 specific phone call I might have had with Ms.
13 Wagner's staff. I'm just jogging -- I made phone
14 calls. I had -- I was on a lot of phone calls
15 with lots of members of Congress and staff.

16 But it certainly -- it seems to fit the
17 timeline.

18 MR. BROWN: I also appreciate that it's
19 been a year. So I get that. But let me ask you
20 one other thing. Matt says, Commerce has not
21 sent their -- again, this is the evening of April
22 . Commerce has not yet sent their press
release out. Cleveland-Cliffs is waiting for

1 Commerce to put their press release out.

2 WITNESS 3: Yeah.

3 MR. BROWN: That statement seemed to be
4 consistent with what you are just talking about,
5 about an internal decision happening and then a
6 delay.

7 WITNESS 3: Yeah.

8 MR. BROWN: Okay.

9 WITNESS 3: I think it's accurate. I
10 do recall there being a delay. I don't know the
11 reasons for the delay. It's not uncommon to have
12 delays with our press Department and a decision
13 that needs to go out. Reasons for -- I just
14 recall there being a delay. I think reasons for
15 the delay would be best answered by either our
16 comm shop or BIS personnel.

17 MR. BROWN: Yeah.

18 WITNESS 3: But I do -- I just for some
19 reason something sticks in my head. There was a
20 couple of days delay from when we actually had
21 envisioned getting it out to when actually they
22 go out.

1 MR. BROWN: Well, and I think this next
2 text message that I'm going to show you further
3 the confirms what you are saying. So again, that
4 last text was from Matt the night of April 28.
5 And then here we are the morning of April 29 of
6 the night before. And Witness 2, again, staff in
7 Representative of Kelly's office, says, Just
8 talked to Witness 5. She is referring to Witness
9 5 at AK Steel. And then she goes on to say the
10 announcement is likely to come later in the week,
11 hopefully by Friday, based upon a late night
12 conversation Witness 4 had with Ross's Chief of
13 Staff. The reference to Witness 4 is the
14 government affairs official at Cleveland-Cliffs.

15 WITNESS 3: Yes.

16 MR. BROWN: And I assume Ross's Chief
17 of Staff, she is referring to Mike Walsh.

18 WITNESS 3: Right.

19 MR. BROWN: And that she just goes on
20 to say, They need to get their legal ducks in a
21 row. So again, this text to me seems consistent
22 with what you were saying, a decision was made.

1 People were waiting for that decision to kind of
2 be announced on that day on April 28, but then
3 there was a bit of a delay internally getting the
4 actual press release out.

5 WITNESS 3: Yeah, I think that's -- I
6 think that's fairly accurate with my
7 recollection.

8 MR. BROWN: Okay. Let's -- give me a
9 second here.

10 MR. BROWN: You can pull that document
11 down, Jesse.

12 All right. I have just a couple of
13 more questions for you, Witness 3, and we will be
14 finished here.

15 WITNESS 3: Take your time.

16 MR. BROWN: Who at the Department of
17 Commerce is likely speaking with the folks at AK
18 Steel and Cleveland-Cliffs? I know it's not you.

19 WITNESS 3: Yeah.

20 MR. BROWN: Is that Cordell Hull and
21 Nazak?

22 WITNESS 3: Yes.

1 MR. BROWN: Okay.

2 WITNESS 3: And probably the Secretary.

3 MR. BROWN: Right. Is there any -- you
4 know, given everything that we've chatted about
5 here today, is there anything else that you feel
6 like -- any other questions you feel like maybe I
7 should ask you? Or points that we didn't really
8 cover all that clearly that you feel like we
9 should go back and chat about?

10 WITNESS 3: No, I don't think so. I'm
11 happy to -- if you have more questions for me
12 after this, feel free to ping me. But I think
13 that will cover it.

14 MR. BROWN: No, like I said, I was
15 really -- and I know it's been a whole year, but
16 I was really trying to trying to kind of pin down
17 that timing with respect to (inaudible).

18 WITNESS 3: Yeah. Yeah.

19 MR. BROWN: And I think you kind of
20 just gave us your best recollection on that.

21 WITNESS 3: Yeah, my recollection,
22 there was a decision that was made. There was a

1 decision date that was, I think originally
2 thought the decision would be announced. And
3 then I believe there was a delay. I don't recall
4 the reason for the delay, but it sounds like
5 there was -- legal ducks have to be in a row. I
6 will say, my -- from my perspective, there were
7 more delays when we had -- we thought was the
8 perfect tick-tock and timeline.

9 It generally was not uncommon for
10 delays to get -- have to be considered and
11 timelines be blown through. But I don't recall
12 the specific reason for why this delay happen,
13 but I know there was a significant amount of
14 outside interest in this. But again, it doesn't
15 strike me as anything different than any 232.
16 You can imagine with 232 autos, the amount of
17 congressional interest from Detroit and from the
18 auto industry would have been high.

19 MR. BROWN: Yeah.

20 WITNESS 3: So none of this is unusual.
21 But it certainly was -- it certainly generated a
22 significant amount of interest from outside

1 stakeholders.

2 MR. BROWN: You -- you said you don't
3 know the specific reason for the delay. You
4 don't have any reason to believe that the
5 decision was made on April 28 and then somebody
6 internally changed their mind or conveyed that
7 they were changing their mind? This was more of
8 a, we just got to get the press shop in order and
9 would just got to get the legal ducks in a row?

10 WITNESS 3: Yeah.

11 MR. BROWN: There was nobody internally
12 that said or gave folks a reason to believe like,
13 oh, actually this isn't going to happen?

14 WITNESS 3: No, my recollection is, in
15 the conversations and my involvement, is that the
16 delay was a -- was very much legal a legal --
17 making sure we legally are checking all the boxes
18 on the timeline. And given the good lawyer that
19 you are, you wouldn't be surprised that the
20 lawyers would sometimes say, take your foot off
21 the gas pedal. We haven't done X, Y, and Z.
22 Sometimes there was a Federal Register

1 notification. Sometimes there was a public
2 comment period that hadn't lapsed.

3 Sometimes -- so there's a lot of
4 reasons why delays took place at the end and it
5 typically was a lawyer said, hold on guys, let's
6 just make sure we check all the boxes, cross the
7 T's, and dot the I's. But I don't -- I think
8 was more than -- it was more of that. I don't
9 forget anything to do with any kind of second-
10 guessing.

11 I'm pretty -- I'm not aware of any
12 conversation at least that was -- that resulted
13 in second-guessing. I think it was a delay to
14 ensure everything was done properly and at the
15 highest level of commerce professionalism.

16 MR. BROWN: Well, speaking of pesky
17 lawyers, I will ask my colleagues if they have
18 any further questions for you.

19 WITNESS 3: I did not call you pesky.
20 I said a good lawyer.

21 MR. BROWN: And if they don't, I will
22 just thank you for your time.

1 You guys have anything?

2 MR. ASHMAWY: Lawyers are in fact
3 pesky. And that's all I have to say. I have no
4 questions. I just want to thank you for your
5 time and energies in our process. And we
6 appreciate all your assistance today.

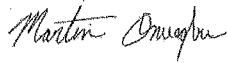
7 MR. BROWN: Yeah, Witness 3, I don't
8 think -- you will probably hear from me in a week
9 or so. I will have a copy of the transcript and
10 I will get that to you. But other than that, I
11 just thank you very much for sitting down with us
12 today and walking through the timeline. It is --
13 it is very much appreciated.

14 WITNESS 3: Of course. Happy to help.
15 Thanks, Jeff. Thanks, Omar.

16 MR. BROWN: And with that, we will go
17 off the record.

18 (Off the record at 12:02 p.m.)
19
20
21
22

1 CERTIFICATE OF COURT REPORTER - NOTARY PUBLIC
2 I, Martin Onuegbu, the officer before
3 whom the foregoing proceedings were taken, do
4 hereby certify that said proceedings were
5 electronically recorded by me; and that I am
6 neither counsel for, related to, nor employed by
7 any of the parties to this case and have no
8 interest, financial or otherwise, in its outcome.

9 

10 _____
11 Martin Onuegbu, Notary Public in and
12 for the State of Maryland
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CERTIFICATE OF TRANSCRIBER

I, Molly Bugher, do hereby certify that the foregoing transcript is a true and correct record of the recorded proceedings; that said proceedings were transcribed to the best of my ability from the audio recording and supporting information; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

Molly Bugher

Molly Bugher, CDLT-161

EXHIBIT 8





CLEVELAND-CLIFFS COMPLETES ACQUISITION OF AK STEEL

CLEVELAND – March 13, 2020 – Cleveland-Cliffs Inc. (NYSE: CLF) announced today that it has successfully completed the acquisition of AK Steel Holding Corporation, integrating North America's largest producer of iron ore pellets downstream into the production of value-added steel and specialty manufactured parts for the automotive industry. The combined company will be led by Chairman, President and Chief Executive Officer Lourenco Goncalves.

"This is a new era for Cleveland-Cliffs as a producer of differentiated, high quality iron ore, metallics and steel in North America. The new Cliffs will begin from a unique position of strength in our industry, with a dynamic combination of assets including two efficient integrated blast furnace steel mills, two electric arc furnace plants, a new state-of-the-art HBI plant and several other highly technologically developed facilities. We will be catering to a desirable customer base and primarily doing business in the United States, the most resilient manufacturing economy in the world," said Mr. Goncalves. "I am honored to be leading a Company that is built on such a rich history, and now combines mining, pelletizing, direct-reduction, EAF steelmaking, BF/BOF steelmaking, highly technologically developed finishing mills and automated manufacturing of auto-parts." Mr. Goncalves concluded: "I am also very pleased to welcome the AK Steel employees and the unions representing the workforce throughout the country to the Cleveland-Cliffs family. From now on, we are a single, united and very strong team."

About Cleveland-Cliffs Inc.

Founded in 1847, Cleveland-Cliffs is among the largest vertically integrated producers of differentiated iron ore and steel in North America. With an emphasis on non-commoditized products, Cliffs is uniquely positioned to supply both customized iron ore pellets and sophisticated steel solutions to a quality-focused customer base, with an industry-leading market share in the automotive industry. In 2020, Cliffs also expects to be the sole producer of hot briquetted iron (HBI) in the Great Lakes region. A commitment to environmental sustainability is core to our business operations and extends to how we partner with stakeholders across our communities and the steel value chain. Headquartered in Cleveland, Ohio, Cleveland-Cliffs employs approximately 12,000 people across mining and steel manufacturing operations in the United States, Canada and Mexico. For more information, visit <http://www.clevelandcliffs.com>

Source: Cleveland-Cliffs Inc.

MEDIA CONTACT:

Patricia Persico
Director, Corporate Communications
[REDACTED]

INVESTOR CONTACT:

Paul Finan
Director, Investor Relations
[REDACTED]

EXHIBIT 9



From: Bloom, Patrick M [REDACTED]
Sent: 4/22/2020 10:51:21 AM
To: Goudarzi, Talat (Federal) [REDACTED]
CC: Hay, Mikell (Federal) [REDACTED]; Ludwig, Beth [REDACTED]; Nikakhtar, Nazak [REDACTED]
Subject: RE: Electrical Steel

Very good. Thank you, Tala. We'll stay tuned.

Best,
Patrick

From: Goudarzi, Talat (Federal) <[REDACTED]>
Sent: Wednesday, April 22, 2020 10:34 AM
To: Bloom, Patrick M <[REDACTED]>
Cc: Hay, Mikell (Federal) <[REDACTED]>; Ludwig, Beth <[REDACTED]>; Nikakhtar, Nazak <[REDACTED]>
Subject: [EXTERNAL] Re: Electrical Steel

Good morning, Patrick,

Great to hear from you! We have received your call request and will get back to you in the near future on some potential times / dates.

Thanks again and look forward to talking with you!

Best,

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Wednesday, April 22, 2020 8:37 AM
To: Goudarzi, Talat (Federal) <[REDACTED]>
Cc: Hay, Mikell (Federal) <[REDACTED]>; Ludwig, Beth <[REDACTED]>; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: Electrical Steel

Good morning, Tala.

I am writing to request a brief conference call between Secretary Ross and Cleveland-Cliffs' Chairman & CEO, Lourenco Goncalves, to discuss a very time sensitive matter involving the status of AK Steel's electrical steel business unit.

Please let me know if the Secretary would be available for such a call today after 1:30 PM Eastern or any time tomorrow (Thursday, 4/23).

Thanks and kind regards,
Patrick



CLEVELAND-CLIFFS INC.

PATRICK M. BLOOM

Director - Government Relations

P [REDACTED] M [REDACTED] PII [REDACTED]

CLEVELAND-CLIFFS INC.

200 Public Square, Suite 3300, Cleveland, OH 44114

P 216.694.6700 F 216.694.6385 clevelandcliffs.com

From: Goudarzi, Talat (Federal) <[REDACTED]>
Sent: Wednesday, February 19, 2020 11:22 AM
To: Bloom, Patrick M <[REDACTED]>
Cc: Hay, Mikell (Federal) <[REDACTED]>; [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Patrick! Thanks so much!

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Wednesday, February 19, 2020 11:20 AM
To: Goudarzi, Talat (Federal) <[REDACTED]>
Cc: Hay, Mikell (Federal) <[REDACTED]>; [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: Re: [EXTERNAL] RE: Electrical Steel

Hi Tala,

Thanks for letting us know. We'll plan on 1:45.

Best,
Patrick

On Feb 19, 2020, at 11:12 AM, Goudarzi, Talat (Federal) <[REDACTED]> wrote:

Hi Patrick,

We are running a bit behind today. Would 1:45pm be ok for the meeting?

Thanks so much and please let me know!

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Thursday, February 6, 2020 1:25 PM
To: Hay, Mikell (Federal) <[REDACTED]>; Goudarzi, Talat (Federal) <[REDACTED]>
Cc: [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Thank you, Mikell. I will gather the relevant information and will be in touch.

Kind regards,
Patrick

From: Hay, Mikell (Federal) <[REDACTED]>
Sent: Thursday, February 6, 2020 1:17 PM
To: Goudarzi, Talat (Federal) <[REDACTED]>; Bloom, Patrick M <[REDACTED]>
Cc: [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Patrick,

Please inform the group to enter the Herbert C. Hoover Building through Door 10 (indicated by the red arrow on the attached map) at 271 15th St. NW, closer to Pennsylvania Avenue than Constitution. I will meet and escort all visitors from the security desk.

Visitors (or their drivers) are welcome to park in the courtyard next to Door 10 by providing driver name(s), license number(s), car make(s) and model(s) (e.g. 2018 red Chevy Tahoe), and license plate number(s). If arriving by vehicle, pull into the courtyard and then enter the building via the doors immediately to the right (indicated by the blue arrow).

All attendees' names must be stated prior to arrival to ensure building entry. Please also inform me if any foreign nationals will attend, as the Department requires immediate further steps in this case. US citizens need only present one form of state or federal ID (PIV card, state driver's license or photo ID card, US Passport or US Passport Card, US military card, etc.) upon arrival.

Please send me a list of names and titles for all those attending the meeting.

Thank you and please let me know if you have any questions,
Mikell

Mikell Hay
U.S. Department of Commerce

[REDACTED]
PII

From: Goudarzi, Talat (Federal) <[REDACTED]>
Sent: Thursday, February 6, 2020 1:13 PM
To: Bloom, Patrick M <[REDACTED]>

Cc: [REDACTED] Nikakhtar, Nazak <[REDACTED]>; Hay, Mikell (Federal) <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Patrick,

Great! Thanks so much! Adding Mikell Hay who can assist with arrival instructions and logistics!

Thanks again and look forward to it!

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Thursday, February 6, 2020 12:49 PM
To: Goudarzi, Talat (Federal) <[REDACTED]>
Cc: [REDACTED] Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Tala,

I'm confirming that a meeting with Secretary Ross on Wednesday, February 19 at 1:30 PM will work for Lourenco Goncalves.

Beth Ludwig (of AK Steel) and I tentatively plan to join Lourenco for this meeting. Please let me know who else will join the Secretary for the meeting.

In addition, please pass along any relevant security/logistics instructions at your convenience.

Thanks again for your kind assistance,
Patrick

<image001.jpg>

PATRICK M. BLOOM
Director - Government Relations
P [REDACTED] M [REDACTED] PII [REDACTED]

CLEVELAND-CLIFFS INC.
200 Public Square, Suite 3300, Cleveland, OH 44114
P 216.694.6700 F 216.694.5386 clevelandcliffs.com

From: Goudarzi, Talat (Federal) <[REDACTED]>
Sent: Thursday, February 6, 2020 11:53 AM
To: Bloom, Patrick M <[REDACTED]>
Cc: [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Patrick,

Thank you very much for your patience! The Secretary would love to meet with Mr. Goncalves. Would 1:30pm, Wednesday, February 19th work well?

Thanks again and look forward to hearing from you!

Tala

From: Goudarzi, Talat (Federal)
Sent: Friday, January 31, 2020 12:31 PM
To: Bloom, Patrick M <[REDACTED]>; Nikakhtar, Nazak <[REDACTED]>
Cc: [REDACTED]
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Patrick,

Thank you very much for following up. We are still looking at dates and will get back to you in the near future!

Thank you so much for your patience!

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Tuesday, January 28, 2020 1:51 PM
To: Goudarzi, Talat (Federal) <[REDACTED]>
Cc: [REDACTED]; Nikakhtar, Nazak <[REDACTED]>
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Tala,

I'm just checking in on the status of this scheduling request.

I've attached Lourenco Goncalves' professional bio for your information.

Thanks and kind regards,
Patrick

<image001.jpg>

PATRICK M. BLOOM
Director - Government Relations
P [REDACTED] M [REDACTED] PII [REDACTED]

CLEVELAND-CLIFFS INC.
200 Public Square, Suite 3309, Cleveland, OH 44114
P 216.694.5700 F 216.694.5388 clevelandcliffs.com

From: Goudarzi, Talat (Federal) <[REDACTED]>
Sent: Thursday, January 23, 2020 3:06 PM
To: Bloom, Patrick M <[REDACTED]>; Nikakhtar, Nazak <[REDACTED]>
Cc: [REDACTED]
Subject: RE: [EXTERNAL] RE: Electrical Steel

Hi Patrick,

Thank you very much for reaching out to Secretary Ross. We have received your request and will get back to you in the near future with some potential times!

Thanks again and look forward to it speaking with you soon!

Tala

From: Bloom, Patrick M <[REDACTED]>
Sent: Wednesday, January 22, 2020 6:12 PM
To: Nikakhtar, Nazak <[REDACTED]>
Cc: [REDACTED]; Goudarzi, Talat (Federal) <[REDACTED]>
Subject: Re: [EXTERNAL] RE: Electrical Steel

Very good. Thank you, Nazak.

Tala, please let us know if you require further information to facilitate this meeting.

Best,
Patrick

On Jan 22, 2020, at 5:31 PM, Nazak Nikakhtar <[REDACTED]> wrote:

Hi Patrick –
I'm copying Tala Goudarzi to assist with the meeting. I have apprised the Secretary's office on your company's issues.

Nazak Nikakhtar
Assistant Secretary, Industry & Analysis
United States Department of Commerce, International Trade Administration
Office: [REDACTED] Email: [REDACTED]

From: Bloom, Patrick M <[REDACTED]>
Sent: Wednesday, January 22, 2020 5:23 PM
To: Nazak Nikakhtar <[REDACTED]>
Cc: [REDACTED]
Subject: RE: Electrical Steel

Good afternoon, Nazak.

Thanks for your quick reply. I believe Beth Ludwig of AK Steel (copied) is already in touch with your team on some of the anomalies in the data set for transformer components (cores and laminations). Further to the request laid out in the letter I sent on 1/15, I'm seeking your guidance on who we can work with to arrange a meeting between Secretary Ross and Cliffs' Chairman & CEO, Lourenco Goncalves. The purpose of the meeting would be to discuss the trade-related challenges facing the electrical steel market as well as Cleveland-Cliffs' announced, pending acquisition of AK Steel (we are operating as two separate companies until the transaction is finally approved).

Thanks for your consideration.

Kind regards,
Patrick

<image001.jpg>

PATRICK M. BLOOM

Director - Government Relations

P [REDACTED] M [REDACTED] PII [REDACTED]

CLEVELAND-CLIFFS INC.

200 Public Square, Suite 3300, Cleveland, OH 44114

P 216.694.6700 F 216.694.5385 clevelandcliffs.com

From: Nazak Nikakhtar <[REDACTED]>

Sent: Wednesday, January 15, 2020 12:22 PM

To: Bloom, Patrick M <[REDACTED]>

Cc: [REDACTED]

Subject: [EXTERNAL] RE: Electrical Steel

Thank you, Patrick. We are reviewing the facts as laid out in your paper to assess options. As to the transformer components entering the US from Mexico and Canada, we haven't noticed an import surge into the United States. Nevertheless, my team is combing through all trade data to determine options. More soon.

Nazak Nikakhtar

Assistant Secretary, Industry & Analysis

United States Department of Commerce, International Trade Administration

Office: [REDACTED] Email: [REDACTED]

From: Bloom, Patrick M <[REDACTED]>

Sent: Wednesday, January 15, 2020 12:16 PM

To: Nazak Nikakhtar <[REDACTED]>

Cc: [REDACTED]

Subject: Electrical Steel

Good afternoon, Nazak.

Please see the attached letter (with enclosure) to Secretary Ross from Cleveland-Cliffs' Chairman, President & CEO, Lourenco Goncalves, on the challenges confronting the Grain Oriented Electrical Steel (GOES) market.

While Cleveland-Cliffs' acquisition of AK Steel is not yet final and we will continue to operate as two separate companies until the transaction is finally approved, we are actively planning for the integration of Cliffs and AK. We recognize that addressing the trade challenges facing electrical steel must be a top priority.

I've copied Beth Ludwig of AK Steel.

Please let me know when you would be available for a brief call with us in the coming days to discuss further and plan for next steps.

Thank you and kind regards,
Patrick

<image001.jpg>

PATRICK M. BLOOM
Director - Government Relations

P [REDACTED] M PII [REDACTED]

CLEVELAND-CLIFFS INC.
200 Public Square, Suite 3300, Cleveland, OH 44114
P 216.694.5700 F 216.694.5385 clevelandcliffs.com

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EXHIBIT 10



Congress of the United States
Washington, DC 20515

November 20, 2019

The Honorable Robert E. Lighthizer
United States Trade Representative
Executive Office of the President
Office of the U.S. Trade Representative
600 17th Street NW, Room 215
Washington, DC 20508

Dear Ambassador Lighthizer:

We write to express our concerns about developments in the market for electrical steel. There are strong reasons to believe that unfairly-traded imports of grain-oriented electrical steel (GOES) are pouring into Canada and Mexico. Even worse, those imports are being used to create downstream products that enter the US at such low prices that they are eroding the US electrical steel market. I urge you to address this matter promptly.

We represent the nation's only producer of electrical steel, AK Steel. The United States cannot afford to lose its unique capacity, either economically or with regard to national security. AK Steel makes products in both major categories of electrical steel: GOES, which is used to make transformers, and non-oriented electrical steel (NOES), which is used to make electric motors. These electrical steel products are made and finished at AK Steel's facilities in Butler, Pennsylvania, and Zanesville, Ohio.

The GOES and NOES made by AK Steel are critical to the American economy. High-quality electrical steel allows for more efficient transformers and electric motors. This increases energy savings, improves our electrical grid, and results in a more secure energy environment. AK Steel is the only American company currently capable of making and developing such products. In a fair market, AK Steel would be in a strong position to maintain its position as a global leader in electrical steel. However, there are strong indications that AK Steel faces unfair competition in the GOES market.

In 2014, the US Department of Commerce investigated imports of GOES from seven countries. Commerce found that imports from each of these countries were dumped, and that imports from China were subsidized. This litigation shows that foreign producers of GOES have a history of unfair trade. Unfortunately, the US International Trade Commission denied relief in those cases – a decision that undoubtedly contributed to the fact that Allegheny Technologies stopped making GOES in 2017, leaving AK Steel as the only domestic producer.

For now, US imports of GOES are restricted by tariffs imposed under Section 232 of the Trade Expansion Act of 1962. However, there has been a dramatic increase in imported GOES into Canada and Mexico – two countries with no capacity to make GOES. In 2016, Canada and

Mexico together imported approximately 156,000 short tons (ST) of GOES from countries other than the United States. By 2018, this figure had increased to almost 214,000 ST. Through the first six months of this year, Canada and Mexico together are on pace to import over 247,000 ST of GOES from non-US sources. Most of these imports are from countries with a history of shipping unfairly-traded GOES to the United States.

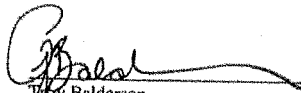
Furthermore, GOES shipped to Canada and Mexico does not stay there. Instead, after very limited processing, much of it enters the US market in the form of internal components of electric transformers. These products include laminations, cores, and core assemblies – products that generally consist of GOES that has been merely stacked, slit, or wound. In 2016, the United States imported approximately \$95 million worth of such products from Canada and Mexico. This year, the United States is on pace to import more than \$171 million worth of such products – an increase of nearly 45 percent with no related increase in demand or reduction in capacity.

There are significant national security concerns here. If the national electrical grid were attacked or compromised by a natural disaster, the US would need a dependable source of electrical steel to allow for rapid repair. Becoming wholly dependent on foreign producers for this vital product puts Americans at grave and unnecessary risk.

We appreciate the work the President has done to improve the US global trade situation and national security, and his work to encourage and support the American steel industry and its workers. As such, we believe the President will consider all potential options to prevent harm to AK Steel by the recent surge of GOES into Canada and Mexico. We implore the President and USTR to monitor this situation aggressively and ask that you advise us of any measures taken to address this issue.

We appreciate your attention to this matter. If you have any questions, please do not hesitate to reach out to Nate Zimpher in Congressman Balderson's office at (202) 225-5355, or Lori Prater in Congressman Kelly's office at (202) 225-5406.

Sincerely,


Mike Balderson
Member of Congress



Mike Kelly
Member of Congress

EXHIBIT 11

Congress of the United States
Washington, DC 20515

April 15, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to share our grave concern about the vulnerability of the electrical transformer supply chain and the fate of 1,500 jobs in Pennsylvania and Ohio. AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc., is the only producer of grain-oriented electrical steel (GOES) in North America. GOES is produced at AK Steel's mill in Butler, Pennsylvania, employing approximately 1,400 workers, and finishing occurs at its Zanesville, Ohio operation, employing approximately 100 workers.

GOES is a critical and irreplaceable material used in the manufacturing of power and distribution transformers that sustain America's electrical grid. In its 2018 Steel Section 232 report, the Department of Commerce extensively cited national security concerns associated with GOES and emphasized the importance of ensuring continued production by AK Steel.

While relief from direct imports of GOES was imposed by your Administration under the Section 232 steel tariff program, the bad actors have found a way to circumvent those tariffs and quotas. Because the Section 232 tariffs do not apply to derivative electrical steel articles including laminations and cores (i.e., simply cut and shaped electrical steel) imports of those products are now surging into the United States. Mexico and Canada are being used as a staging ground for this blatant circumvention of the Section 232 program. The value of these imports from Canada and Mexico are up 87% from 2017 to 2019, indicating that approximately 43,000 tons of U.S. GOES have been displaced by this circumvention activity. A stunning 95% of Canadian and Mexican lamination and core exports are now coming into the United States yet there is no domestic GOES production in either Canada or Mexico.

AK Steel has announced that, unless this circumvention of the national security tariffs can be stopped, it will have no choice but to idle the Butler and Zanesville plants in 2020. Such an idling of these facilities would result in approximately 1,500 layoffs and the loss of America's last electrical steel producer. Such an outcome would leave the United States dangerously dependent on GOES-producing countries including China, Japan, Korea, and Russia for the stability of our electric grid.

Mr. President, we respectfully urge you to issue a proclamation that would cover these derivative steel products under your Administration's steel Section 232 program. In order to effectively

address circumvention and preserve this critical supply chain, tariffs must be applied to laminations and cores from Mexico and Canada.

Taking this action will not undermine the USMCA agreements already ratified by the U.S., Canada, and Mexico. In fact, when the new USMCA rules of origination are fully implemented, laminations and cores would rightly be considered originating from the country where the GOES was produced, not Canada or Mexico, which has no GOES production. This derivative product action would narrowly target intentional circumvention of the national security tariffs applying to GOES.

A successful resolution of this circumvention is critical to national security, the effectiveness of your administration's Section 232 steel program, and thousands of livelihoods in western Pennsylvania and central Ohio.

Thank you in advance for your consideration of this important economic and national security matter.

Sincerely,



Marcy Kaptur
Member of Congress

Troy Balderson
Member of Congress

Peter Stauber
Member of Congress

Steve Stivers
Member of Congress

Mike Bost
Member of Congress

Rick Crawford
Member of Congress

Scott Perry
Member of Congress

Peter J. Visco
Member of Congress

Bill Johnson
Member of Congress



Mike Kelly
Member of Congress

Glenn 'GT' Thompson
Member of Congress

Anthony Gonzalez
Member of Congress

Michael R. Turner
Member of Congress

Tim Walberg
Member of Congress

Tim Ryan
Member of Congress

Steve Chabot
Member of Congress

David P. Joyce
Member of Congress

Fred Keller
Member of Congress

Bob Gibbs
Member of Congress

Daniel T. Kildee
Member of Congress

Jack Bergman
Member of Congress

Conor Lamb
Member of Congress

Marcia L. Fudge
Member of Congress

Guy Reschenthaler
Member of Congress

Mike Doyle
Member of Congress

cc: USTR Ambassador Robert Lighthizer
Secretary of Commerce Wilbur Ross
Dr. Peter Navarro, Director of the Office of Trade and Manufacturing Policy

EXHIBIT 12

Prater, Lori

From: Stroia, Matthew
Sent: Thursday, April 23, 2020 11:29 AM
To: (Buchanan) Joyce, Natalia
Cc: Zimpher, Nate; Prater, Lori; Marsh, James; Engquist, Laura
Subject: Member Request: Mike Kelly and Troy Balderson
Attachments: Balderson-Kelly Electrical Steel Letter to President 3.6.2020.docx; ATT00001.htm; Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf; ATT00002.htm

Natalie,

I know you all have a lot going on today. However, we have a non-coronavirus related issue that is critical to Mike's district and Mr. Balderson's district. AK Steel/Cleveland Cliffs employs over 1400 people in Mike's hometown and a large amount in Mr. Balderson's district. Unfortunately, the CEO has declared he plans to shut down both locations if the government doesn't extend the 232 tariffs to grain oriented electrical steel, a type of steel that goes into transformers used in our electrical grid. The company has shown that Russian, Japan, S. Korea have been shipping electrical steel into Canada and Mexico. Once in Canada/Mexico, these two countries superficially enhance the product and then send it into the US. Obviously, this rages against the spirit of the USMCA.

The issue for our offices is two fold. One, jobs obviously, but two, AK Steel is the last American maker of electrical steel. This is a national security issue.

The CEO has had meetings with Secretary Ross. Our bosses have had calls with the Secretary and follow up calls with his assistants. Mike has personally spoken to Amb. Lighthizer about this issue and he is supportive but doesn't want to get into anyone else's lane. We have had conversations with Peter Navarro's office. Most recently, Mike, Troy and Marcy Kaptur sent a letter to the President on this issue and gathered 20 others to join. I have attached those letters to this email as background for a potential call with the Leader.

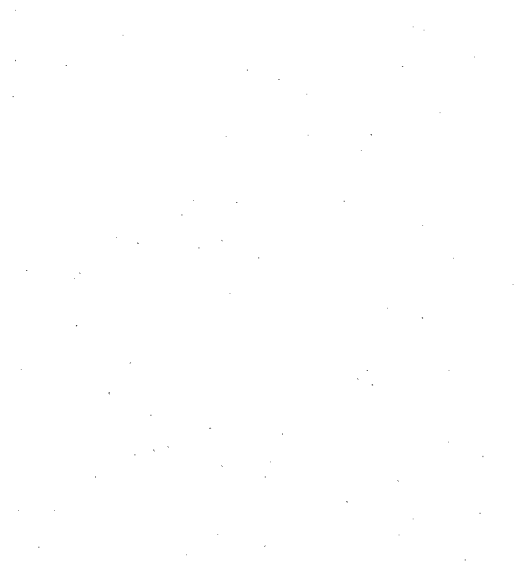
Mike and Troy would like to talk to the Leader for a few minutes on the phone at a some point soon to brief him on the issue and ask for his advice on a strategy with the administration.

Simply put...we need the administration to extend the 232 tariffs to Grain Oriented Electrical Steel coming into the US.

Thanks for the consideration Natalie!

Matt

EXHIBIT 13



April 22, 2020

Phone call between Witness 4 and Rep. Mike Kelly

Re: Witness 4 informed Rep. Kelly of potential layoff notices at the Butler Works and Zanesville Works operations.

April 23, 2020

Phone call between Witness 4, Witness 5, Witness 2 (Rep. Mike Kelly's Legislative Director) and Nate Zimpher (Rep. Troy Balderson's trade policy legislative assistant)

Re: Witness 5 and Witness 4 provided information regarding discussions with the Department of Commerce (Commerce) and actions Commerce believed could be pursued to address the circumvention of Section 232 tariffs and quotas covering GOES through the production and importation of transformer cores and laminations.

April 24, 2020

Phone call between Witness 4, Witness 5, Witness 2, Nate Zimpher, and Sam Mulopoulos (Senator Portman's trade policy Legislative Assistant)

Re: Witness 5 and Witness 4 provided an update that the Department of Commerce had declined to pursue coverage of laminations and cores as "derivative products" under the existing steel Section 232 tariffs/quotas.

Monday, April 27, 2020

Voice mail left by Rep. Mike Kelly for Lourenco Goncalves

Re: Rep. Kelly had been in contact with Mark Meadows, who would be talking with the president that afternoon about "this issue." Rep. Kelly mentioned a call apparently scheduled for the next day with Senator Portman, Secretary Ross, Ambassador Lighthizer, and possibly Peter Navarro. Rep. Kelly said he was available if Goncalves wanted to call him back.

Tuesday, April 28, 2020

Phone call between Witness 4, Witness 5, and Witness 2 (Rep. Mike Kelly's Legislative Director)

Re: Witness 5 and Witness 4 provided notification of the Department of Commerce's intent to initiate a Section 232 investigation covering transformer laminations and cores

Thursday, May 7, 2020

Phone call between Witness 4, Witness 5, and Witness 2 (Rep. Mike Kelly's Legislative Director), and Matt Stroia (Rep. Mike Kelly's Chief of Staff)

Re: Discuss anticipated timeline of Section 232 investigation; discussion regarding coordination of state/local governmental support for the Section 232 investigation from the Butler, Pennsylvania area

Thursday, September 17, 2020

Phone call between Witness 4, Witness 5, and Witness 2 (Rep. Mike Kelly's Legislative Director), and Matt Stroia (Rep. Mike Kelly's Chief of Staff), Laura Engquist (Rep. Balderson's Deputy Chief of Staff), Nate Zimpher (Rep. Balderson's Legislative Assistant) and Sam Mulopoulos (Senator Portman's Legislative Assistant)

Re: Discussion of the pending Section 232 investigation; the need for a status update from the Department of Commerce and the White House.

September 25, 2020

Phone call between Witness 4, Witness 5, Witness 2 (Rep. Mike Kelly's Legislative Director), Matt Stroia (Rep. Mike Kelly's Chief of Staff), Nate Zimpher (Rep. Balderson's trade policy Legislative Assistant), and Sam Mulopoulos (Senator Portman's trade policy Legislative Assistant).

Re: Notified staff of the GOES Section 232 product exclusion requests that were granted by the Department of Commerce.

EXHIBIT 14



Tuesday, May 11, 2021 at 10:07:20 Eastern Daylight Time

Subject: AK Steel
Date: Tuesday, April 28, 2020 at 2:32:07 PM Eastern Daylight Time
From: Collins, Erin
To: Eisenberger, Andrew
Attachments: image001.png, image002.png, image003.png, image004.png, image005.png, image006.png

Hi Andrew,

Checking on your response plan to AK Steel telling workers tomorrow morning about plant closures. I know our bosses are chatting with McCarthy and we'll get more info. Happy to hop on a call to discuss. [REDACTED]
[REDACTED] Could do a joint release... spit balling.

Erin Collins
Communications Director
Congressman Troy Balderson | OH-12



EXHIBIT 15



5:33



Erin >

iMessage

Apr 28, 2020, 3:51 PM

Hey Andrew, Erin Collins again. My LA called me right after we spoke, apparently Wilbur Ross is going to make the necessary fix

Here's what he said: Wilbur Ross just called AK Steel and they are going to come up with a deal—they are not announcing the closing or announcing they are firing anyone tomorrow!!!

EXHIBIT 16



Prater, Lori

From: Stroia, Matthew
Sent: Thursday, April 23, 2020 10:18 AM
To: Prater, Lori
Subject: Fw: Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf

Begin forwarded message:

From: "Foti, Anthony (Federal)" <[REDACTED]>
Date: April 22, 2020 at 5:49:08 PM CDT
To: "Stroia, Matthew" <[REDACTED]>
Cc: "Garrett.M.Ziegler" <[REDACTED]>, "Dombrowski, Eileen (Federal)" <[REDACTED]>
Subject: Re: Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf

Hi Matt. Hope you're well. Thanks for reaching out. I know this issue is a priority for the Congressman as I was on a call with him and Nazak from ITA several weeks back. As you know, the Department is familiar with the company's concerns and has been engaged with them over the course of many meetings and discussions. DOC connected the company with the appropriate officials at USTR and CBP to pursue concerns under those respective jurisdictions. DOC continues to look into this matter. As soon as there is additional information to share, you have my commitment that I will let you know immediately.

I've cc'd my colleague, Eileen Dombrowski, on this email. Either of us would be happy to try to answer any additional questions you may have.

Thanks.
Anthony

Anthony Foti
Performing the delegated duties of the
Assistant Secretary for Legislative and Intergovernmental Affairs
U.S. Department of Commerce

[REDACTED]

On Apr 22, 2020, at 10:22 AM, Stroia, Matthew <[REDACTED]>
wrote:

Anthony,

I just wanted to follow up on this letter. I know that there is a lot going on but things are getting dire at the Butler, PA plant (1400 employees and the last US maker of electrical steel).

Can you advise me on any potential developments from your side?

Thanks,

Matt

On Apr 15, 2020, at 3:32 PM, Foti, Anthony (Federal) <[REDACTED]> wrote:

Matt, thanks for sharing. I will be sure to provide this to the Secretary.

Anthony Foti
Performing the delegated duties of the
Assistant Secretary for Legislative and Intergovernmental Affairs
U.S. Department of Commerce

[REDACTED]

On Apr 15, 2020, at 1:51 PM, Stroia, Matthew <[REDACTED]> wrote:

Anthony and Garrett—just a heads up, this letter was sent over to the WH today regarding the AK Steel / 232 tariff issue.

Thanks!

Matt

<Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf>

EXHIBIT 17



Prater, Lori

From: Gourdikian, Alexandra
Sent: Monday, April 27, 2020 1:06 PM
To: Duncan, Chris; Marsh, James; Engquist, Laura
Cc: Stroia, Matthew; Zimpher, Nate; Prater, Lori; Meyer, Katie; Bonner, Lee; (Buchanan) Joyce, Natalie
Subject: RE: Member Request: Mike Kelly and Troy Balderson

Hi all-- call in information for this call tomorrow, Tuesday, April 28 at 2:15PM ET is below. Thanks!

Call in: [REDACTED]
Passcode: [REDACTED]

-----Original Message-----

From: Duncan, Chris <[REDACTED]>
Sent: Friday, April 24, 2020 5:47 PM
To: Marsh, James <[REDACTED]>; Engquist, Laura <[REDACTED]>
Cc: Stroia, Matthew <[REDACTED]>; Zimpher, Nate <[REDACTED]>; Prater, Lori <[REDACTED]>; Gourdikian, Alexandra <[REDACTED]>; Meyer, Katie <[REDACTED]>; Bonner, Lee <[REDACTED]>; (Buchanan) Joyce, Natalie <[REDACTED]>
Subject: RE: Member Request: Mike Kelly and Troy Balderson

Hi James,

Thanks for the response. We will get back to you soon with a conference line dial in.

Mrs. Christiana Duncan
District Scheduler
Congressman Kevin McCarthy-(CA-23)
Republican Leader
4100 Empire Drive, Suite 150
Bakersfield, CA 93309
P-661-327-3611
F-661-631-9535
www.kevinmccarthy.house.gov

-----Original Message-----

From: Marsh, James <[REDACTED]>
Sent: Friday, April 24, 2020 2:25 PM
To: Duncan, Chris <[REDACTED]>; Engquist, Laura <[REDACTED]>
Cc: Stroia, Matthew <[REDACTED]>; Zimpher, Nate <[REDACTED]>; Prater, Lori <[REDACTED]>; Gourdikian, Alexandra <[REDACTED]>; Meyer, Katie <[REDACTED]>; Bonner, Lee <[REDACTED]>; (Buchanan) Joyce, Natalie <[REDACTED]>
Subject: RE: Member Request: Mike Kelly and Troy Balderson

Hi Chris,

I'm putting this on Congressman Kelly's calendar for Tuesday at 2:15 PM Eastern. Do you have a conference line we can dial into for this call?

Thank you for making the time!

Sincerely,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 | www.kelly.house.gov

-----Original Message-----

From: Duncan, Chris <[REDACTED]>
Sent: Friday, April 24, 2020 5:17 PM
To: Engquist, Laura <[REDACTED]>
Cc: Stroia, Matthew <[REDACTED]>; Zimpher, Nate <[REDACTED]>; Prater, Lori <[REDACTED]>; Marsh, James <[REDACTED]>; Gourdikian, Alexandra <[REDACTED]>; Meyer, Katie <[REDACTED]>; Bonner, Lee <[REDACTED]>; (Buchanan) Joyce, Natalie <[REDACTED]>
Subject: RE: Member Request: Mike Kelly and Troy Balderson

Hi Laura,

Thanks for circling back. Please let us know if Tuesday, April 28th at 2:15 PM Eastern/11:15 PM Pacific will work for both Congressman Kelly and Congressman Balderson. In the meantime, we will place a hold on the Leader's schedule for that time frame. Thanks and have a nice weekend!

Mrs. Christiana Duncan
District Scheduler
Congressman Kevin McCarthy-(CA-23)
Republican Leader
4100 Empire Drive, Suite 150
Bakersfield, CA 93309
P-661-327-3611
F-661-631-9535
www.kevinmccarthy.house.gov

-----Original Message-----

From: Engquist, Laura <[REDACTED]>
Sent: Friday, April 24, 2020 12:37 PM
To: (Buchanan) Joyce, Natalie <[REDACTED]>
Cc: Stroia, Matthew <[REDACTED]>; Zimpher, Nate <[REDACTED]>; Prater, Lori <[REDACTED]>; Marsh, James <[REDACTED]>; Gourdikian, Alexandra <[REDACTED]>; Meyer, Katie <[REDACTED]>; Duncan, Chris <[REDACTED]>; Bonner, Lee <[REDACTED]>
Subject: Re: Member Request: Mike Kelly and Troy Balderson

Thanks, all! Please let us know if there's a good time early next week for our bosses to connect. We'll be as flexible as possible to his schedule.

Have a great weekend!

Laura Engquist
Deputy Chief of Staff
Rep. Balderson (OH12)
[REDACTED]

Sent from my iPhone

> On Apr 23, 2020, at 7:34 PM, (Buchanan) Joyce, Natalie <[REDACTED]> wrote:

>

> Matt - thanks for the information and background. Cding our team to see how we can be helpful and if we can set up a call with the Leader next week. We will get back to you.

>

>

> Natalie Buchanan Joyce

> Office of Republican Leader Kevin McCarthy
> [REDACTED]

>

>

> On Apr 23, 2020, at 11:29 AM, Stroia, Matthew <[REDACTED]> wrote:

>

>

> Natalie,

>

> I know you all have a lot going on today. However, we have a non-coronavirus related issue that is critical to Mike's district and Mr. Balderson's district. AK Steel/Cleveland Cliffs employs over 1400 people in Mike's hometown and a large amount in Mr. Balderson's district. Unfortunately, the CEO has declared he plans to shut down both locations if the government doesn't extend the 232 tariffs to grain oriented electrical steel, a type of steel that goes into transformers used in our electrical grid. The company has shown that Russian, Japan, S. Korea have been shipping electrical steel into Canada and Mexico. Once in Canada/Mexico, these two countries superficially enhance the product and then send it into the US. Obviously, this rages against the spirit of the USMCA.

>

> The issue for our offices is two fold. One, jobs obviously, but two, AK Steel is the last American maker of electrical steel. This is a national security issue.

>

> The CEO has had meetings with Secretary Ross. Our bosses have had calls with the Secretary and follow up calls with his assistants. Mike has personally spoken to Amb. Lighthizer about this issue and he is supportive but doesn't want to get into anyone else's lane. We have had conversations with Peter Navarro's office. Most recently, Mike, Troy and Marcy Kaptur sent a letter to the President on this issue and gathered 20 others to join. I have attached those letters to this email as background for a potential call with the Leader.

>

> Mike and Troy would like to talk to the Leader for a few minutes on the phone at a some point soon to brief him on the issue and ask for his advice on a strategy with the administration.

>

> Simply put...we need the administration to extend the 232 tariffs to Grain Oriented Electrical Steel coming into the US.

>

> Thanks for the consideration Natalie!

>

- > Matt
- >
- > <Balderson-Kelly Electrical Steel Letter to President 3.6.2020.doc>
- > <Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf>

EXHIBIT 18



Prater, Lori

From: Marsh, James
Sent: Friday, April 24, 2020 12:16 PM
To: Burke, Jill; Prater, Lori
Cc: Butler, Tim; Stroia, Matthew
Subject: Re: Scheduler Contact information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

Lori – I emailed both Ross's office and Lighthizer's office. The email to Garrett in Navarro's office failed to send. Do you know if there is someone else in that office we should contact?

From: "Burke, Jill" <[redacted]>
Date: Friday, April 24, 2020 at 11:54 AM
To: "Marsh, James" <[redacted]>, "Prater, Lori" <[redacted]>
Cc: "Butler, Tim" <[redacted]>, Matthew Stroia <[redacted]>
Subject: Re: Scheduler Contact information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

Yes, let's reach out and see what we can coordinate

From: "Marsh, James" <[redacted]>
Date: Friday, April 24, 2020 at 11:35 AM
To: "Burke, Jill" <[redacted]>, "Prater, Lori" <[redacted]>
Cc: Tim Butler <[redacted]>, "Stroia, Matthew" <[redacted]>
Subject: Re: Scheduler Contact information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

I don't mind, but I don't think we are going to get them all on the same call. Do you want me to reach out to each office individually and cc you so we can find the best time for each? Also these are obviously high priority for MK so we should be willing to move other things on the schedule if we have to.

From: "Burke, Jill" <[redacted]>
Date: Friday, April 24, 2020 at 11:27 AM
To: "Prater, Lori" <[redacted]>, "Marsh, James" <[redacted]>
Cc: "Butler, Tim" <[redacted]>, Matthew Stroia <[redacted]>
Subject: Re: Scheduler Contact information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

James,

Tuesday or Wednesday afternoon should work well for MK, do you mind reaching out to set it up?

Thanks,
Jill

From: "Prater, Lori" <[redacted]>
Date: Friday, April 24, 2020 at 10:48 AM
To: "Burke, Jill" <[redacted]>, "Marsh, James" <[redacted]>

Cc: Tim Butler <[REDACTED]>, "Strola, Matthew" <[REDACTED]>
Subject: Scheduler Contact Information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

Last night, Mike said he wanted to speak with Ross, Navarro, and Lighthizer. Below are the scheduling information for each of the offices. If possible, we should try to set up a call with Ross first since he's the most critical. Senator Portman will be making a similar request today I understand. And it's on our favorite issue!

Sent from my iPhone

Begin forwarded message:

From: <>
Date: April 23, 2020 at 6:29:58 PM EDT
To: <>
Subject: Contacts

Here's what I have:

For Ross:
Goudarzi, Talat (Federal) -- (Ross Administrative Assistant)

For Lighthizer:
Jaclyn Knight
Director of Scheduling
Office of the United States Trade Representative
Executive Office of the President
o. [REDACTED] | c. [REDACTED]

For Navarro, we reach out to Garrett:

Garrett Ziegler
Office of Trade and Manufacturing Policy
The White House
C [REDACTED] | O [REDACTED]

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45069

Phone: [REDACTED]
Cell: [REDACTED]
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EXHIBIT 19



Prater, Lori

From: Marsh, James
Sent: Friday, April 24, 2020 12:16 PM
To: Burke, Jill; Prater, Lori
Cc: Butler, Tim; Stroia, Matthew
Subject: Re: Scheduler Contact Information for Ross, Lighthizer, Navarro to discuss the AK Steel issue

Lori -- I emailed both Ross's office and Lighthizer's office. The email to Garrett in Navarro's office failed to send. Do you know if there is someone else in that office we should contact?

From: "Burke, Jill" <[REDACTED]>
Date: Friday, April 24, 2020 at 11:54 AM
To: "Marsh, James" <[REDACTED]>, "Prater, Lori" <[REDACTED]>
Cc: "Butler, Tim" <[REDACTED]>, Matthew Stroia <[REDACTED]>
Subject: Re: Scheduler Contact Information for Ross, Lighthizer, Navarro to discuss the AK Steel issue

Yes, let's reach out and see what we can coordinate

From: "Marsh, James" <[REDACTED]>
Date: Friday, April 24, 2020 at 11:35 AM
To: "Burke, Jill" <[REDACTED]>, "Prater, Lori" <[REDACTED]>
Cc: Tim Butler <[REDACTED]>, "Stroia, Matthew" <[REDACTED]>
Subject: Re: Scheduler Contact information for Ross, Lighthizer, Navarro to discuss the AK Steel issue

I don't mind, but I don't think we are going to get them all on the same call. Do you want me to reach out to each office individually and cc you so we can find the best time for each? Also these are obviously high priority for MK so we should be willing to move other things on the schedule if we have to.

From: "Burke, Jill" <[REDACTED]>
Date: Friday, April 24, 2020 at 11:27 AM
To: "Prater, Lori" <[REDACTED]>, "Marsh, James" <[REDACTED]>
Cc: "Butler, Tim" <[REDACTED]>, Matthew Stroia <[REDACTED]>
Subject: Re: Scheduler Contact Information for Ross, Lighthizer, Navarro to discuss the AK Steel issue

James,

Tuesday or Wednesday afternoon should work well for MK, do you mind reaching out to set it up?

Thanks,
Jill

From: "Prater, Lori" <[REDACTED]>
Date: Friday, April 24, 2020 at 10:48 AM
To: "Burke, Jill" <[REDACTED]>, "Marsh, James" <[REDACTED]>

Cc: Tim Butler <[REDACTED]>, "Strola, Matthew" <[REDACTED]>
Subject: Scheduler Contact Information for Ross, Lighthizer, Navarro to discuss the AK Steel Issue

Last night, Mike said he wanted to speak with Ross, Navarro, and Lighthizer. Below are the scheduling information for each of the offices. If possible, we should try to set up a call with Ross first since he's the most critical. Senator Portman will be making a similar request today I understand. And it's on our favorite issue!

Sent from my iPhone

Begin forwarded message:

From: <[REDACTED]>
Date: April 23, 2020 at 6:29:58 PM EDT
To: <[REDACTED]>
Subject: Contacts

Here's what I have:

For Ross:
Goudarzi, Talat (Federal) - (Ross Administrative Assistant)

For Lighthizer:
Jaclyn Knight
Director of Scheduling
Office of the United States Trade Representative
Executive Office of the President
o. [REDACTED] | c. [REDACTED]

For Navarro, we reach out to Garrett:

Garrett Ziegler
Office of Trade and Manufacturing Policy
The White House
C [REDACTED] | O [REDACTED]

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45069

Phone: [REDACTED]
Cell: [REDACTED]
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Prater, Lori

From: Marsh, James
Sent: Monday, April 27, 2020 2:16 PM
To: Goudarzi, Talat (Federal)
Cc: Stroia, Matthew; Prater, Lori; Burke, Jill; Butler, Tim; Foti, Anthony (Federal); Kumar, Harry (Federal)
Subject: Re: Phone Call Request from Rep. Mike Kelly

Hi Tala,

That works for us. Do you have a conference line we should have the Congressman call into at that time?

We appreciate you making the time.

Sincerely,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 |

From: "Goudarzi, Talat (Federal)" <[REDACTED]>
Date: Monday, April 27, 2020 at 2:06 PM
To: "Marsh, James" <[REDACTED]>
Cc: Matthew Stroia <[REDACTED]>, "Prater, Lori" <[REDACTED]>, "Burke, Jill" <[REDACTED]>, "Butler, Tim" <[REDACTED]>, "Foti, Anthony (Federal)" <[REDACTED]>, "Kumar, Harry (Federal)" <[REDACTED]>
Subject: Re: Phone Call Request from Rep. Mike Kelly

Hi James,

Hope you're well and thank you very much for your patience! Would 3:30pm EST, Friday, May 1st work well for a call?

Thanks again and look forward to hearing from you!

Tala

From: Marsh, James <[REDACTED]>
Sent: Friday, April 24, 2020 12:07 PM
To: Goudarzi, Talat (Federal) <[REDACTED]>
Cc: Stroia, Matthew <[REDACTED]>; Prater, Lori <[REDACTED]>; Burke, Jill <[REDACTED]>; Butler, Tim <[REDACTED]>
Subject: Phone Call Request from Rep. Mike Kelly

Hi Talat,

Congressman Kelly would like to speak with Secretary Ross regarding AK Steel at his earliest convenience. For reference, please see the attached letters that the Congressman sent to President Trump. Please let us know if this is possible.

Sincerely,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 |

Prater, Lori

From: Knight, Jaclyn C. EOP/USTR <[REDACTED]>
Sent: Monday, April 27, 2020 11:15 AM
To: Marsh, James
Cc: Strola, Matthew; Prater, Lori; Burke, Jill; Butler, Tim; Jackson, Christopher L. EOP/USTR; Cameron, M. Bishop; [REDACTED]; Ekmark, Kimberly K. EOP/USTR; Kerrie L. Carr
Subject: RE: Phone Call Request from Rep. Mike Kelly

From: Knight, Jaclyn C. EOP/USTR
Sent: Friday, April 24, 2020 12:14 PM
To: James.marsh <[REDACTED]>
Cc: 'matthew.strola' <[REDACTED]>; 'lori.prater' <[REDACTED]>; 'jill.burke' <[REDACTED]>; 'tim.butler' <[REDACTED]>; 'jackson, christopher l. eop/ustr' <[REDACTED]>; 'bishop, cameron m. eop/ustr' <[REDACTED]>; 'ekmark, kimberly k. eop/ustr' <[REDACTED]>; 'carr, kerrle l. eop/ustr' <[REDACTED]>
Subject: FW: Phone Call Request from Rep. Mike Kelly

From: Marsh, James <[REDACTED]>
Sent: Friday, April 24, 2020 12:11 PM
To: Knight, Jaclyn C. EOP/USTR <[REDACTED]>
Cc: Strola, Matthew <[REDACTED]>; Prater, Lori <[REDACTED]>; Burke, Jill <[REDACTED]>; Butler, Tim <[REDACTED]>
Subject: Phone Call Request from Rep. Mike Kelly

Hi Jaelyn,

Hope you are doing well! My boss would like to speak with Ambassador Lighthizer regarding AK Steel at his earliest convenience. For reference, please see the attached letters that the Congressman sent to President Trump on this issue. Please let us know if this is possible.

Warm regards,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 |

Prater, Lori

From: Marsh, James
Sent: Friday, April 24, 2020 1:39 PM
To: Garrett.M.Ziegler
Cc: Stroia, Matthew; Prater, Lori; Burke, Jill; Butler, Tim
Subject: Phone Call Request from Rep. Mike Kelly
Attachments: Kelly-Kaptur Electrical Steel Letter to President April 15 2020.pdf; Balderson-Kelly Electrical Steel Letter to President 3.6.2020.pdf

Hi Garrett,

Congressman Kelly would like to speak with Mr. Navarro regarding AK Steel at his earliest convenience. For reference, please see the attached letters that the Congressman sent to President Trump on this issue. Please let us know if this is possible.

Sincerely,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406

EXHIBIT 20



Prater, Lori

From: Stroia, Matthew
Sent: Friday, April 24, 2020 10:37 AM
To: Prater, Lori
Subject: Mike Kelly Text to Mr. Meadows
Attachments: Balderson-Kelly Electrical Steel Letter to President 3.6.2020.docx; ATT00001.htm; Kelly-Kaptur Electrical Steel Letter to President April 15, 2020.pdf; ATT00002.htm

FYI..I sent this over to the WH. Can you give Beth and Patrick a heads up?

Thanks!

Matt

Begin forwarded message:

From: "Stroia, Matthew" <[REDACTED]>
Date: April 24, 2020 at 9:30:37 AM CDT
Subject: Mike Kelly Text to Mr. Meadows

Chris and Jeff,

I know you all have a lot going on today. However, I wanted to give you a heads up that Mike is going to be texting Mr. Meadows about an issue this morning. We have a non-coronavirus related issue that is critical to Mike's district and Troy Balderson's district. AK Steel/Cleveland Cliffs employs over 1400 people in Mike's hometown and a large amount in Mr. Balderson's district. Unfortunately, the CEO has declared he plans to shut down both locations IF the government doesn't extend the 232 tariffs to grain oriented electrical steel, a type of steel that goes into transformers used in our electrical grid. The company has shown that Russian, Japan, S. Korea have been shipping electrical steel into Canada and Mexico. Once in Canada/Mexico, these two countries superficially enhance the product and then send it into the US. Obviously, this rages against the spirit of the USMCA.

The issue for our offices is two fold. One, jobs obviously, but two, AK Steel is the last American maker of electrical steel. This is a national security issue.

The CEO has had meetings with Secretary Ross. Our bosses have had calls with the Secretary and follow up calls with his assistants. They are very well aware of the issue and have alerted CPB and USTR about the issues within their jurisdiction as well. Mike has personally spoken to Amb. Ughthizer about this issue and he is supportive but doesn't want to get into anyone else's lane. We have had conversations with Peter Navarro's office. Most recently, Mike, Troy and Marcy Kaptur sent a letter to the President on this issue and gathered 20 others to join. I have attached those letters to this email. We believe that Sec. Ross is assembling his senior team to discuss next steps related to his issue as well?

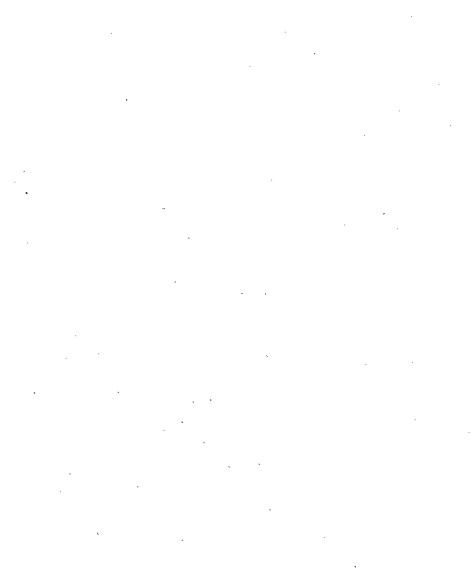
250

Simply put...we need the administration to extend the 232 tariffs to Grain Oriented Electrical Steel coming into the US.

Thanks gentleman!

Matt

EXHIBIT 21



From: Prater, Lori [PI]
Sent: Friday, April 24, 2020 11:01 AM
To: [PI]
Subject: [EXT] White House/Ross Outreach

Just wanted to give you a heads up. We reached out the White House staff and Mike is texting Mark Meadows today since their old colleagues to get this issue on his radar screen as well as leaderships. I talked to Portman's staff last night. Sounds like Portman is going to call Ross directly today and we'll also reach out to schedule a call with him and Mike as well. Balderson and Portman are supposed to talk today about AK Steel. We'll continue to keep up the drum beat.

Let me know if you hear anything on your end.

Sent from my iPhone

EXHIBIT 22



From: [REDACTED] PII
Sent: Thursday, April 23, 2020 12:53 PM
To: Prater, Lori
Cc: Zimpher, Nate; Bloom, Patrick M
Subject: Re: [EXT] RE: Electrical Steel Update Call

Great, 1:00 it is. Use this number - talk to you in a few min.

[REDACTED]

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45069

[REDACTED] PII

[REDACTED] "Prater, Lori" --04/23/2020 12:45:38 PM---That works. From: Zimpher, Nate [REDACTED] PII

From: "Prater, Lori" [REDACTED] PII
To: "Zimpher, Nate" [REDACTED] PII
Cc: "Bloom, Patrick M" [REDACTED] PII
Date: 04/23/2020 12:45 PM
Subject: [EXT] RE: Electrical Steel Update Call

That works.

From: Zimpher, Nate [REDACTED] PII
Sent: Thursday, April 23, 2020 12:43 PM
To: Prater, Lori [REDACTED] PII
Cc: Bloom, Patrick M [REDACTED] PII
Subject: RE: Electrical Steel Update Call

Does 1:00pm work for you all?

From: Prater, Lori [REDACTED] PII
Sent: Thursday, April 23, 2020 12:42 PM
To: [REDACTED] PII; Zimpher, Nate [REDACTED] PII
Cc: Bloom, Patrick M [REDACTED] PII
Subject: RE: Electrical Steel Update Call

I'm available now until 2.

From: [REDACTED] PII
Sent: Thursday, April 23, 2020 12:27 PM
To: Prater, Lori [REDACTED] PII; Zimpher, Nate [REDACTED] PII

Cc: Bloom, Patrick M [REDACTED] PII
Subject: Electrical Steel Update Call

Hi Lori and Nate,
Do you have a few minutes this afternoon so Patrick and I can give you an update on information we got from DOC this morning? We are free now until 2:00 and then from 3:00-4:30 and 5:00 and after. We can do separate calls or one together, whatever is easiest.
Thanks!
Beth

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45069

[REDACTED] PII

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EXHIBIT 23

[Faint, illegible text, likely bleed-through from the reverse side of the page]

From: Curtis, Deborah (Federal) [redacted] PII
 Sent: 4/24/2020 11:27:05 AM
 To: Bloom, Patrick M [redacted] PII
 CC: Cobau, John (Federal) [redacted]; Graham, James D [redacted]; Vaughn, Stephen
 Subject: Re: Request for Legal POC

Talk then.

Deborah A. Curtis
 Chief Counsel for Industry and Security
 U.S. Department of Commerce

[redacted] PII

On Apr 24, 2020, at 11:16 AM, Bloom, Patrick M [redacted] wrote:

12:30 PM today works for us. Stephen Vaughn of King and Spalding will join the call as well.

Thanks,
Patrick

From: Curtis, Deborah (Federal) [redacted]
 Sent: Friday, April 24, 2020 10:42 AM
 To: Bloom, Patrick M [redacted]
 Cc: Cobau, John (Federal) [redacted]; Graham, James D [redacted]
 Subject: [EXTERNAL] RE: Request for Legal POC

Great. Shall we say 1230?

From: Bloom, Patrick M [redacted]
 Sent: Friday, April 24, 2020 10:20 AM
 To: Curtis, Deborah (Federal) [redacted]
 Cc: Cobau, John (Federal) [redacted]; Graham, James D [redacted]
 Subject: RE: Request for Legal POC

Good morning, Ms. Curtis.

Thank you for your email. Cleveland-Cliffs' Executive Vice President & Chief Legal Officer, James Graham, will be available for a call with you and Mr. Cobau this afternoon after 12:30 PM Eastern. I intend to join James for this call and we may have representation from King & Spalding on the line as well.

Please use the following teleconference instructions:

[redacted] PII
 Access: [redacted] PII

Please let me know what time would work for you and Mr. Cobau.

Best,
Patrick

From: Curtis, Deborah (Federal) <[REDACTED]>
Sent: Friday, April 24, 2020 9:53 AM
To: Bloom, Patrick M <[REDACTED]>
Cc: Cobau, John (Federal) <[REDACTED]>
Subject: [EXTERNAL] Request for Legal POC

Mr. Bloom,

My colleague John Cobau (Chief Counsel for International Commerce) and I would like to have a discussion with an attorney for Cleveland Cliffs, either in-house or otherwise. Is it possible for us to be connected with someone from your General Counsel's office?

Thank you very much in advance.

Regards,

Deborah A. Curtis
Chief Counsel for Industry and Security
U.S. Department of Commerce
[REDACTED] (desk)
[REDACTED] PII (mobile)

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EXHIBIT 24

[Faint, illegible text, likely bleed-through from the reverse side of the page]

Prater, Lori

From: Beth.Ludwig [REDACTED]
Sent: Friday, April 24, 2020 2:06 PM
To: Zimpher, Nate
Cc: Prater, Lori; Bloom, Patrick M; Sam_Mulopulos [REDACTED]
Subject: Re: [EXT] RE: Electrical Steel Update Call

Let's do 2:15, it won't take long. Sam, we can call you separate if this doesn't work for you. Talk to you shortly. Dial-in info. below.
Thanks

[REDACTED]

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45069
Beth.Ludwig [REDACTED]
Phone: [REDACTED]
Cell: [REDACTED]

From: "Zimpher, Nate" [REDACTED]
To: "Prater, Lori" [REDACTED]; "Beth.Ludwig" [REDACTED]
Cc: "Sam_Mulopulos" [REDACTED]; "Bloom, Patrick M" [REDACTED]
Date: 04/24/2020 01:59 PM
Subject: [EXT] RE: Electrical Steel Update Call

I can do 2 or anytime after 3 (only time I can't is 2:30-3).

From: Prater, Lori [REDACTED]
Sent: Friday, April 24, 2020 1:58 PM
To: Beth.Ludwig [REDACTED]
Cc: Sam_Mulopulos [REDACTED]; Zimpher, Nate [REDACTED]; Bloom, Patrick M [REDACTED]
Subject: Re: Electrical Steel Update Call

2-3 works.
Sent from my iPhone

On Apr 24, 2020, at 1:52 PM, " [REDACTED] " < [REDACTED] > wrote:
We have an update out of DOC, can you all hop on a call anytime between 2:00-3:00 or 4:00-4:30? If we can't get a time that works for all we can do them individually.
Thanks,
Beth

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations

9227 Centre Pointe Dr.
West Chester, OH 45069

Phone: [REDACTED]
Cell: [REDACTED]

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EXHIBIT 25



From: Wilbur Ross [redacted] PII
[redacted] PII
Sent: 4/25/2020 9:14:24 AM
To: bucks3421 [redacted]
CC: Walsh, Michael (Federal) [redacted]; Hull, Cordell [redacted]; Nikakhtar, Nazak
Subject: Cleveland Cliffs

Please set up with Mike a time slot for a call this afternoon or evening Wilbur

Sent from my iPhone

EXHIBIT 26



From: Kumar, Harry (Federal) [REDACTED]
 Sent: 4/27/2020 12:37:26 PM
 To: Foti, Anthony (Federal) [REDACTED]; sarah_benzing [REDACTED]; Jeremy_hekhuis [REDACTED];
 Kris_gentile [REDACTED]; derek_miller [REDACTED]; kevin_smith [REDACTED];
 pam_thiessen [REDACTED]; lori.prater [REDACTED]; craig.kwiednski [REDACTED];
 chris.bowman [REDACTED]; Matthew Stroia [REDACTED]; Sam Mulopulos [REDACTED]
 CC: McGaan, Duncan (Federal) [REDACTED]; Dombrowski, Eileen (Federal) [REDACTED]
 Subject: RE: Conference call re: Cleveland-Cliffs, Inc.

Hey all,

Apologies for the short notice. Because of scheduling conflicts, we are going to have to pull this call from the calendar. We will be in touch soon.

Thanks,
Harry

From: Foti, Anthony (Federal) [REDACTED]
 Sent: Sunday, April 26, 2020 12:05 PM
 To: sarah_benzing [REDACTED]; Jeremy_hekhuis [REDACTED]; Kris_gentile [REDACTED];
 derek_miller [REDACTED]; kevin_smith [REDACTED]; pam_thiessen [REDACTED];
 lori.prater [REDACTED]; craig.kwiednski [REDACTED]; chris.bowman [REDACTED]; Matthew Stroia [REDACTED];
 Sam Mulopulos [REDACTED];
 Cc: McGaan, Duncan (Federal) [REDACTED]; Dombrowski, Eileen (Federal) [REDACTED]; Kumar, Harry (Federal) [REDACTED]
 Subject: Conference call re: Cleveland-Cliffs, Inc.

Please join the Department of Commerce officials for a staff briefing regarding Cleveland-Cliffs on Monday, April 27 at 4:00 PM.

The purpose of this call is to provide an update, answer questions and address concerns of Hill offices that have expressed an interest in this issue to the Department of Commerce.

Please use the following teleconference information to participate:

PII
Passcode: PII

Thank you.
Anthony

Anthony Foti
 Performing the delegated duties of the
 Assistant Secretary for Legislative and Intergovernmental Affairs
 U.S. Department of Commerce
 1401 Constitution Ave, NW
 Washington, DC 20230
 [REDACTED]

EXHIBIT 27



To: Gonçalves, Lourenco
Cc: Persico, Patricia M
Subject: RE: Voice Message from Rep. Mike Kelly

Very good. Thanks.

From: Gonçalves, Lourenco [Redacted] PII
Sent: Monday, April 27, 2020 2:45 PM
To: Bloom, Patrick M [Redacted] PII
Cc: Persico, Patricia M [Redacted] PII
Subject: RE: Voice Message from Rep. Mike Kelly

On the phone with him

From: Bloom, Patrick M [Redacted] PII
Sent: Monday, April 27, 2020 2:41 PM
To: Gonçalves, Lourenco [Redacted] PII
Cc: Persico, Patricia M [Redacted] PII
Subject: FW: Voice Message from Rep. Mike Kelly

Laurenco,

I'd recommend you call Congressman Kelly's cell phone when you are able.

Please let me know if you need anything from me...I'd be happy to call Congressman Kelly if you are tied up right now.

Thanks,
Patrick

From: Persico, Patricia M [Redacted] PII
Sent: Monday, April 27, 2020 2:33 PM
To: Gonçalves, Lourenco [Redacted] PII; Bloom, Patrick M [Redacted] PII
Subject: Voice Message from Rep. Mike Kelly

Laurenco and Patrick,

Please find attached a voice message I received a few minutes ago from Rep. Mike Kelly directed toward Laurenco.

EXHIBIT 28



APPENDIX A
STATEMENT OF [REDACTED] Witness 4

I am a Vice President in the Government Relations department at Cleveland-Cliffs Inc. (the "Company"). During April and May of 2020, I held the title Senior Director in that same department. Among other things, my responsibilities then and now include communicating with Congressional staff, and sometimes members of Congress, on behalf of the Company.

On April 28, 2020, at approximately midday, I received a phone call from the Company's CEO, Lourenco Goncalves. During that conversation, Mr. Goncalves told me that he had received an incoming call on his cell phone from Commerce Secretary Wilbur Ross shortly before Mr. Goncalves had called me. Mr. Goncalves said that Secretary Ross had informed him that the Department of Commerce intended to announce publicly in the near future that the Department would be self-initiating a new Section 232 investigation covering transformer laminations and cores. I understood Secretary Ross conveyed to Mr. Goncalves that (1) the Department believed the prospective new Section 232 investigation could be handled in an expedited fashion, meaning that it could be completed in as little as four months; (2) the investigation would be overseen by Under Secretary of Commerce for International Trade Joe Semsar; and (3) Secretary Ross would be given regular updates that he would pass along to the Company to the extent legally permissible.

Following my phone conversation with Mr. Goncalves, early in the afternoon that same day, I discussed the matter by phone with my colleague [REDACTED] Witness 5 who is a Corporate Manager in the Company's Government Relations department. Consistent with our roles in the Company's Government Relations department, we decided to contact staff in the offices of several members of Congress representing areas in Pennsylvania and Ohio that included Company facilities impacted by that prospective new Section 232 investigation. Generally speaking, [REDACTED] Witness 5 and I together contacted staff in those members' offices by phone to inform them of the information Secretary Ross had conveyed to the Company that day. As part of those efforts, we contacted staff for Rep. Mike Kelly.

At approximately 2:45 p.m. (ET) that afternoon, [REDACTED] Witness 5 and I spoke to [REDACTED] Witness 2 Legislative Director for Rep. Mike Kelly, on a telephone conference call. To the best of my recollection, the three of us were the only people on the line for that conversation. While I no longer remember the precise dialogue from that call, I generally recall that we told [REDACTED] Witness 2 that the Department of Commerce had informed the Company that it intended to self-initiate a new Section 232 investigation covering transformer laminations and cores. I do not recall discussing any of the following topics during that call: the Company's share price, trading in the Company's shares, or Victoria Kelly.

CLEVELAND-CLIFFS – HIGHLY CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT 29



APPENDIX B
STATEMENT OF [Witness 5]

I am a Corporate Manager for Federal Government Relations at Cleveland-Cliffs Inc. (the "Company"), and I was serving in a comparable role during April and May of 2020. Among other things, my responsibilities include communicating with Congressional staff, and sometimes members of Congress, on behalf of the Company.

On April 28, 2020, in approximately the early afternoon, I had a phone conversation with my colleague [Witness 4], then a Senior Director in the Company's Government Relations department. During that conversation, [Witness 4] described to me a conversation he had with the Company's CEO, Lourenço Goncalves, in which Mr. Goncalves conveyed that he had received an incoming call from Commerce Secretary Wilbur Ross midday that day. I understood that Secretary Ross had informed Mr. Goncalves that the Department of Commerce intended to announce publicly in the near future that the Department would be self-initiating a new Section 232 investigation covering transformer laminations and cores. I understood Secretary Ross conveyed to Mr. Goncalves that (1) the Department believed the prospective new Section 232 investigation could be handled in an expedited fashion, meaning that it could be completed in as little as four months; (2) the investigation would be overseen by Under Secretary of Commerce for International Trade Joe Semsar; and (3) Secretary Ross would be given regular updates that he would pass along to the Company to the extent legally permissible.

Consistent with our roles in the Company's Government Relations department, [Witness 4] and I decided to contact staff in the offices of several members of Congress representing areas in Pennsylvania and Ohio that included Company facilities impacted by that prospective new Section 232 investigation. Generally speaking, [Witness 4] and I together contacted staff in those members' offices by phone to inform them of the information Secretary Ross had conveyed to the Company that day. As part of those efforts, we contacted staff for Rep. Mike Kelly.

At approximately 2:45 p.m. (ET) that afternoon, [Witness 4] and I spoke to [Witness 2], Legislative Director for Rep. Kelly, on a telephone conference call. To the best of my recollection, the three of us were the only people on the line for that conversation. While I no longer remember the precise dialogue from that call, I generally recall that we told [Witness 2] that the Department of Commerce had informed the Company that it intended to self-initiate a new Section 232 investigation covering transformer laminations and cores. I do not recall discussing any of the following topics during that call: the Company's share price, trading in the Company's shares, or Victoria Kelly.

CLEVELAND-CLIFFS -- HIGHLY CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT 30



CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

Transcript of Interview of Witness Two

Review No. 21-9221
May 21, 2021

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OFFICE OF CONGRESSIONAL ETHICS (OCE)
Of the
UNITED STATES HOUSE OF REPRESENTATIVES

OCE REVIEW

Interview of WITNESS 2

Conducted Virtually

Friday, May 21 2021

9:39 a.m.

Job: 375497

Pages: 1 - 102

Transcribed by: Pamela A. Flutie

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Deposition of WITNESS 2, conducted
virtually.

Pursuant to agreement, before Jesse Greer,
Notary Public in and for the State of Maryland.

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A P P E A R A N C E S

ON BEHALF OF THE OFFICE OF CONGRESSIONAL ETHICS
OF THE UNITED STATES HOUSE OF REPRESENTATIVES:

JEFFREY BROWN, ESQ.

OMAR ASHMAWY

ANNIE CHO

425 3rd Street SW, Suite 1110

Washington, DC 20024

Phone: 202-225-9739

ALSO PRESENT:

Jesse Greer, Court Reporter

Saul Gan, Technician

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C O N T E N T S

INTERVIEW OF WITNESS 2	PAGE
By Mr. Brown	5

E X H I B I T S

(Reporter Attached)

DEPOSITION EXHIBIT	PAGE
Exhibit 1	27
Exhibit 2	33
Exhibit 4	41
Exhibit 5	52
Exhibit 6	57
Exhibit 7	61
Exhibit 8	74
Exhibit 11	90

P R O C E E D I N G S

1
2 MR. BROWN: For the record, this is
3 Jeff Brown with the Office of Congressional
4 Ethics. With me are my colleagues Omar Ashmawy
5 and Annie Cho. We are undertaking a remote
6 video interview of Witness 2 from Representative
7 Mike Kelly's office. It is May 21, 2021. It's
8 a little after 9:30 a.m. Witness 2 has been
9 given a copy of the False Statements Act and
10 with that, we will get started.

11 So, Witness 2, first, the question is,
12 you are currently in Representative Kelly's
13 Congressional Office, correct?

14 WITNESS 2: That is correct.

15 MR. BROWN: And what is your title and
16 what is your role in the office?

17 WITNESS 2: I am Policy Director/Tax
18 and Trade Counsel.

19 MR. BROWN: Okay. And you have held
20 that position since at least January of 2020.

21 WITNESS 2: Since -- I started off as
22 Policy Director and Tax Counsel, I added Trade

1 over the course of the time since I handle both
2 of those issues and everyone loves a good title
3 in DC. So, I just thought I'd make mine bigger,
4 so.

5 MR. BROWN: Okay. And you have been
6 working on this stuff since at least January of
7 2020.

8 WITNESS 2: Yeah. I worked for a
9 former Ways and Means, Pennsylvania member, and
10 so, before that, but I don't believe I ever had
11 -- I don't think this issue -- other than just
12 general steel issues and also I was closer to --
13 our district was closer to Philly. So, sorry,
14 that's my schedule.

15 MR. BROWN: That's okay.

16 WITNESS 2: So, at that point -- so,
17 really until I started working for Mike Kelly,
18 it was the only time I, you know.

19 MR. BROWN: Okay.

20 WITNESS 2: And it's a member company
21 in his district, so like every -- every
22 Congressional Office, you get to know all the

1 members companies in the district, so.

2 MR. BROWN: Right and you're touching
3 on the next question. So, you -- you're sort of
4 the lead on issues involving Cleveland Cliffs or
5 AK Steel.

6 WITNESS 2: When it comes to -- yes.
7 When it comes to those, you know, tax or trade
8 or anything related, yes.

9 MR. BROWN: Okay. For tax or --

10 WITNESS 2: Or terrorist, anything
11 that's all within, you know, the trade space.

12 MR. BROWN: Great. Well, as I
13 mentioned in my E-mail earlier today, and we may
14 have talked about it, the primary thing I want
15 to do today is just sort of like walk through a
16 timeline of events, get your recollection. I'll
17 show you a bunch of documents to try and jog
18 your memory on some things.

19 WITNESS 2: Sure, thank you.

20 MR. BROWN: But what I'll do up front
21 is I just want to ask you generally about some
22 issues and where I want to start focusing is,

1 you know, in the events leading up to the May 4,
2 2020 Section 232 announcement by the Department
3 of Commerce, but I'm not going to start on May
4 4th. I'm going to back up a little bit and just
5 ask you when did you and when did Representative
6 Kelly, the Congressional Office, first
7 understand that the Butler Works, the AK Steel
8 Plant in Butler, Pennsylvania, was potentially
9 going to shut down?

10 WITNESS 2: So, I don't think I ever
11 really felt like it was going to shut down.
12 There's a lot of -- as all things in -- a lot of
13 companies will say that they're about to close
14 down and they never close -- close down. They
15 might go into bankruptcy, they might go into any
16 number of things. So, I never really got a
17 clear sense that they were actually ever going
18 to be shut down. A lot of -- a lot of, you
19 know, a lot of CEOs will come in with their hair
20 on fire. You know, my job is, like any
21 congressional is, are the -- is this really --
22 is this -- are they really going to be shutting

1 down because of, you know, x, y, and z, or are
2 you trying to get like -- like -- lots of
3 companies have done throughout -- throughout the
4 history of -- of the Hill, I think, who, you
5 know, want to change the law to, you know, to
6 benefit them, whether -- whether or not they're
7 being gamed, particularly in the trade, well
8 actually the trade and tax based is that, you
9 know, that they're being gamed internationally
10 and so, you -- whether it's tax or trade. And
11 so, you know, on the tax side, it's we're going
12 to invert and move our headquarters to, you
13 know, to Ireland or a lot of CEOs come in and
14 say that unless -- unless -- particularly more
15 so in the tax base -- unless the tax, you know,
16 we get tax reform, we're moving our headquarters
17 to Ireland because we have a more favorable tax
18 rate or we might just shut down our, you know,
19 our US, you know, subsidiary companies, it
20 doesn't matter.

21 MR. BROWN: Yeah.

22 WITNESS 2: So, I kind of take it with

1 a grain of salt that actually they are going to
2 really shut down. Until I see notices going out
3 and -- and they do have to -- I'm from the west
4 coast, so we don't have as many unions, but I
5 learned that, you know, the unions and under
6 whatever contract that they have with the
7 company, that they have to give them a head's up
8 if they -- an intent to -- and I'm not expert in
9 labor law -- but they have to give them a head's
10 up if they are going to potentially lay people
11 off or close a shop or -- and to my knowledge,
12 maybe that went out. But there was discussion
13 that that might potentially happen, but I don't
14 ever recall it ever happening, so.

15 MR. BROWN: Well, in this case, as I
16 understand it, the Cleveland-Cliffs CEO, it's --
17 it's -- I think it's the March timeframe.

18 WITNESS 2: Is it?

19 MR. BROWN: And to your point says --

20 WITNESS 2: I think they set it. I
21 don't know if it actually went --

22 MR. BROWN: Well --

1 WITNESS 2: And maybe you, I mean, you
2 maybe know.

3 MR. BROWN: Well, let me -- let me --
4 let me try and jog your memory a little bit. I
5 think it's in March, and this goes to the point,
6 I think, you were just making. The Cleveland-
7 Cliffs CEO, right around the time they were
8 going to acquire AK Steel says, I'm going to
9 shut these plants down if I don't get help with
10 the 232 tariffs. Is that your understanding of
11 how things went?

12 WITNESS 2: And I think he -- I think
13 he might have testified -- well, so there's a
14 steel --

15 MR. BROWN: Right. It was before a
16 steel caucus.

17 WITNESS 2: Yes. And that's the first
18 time I think I ever met him and he's a very
19 different character than the previous president.
20 So -- so, that was probably the first time I
21 heard him say it publicly. Whether that
22 matters, you know, whether that -- that actually

1 initiated anything or, you know, whether or not
2 if it was more bluster than anything else, I
3 kind of -- I think that was the first time it
4 was done in a public forum with other
5 Pennsylvania members there. But again, that was
6 my first, you know, again, it's the CEO --

7 MR. BROWN: Yeah.

8 WITNESS 2: -- a new CEO, but that was
9 my -- that was the first time I think -- that
10 was the first time I ever actually had heard of
11 him, and I was actually at that hearing, so,
12 with my boss. So, I do recall it.

13 MR. BROWN: I get -- I get the
14 impression that after he made that statement he,
15 you know, kind of doubles down on it a little
16 bit later. I get the impression that this
17 becomes a focus in the office. Is it fair to
18 say that?

19 WITNESS 2: I, you know, I mean, I
20 don't think it necessarily any more, I mean, I
21 cover a lot of issues, and so, no more than
22 every other focus. I think it's more of a focus

1 for Mike because it's down the street from his,
2 you know, where he lives. These people come
3 like, you know, it's his small town that's
4 lived. He's a 72-year-old man. It's like --

5 MR. BROWN: Right.

6 WITNESS 2: -- every -- and I'm from a
7 small town in Oregon, you know. I think it's a
8 big issue. You drive by, I mean, he literally
9 drives by AK Steel, and it's been different
10 iterations over the years. It used to be a much
11 bigger steel plant, which is kind of the case --
12 we have a lot of steel in Western PA, and over
13 the years, it used to be like Erie,
14 Pennsylvania. It used to have kind of a robust
15 economy. Whether or not it was because of our
16 trade laws maybe, I mean, it could be any number
17 of factors and, you know, we all lament the
18 decline of manufacturing, but we are an advanced
19 economy now and, you know, those jobs that don't
20 pay as well and we also have a lot of
21 environmental laws that in some sense people,
22 you know, companies would prefer to locate

1 elsewhere. I think it's happened in the high
2 tech industry and in the fabs. Semiconductor
3 fabs have gone overseas. You know, you go where
4 it financially makes sense. And so, I think --
5 I think a lot of it was perhaps -- the way I
6 read it, having worked on the Hill twenty years
7 -- I don't suffer fools and I -- my personal
8 feeling was he is in his -- he's very Latin --
9 Latin American man, and he likes to, you know.
10 Let's just say the previous president of AK
11 Steel never made -- never, ever, you know,
12 obviously he lamented like we're moving -- we're
13 losing market share, there's this, there's that,
14 you know, could we have some help on the, you
15 know. But that's -- that's -- that's the US
16 trade and steel industry in general.

17 MR. BROWN: Um-hum.

18 WITNESS 2: You know, like I think for
19 the last two months, they've -- I've been
20 getting from the TAA -- I don't know if you're
21 familiar -- with layoffs, like, and in -- on
22 multiple steel companies in our district. So,

1 in some sense, you know, it's a trend --

2 MR. BROWN: Yeah.

3 WITNESS 2: -- across the industry.

4 So, this isn't -- this, you know, whether or not
5 they actually close or not, you know, until I
6 see it -- start seeing notices coming from, you
7 know --

8 MR. BROWN: Right.

9 WITNESS 2: -- they -- the company
10 actually pulls the trigger and sends the intent
11 to lay off to, you know, the labor union, then -
12 - and I have it on paper and it's a public, you
13 know, notification, then I kind of take it with
14 a grain of salt, to be honest, so.

15 MR. BROWN: You said before, you know,
16 it's important to Representative Kelly because
17 he's from Butler -- he lives in Butler. To what
18 extent --

19 WITNESS 2: For their whole life.

20 MR. BROWN: Yeah. To what extent, you
21 know, given his interest and given Butler is his
22 hometown, is he, you know, staying on top of

1 these issues, wanting you and/or Matt and others
2 to keep him apprised of what's going on with AK
3 Steel?

4 WITNESS 2: You know, I deal,
5 actually, less with Mike and Matt. Matt doesn't
6 live down here. He lives in the District. I
7 probably see him a couple, you know. When we're
8 in session, he'll come in for one or two days
9 for fundraisers, then he leaves. So, I probably
10 talk more with the AK Steel people than I ever
11 do with Mike and Matt. And part of it is just,
12 you know, they, you know, we do a lot in the
13 steel. We're members of the steel caucus. We,
14 you know, but it's like any other -- I probably
15 deal more with AK Steel than I ever have with --
16 I've toured the plant, but I've toured other
17 steel plants. I've done -- depending if it's a
18 labor union shop, I'm wearing a hard hat, and if
19 I'm not, I'm not wearing a hard hat, so.

20 MR. BROWN: I guess I was more
21 wondering, you know, just -- just how looped in
22 on AK Steel issues the Congressman was.

1 WITNESS 2: He's more looped in -- how
2 do I say it. Like, he's -- we're looped in on
3 the ground because he runs into AK Steel like
4 the union guys, you know, at the grocery store,
5 at the gas station, you know. He's in a small
6 town. I deal with the government affairs, you
7 know. I go up to the district.

8 MR. BROWN: In other words, he is
9 interested to the extent that he's going to be
10 asked about this sort of stuff when he's walking
11 around town.

12 WITNESS 2: Right. That's -- that's
13 the level of his interest. He's not wondering,
14 you know, he's not reviewing, you know, letters,
15 you know. He's very -- he could care less.
16 Like, he's like, that's your job in terms of
17 letters to the administration and, you know,
18 I've worked with, like every other colleague
19 I've worked on over the years, I work, you know,
20 I mean, just me -- him sending a letter by
21 himself, you know, I've worked with other, you
22 know, I've done Republican letters, I've been --

1 I've done bipartisan letters. It's -- I work
2 more with the other staffs and the AK Steel
3 representative than I do with probably talking
4 to Mike.

5 MR. BROWN: Well -- well, let me ask
6 you this then. How, you know, I see from the
7 documents and, you know, from the comments you
8 just made, you're working fairly closely with
9 the folks at AK Steel on some of these issues.
10 How big of a deal is -- how big of a deal are
11 these 232 issues to AK Steel to Cleveland-
12 Cliffs?

13 WITNESS 2: You know, I had never even
14 heard of a 232 until, quite frankly, until the
15 Trump administration. If you told me there was
16 such a thing as a 232, you know, the Hill
17 doesn't really deal with a lot of trade issues
18 as much as like tax issues because a lot of that
19 is just done down at USTR or Commerce. And what
20 actually -- I really have -- over the course of
21 twenty years, have very limited contact with
22 Commerce. They just don't -- they just don't

1 have -- we just -- we don't do a lot of, you
2 know, Congressional casework issues with them.
3 We don't -- they kind were off -- and maybe it's
4 just a function of, you know, the issues I've
5 done over the years. But I've really never even
6 heard of a 232.

7 MR. BROWN: And maybe it's -- I
8 shouldn't ask about it in the context of 232 but
9 more in the context of how big of a deal is it
10 to AK Steel, to Cleveland-Cliffs to try and
11 close this what they see as a loophole for --

12 WITNESS 2: To be honest, I have no
13 idea. I mean, that's -- that's like in the
14 weeds trade lawyer. I think -- to be honest, I
15 think whatever is in the toolbox that would
16 help them in terms of product coming in, I don't
17 care if it's 232, it could be any number of --
18 any number of things in the kind of -- the trade
19 toolbox to limit products coming in to, you
20 know, the United States. You know, over the
21 years, it's been everything from lampposts,
22 from, you know, every company at some point or

1 at least particularly in the steel, aluminum is
2 another one, and for every one company that
3 wants a 232 or some kind of trade remedy,
4 there's another company who doesn't. So, in
5 some sense, you're kind of relying on what both
6 companies are, you know, companies that want the
7 protectionism, not that, you know, want -- want
8 some sort of trade remedy or protection versus,
9 you know, another company who doesn't want it,
10 and it's kind of, you kind of rely on the
11 companies, I mean, because I don't really have
12 the ability to go investigate whether or not
13 they're being, you know, accurate.

14 And I will say that that -- what has
15 been a topic of discussion in the office is
16 like, so we issue this 232. Do we really -- if
17 they -- if they do -- do we really know they're
18 not going to really still just close the plant
19 anyway? And quite frankly, we, you know, I'm
20 like, I don't know, I don't see their books.
21 And, you know, they say it's going to help them
22 or -- but not just this company, any company,

1 from lampposts to anybody that's producing here
2 or if, you know, or if we put made in America,
3 will that actually change another, you know, or
4 require -- that's another thing on the steel or
5 aluminum -- if you require, you know, the
6 military to buy a certain amount of product
7 that's, you know, produced domestically, you
8 know, it's the -- in some sense, you know, the
9 US companies, you know, especially for
10 Republicans, they want to be like free market,
11 but they understand like other companies aren't
12 necessarily free market. So, you're trying to
13 kind of ferret out whether or not, you know, if
14 -- if, you know, Commerce does this or if USTR
15 does this, you know, will this actually save
16 jobs at -- at the end of the day, which was --
17 which was, you know, the goal of any member I've
18 ever worked for. You know, they don't like to
19 see -- and that's what the TAA, you know, kind
20 of existing program -- it's to help them, you
21 know, with layoffs if they do.

22 I'm kind of, you know, Mike listens to

1 people, you know, when he's getting -- shopping
2 at Shoppers or wherever he shops in the
3 District. He runs into those people.

4 MR. BROWN: And that's why this is key
5 for Representative Kelly is that --

6 WITNESS 2: Yeah.

7 MR. BROWN: -- 1,400 jobs in his
8 community are potentially out the door.

9 WITNESS 2: I'll be honest, he has
10 five car dealerships and if 1,400 jobs go away,
11 it also, you know, probably impacts, you know.
12 There are days where he's like, I'm done with
13 this, I'm ready to go back. He's like I'm a car
14 guy that never ran for office, not interested,
15 you know, and when I retire, I'm going to go
16 back because God knows I don't want to be at
17 home every -- every day, and his -- and, as he
18 says, his wife doesn't want him home every day,
19 and I'm like, I'm pretty sure that all wives
20 think that way. You need to go and have a hobby
21 or something. He's like, I don't have any
22 hobbies. I mean, he's very -- he's very Irish.

1 He's very -- there is nothing that you don't
2 discuss with him, which, you know --

3 MR. BROWN: Yeah.

4 WITNESS 2: So, you know, I think for
5 him, it's like -- uh-oh. Can you --

6 MR. BROWN: Sorry. Omar, I see you're
7 up on video. Did you want to pop in? You're on
8 mute.

9 MR. ASHMAWY: Yeah, yeah. I really --
10 actually, so I think maybe it's an unfair
11 question to ask you -- for you to tell us how
12 important this 232 investigation and the
13 interaction with Commerce was for AK Steel.
14 Like maybe another way of asking is, how
15 important did they tell you it was? Regardless
16 of whether or not you think they were overeating
17 or being over-emotional, how important did they
18 tell you it was?

19 WITNESS 2: You mean how -- how
20 important Mike -- like --

21 MR. ASHMAWY: No. How important did
22 AK Steel tell you -- how important did

1 Cleveland-Cliffs tell you this was to them? How
2 did they present it to you?

3 MR. BROWN: In other words, Witness 5
4 and Witness 4 --

5 WITNESS 2: Witness 5, you know, so,
6 and also Witness 4 was relatively new.
7 Obviously, the -- the Cleveland-Cliffs people
8 are, you know, kind of new, you know, new --
9 kind of new to the game. I've never ever dealt
10 with either -- I'd never heard of Cleveland-
11 Cliffs, if that tells you anything. So, you
12 know, it's -- they said it was important but it
13 didn't necessarily -- it's like, you know, it's
14 -- I never got the sense that they would -- if
15 we didn't do -- if 232 or some other trade
16 remedy wasn't issued, that they, you know,
17 they're really never going, I mean, they're
18 going to actually close the plant. I never
19 really felt that that was --

20 MR. ASHMAWY: I realize that. But, I
21 mean, we've seen documents, you know, from them
22 that, you know, and -- and have received.

1 representation from them that they at least
2 thought it was important or at least they
3 thought so.

4 WITNESS 2: Oh, yeah. Oh, yeah, yeah,
5 yeah.

6 MR. ASHMAWY: That it was important.

7 WITNESS 2: No, I think they
8 definitely -- yeah. No, I definitely think they
9 thought it was important, yeah. There's no --
10 there's no -- yeah. There's absolutely -- they
11 definitely thought it was important.

12 MR. ASHMAWY: Yeah, yeah.

13 WITNESS 2: Do I think that they're
14 already back trying to figure out something else
15 to do with this administration? Yes, they
16 already are. They are not talking to us,
17 necessarily. They are now -- like they have now
18 kind of migrated, like if this happens, you
19 know, when the pendulum swings -- I think
20 they're now more focused on the -- the
21 Democratic offices in this current
22 administration. So, to be honest, it's funny.

1 I think I talked to AK Steel probably every
2 couple weeks, if not every other week. It's
3 crickets. I have not talked to them since the
4 new administration. So, I think they're, you
5 know, they're doing what the Government Affairs
6 people do, as they're pursuing other avenues to,
7 you know -- you know, to secure, I think some
8 sort of, you know, protections from imports with
9 this administration, and that's, you know,
10 that's now the Democrats, you know, kind of on
11 their plate.

12 MR. BROWN: And you'd -- you'd be
13 talking to Witness 5, right?

14 WITNESS 2: Yeah. Oh, yeah.

15 MR. BROWN: And Witness 5 -- Witness 5
16 is their main or is she their only internal?

17 WITNESS 2: She was their -- she was
18 their only representative for AK Steel. Now,
19 she reports to Witness 4.

20 MR. BROWN: Okay.

21 WITNESS 2: And so, I think, yeah.

22 MR. BROWN: They are the two in-house

1 lobbyists for AK Steel --

2 WITNESS 2: Yes.

3 MR. BROWN: -- and Cleveland-Cliffs.

4 WITNESS 2: Yes.

5 MR. BROWN: Are there any other more
6 senior Government Affairs officials or those are
7 the -- those are the two.

8 WITNESS 2: Those are the only two
9 that I have dealt with.

10 MR. BROWN: Okay. Well, let me --
11 let's get into some of the documents and that
12 way, you can kind of help march me through the
13 timeline of events that happened here.

14 Saul, can you pull up Document Number
15 1 for us? And if you can give me control of it,
16 I'd be appreciative. All right.

17 So, Witness 2, I'm going to zoom out a
18 little bit.

19 WITNESS 2: Sure.

20 MR. BROWN: This is a document you
21 produced to us. Hopefully, that's not too small
22 for you to read there. This is an E-mail from

1 Matt Stroia to yourself -- to, excuse me,
2 Natalie Joyce and you are copied on this E-mail.
3 I'll give you a second to look at it.

4 WITNESS 2: Okay. Okay. It's a
5 little. I'm going to open it so I can see it.

6 MR. BROWN: Yeah. I can -- I can blow
7 it up a little.

8 WITNESS 2: Can you blow it up a
9 little bit?

10 MR. BROWN: Yeah.

11 WITNESS 2: And remind me who Natalie
12 is with.

13 MR. BROWN: Sure. I was going to ask
14 you that. But it's my impression that Natalie
15 Joyce is the Deputy Chief of Staff for Kevin
16 McCarthy.

17 WITNESS 2: Oh, okay. Yeah.

18 MR. BROWN: Does that sound -- does
19 that sound right?

20 WITNESS 2: I am guessing. So, I have
21 no -- see, I rarely deal with leadership, so.
22 I'm guessing this.

1 MR. BROWN: Well, take your time.
2 Finish reading this document if you want.
3 WITNESS 2: Right.
4 MR. BROWN: And let me know. I have a
5 couple quick questions.
6 WITNESS 2: Sure. I know he reached
7 out to -- I mean, I didn't see this or I didn't
8 pay attention to it. But yes. I know that --
9 that they did do a call to Kevin McCarthy.
10 MR. BROWN: Let me ask you this. I'm
11 trying to gauge -- this is from Matt to Kevin
12 McCarthy's people.
13 WITNESS 2: Right.
14 MR. BROWN: And the date of this is
15 Thursday, April 23rd, 11:30 in the morning.
16 WITNESS 2: Right.
17 MR. BROWN: Any reason to believe this
18 isn't an accurate assessment of the -- the 232
19 issues at the time as represented by Matt?
20 WITNESS 2: Say that again.
21 MR. BROWN: I'm just trying to, you
22 know, make sure that this is an accurate

1 assessment of the -- the issues at the time.
2 What I'm seeing and frankly what I'd like to
3 confirm with you is that it sounds to me like
4 Representative Kelly's office along with several
5 other offices initially took the approach that
6 there are these tariffs in place -- Section 232
7 -- are in place.

8 WITNESS 2: Right.

9 MR. BROWN: We would like to close a
10 loophole with respect to those existing tariffs
11 in order to protect electrical steel.

12 WITNESS 2: Yes, that's -- that's
13 accurate.

14 MR. BROWN: And that -- that's the
15 initial strategy, that's the initial game plan
16 that both Representative Kelly and other both
17 House and Senate offices --

18 WITNESS 2: Right, and I think
19 Balderson was -- Troy Balderson's office was
20 looped in on it. Yeah, and I see Troy
21 Balderson. Yeah.

22 MR. BROWN: And I see that here at the

1 end, Matt says, "Simply put, we need the
2 administration to extend the Section 232 tariffs
3 to grain-oriented electrical steel coming into
4 the US.

5 WITNESS 2: Yeah.

6 MR. BROWN: So, my understanding is
7 the initial game plan is let's use the existing
8 tariffs that are in place and close -- but shut
9 the loopholes -- close the loopholes, and then
10 that's good for AK Steel if we do that.

11 WITNESS 2: Or if -- and yeah. And I
12 think the thing is, I mean, because I'm not at
13 Commerce and, you know, the issue is whatever
14 tools in your toolbox to help our -- this
15 company that potentially will go, you know, will
16 go -- like any company will go out and there
17 will be a job loss. I think, you know, at least
18 from Matt's perspective, he's not a trade
19 person, I'm not -- like, I'm a trade person on
20 TV, so to speak, but I don't actually -- I don't
21 really know what could potentially be in the
22 toolbox in Commerce. So, 232 is kind of what

1 the company has said would be helpful. Because
2 we -- we kind of asked them, like, what is it
3 that would be helpful. They have, you know,
4 they have a bunch of DC law firms with trade
5 attorneys that they're being advised. And so,
6 to my knowledge, this is what the best, you
7 know, potential outcome or trade remedy out
8 there on the books that would -- would help them
9 the most.

10 MR. BROWN: So, AK Steel is saying to
11 you guys, we need this 232 relief --

12 WITNESS 2: Extended, right. I mean,
13 it could be --

14 MR. BROWN: This is -- this is --
15 yeah, this is what's important to us and this is
16 how we want it.

17 WITNESS 2: Right, right.

18 MR. BROWN: Okay.

19 WITNESS 2: Because, you know, it's
20 like any, you know, anything else. You have a
21 zillion companies coming in needing, you know,
22 assistance with something. Usually, I don't, I

1 mean, usually they come in and they're like,
2 this is what would help us.

3 MR. BROWN: Yeah.

4 WITNESS 2: You know, there's other
5 things that could potentially help them, but
6 this is the one that they presented to us.

7 MR. BROWN: And so, that's what they -
8 - AK Steel, Cleveland Cliffs said in this
9 situation. This is the manner in which, you
10 know, you guys can help us.

11 WITNESS 2: Yes.

12 MR. BROWN: Yeah, okay.

13 WITNESS 2: That's accurate.

14 MR. BROWN: Let me move on to Document
15 2, Saul, because this -- Witness 2, this
16 document, I think, helps me understand that the
17 -- the strategy shifts at some point. But let
18 me walk you through the document. Okay. This
19 is an E-mail string --

20 WITNESS 2: [Indiscernible.]

21 MR. BROWN: And let me -- I'll start
22 at the bottom here. You'll see it's from --

1 this is an E-mail string from Witness 5 --

2 WITNESS 2: Right.

3 MR. BROWN: -- and she says on April
4 24, 2020, this is at 1:52 p.m., "We have an
5 update out of DOC," Department of Commerce," Can
6 you all hop on the call anytime between 2 and 3
7 or 3 and 4?" And then you respond, "2 to 3
8 works. Nate Zimpher," who as I understand is
9 Troy Balderson's -- is a Troy Balderson staffer,
10 " says --

11 WITNESS 2: Um-hum.

12 MR. BROWN: -- he can do 2 to 3." And
13 Witness 5 ultimately responds, "Let's do 2:15.
14 It won't take long." And a 2:15 call occurs.
15 Do you -- what happens on this 2:15 call?
16 What's discussed? In other words, what is the -

17 -

18 WITNESS 2: Right, right.

19 MR. BROWN: -- update out of DOC?

20 WITNESS 2: Right.

21 MR. BROWN: This is Friday, April
22 24th.

1 WITNESS 2: To be honest, I -- they
2 probably -- to be honest, it's a year -- it's a
3 year ago. I -- because we have so many calls.
4 The best of my knowledge was they were
5 potentially talking about issuing an extension
6 of the 232 or -- but that's -- I don't recall
7 beyond, you know.

8 MR. BROWN: Let me ask you two
9 questions then.

10 WITNESS 2: Sure.

11 MR. BROWN: You said we had so many
12 calls, and that's -- when you say we had so many
13 calls, do you mean --

14 WITNESS 2: I like literally --

15 MR. BROWN: You and AK Steel were on
16 the phone all the time around this time?

17 WITNESS 2: I'll be honest. I feel
18 like Commerce is -- I don't have a good opinion
19 of Commerce after this because I felt like they
20 were always -- like, you just couldn't get an --
21 and I don't know if it was Secretary Ross, but
22 it's -- it was more that I felt like I was

1 beating -- like, just give -- just give us an
2 answer of what you're doing or what the thought
3 process is because I'm having to just like --
4 because Mike wants to know what's going on.
5 He's at the grocery store running into people
6 and they think they're going to lose their jobs
7 and I'm like -- so, I think the -- they would
8 reach out to -- basically, they would reach out
9 to AK Steel for giving us a head's up half the
10 time --

11 MR. BROWN: Okay.

12 WITNESS 2: -- which I found very
13 frustrating. But -- but, so --

14 MR. BROWN: Well, let me -- let me
15 tell you this. I've got a call summary here.

16 WITNESS 2: Oh, good.

17 MR. BROWN: Let's see if we can jog
18 your memory with this.

19 WITNESS 2: Yes, please do.

20 MR. BROWN: I've got a call summary.
21 So, this is the Friday, April 24th phone call.
22 This is a call summary from Cleveland Cliffs

1 that says there was a phone call between Witness
2 4, Witness 5, Witness 2, Nate Zimpher, and Sam
3 Malopoulis [phonetic], and it says, "Witness 5
4 and Witness 4 provided an update that the
5 Department of Commerce had declined to pursue
6 coverage of lamination and cores as derivative
7 products under the existing steel Section 232
8 tariffs and quotas." Does that jog your memory?

9 WITNESS 2: Somewhat.

10 MR. BROWN: Well, let me ask it like
11 this. Do you have any reason to believe that
12 that's not what you discussed on this call?

13 WITNESS 2: No.

14 MR. BROWN: Okay.

15 WITNESS 2: No. It was a year ago.

16 MR. BROWN: I -- and I -- I completely
17 understand.

18 WITNESS 2: And I'm 50, so -- I'm 50,
19 so -- and I get a lot of information coming in,
20 and so.

21 MR. BROWN: Then I just want to make
22 sure it's --

1 WITNESS 2: There's -- yeah.

2 MR. BROWN: -- fair to you that on
3 April 24th, the AK Steel and Cleveland-Cliffs
4 via Witness 5 and Witness 4 could have and it
5 sounds like would have --

6 WITNESS 2: Yes.

7 MR. BROWN: -- alerted you to the fact
8 that the Department of Commerce declined to move
9 forward with what it sounds like was the initial
10 strategy on the Hill to --

11 WITNESS 2: Yes.

12 MR. BROWN: -- extend, you know, to
13 use the existing tariffs to address the, you
14 know, to close the loopholes on the existing
15 tariffs.

16 WITNESS 2: Yes, yes.

17 MR. BROWN: Okay. Well then, let's
18 move on to -- oh, before I do that, what is --
19 do you know who at AK Steel or excuse me -- who
20 Witness 5 and Witness 4 are speaking to at the
21 Department of Commerce?

22 WITNESS 2: I do not.

1 MR. BROWN: Okay. Have they ever
2 said, you know, we're talking to, you know --

3 WITNESS 2: At Commerce?

4 MR. BROWN: -- these are -- these are
5 our main points of contact at Commerce?

6 WITNESS 2: No.

7 MR. BROWN: No? Okay. So, to the
8 extent that on Friday, April 24th, you guys
9 learned the Department of Commerce has
10 effectively kind of shot down the strategy
11 that's being pursued by the Kelly office and
12 other offices in AK Steel, what's AK Steel and
13 Cleveland-Cliff's reaction to that?

14 WITNESS 2: I really only dealt with
15 Witness 5 and -- and I think usually with --
16 well, like every Government Affairs person, she
17 is like -- and she just was starting to report
18 to a brand new, you know, she had someone new
19 she's, you know, reporting to that she doesn't
20 have experience with and, you know, she's a
21 former Hill staffer. So, it's the okay, so if
22 this -- what's our next strategy? Like, if they

1 -- if Commerce won't do this, you know, what's
2 the next tool in the toolbox basically to put it

3 --

4 MR. BROWN: Yeah.

5 WITNESS 2: -- that we can pursue to -
6 - because they believe there's been -- and based
7 on the data somewhere that I've seen is that
8 they are the last maker of electrical steel for,
9 you know, for national security reasons, you
10 know, that's -- we probably want to keep the
11 last maker of electrical steel. But also that
12 there's imports that are coming in illegally
13 from Mexico and Canada, how they're, you know,
14 cutting and slicing these big steel parts that
15 basically -- basically, they're doing an end-run
16 -- an in-runaround our existing, you know,
17 policies on the books. So, how do we get at,
18 you know, in my mind as a Hill staffer, how do
19 we get at insuring that we -- we stop that if
20 it's -- if it's illegal or what kind of laws can
21 we, you know, or pursue, or what's on the books
22 we can pursue that's -- that the Commerce can

1 pursue to make sure that that's not happening.
2 I mean, that's kind of -- so, okay. So,
3 Commerce doesn't issue a 232. What else can we,
4 you know, but in my mind -- and that's kind of
5 the way, you know, she's -- she has two little
6 kids at home. She is working from home, there's
7 a pandemic, you know. So, it was more like,
8 okay, you know. If I recall correctly, it was
9 like what do we do? What's -- what can we do
10 next, so.

11 MR. BROWN: Okay. Saul, can you pull
12 up Document 4 for me? And so, I'll just give
13 you a head's up. Document 4 is going to be a
14 Tuesday, April 28th E-mail string about setting
15 up a conference call between yourself, Witness
16 4, and Witness 5. And again, I appreciate that
17 it's been a year. I want to see if you recall -
18 -

19 WITNESS 2: Okay, yeah.

20 MR. BROWN: -- what was discussed on
21 that date. So, let me zoom out a little bit
22 here.

1 WITNESS 2: Okay.

2 MR. BROWN: And you can see here at
3 the bottom.

4 WITNESS 2: Okay, there's that call.

5 MR. BROWN: Witness 5 says, "Hey, sent
6 you a text but E-mailing too. Can you -- can
7 you do an update call with me and Witness 4?"
8 This is April 28th at 2:17 p.m. You say, "I'm
9 on the call with Mike and Troy Balderson. I can
10 do the call at 2:45."

11 WITNESS 2: Right.

12 MR. BROWN: Then, she sends, you know,
13 a dial-in for 2:45 and then the first E-mail in
14 the string is you forwarding that dial-in to
15 both Matt and Witness 1.

16 WITNESS 2: Yeah.

17 MR. BROWN: So, my first question is,
18 what's the conversation that you have with
19 Witness 4 and Witness 5? And this is April
20 28th.

21 WITNESS 2: Right.

22 MR. BROWN: Tuesday.

1 WITNESS 2: To be honest, I do not
2 have a recollection of what we talked about
3 other than I know that I remember Matt -- Mike
4 asking -- because I think there was a general
5 frustration that -- I'll be honest -- that
6 Secretary of Commerce was a little old for that
7 -- for that job and really difficult to try and
8 get any sort of responses or get him on the
9 phone, and I think, you know, the strategy is
10 like well, maybe if we have Kevin McCarthy call,
11 I do recall that of that day, like Mike saying
12 hey, we really -- can you help us here? And it
13 was -- Troy Balderson was on the call with my --
14 I did -- that was -- I know that piece of the
15 day. I don't know exactly what got said on this
16 one to be honest.

17 MR. BROWN: Okay. And so, let's back
18 up to that call.

19 WITNESS 2: Right.

20 MR. BROWN: On that call, that's Mike
21 and Troy Balderson --

22 WITNESS 2: Talking to --

1 MR. BROWN: -- pushing -- pushing
2 Kevin McCarthy --

3 WITNESS 2: Right.

4 MR. BROWN: -- to try and, you know,
5 address these issues on behalf of AK Steel and
6 Cleveland-Cliffs.

7 WITNESS 2: Hey, they're not listening
8 to us. Maybe if we get a call from Kevin
9 McCarthy, that may be --

10 MR. BROWN: Yeah.

11 WITNESS 2: -- you know, Secretary --

12 MR. BROWN: So, this is --

13 WITNESS 2: Yeah. Maybe the Secretary
14 will stop napping all day and like maybe get
15 back to the Hill.

16 MR. BROWN: Okay.

17 WITNESS 2: I mean, a lot of -- a lot
18 of frustration with dealing with Commerce and
19 just trying to like who -- and who's at
20 Commerce? Like, nobody knows -- versus like
21 USTR and also the head of -- the ambassador of
22 USTR was a former Senate staffer, like, much

1 more responsive and again, I never spent a lot
2 of time dealing with Commerce. So, but and I've
3 had friends that went over to work at Commerce
4 and were out sooner rather than later. So, I
5 feel like there's a lot of dysfunction at
6 Commerce and trying to --

7 MR. BROWN: So, in the call -- in the
8 call with Kevin McCarthy --

9 WITNESS 2: Yeah.

10 MR. BROWN: -- that is, you know, you
11 guys saying this is important to us, this is
12 important to our constituent, you know.

13 WITNESS 2: Right. Can we --

14 MR. BROWN: Both the constituents and
15 the business, we need to try and adjust this.
16 Can you kind of work with the administration?

17 WITNESS 2: Can you see if anyone's
18 awake at Commerce is kind of the gist of that
19 and --

20 MR. BROWN: Well, let me then -- let
21 me read to you another call summary from
22 Cleveland-Cliffs. So, this is a call summary of
the

1 conversation that it sounds like you had with
2 Witness 4 and Witness 5, and this is Tuesday,
3 April 28th, at it looks like 2:45 p.m. Phone
4 call between Witness 4, Witness 5, and Witness
5 2. "Witness 5 and Witness 4 provided
6 notification of the Department of Commerce's
7 intent to initiate Section 232 investigation
8 covering transformer lamination and cores."
9 Does that jog your memory at all?

10 WITNESS 2: Um-hum.

11 MR. BROWN: Okay.

12 WITNESS 2: The intent, right.

13 MR. BROWN: Yeah.

14 WITNESS 2: Yeah.

15 MR. BROWN: So, what -- what is that?
16 What do you recall about this call having
17 occurred?

18 WITNESS 2: Just that. Like the -- I
19 mean, the intent.

20 MR. BROWN: So that can -- that --
21 that seems to be an accurate -- an accurate
22 assessment of what you recall.

1 WITNESS 2: Yeah, intent -- this is
2 with regard to Canada, right? Not Canada,
3 Mexico.

4 MR. BROWN: This is -- let me read it
5 to you again.

6 WITNESS 2: Yeah, please do.

7 MR. BROWN: Witness 5 and Witness 4
8 provided notification of the Department of
9 Commerce's intent --

10 WITNESS 2: Oh, right, right.

11 MR. BROWN: -- to initiate a Section
12 232 --

13 WITNESS 2: 32 --

14 MR. BROWN: -- investigation --

15 WITNESS 2: Right, yes.

16 MR. BROWN: -- covering transformation
17 laminations and cores.

18 WITNESS 2: Yes.

19 MR. BROWN: so, it sounds to me like
20 on this call, the prior strategy of getting the
21 existing 232 tariffs, you know, that cover
22 electrical steel didn't work, so --

1 WITNESS 2: So, it was --

2 MR. BROWN: -- the new strategy
3 shifted to getting an effort for 232
4 investigation initiated into electrical steel
5 and on this call from Witness 5 and Witness 4,
6 you're being advised that the Department of
7 Commerce has told AK Steel that they are going
8 to --

9 WITNESS 2: Which would initiate --
10 which, quite frankly, I'll be honest, I have
11 not, I mean, it's kind of -- like I said, it's
12 relatively -- so, we're going to, you know,
13 investigate. Like, whether or not they -- just
14 because somebody investigates it, like initiates
15 another investigation, whether that produces
16 anything. So, I mean, I think they took it as
17 like an exciting, you know, a good development.
18 But, you know --

19 MR. BROWN: You -- you were -- you
20 were starting to say they took it as an exciting
21 or good development.

22 WITNESS 2: Or a good thing. You're

1 going to initiate a 232. Because here, you
2 know, they've been going -- saying that --

3 MR. BROWN: Who -- who is they? AK
4 Steel?

5 WITNESS 2: AK Steel, yeah. AK Steel,
6 like, there's dumping from, you know, of, you
7 know, ghost-type products coming to the United
8 States and the issue has been with -- with any
9 company is that demonstrating this, in fact, is
10 actually happening. I mean, from lampposts to -
11 - we get a lot of, you know, companies that come
12 in and there's like this illegal dumping is
13 occurring, whether it's from Canada or Mexico.
14 Mexico is a little easier to get things --
15 products in just because of the state of their
16 government. But that doesn't necessarily mean
17 that it's going to lead to anything. Do you
18 know what I mean? Like this is --

19 MR. BROWN: So, this is -- this is a
20 good thing in a sense --

21 WITNESS 2: I consider it's a good
22 thing. I, I mean, at least they're going to

1 investigate, which -- which, it's unclear --

2 MR. BROWN: And I guess --

3 WITNESS 2: -- what Commerce, you know
4 -- you know, it's unclear if Commerce -- well,
5 you could -- you could send a lot of letters to
6 Commerce. There's not really ever a response
7 like hey, this is what our companies are saying,
8 you know, could you -- your job is to help with
9 the enforcement and, you know, I -- I -- yeah.

10 MR. BROWN: Okay.

11 WITNESS 2: So, I took it that they're
12 actually going to maybe investigate what our
13 company is saying.

14 MR. BROWN: So, this is a good -- this
15 is a good thing for the company and for the
16 Congressman in the sense that, you know, this is
17 what -- this is what we've been driving at to
18 get --

19 WITNESS 2: Right. We've been -- this
20 is what our company, I mean, in some sense,
21 you're kind of the mediator, like, this is what
22 this this company is saying in our district,

1 this is what they're alleging. You, you know,
2 you government entity, you are the one, I mean,
3 your staff --

4 MR. BROWN: You're advocating -- your
5 advocating for a constituent company.

6 WITNESS 2: Could you -- yeah, could
7 you do a little digging that's in your purview,
8 Department of Commerce, which I'm not sure, and
9 -- so, it looked -- from my perspective, it
10 looked like they were going to do some due
11 diligence on what the company is alleging.

12 MR. BROWN: It looks to me like you
13 have Matt and Witness a dialing into that
14 conference line. Do you know, are they on that
15 call with Witness 5 and Witness 4?

16 WITNESS 2: I don't -- usually they --
17 they should be -- they should be on that call.

18 MR. BROWN: Okay. But even if they're
19 not on the call with Witness 5 or Witness 4, I
20 take it that this is an important enough issue
21 that they're getting advised of this either, you
22 know, by you or by Witness 5 and Witness 4, you

1 know, it looks like around 3:00 on Tuesday,
2 April 28th.

3 WITNESS 2: Yeah. They were probably
4 on the call, but, you know.

5 MR. BROWN: Yeah, okay.

6 WITNESS 2: My guess is that they were
7 on the call.

8 MR. BROWN: Okay. Can you pull up --
9 Saul, can you please pull up Document 5?

10 And, Witness 2, just so you're aware,
11 this is going to be a -- a version of the same
12 documents.

13 WITNESS 2: Okay.

14 MR. BROWN: A different version of the
15 same E-mail string and I -- I really have kind
16 of one main question for you.

17 WITNESS 2: Sure.

18 MR. BROWN: All right. So, if you
19 look at this -- I'll zoom out a little bit --
20 this is a different version of this document
21 that we got. But you can see it's the same
22 thing.

1 WITNESS 2: Right.

2 MR. BROWN: It's from Witness 5 saying
3 I sent you a text, and you say, I'm on the Mike
4 McCarthy/Balderson call.

5 WITNESS 2: Right.

6 MR. BROWN: Then, there's this, okay,
7 we'll do it at 2:45.

8 WITNESS 2: Right.

9 MR. BROWN: And then, there's an E-
10 mail atop that says from Mike Kelly.

11 WITNESS 2: I was going to say, does
12 he have an E-mail address?

13 MR. BROWN: That's my question.

14 WITNESS 2: Well, Jeff, now you know
15 more than I do about my own boss, because I
16 don't -- I've never seen him E-mail since I've
17 worked for him.

18 MR. BROWN: Well, that's -- that is my
19 question to you. Do you think this is Mike
20 Kelly, or is it -- is it possible that somebody
21 has an E-mail --

22 WITNESS 2: Yeah.

1 MR. BROWN: -- you know, that says Mike
2 Kelly, but it's actually a staffer?

3 WITNESS 2: I don't know if that's
4 like our campaign. I don't -- like, he doesn't
5 have an E-mail address to my knowledge. I mean,
6 Matt would be the person that would know that or
7 the scheduler -- not the scheduler like in DC,
8 but maybe someone up in the District office
9 might have. But again, I've never seen him use
10 -- he's -- if anything, he texts.

11 MR. BROWN: Yeah.

12 WITNESS 2: Like, boat wrecks, I just
13 text him. I mean, he's a 70 --

14 MR. BROWN: Yeah.

15 WITNESS 2: My previous boss E-mailed,
16 which I'm kind of glad Mike doesn't have an E-
17 mail address because it makes my life a little
18 easier.

19 MR. BROWN: Well then, let me -- let
20 me ask you this. We can't say for any certainty
21 whether or not this is Mike Kelly who is calling
22 into that call. But do you -- do you remember

1 the Congressman being on that phone call?

2 WITNESS 2: I don't and my -- it had
3 to have come from the District is all I can
4 think of because I've never gotten an E-mail
5 from Mike Kelly.

6 MR. BROWN: Okay. Well, let me ask
7 you this. So, it -- it appears to be around 2 -
8 - if we go back to Document 4 here --

9 WITNESS 2: Yeah.

10 MR. BROWN: It's about 2:52 p.m. that
11 -- it looks like you, Matt, and Witness 1 are
12 all alerted to the fact that Cleveland-Cliffs
13 has been told or AK Steel has been told by the
14 Department of Commerce that the Department of
15 Commerce is going to initiate a Section 232
16 review.

17 WITNESS 2: Right.

18 MR. BROWN: I gather from our
19 conversations and also from the documents that
20 I've seen that even if the Congressman wasn't on
21 that E-mail, that this information would have
22 been conveyed to him because this was important

1 to him and it was important to --

2 WITNESS 2: Yes.

3 MR. BROWN: Okay. So, it's --

4 WITNESS 2: He probably -- he doesn't
5 do a lot. It's just staff calls. He doesn't
6 generally get on the call.

7 MR. BROWN: Do you --

8 WITNESS 2: Because he doesn't really
9 like --

10 MR. BROWN: Do you know if you would
11 have updated him on this or would --

12 WITNESS 2: No, it would have been
13 Matt.

14 MR. BROWN: Okay.

15 WITNESS 2: It looked like at that
16 point, he might have -- I'll have to look at the
17 Congressional schedule -- but back -- my guess
18 is he was up in the District at that point. I
19 mean, he only comes down when there's votes,
20 like most members, and then goes -- and then he
21 would have been -- he would have been in the
22 Butler office. Again, I don't think I've --

1 I've never gotten an E-mail from him.

2 MR. BROWN: Okay.

3 WITNESS 2: So, to be honest, I don't
4 even think he has an E-mail address. So, that
5 might have come from -- I don't know if it's the
6 scheduler up in the District or --

7 MR. BROWN: The main -- the main thing
8 I wanted to -- to get your opinion on is even if
9 that's not him on the conference call --

10 WITNESS 2: Right, right, right.

11 MR. BROWN: -- given the nature of
12 this issue, it's safe to assume that Matt would
13 have updated him on this development.

14 WITNESS 2: Yes, yes.

15 MR. BROWN: Okay. Saul, can you
16 please pull up Document 6 for us? All right.
17 Document 6 here, Witness 2, as you'll see, is a

18 --

19 WITNESS 2: Right.

20 MR. BROWN: -- E-mail from you to
21 Witness 4, Witness 5, Matt Stroia, and Witness 1

22 --

1 WITNESS 2: Um-hum.
2 MR. BROWN: -- and you say -- and this
3 is April 28th at 4:05 p.m.
4 WITNESS 2: Right.
5 MR. BROWN: You say, "Assuming
6 everything stays on track with Ross's offer to
7 help AK Steel, please let Witness 1 know if you
8 need a quote from Mike."
9 WITNESS 2: Right.
10 MR. BROWN: When you say Ross's offer
11 to help with AK Steel, what are you referring
12 to?
13 WITNESS 2: I don't -- whatever he can
14 do to help AK Steel. I don't care --
15 potentially 232, whatever is in their little
16 bailiwick to help AK Steel is what I referred
17 to, so.
18 MR. BROWN: So, when I read these
19 documents in the context of the documents I've
20 seen, it sounds like, you know, an hour or two
21 earlier in the day, you're told that Department
22 of Commerce plans to initiate this Section 232 -

1 - that you were announced the Section 232
2 review. So, when I read Ross's offer to help
3 with AK Steel, I read that as saying the
4 decision by the Department of Commerce to --

5 WITNESS 2: To do something.

6 MR. BROWN: And to initiate the
7 Section 232 review. Is that -- is that a fair
8 reading of that?

9 WITNESS 2: Yeah or anything that the
10 Commerce hopefully can do something. I mean,
11 based on all the evidence that's out there, if
12 anything, I think everybody, or at least, was
13 like what -- well, what does -- if Commerce
14 can't help them based on everything -- the
15 information we've been getting with the dumping
16 and if not 232, what is in their, you know,
17 their -- their little -- their little trade or,
18 you know, toolbox? What is it that they can
19 help with or investigate or, I mean.

20 MR. BROWN: Yeah, yeah.

21 WITNESS 2: That's -- I think that's
22 the -- I don't think I personally am like 232 or

1 something else. It's just AK Steel is alleging
2 there's dumping and -- and that they're not, you
3 know, what is it that you can do to either
4 investigate or -- or --

5 MR. BROWN: Yeah.

6 WITNESS 2: I mean, because you're
7 kind of relying as a staffer, like relying on
8 what the company is saying and what you're
9 getting from Commerce. The problem is we're not
10 -- like Commerce is persona non grata half the
11 time and there's not really any -- nobody knows
12 -- I don't know how many times I've heard well,
13 who's -- who's at Commerce and who's left at
14 Commerce? Like, there's nobody that you feel
15 like -- I've been on Hill twenty years. I know
16 when I -- I know like half the people at
17 Treasury used to work on the Hill that's in, you
18 know, there is like nobody -- we're just trying
19 to find like what is it that they --

20 MR. BROWN: It sounds to me --

21 WITNESS 2: You have my boss -- go
22 ahead.

1 MR. BROWN: -- like the Department of
2 Commerce -- and I think you said this before --
3 is directly communicating with AK Steel. So,
4 you're learning much of what's going on through
5 AK Steel.

6 WITNESS 2: Yeah. I mean, I feel like
7 -- well, part of it is you have a CEO, which I -
8 - a very active CEO that doesn't have a problem
9 calling, I mean, doesn't have a problem calling
10 the Secretary --

11 MR. BROWN: Right.

12 WITNESS 2: -- and -- or calling like
13 -- he's a very active -- so, we're kind of, like
14 I -- I think the frustration is we're just
15 trying to piece together like what Commerce is
16 saying to AK Steel and what AK Steel is -- I
17 mean, half of the time, I was learning what
18 Commerce was doing or if they were going to do
19 or whatever discussions from AK Steel, so.

20 MR. BROWN: Yeah, and to that point,
21 let's go to Document 7. Saul, if you can pull
22 that up.

1 WITNESS 2: Sure.

2 MR. BROWN: This is a text string,
3 which I think makes things a little clearer, at
4 least on my end. So, I'd like to get -- get
5 your help walking through this.

6 WITNESS 2: Sure.

7 MR. BROWN: And just as a reminder, it
8 looks like it's about 2:45 on April 28th that
9 you get an update from Cleveland-Cliffs or AK
10 Steel -- Witness 5 and Witness 4. It says,
11 "Department of Commerce intends to initiate the
12 Section 232 review." And that's at about 2:45.

13 WITNESS 2: Okay.

14 MR. BROWN: And so, I've got a text
15 string here now that starts at April 28, 2020,
16 3:41 p.m., and actually, let me start here -- 8
17 -- 8:05 p.m.

18 WITNESS 2: Okay.

19 MR. BROWN: This is Witness 1 saying,
20 "Never heard from Witness 5 about whether they
21 want a quote from us or not."

22 WITNESS 2: Right.

1 MR. BROWN: Do you -- when he says
2 whether they want a quote from us or not, who's
3 -- who's Witness 1 referring to?

4 WITNESS 2: Never heard from Witness 5
5 about whether -- what do you mean who are they
6 referring to?

7 MR. BROWN: So, when Witness 1 says
8 they -- whether they want a quote, I'm wondering
9 who he's referring to -- and let me --

10 WITNESS 2: They're just Cleveland-
11 Cliffs and AK --

12 MR. BROWN: Yeah, okay. Because I
13 look at this -- this other document here, and
14 you say, you know, let Witness 1 know if you
15 need a quote and this it to Witness 4 and
16 Witness 5.

17 WITNESS 2: Right.

18 MR. BROWN: That's at 4:00, and then I
19 look at this text message, and he says, "Never
20 heard from Witness 5 about whether they want a
21 quote."

22 WITNESS 2: They.

1 MR. BROWN: I'm assuming they means
2 Cleveland-Cliffs, AK Steel.

3 WITNESS 2: That's the thing is, like,
4 you know, we're now dealing with this other
5 company that -- or, you know -- that just
6 acquired AK Steel, so.

7 MR. BROWN: Right.

8 WITNESS 2: They are they now, not
9 just AK, because it's a subsidiary of -- so, now
10 we're dealing with a they.

11 MR. BROWN: Uh-huh.

12 WITNESS 2: And, quite frankly,
13 Witness 5, you know, she's -- it's a relatively
14 new --

15 MR. BROWN: Merger. It happened in
16 March.

17 WITNESS 2: Merger and so, you know,
18 she's dealing with new, you know, she felt -- I
19 know, you know, just because I've dealt with her
20 over the years -- she didn't know if she was
21 going to have a job. So, it was the, you know,
22 and she's reporting to new. So, that's the

1 they.

2 MR. BROWN: The they, okay. And then,
3 Witness 1 says -- and again, this is at 8:05
4 p.m., so sort of the end of the day of the 28th,
5 he says, "Is everything confirmed?" When I read
6 is everything confirmed, he seems to be, you
7 know, asking you is everything confirmed --

8 WITNESS 2: Right.

9 MR. BROWN: -- that we're going -- go
10 ahead.

11 WITNESS 2: Yeah, like hello, can we
12 get, I mean, Witness 1 and I are the ones like,
13 okay, do we know what Commerce is actually going
14 to do, and if so, what kind of, you know,
15 because at the -- because --

16 MR. BROWN: Well, let me -- let me
17 walk through this text.

18 WITNESS 2: Yeah.

19 MR. BROWN: This is Matt responding to
20 Witness 1. It looks like --

21 WITNESS 2: Yeah.

22 MR. BROWN: -- sometimes after, you

1 know, his 8 p.m. text.

2 WITNESS 2: Right.

3 MR. BROWN: So, yeah. Matt says,
4 "Commerce has not yet sent their press release
5 out. Cleveland-Cliffs is waiting for Commerce
6 to put their press release out before they put
7 one out." When I read that, I see put their
8 press release out. My understanding of that is
9 the press release stating that they are
10 initiating a Section 232 review.

11 WITNESS 2: Right. That's how --
12 yeah, that's how I read it.

13 MR. BROWN: Okay. And then, he says -
14 - Matt says, "I spoke to Commerce and the White
15 House after our call. They are hoping to have
16 the release out tonight but don't think it's
17 going to happen." Again, their release would be
18 a press release noting that they're opening a
19 Section 232 review.

20 WITNESS 2: Yeah.

21 MR. BROWN: Okay.

22 WITNESS 2: That's how I read that.

1 MR. BROWN: When he says I spoke to
2 Commerce and the White House after the call, do
3 you know who he's referring to?

4 WITNESS 2: No. Like, that's all, you
5 know, the difference between the political and
6 the policy, I quite frankly don't --

7 MR. BROWN: You're the policy.

8 WITNESS 2: I don't even know who's at
9 the White house. That the thing is like, you
10 know --

11 MR. BROWN: Okay.

12 WITNESS 2: -- and they didn't keep
13 anyone I did know who had been in, you know,
14 worked in the Senate or the House. So, they
15 didn't last long.

16 MR. BROWN: Okay. Let me scroll down
17 a little bit further. If you see here, we're at
18 April 29th at 9:04 a.m.

19 WITNESS 2: Um-hum.

20 MR. BROWN: Witness 1 testifies,
21 "Still don't see it." Again, the it, to me, is
22 referring to the Commerce press release on the

1 232 investigation.

2 WITNESS 2: Right.

3 MR. BROWN: And then you respond and
4 you say, "Just talked to Witness 5," and I
5 assume that's Witness 5 --

6 WITNESS 2: Yes.

7 MR. BROWN: -- at AK Steel, okay.
8 "The announcement is likely to come later in the
9 week." Again, to me, the announcement is a
10 press release from Commerce that says, you know,
11 we're initiating Section 232 review.

12 WITNESS 2: Right.

13 MR. BROWN: Okay. "Hopefully by
14 Friday based upon a late night conversation
15 Witness 4 had Ross's Chief of Staff." I
16 understand Witness 4 to be Witness 4 --

17 WITNESS 2: Yes.

18 MR. BROWN: -- Cleveland-Cliffs and
19 Ross's Chief of Staff is --

20 WITNESS 2: Whoever that is.

21 MR. BROWN: Secretary Ross.

22 WITNESS 2: Okay, yeah.

1 MR. BROWN: Secretary Ross, yeah.
2 "They need to get their legal ducks in a row."
3 What did you mean when you said they need to get
4 their legal ducks in a row?

5 WITNESS 2: That, I mean, that's kind
6 of what my understanding is. They need to --
7 legal ducks. In other words, how they -- by
8 legal ducks in a row, I'm guessing, that they
9 have to --

10 MR. BROWN: The clearance process?

11 WITNESS 2: Clearance process or I'm
12 trying to go back twenty years to law school --
13 the Administrative Procedures Act, whatever they
14 need to do that's administratively that I'm glad
15 I don't do for a living. Whatever they need to
16 do to, you know.

17 MR. BROWN: Okay. Because when I read
18 -- when I read these texts and the documents
19 we've walked through --

20 WITNESS 2: Yeah.

21 MR. BROWN: -- and the call summaries,
22 what I see or what I understand here is that

1 Secretary Ross communicated to AK Steel that
2 we're -- we're opening a Section 232 --

3 WITNESS 2: Right.

4 MR. BROWN: -- investigation. And
5 that's everybody's understanding of what's
6 happening.

7 WITNESS 2: Yeah, yeah.

8 MR. BROWN: It's just a question of
9 when exactly are they issuing this press
10 release.

11 WITNESS 2: Right.

12 MR. BROWN: Okay.

13 WITNESS 2: Or if they're going to
14 issue a press release. I think the thing is
15 that -- that you kind of, I mean, it's kind of
16 this black box at Commerce and are they going to
17 do something, are they not going to do
18 something, and, you know, to our knowledge, you
19 know, based on our knowledge, Commerce is the --
20 has the jurisdiction of, you know, determining,
21 you know, import, you know, if there's dumping,
22 like Ambassador [indiscernible], that's not

1 something they're, I mean, they're the
2 department that's supposed to be handling this.
3 How they issue, you know, and I, quite frankly
4 don't really -- I kind of watch, you know, like
5 press releases coming out when they are
6 announcing over, you know, many years, if
7 they're going to initiate something. I'm
8 assuming they'd have to vet this before they,
9 you know, that's the legal ducks in a row.
10 That's my sense.

11 MR. BROWN: I guess what I'm trying
12 to get at here is, you know, it seems to me like
13 there's been communication at AK Steel and
14 Cleveland-Cliffs, like this is what we're
15 doing. We're initiating this Section 232 review.

16 WITNESS 2: Yeah.

17 MR. BROWN: You guys at the end of
18 this text, you say, "It ain't over until
19 Commerce makes the announcement and --"

20 WITNESS 2: Yeah.

21 MR. BROWN: " and to put on the gas
22 until the finish line." I get what you're

1 saying when you -- you're saying for the
2 Commerce's black box, we never know exactly what
3 they're going to do.

4 WITNESS 2: Yeah, I don't trust -- I
5 don't trust them.

6 MR. BROWN: Is there any -- is there
7 anything -- when you say you don't trust them,
8 is there anything that you've heard specifically
9 to suggest that they've altered course here, or
10 is it --

11 WITNESS 2: No, they're opaque. Like
12 there is no head's -- I mean, I heard what
13 Commerce is doing from AK Steel. Like nobody at
14 Commerce picked up the phone and said hey, no,
15 and like there was no --

16 MR. BROWN: So, neither you nor Matt
17 or anybody has been told like actually Secretary
18 Ross is waffling or the Department of Commerce
19 people are waffling. This is you guys saying
20 like we've got to keep -- out of an abundance of
21 caution, we need to keep --

22 WITNESS 2: Yeah, like can -- are

1 there -- is there somebody still awake at
2 Commerce? I mean, and I -- like I said, I never
3 really had a discussion with anybody at
4 Commerce. I still don't know who is at Commerce
5 and I certainly didn't -- didn't know under, you
6 know, the Ross -- the Ross regimen who, you
7 know.

8 MR. BROWN: Okay.

9 WITNESS 2: Yeah, who -- who -- who
10 was there to call, I guess --

11 MR. BROWN: Okay.

12 WITNESS 2: -- to find out what --
13 what's going on.

14 MR. BROWN: It sounds like that was
15 more Matt. He had a connection --

16 WITNESS 2: Matt was the one that had
17 connections. He dealt with Commerce.

18 MR. BROWN: And let me just ask you
19 one more question about this text string. This
20 occurs, again, April 28th in the evening and
21 then 9:04 the texts start again on April 29.

22 WITNESS 2: Yeah.

1 MR. BROWN: It seems like, again,
2 fairly substantial updates about, you know,
3 what's going on, who has talked to who. This is
4 important to the Congressman. I assume Matt's
5 the person who would be updating him?

6 WITNESS 2: He is the point person for
7 dealing with the administration.

8 MR. BROWN: Okay.

9 WITNESS 2: He's also the one that's
10 always with -- with my boss. You know, he lives
11 in the district, he's with them the vast
12 majority of time. He really is the person that
13 would be around for all these conversations. I
14 would say that I dealt more with Witness 5 and
15 what Witness 5 knew, what, where, and you know,
16 when, and less -- less Matt and Mike, so.

17 MR. BROWN: Okay. Can you -- Saul,
18 can you pull up Document 8 real fast? And
19 Witness 2, I can want to provide for you --
20 you're not on this E-mail string, but in the
21 text that we just looked at here, Matt says, you
22 know, "I just talked to somebody from the White

1 House at Commerce."

2 WITNESS 2: Um-hum.

3 MR. BROWN: And that -- he says that -
4 - it looks like I lost control of the document
5 here -- but he says that I think it's at like 8
6 at night -- okay, thank you.

7 WITNESS 2: Okay.

8 MR. BROWN: Let me just pull the --
9 this document back up first and go back up to
10 what Matt says. Matt says, "I spoke to Commerce
11 in the White House after our call."

12 WITNESS 2: Um-hum.

13 MR. BROWN: "They were hoping to have
14 the press release out." I think this is the
15 individual that Matt spoke with.

16 WITNESS 2: Yeah.

17 MR. BROWN: But let me give you a
18 second to read that and see if that's your
19 understanding of this document as well. So,
20 you see here, it starts with Witness 3,
21 Assistant Secretary for Legislative and
22 Intergovernmental Affairs --

1 WITNESS 2: Right.

2 MR. BROWN: -- Department of Commerce
3 says, "Hi, Matt. What's the best number to
4 reach you at?"

5 WITNESS 2: Okay.

6 MR. BROWN: This is at 2:51 p.m.

7 WITNESS 2: Right.

8 MR. BROWN: So, that's right around
9 the time you guys are having a conversation with
10 Cleveland-Cliffs and AK Steel --

11 WITNESS 2: Right.

12 MR. BROWN: -- about the intent to
13 initiate a Section 232 review.

14 WITNESS 2: Right.

15 MR. BROWN: Matt responds. It looks
16 like he gives his contact information and it's
17 redacted.

18 WITNESS 2: Right.

19 MR. BROWN: And then Witness 3 responds
20 at 3:14 p.m. and says, "Just tried your cell.
21 Give me a ring." And then again, that's 3:14,
22 April 28th.

1 WITNESS 2: Um-hum.

2 MR. BROWN: It seems to me that
3 Witness 3 is the individual Matt's
4 referring to when he says here.

5 WITNESS 2: Yeah. Now, it's jogging
6 my -- and he has delegative authorities but not
7 actual authorities -- yeah.

8 MR. BROWN: Okay. And then, if you
9 look up here at April 30th, Matt says, "Good
10 morning, Witness 3. Just checking in. Any
11 word from the Comm team on getting the release
12 out?" Again, to me that release means press
13 release on the 232.

14 WITNESS 2: And announcing it, yeah.

15 MR. BROWN: Yeah. And then Witness 3 says,
16 "Slipped a few days, but the decision has been
17 made. Just internal clearing process still
18 going on." That seems to be to me consistent
19 with your text message.

20 WITNESS 2: Yeah, yeah.

21 MR. BROWN: So, in other words, the
22 decision was made on April 28th.

1 WITNESS 2: Yeah. Now, get it --
2 yeah, now -- from a, like, give us some credit
3 that, like we would or me, I've been writing
4 letters for four years, like, okay, just pull
5 the trigger and I need to get this off my plate
6 so I can move on to my -- my day job, like --
7 like doing, you know, boat wrecks and things
8 like that. Yeah, so that looks very accurate.

9 MR. BROWN: Okay. So then, Monday,
10 May 4th, the Section 232 investigation
11 announcement finally released in the afternoon.
12 I think it's around 4 p.m.

13 WITNESS 2: Um-hum.

14 MR. BROWN: We've talked about this a
15 little bit, but the plan or the hope post-
16 announcement obviously is that the Department of
17 Commerce and the administration is going to do
18 something to assist --

19 WITNESS 2: Yeah.

20 MR. BROWN: -- AK Steel, Cleveland-
21 Cliffs. Do you know what the current status of
22 this is?

1 WITNESS 2: No.

2 MR. BROWN: Do you know -- everybody
3 is still employed at Butler Works; there's no
4 threatened layoffs right now?

5 WITNESS 2: I go to Western
6 Pennsylvania when I have to go. So, I -- I'm
7 assuming I would read in the, you know, the
8 Office clips that they -- everybody got, I
9 mean, you're kind of -- we're kind of -- yeah,
10 to my knowledge, they're still -- they're still
11 employed.

12 MR. BROWN: Okay.

13 WITNESS 2: I would read otherwise in
14 the daily clips like everyone else or --

15 MR. BROWN: All right. Well, listen,
16 Saul, can you pull down the documents? I'm
17 going to change gears a little bit here. And,
18 Witness 2, I just want to ask you, when -- when
19 did you first become aware that Victoria Kelly
20 had purchased stock in Cleveland-Cliffs?

21 WITNESS 2: I did not know -- I didn't
22 know that she purchased stock until the -- until

1 a reporter called Witness 1, if I recall
2 correctly, that the issue of potentially -- told
3 me it looked like it was going to become a
4 story. That's when I learned about it.

5 MR. BROWN: So, this is September --
6 sometime early September?

7 WITNESS 2: After -- yeah.

8 MR. BROWN: Okay.

9 WITNESS 2: And it was near -- I want
10 to say it was near the campaign, like November
11 or October maybe. Whatever it became -- it
12 became -- it was about to become a story and --

13 MR. BROWN: I think the story is
14 September 20th, I believe.

15 WITNESS 2: Yeah, something and (a)
16 didn't know any, you know, I never see, Vicky's
17 never in the office. We didn't talk, you know,
18 obviously we don't talk about it, like I don't
19 talk about it, you know, his stock purchases.
20 And so, it wasn't until it became a story that -
21 - I don't know if Witness 1 -- I think I was
22 getting -- I was at a doctor's appointment in

1 Northeast Portland or no in Northwest and I had
2 to pull over and -- and Witness 1 is like, well,
3 this is, you know, then that's when I learned
4 about it. I don't know the exact date. I could
5 probably figure it out.

6 MR. BROWN: What did -- what was that
7 conversation with Witness 1?

8 WITNESS 2: That this was going to be
9 a -- this is potentially going to be a story and
10 I can say it's what's -- he's like what the hell
11 was she thinking? I mean, it was like, what, I
12 mean -- but I -- I kind of heard, you know, in
13 her defenses, like she's from Butler, PA too,
14 and she's probably -- you know, she's in her
15 70s. She probably is not thinking, oh, insider
16 trading or I'm, you know, she's in a town where
17 everybody's talking about it, you know, and I'm
18 not -- and I, based on what I know of their
19 marriage, she probably did it on her own and
20 probably didn't even tell him about it and only
21 had the information, I mean, it's a small town.
22 People were probably talking about it, how, you

1 know, how she -- information got to her, I have
2 no idea. But I can certainly say, when you, you
3 know, when you have a major employer in a small
4 town and everybody is, you know, going to the
5 same coffee shops and, you know, but I learned
6 about it when there was a story, so.

7 MR. BROWN: Did -- so then, it's fair
8 to say that on April 29th is when she made this
9 stock purchase that her decision to buy the
10 stock wasn't conveyed to you?

11 WITNESS 2: No, had no idea.

12 MR. BROWN: Was it, you know, was
13 there a public announcement of any kind that
14 you're aware of?

15 WITNESS 2: No.

16 MR. BROWN: Okay. Because when I read
17 the -- the article -- the quote, that it sounds
18 like Witness 1 and the Congressman gave to
19 Pittsburgh Post Gazette and the Butler Eagle,
20 it's Representative Kelly's wife made a small
21 investment to show her support for the workers
22 and management of this 100-year-old bedrock of

1 their hometown.

2 WITNESS 2: Yep.

3 MR. BROWN: I'm -- I'm trying to
4 understand, how -- how is she showing her
5 support by purchasing stock in Cleveland-Cliffs?

6 WITNESS 2: I -- that, I don't know.
7 I don't -- I mean, obviously, that's -- that I
8 don't -- I can't -- I mean, that's wordsmithing
9 from the press. I -- I didn't -- I didn't
10 approve it or so, I mean.

11 MR. BROWN: Were you involved -- were
12 you involved in the --

13 WITNESS 2: No, I'm not, no.

14 MR. BROWN: -- drafting of the
15 response?

16 WITNESS 2: Nope.

17 MR. BROWN: Okay. Have you ever --

18 WITNESS 2: I am when it comes to -- I
19 am when it comes to nerdy little bills that
20 we're dropping that's in the weeds on tax and
21 trade that -- that Witness 1 doesn't want to
22 deal with. But when it comes to this, this was

1 a conversation between Mike and Matt and Witness
2 1.

3 MR. BROWN: Okay. So, you didn't --
4 did you talk to Mike -- Representative Kelly
5 about the response?

6 WITNESS 2: No, I did not, and he was
7 up in the District, as was Matt, because we were
8 out of session, if I recall correctly, so, or at
9 least, yeah.

10 MR. BROWN: Did you have a
11 conversation with Witness 1 about preparing a
12 response?

13 WITNESS 2: No. He just -- it was
14 more of the what -- because -- because then I
15 think I read it and I -- and it was more of the,
16 you know, we're both from the west coast. We
17 both were working for other members, and we're
18 like, what the hell was she thinking, you know.
19 And, you know, and as I told Witness 1, I was
20 like, she probably, you know, who knows what the
21 conversation is between a husband and a wife.
22 But, you know, I think -- and she's -- she's a

1 wealthy individual. She's -- let's just say she
2 brought more money to the marriage than he did,
3 so, you know, she has her own investments. She
4 has her own properties, and my, you know, my
5 understanding is she does her own thing. And
6 so, you know, that was my -- my general, you
7 know, from down here, thinking well, it was
8 probably happening up in Butler, PA. But -- but
9 again --

10 MR. BROWN: Well, let me ask you this
11 because you -- you are sort of in certainly a
12 better position than I am to understand the
13 degree to which --

14 WITNESS 2: Right.

15 MR. BROWN: -- the Congressman, you
16 know, yourself, the office, the Congressman --

17 WITNESS 2: Yes.

18 MR. BROWN: -- perhaps his wife had
19 access to information about the company --

20 WITNESS 2: Right.

21 MR. BROWN: -- and the Department of
22 Commerce that others may not have had.

1 WITNESS 2: Right.

2 MR. BROWN: So, you know, given your
3 knowledge of -- of those sort of issues, would
4 you have been comfortable purchasing stock on
5 April 29th in Cleveland-Cliffs? You know, and
6 if so, why, and if not, why? I'm trying to
7 understand, you know, factually, what would have
8 been important.

9 WITNESS 2: Why -- you know, no, I
10 would not have -- I would not have felt
11 comfortable in part because I'm married to
12 someone who is a chief tax counsel for twenty-
13 eight years in Senate Finance and -- and so, you
14 know, that's -- I put everything in -- in a
15 mutual fund so it doesn't -- so it doesn't look
16 like I'm, you know, I'm working on issues and
17 not that I am an expert on insider trading or
18 anything like that. But I've had enough -- I've
19 been around enough people who've gotten tripped
20 up on it. I generally don't get -- it's usually
21 the health care staffers on Senate Finance or
22 Ways and Means that have gotten tripped up over

1 the years and --

2 MR. BROWN: Yeah, and I don't -- and I
3 don't want to ask you a question where I'm
4 asking you to produce --

5 WITNESS 2: No, but I just -- I think
6 I just -- I err on the side of caution and I've
7 also -- I don't -- I don't know -- generally,
8 it's really, I think, committee staff that are
9 more privy to, you know, I'm in a personal
10 office. I like to be in a personal office. I -
11 - but, you know, I know in many cases, my
12 husband has, you know, is very -- let's just say
13 in my house, we have lots of conversations about
14 what you can say and what you can't say. I
15 mean, and especially in Tax and Trade, you
16 potentially can move markets, and so, you know,
17 and it's hard, like I am, you know, and part of
18 it is, you know, he worked for Senator Grassley,
19 who created some of the Stock Act Violation
20 stuff and so, you know, so, I'm a little more
21 probably well versed in those issues, and I've
22 seen what and the ramifications how people have

1 gotten tripped up over, you know, just talking.
2 So, I -- for instance, I don't talk to any
3 investor groups at all.

4 MR. BROWN: Yeah. And I guess what
5 I'm -- what I'm really driving at because,
6 you're right, it's not fair to ask you, you
7 know, you're not an expert on insider trading.
8 But what I -- what I am trying to get at is it
9 seems to me like there's a degree of
10 confidential and nonpublic information that's
11 being discussed between Commerce, AK Steel, and
12 your office, and, you know, what I'm really
13 trying to get at is the extent to which that's a
14 fair assessment of the conversations.

15 WITNESS 2: I mean, I have to say
16 that, you know, again, I've been on the Hill
17 twenty years, so, and I've worked for Democrats
18 and Republicans. And so, I -- I mean, some of
19 it's public, but I would say the information
20 beyond like oh, we might issue a 232, yeah,
21 that's certainly -- but this is not unlike any
22 other administration where you're trying to get

1 the administration or trying to find out,
2 really, if the administration was going to do
3 something. I felt like I was very much in the
4 dark about what Commerce was ever doing as a
5 staffer and -- but, you know, I kind of come
6 from more of a, you know, if I'm looking for
7 information or -- or, you know, I have a much
8 better relationship with the IRS or the Treasury
9 folks because I deal more from a trades
10 perspective. But, you know, it's -- if
11 anything, I felt like we were just trying -- I,
12 at least, me personally, was -- I was getting
13 more information from AK Steel about what
14 Commerce was doing than I was from Commerce
15 because I felt like I rarely -- I really --
16 rarely dealt with Commerce in the past, and this
17 administration was a little different like every
18 other administration -- than other
19 administrations and it was, if anything, I was
20 just -- we were just trying to get information
21 from Commerce. But it felt like it was more of
22 a black box and it's -- we, you know, that -- if

1 anything, I just felt like beating my head
2 whenever I had to deal with -- and I kind of
3 deferred to Matt on, you know, to even dealing
4 with Commerce --

5 MR. BROWN: Okay.

6 WITNESS 2: -- because, you know, he
7 wanted to be the lead, so.

8 MR. BROWN: Yeah.

9 WITNESS 2: If he asked, yeah. I
10 mean, that's my --

11 MR. BROWN: Well, let me just -- I'm -
12 - I'm trying -- I'm going to try and wrap things
13 up here, Witness 2, because I don't want to take
14 up too much of your time.

15 WITNESS 2: Okay.

16 MR. BROWN: But, Saul, if you could
17 put up Document 11 and Witness 2, I'll ask you
18 if you -- if you've ever seen this.

19 WITNESS 2: Okay.

20 MR. BROWN: It's -- it's a periodic
21 transaction report that the Congressman filed
22 with respect to that stock purchase.

1 WITNESS 2: Um-hum.

2 MR. BROWN: Here we go. And I really
3 just, you know, maybe you've seen these before;
4 maybe you haven't. Take your time and look at
5 it, but I really want to draw your attention
6 down here to --

7 WITNESS 2: Right.

8 MR. BROWN: -- you see where it says
9 SP -- I understand that means spouse --
10 Cleveland-Cliffs. You can see here it says
11 purchase, and then it says date of transaction
12 4/29/20, which is what we were just talking
13 about.

14 WITNESS 2: Um-hum.

15 MR. BROWN: And then it says date notified of
16 transaction 5/7/20. Do you know why it says
17 5/7/20 on there?

18 WITNESS 2: No. Well, first off,
19 I've never seen a document like this, so, and
20 Matt is the only -- Matt's the only one that
21 deals with this.

22 MR. BROWN: This would be Matt's

1 purview?

2 WITNESS 2: It would be Matt, yeah.

3 MR. BROWN: Okay.

4 WITNESS 2: So, I've never actually
5 even seen --

6 MR. BROWN: Did -- did --

7 WITNESS 2: I'm not what you'd call --
8 consider a political designee or whatever they
9 have.

10 MR. BROWN: Yeah. Did the Congressman
11 ever address the stock purchase with the staff
12 or you specifically?

13 WITNESS 2: No.

14 MR. BROWN: Okay. You were thinking
15 that was me, sorry.

16 WITNESS 2: No.

17 MR. BROWN: So, let me just real quick
18 and then I think I only have one or two more
19 questions. But back to the quotes that the
20 Congressman issued or Witness 1 provided to the
21 Pittsburgh Post Gazette. And Saul, you can take
22 the document down. The second part of the

1 response said, you know, "Whether a trade
2 investigation would be launched was uncertain
3 until Secretary of Commerce Ross confirmed the
4 plan in a private phone conversation with the
5 Congressman on May 1st. I understand you and
6 Witness 1 and Matt and the Congressman took a
7 phone call with Secretary Ross on the 1st.

8 WITNESS 2: Um-hum.

9 MR. BROWN: Do you remember that --
10 being on that call?

11 WITNESS 2: Yes.

12 MR. BROWN: Okay. When the response
13 says the, "The investigation was uncertain until
14 Wilber Ross confirmed the claim in the private
15 phone conversation," in my mind, it's -- it's
16 not -- it's not uncertain because you've been
17 informed sort of by various individuals along
18 the way at Commerce that they're intending to
19 issue a Section 232 review. It's only uncertain
20 in the sense that the press release hasn't been
21 issued yet, and I think that's sort of what we
22 talked about is Commerce is a bit of a black box

1 and, you know, until the press release hits the
2 internet, you guys are worried it's not coming
3 down the pike.

4 WITNESS 2: Yeah. I mean, yeah. I
5 mean, again, it's a -- it's a -- it's been -- I
6 mean, it's kind of a black box and it's not, you
7 know, it's like any administration. Until you --
8 -- until you actually, I see it on paper, I don't
9 -- I don't believe it's happening, you know.

10 MR. BROWN: Yeah.

11 WITNESS 2: It might -- we certainly
12 have made the request from a Congressional
13 Office whether or not -- and it's not just us,
14 it's Portman's office, it's Balderson's office.
15 We've been doing joint letters with any number
16 of, you know, Marcy Kaptor [phonetic], like, you
17 know.

18 MR. BROWN: Yeah. All right, Witness
19 2. I think I'm -- I'm pretty much done. I'm
20 going to ask you just a few quick questions to
21 end here. You guys don't do -- you don't work
22 through Teams or anything like that in your

1 office, do you?

2 WITNESS 2: The only thing I -- no,
3 not on Teams. I mean, Ways and Means when we do
4 like a hearing. That's the only real time I use
5 Teams.

6 MR. BROWN: Okay. And then, so, in
7 some of the documents that were produced to us
8 from others besides yourself, I got some text
9 messages that you were on. I know you said to
10 me you don't really do much work texting.

11 WITNESS 2: I don't.

12 MR. BROWN: But I was wondering, in
13 light of seeing any of those, do you think that
14 you have any text messages that weren't --

15 WITNESS 2: I went through. I used --
16 I have two phones -- one and two.

17 MR. BROWN: Okay.

18 WITNESS 2: I have a son. I do most
19 of mine on my personal. So, and then, you know,
20 I get it replaced when I broke it, like I just
21 did again. So, I really don't. I went through
22 everything.

1 MR. BROWN: Okay.

2 WITNESS 2: But --

3 MR. BROWN: I just wanted to verify.

4 I know it's been over a year.

5 WITNESS 2: Oh, yeah, yeah. No.

6 MR. BROWN: But I just wanted to know.

7 WITNESS 2: And just to clarify, other

8 people might use Teams in our office. I don't.

9 So, beyond Ways and Means, you know, hearings

10 and stuff like that, so I have enough gadgets as

11 it is, so.

12 MR. BROWN: Okay. And then, yeah, I

13 understand that.

14 WITNESS 2: Right.

15 MR. BROWN: So, you know, this -- I

16 think we contacted you a couple weeks ago. Have

17 you spoke to anybody else, you know, aside from

18 your husband? It sounds like maybe you and

19 Witness 1 had a conversation about --

20 WITNESS 2: Witness 1 and I have had a

21 conversation.

22 MR. BROWN: Okay. Anybody else in the

1 Congressional office -- have you spoken --

2 WITNESS 2: Matt.

3 MR. BROWN: Matt, okay. And what --
4 what did you guys chat about?

5 WITNESS 2: I just said, just so you
6 know, I've been contacted by the Ethics and --
7 and then he asked if was going to talk to you
8 and I said yes, so. I think Witness 1 --
9 Witness 1 is a stress case. So, I said, you
10 know, what, we have nothing to hide. We were
11 doing our jobs and we have no, you know, we're -
12 - we're the hired hands. I'm not from the
13 District, I'm not, you know, I, you know, I've
14 worked for other members. I worked for two
15 members from California, a Senator from Oregon,
16 and two from Pennsylvania. So, you know, I --
17 we -- you know, I -- if anything, you know, he's
18 a junior -- not a junior, he's younger than me -
19 - and I said we didn't do anything wrong. All
20 we were trying to do is comply with, you know,
21 we were trying to help a company like we do and
22 you're supposed to press release it if there's

1 actually any, you know movements and on our end
2 and, you know, everything else is above our pay
3 grade, so. So, I didn't --

4 MR. BROWN: I will -- I will just ask
5 if Omar has any additional questions for you,
6 but --

7 WITNESS 2: Sure.

8 MR. BROWN: -- if he doesn't, I think
9 we can probably wrap up and I will -- I'll thank
10 you for your time.

11 WITNESS 2: Thank you.

12 MR. BROWN: Omar, do you have anything
13 for Witness 2?

14 MR. ASHMAWY: Excuse me. No, thank
15 you very much, Witness 2. I really appreciate
16 your time also, and yeah, thank you for your
17 willingness to cooperate with our process.

18 WITNESS 2: Absolutely.

19 MR. BROWN: Yeah, and I'll just echo
20 what Omar just said and sort of what you said.
21 You know, this is our job.

22 WITNESS 2: I get it. No, trust me, I

1 get it.

2 [Simultaneous speaking]

3 WITNESS 2: It's just like my job is.

4 Well, you've learned about my job. I think I
5 would rather do my job than yours, but.

6 MR. BROWN: Well, I appreciate you
7 taking the time to --

8 WITNESS 2: Absolutely and --

9 MR. BROWN: -- review the documents,
10 walk us through the documents and --

11 WITNESS 2: And I appreciate you are
12 very well organized -- better than me, so.

13 MR. BROWN: We're working on it here -
14 - getting the hang of pandemic interviewing.

15 WITNESS 2: Someday, I don't know, I
16 walked in Longworth yesterday and nobody, it's
17 like the cops aren't wearing masks.

18 MR. BROWN: Yeah.

19 WITNESS 2: Knock on wood, we're
20 getting back to, you know, some new version of -
21 - of reality, so.

22 MR. BROWN: I -- I hope you're right

1 and I hope soon we'll be doing these interviews
2 in person again, as soon as I, you know learn
3 how to do them virtually. But, with that --

4 WITNESS 2: Sounds good.

5 MR. BROWN: -- we can go off the
6 record at this point.

7 [Whereupon the interview was completed.]

8 [Off the record at 11:03 a.m.]

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1 CERTIFICATE OF COURT REPORTER - NOTARY PUBLIC

2 I, Jesse Greer, the officer before whom the
3 foregoing deposition was taken, do hereby
4 certify that said proceedings were
5 electronically recorded by me; and that I am
6 neither counsel for, related to, nor employed by
7 any of the parties to this case and have no
8 interest, financial or otherwise, in its
9 outcome.

10 IN WITNESS WHEREOF, I have hereunto set my
11 hand and affixed my notarial seal this 21st day
12 of May, 2021.

13

14

15 
16 Jesse Greer, Notary Public for the State of
17 Maryland

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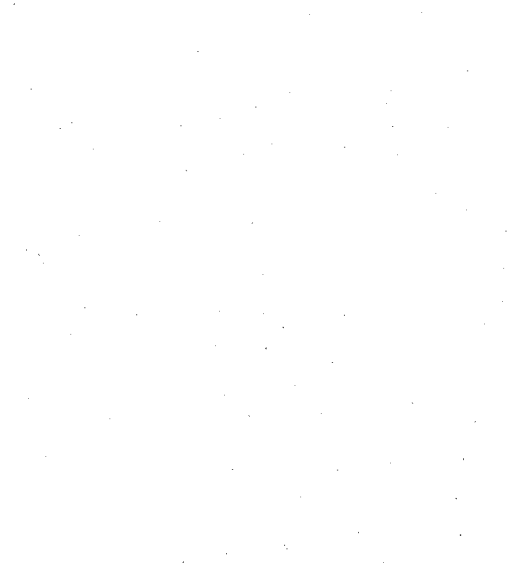
CERTIFICATE OF TRANSCRIBER

I, Pamela A. Flutie, do hereby certify that the foregoing transcript is a true and correct record of the recorded proceedings; that said proceedings were transcribed to the best of my ability from the audio recording and supporting information; and that I am neither counsel for, related to, nor employed by and of the parties to this case and have no interest, financial or otherwise, in its outcome.



Pamela A. Flutie

EXHIBIT 31



Tuesday, May 11, 2021 at 10:06:01 Eastern Daylight Time

Subject: Fwd: [EXT] Re: call
Date: Tuesday, April 28, 2020 at 2:52:38 PM Eastern Daylight Time
From: Prater, Lori
To: Stroia, Matthew, Eisenberger, Andrew

Call back in on this number.

Sent from my iPhone

Begin forwarded message:

From: <Beth.Ludwig@aksteel.com>
Date: April 28, 2020 at 2:29:28 PM EDT
To: "Prater, Lori"
Cc: "Bloom, Patrick M"
Subject: Re: [EXT] Re: call

OK, we can use the following time at 2:45 PM:

Organizer P in:

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45389
Beth.Ludwig@aksteel.com
Phone:
Cell:

From: "Prater, Lori"
To: "Beth.Ludwig@aksteel.com";
Cc: "Bloom, Patrick M";
Date: 04/28/2020 02:28 PM
Subject: [EXT] Re: call

I'm on the call with Mike/McCarthy/Balderson. I can do the call at 2:45.

Sent from my iPhone

On Apr 28, 2020, at 2:17 PM, "Beth.Ludwig@aksteel.com" <Beth.Ludwig@aksteel.com> wrote:

Hey there, sent you a text but emailing too. Can you do an update call with me and Patrick any time after 2:45 today. We are generally open, except from 4:30-5.
Thanks,

EXHIBIT 32



Eisenberger, Andrew

From: Daniel Moore <[REDACTED]>
Sent: Friday, September 4, 2020 5:23 PM
To: Eisenberger, Andrew
Subject: Re: Timeline

Received, thanks again. I'll let you know if anything else comes up early next week. Have a good weekend.

On Fri, Sep 4, 2020 at 4:45 PM Eisenberger, Andrew <[REDACTED]> wrote:
Daniel - these can be attributed to me.

For questions 1 and 2: "Whether the 232 investigation would be launched was uncertain until Secretary Ross confirmed the plan in a private phone conversation with the congressman on May 1."

For questions 3 and 4: "The filings regarding investment ownership are accurate."

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16

On Sep 3, 2020, at 11:17 AM, Daniel Moore <[REDACTED]> wrote:

Andrew, thanks for getting this statement to me. I will include it.

I'd like to ask some follow-up questions for the record and to check my understanding of the financial disclosure filing just posted online.

**Did the congressman know on or about April 28, per this account, that the Commerce Department had verbally confirmed a 232 investigation would be announced?

**Did his wife know about the verbal confirmation on April 28 when she decided to make the investment?

**Congressman Kelly's most recent financial disclosure filing from the House Clerk (the 2019 annual form, which I attached to this email) showed his wife owned about 126 financial investments — I counted 80 stocks, 28 bonds, 18 mutual funds. It appears the congressman owns no stock, bonds or mutual funds personally. Is that accurate? They're all in his wife's name?

**I totaled up about 183 transactions total in 2019. Does Victoria Kelly have a stock broker making some or all of the trades? Or does she make individual investment decisions herself?

**And is it accurate to say Congressman Kelly and his wife declined to be interviewed for this story?

I'm still not on an immediate deadline, but I'm hoping to have something by the end of the week. Happy to chat further.

Thanks,

On Wed, Sep 2, 2020 at 6:19 PM Eisenberger, Andrew <[REDACTED]> wrote:
Daniel -

You can use this and attribute it to me:

"At a time when the entire Butler community is rallying to save the AK Steel plant and its 1400 jobs, Representative Kelly's wife made a small investment to show her support for the workers and management of this 100-year old bedrock of their hometown, where they both are life-long residents."

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
[REDACTED]

On Sep 2, 2020, at 11:45 AM, Daniel Moore [REDACTED] wrote:

And here's the one that references a verbal commitment a day before the stock purchase.

Lori gave this to me as background, and I believe she said it originated from Cleveland-Cliffs, but I have not confirmed that.

----- Forwarded message -----

From: Prater, Lori [REDACTED]
Date: Wed, Aug 19, 2020 at 1:43 PM
Subject: Timeline
To: Daniel Moore [REDACTED]

Timeline - 4 months.

Verbal commitment on or around April 28 - Four months from this date would be **August 28.**

There was a flurry of activity on several different days in May regarding the initiation of the investigation (see below). Generally speaking, four months from the announcement of the investigation would be early September - sometime between **Sept. 4-11.**

DOC Press Release saying DOC is self-initiating the investigation on May 4.
The FRN cites the initiation of the investigation date as May 11
The FRN was issued on May 19

—
—
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]

dmoore [REDACTED]
[REDACTED]
danielmoorejournalist.com

--
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]
dmoore [REDACTED]
[REDACTED]
danielmoorejournalist.com
<2019FD.pdf>

--
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]
dmoore [REDACTED]
[REDACTED]
danielmoorejournalist.com

EXHIBIT 33



From: Stroia, Matthew [REDACTED]
Sent: 4/30/2020 10:27:18 AM
To: Foti, Anthony (Federal) [REDACTED]
Subject: Re: Phone #

Got it. Thank you Anthony

On Apr 30, 2020, at 8:58 AM, Foti, Anthony (Federal) <[REDACTED]> wrote:

Slipped a few days. But the decision has been made. Just internal clearing process is still ongoing.

Anthony Foti
Performing the delegated duties of the
Assistant Secretary for Legislative and Intergovernmental Affairs
U.S. Department of Commerce
[1401 Constitution Ave, NW](#)
[Washington, DC 20230](#)
[REDACTED]

On Apr 30, 2020, at 9:56 AM, Stroia, Matthew <[REDACTED]> wrote:

Good morning Anthony-just checking in, any word from your comms team on getting out the release?

On Apr 28, 2020, at 3:14 PM, Foti, Anthony (Federal) <[REDACTED]> wrote:

Just tried your cell. Give me a ring at [PII]

Anthony Foti
Performing the delegated duties of the
Assistant Secretary for Legislative and Intergovernmental Affairs
U.S. Department of Commerce
[1401 Constitution Ave, NW](#)
[Washington, DC 20230](#)
[REDACTED]

On Apr 28, 2020, at 4:01 PM, Stroia, Matthew <[REDACTED]> wrote:

[PII]

On Apr 28, 2020, at 2:51 PM, Foti, Anthony (Federal) <[REDACTED]> wrote:

Hi Matt. What's the best # to reach you?

Anthony Foti
Performing the delegated duties of the
Assistant Secretary for Legislative and Intergovernmental Affairs
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, DC 20230
[REDACTED]

EXHIBIT 34

[Faint, illegible text, likely bleed-through from the reverse side of the page]



2 People >

Apr 28, 2020, 3:41 PM

Baldersons team wants to do a positive joint statement that urges action and stresses that the this action doesn't have to mean the plant shuts down and urge trump to fix it. They're going to email us within the hour.

Forgive my passion

I get annoyed when unnecessary headaches are created and it feels like bureaucracy and/or politics are getting in the way

It shouldn't be this hard to fix this

Apr 28, 2020, 8:05 PM

Never heard from Beth about whether they want a quote from us or not. I suppose we'll do our own tomorrow

Is everything confined?

Confirmed

Matt Stroia

Commerce has not yet sent their press release out. Cleveland-Cliffs is



iMessage



12:37



2 People >

Is everything confined?

Confirmed

Matt Stroia

Commerce has not yet sent their press release out. Cleveland-Cliffs is waiting for commerce to put their press release out before they put one out.

I spoke to commerce in the White House after our call. They were hoping to have their release out tonight but I don't think it's gonna happen. It will most likely go out tomorrow.

It's not confirmed until they put it in the press!



Apr 29, 2020, 9:04 AM

Still don't see it

Lori Prater

Just talked to Beth. The announcement is likely to come later in the week. Hopefully, by Friday based on a late night conversation Patrick had with Ross' Chief of Staff. They need to get their legal ducks in



iMessage



12:38



2 People >

Still don't see it

Lori Prater



Just talked to Beth. The announcement is likely to come later in the week. Hopefully, by Friday based on a late night conversation Patrick had with Ross' Chief of Staff. They need to get their legal ducks in a row. Therefore, I think we still need to keep any of MK's calls with Administration in the schedule make sure we keep this on track. It ain't over until commerce makes that announcement.



Foot on gas until we cross the finish line

Matt Stroia

Yeah, definitely. We're all waiting to see that release come out. Mike has a call with Ross on Friday. Hopefully, they put something out before then, though. We'll keep it on there either way.



Apr 30, 2020, 10:42 AM

Just sent you guys a draft quote for

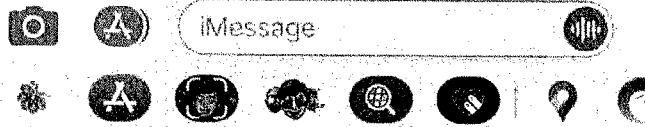


EXHIBIT 35



From: Schedule, Secretary's [PII]@doc.gov
Sent: 4/27/2020 2:41:21 PM
To: Walsh, Michael (Federal) [PII]; Barranca, Steven (Federal) [PII]; Foti, Anthony (Federal) [PII]; Kumar, Harry (Federal) [PII]; Semsar, Joseph [PII]; Dombrowski, Eileen (Federal) [PII]
Subject: Call with Congressman Mike Kelly, PA
Start: 5/1/2020 3:30:00 PM
End: 5/1/2020 4:00:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Walsh, Michael (Federal); Barranca, Steven (Federal); Foti, Anthony (Federal); Kumar, Harry (Federal); Semsar, Joseph; Dombrowski, Eileen (Federal)

[PII]
Steven's Code: [PII]
Participant Code: [PII]

Hi Talat,

Congressman Kelly would like to speak with Secretary Ross regarding AK Steel at his earliest convenience. For reference, please see the attached letters that the Congressman sent to President Trump. Please let us know if this is possible.

Sincerely,

James Marsh
Director of Administration
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 | www.kelly.house.gov

EXHIBIT 36



21-9221_0342

5:11



3 People >

May 1, 2020, 3:49 PM

So that was a great call

Sounds like we need to have a victory lap statement with our king history of advocacy on this ready for release on Monday or Tuesday!

Mike Kelly



So far so good. I'll be more upbeat once we get it off our lot and in his driveway. 🤔



Lori Prater



ME TOO!!!

May 4, 2020, 2:55 PM

How's this for the quote in the release?

2/19/20 08:10

EXHIBIT 37



2/3/2021 U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporat...

U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators

Trade enforcement

U.S. Secretary of Commerce Wilbur Ross announced he will initiate an investigation into whether laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

The decision to launch an investigation under Section 232 of the Trade Expansion Act of 1962, as amended, follows inquiries and requests from multiple members of Congress as well as industry stakeholders. As required by law, Secretary Ross will send a letter to Secretary of Defense Mark Esper informing him of the investigation. Secretary Ross will also notify other relevant executive branch officials.

“The Department of Commerce will conduct a thorough, fair, and transparent review to determine the effects on the national security from imports of laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators,” said Secretary Ross.

Transformers are part of the U.S. energy infrastructure. Laminations and cores made of grain-oriented electrical steel are critical transformer components. Electrical steel is necessary for power distribution transformers for all types of energy – including solar, nuclear, wind, coal, and natural gas – across the country. An assured domestic supply of these products enables the United States to

FOR IMMEDIATE RELEASE
Monday, May 4, 2020

Office of Public Affairs
(202) 482-4883
publicaffairs@doc.gov

2/3/2021 U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation Into Imports of Laminations and Wound Cores for Incorporat...

respond to large power disruptions affecting civilian populations, critical infrastructure, and U.S. defense industrial production capabilities.

The investigation, to be conducted by the Department's Bureau of Industry and Security, will provide the opportunity for public comment. A notice will be published shortly in the Federal Register.

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EXHIBIT 38





Rep. Mike Kelly @MikeKellyPA · May 4, 2020

Thank you to @CommerceGov for opening a 232 investigation of imported electrical steel products. As the last electrical steelmaker in the U.S., Butler, PA-based AK Steel is crucial to our national security.

My statement on @SecretaryRoss' announcement:

[kelly.house.gov/press-release/...](https://kelly.house.gov/press-release/)



4



7



13



You Retweeted



Sec. Wilbur Ross @SecretaryRoss · May 4, 2020

.@Commercegov will conduct a Section 232 investigation on imports of laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators commerce.gov/news/press-rel...



6



40



26



21-9221_0348

EXHIBIT 39



Prater, Lori

From: Dombrowski, Eileen (Federal) <[REDACTED]>
Sent: Monday, May 4, 2020 2:27 PM
To: Prater, Lori; Stroia, Matthew
Cc: Foti, Anthony (Federal); Kumar, Harry (Federal)
Subject: Department of Commerce Announcement

Matt and Lori: Later this afternoon, the Department of Commerce is announcing that it will initiate an investigation to determine whether imports of laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators threaten to impair the national security. The decision to launch an investigation under Section 232 of the Trade Expansion Act of 1962, as amended, follows inquiries and requests from multiple members of Congress as well as industry stakeholders.

Additional information will be provided at that time.

Eileen Dombrowski
Legislative Affairs Specialist
Office of Legislative and Intergovernmental Affairs
Office of the Secretary
U.S. Department of Commerce
EDombrowski [REDACTED]
[REDACTED]

EXHIBIT 40



Prater, Lori

From: Bloom, Patrick M <[REDACTED]>
Sent: Monday, May 4, 2020 4:45 PM
To: Bloom, Patrick M
Cc: Ludwig, Beth
Subject: U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators
Attachments: CLF_20200504 Cleveland-Cliffs Applauds DOC.pdf

Good afternoon,

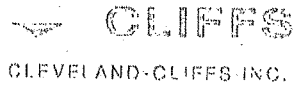
Please see the following announcement and the attached Cleveland-Cliffs press release.

On behalf of Cleveland-Cliffs and our Chairman & CEO, Lourenco Goncalves, thank you for your support and that of your respective bosses.

We look forward to continuing to work with you all while this Section 232 Investigation is under way.

Should you have any questions, please contact Beth or me at any time.

Thanks again and kind regards,
Patrick



From: "DOC Public Affairs" <[REDACTED]>
To:
Date: 06/04/2020 04:07 PM
Subject: [EXT] U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators

FOR IMMEDIATE RELEASE
Monday, May 4, 2020
News Media Contact:
Office of Public Affairs, 202-482-4893

U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators

Eisenberger, Andrew

From: Bloom, Patrick M <[REDACTED]>
Sent: Monday, May 4, 2020 4:45 PM
To: Bloom, Patrick M
Cc: Ludwig, Beth
Subject: U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators
Attachments: CLF_20200504.Cleveland-Cliffs Applauds DOC.pdf

Good afternoon,

Please see the following announcement and the attached Cleveland-Cliffs press release.

On behalf of Cleveland-Cliffs and our Chairman & CEO, Lourenco Goncalves, thank you for your support and that of your respective bosses.

We look forward to continuing to work with you all while this Section 232 investigation is under way.

Should you have any questions, please contact Beth or me at any time.

Thanks again and kind regards,
Patrick



CLEVELAND-CLIFFS INC.

PATRICK M. BLOOM
 Director - Government Relations
 P [REDACTED] M [REDACTED] patrick.bloom@cliffs.com

CLEVELAND-CLIFFS INC.
 200 Public Square, Suite 3300, Cleveland, OH 44114
 P 216.694.6700 F 216.694.6385 clevelandcliffs.com

From: "DOC Public Affairs" <[REDACTED]>
To: beth.ludwig@cliffs.com
Date: 05/04/2020 04:37 PM
Subject: [EXT] U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators

OR IMMEDIATE RELEASE
 Monday, May 4, 2020
 News Media Contact:
 Office of Public Affairs, 202-482-4883

U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators

WASHINGTON -- U.S. Secretary of Commerce Wilbur Ross announced he will initiate an investigation into whether laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. The decision to launch an investigation under Section 232 of the Trade Expansion Act of 1962, as amended, follows inquiries and requests from multiple members of Congress as well as industry stakeholders. As required by law, Secretary Ross will send a letter to Secretary of Defense Mark Esper informing him of the investigation. Secretary Ross will also notify other relevant executive branch officials.

"The Department of Commerce will conduct a thorough, fair, and transparent review to determine the effects on the national security from imports of laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators," said Secretary Ross.

Transformers are part of the U.S. energy infrastructure. Laminations and cores made of grain-oriented electrical steel are critical transformer components. Electrical steel is necessary for power distribution transformers for all types of energy -- including solar, nuclear, wind, coal, and natural gas -- across the country. An assured domestic supply of these products enables the United States to respond to large power disruptions affecting civilian populations, critical infrastructure, and U.S. defense industrial production capabilities.

The investigation, to be conducted by the Department's Bureau of Industry and Security, will provide the opportunity for public comment. A notice will be published shortly in the Federal Register.

###

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Prater, Lori

From: Beth.Ludwig [REDACTED]
Sent: Wednesday, May 6, 2020 2:59 PM
To: Prater, Lori; Stroia, Matthew
Subject: Call Tomorrow AM?

Hi Lori and Matt,
Would you two have a few minutes to talk to Patrick and me about a few next steps on the 232 front? We are generally open all tomorrow morning so name a time that would work well for you.
Thanks!!
Beth

Beth DeBrosse Ludwig
AK Steel Corporation
Corporate Manager, Government & Public Relations
9227 Centre Pointe Dr.
West Chester, OH 45089
Beth.Ludwig [REDACTED]
Phone: [REDACTED]
Cell: [REDACTED]

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Prater, Lori

From: Beth.Ludwig [REDACTED]
Sent: Tuesday, September 15, 2020 5:25 PM
To: Sam_Mulopulos [REDACTED]; Zimpher, Nate; Prater, Lori; Engquist, Laura; Stroia, Matthew
Cc: patrick.bloom [REDACTED]
Subject: Thursday Call

Hi All,
Patrick and I wanted to see if we could get a call scheduled for sometime Thursday, perhaps Thursday morning, for a status update/next steps conversation? Would 10AM happen to work Thursday for everyone? If not, please share some time frames that work. Matt and Laura, we welcome your participation and ideas but also understand if you need to divide and conquer and let Nate and Lori do the call.
Thanks!
Beth



A CLEVELAND-CLIFFS COMPANY

Beth DeBrosse Ludwig
Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
Beth.Ludwig [REDACTED]

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 613.426.5000 aksteel.com

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Prater, Lori

From: Prater, Lori
Sent: Thursday, October 1, 2020 12:55 PM
To: Bloom, Patrick M; Zimpher, Nate
Cc: Ludwig, Beth
Subject: RE: Update - Electrical Steel

Sounds good.

From: Bloom, Patrick M <[REDACTED]>
Sent: Thursday, October 1, 2020 12:50 PM
To: Prater, Lori <[REDACTED]>; Zimpher, Nate <[REDACTED]>
Cc: Ludwig, Beth <[REDACTED]>
Subject: RE: Update - Electrical Steel

Hi Lori,
I hope you had a good night's sleep.
I will be in the office tomorrow morning.
I will be in the office tomorrow morning.
I will be in the office tomorrow morning.
I will be in the office tomorrow morning.

From: Prater, Lori <[REDACTED]>
Sent: Thursday, October 1, 2020 12:47 PM
To: Bloom, Patrick M <[REDACTED]>; Zimpher, Nate <[REDACTED]>
Cc: Ludwig, Beth <[REDACTED]>
Subject: [EXTERNAL] RE: Update - Electrical Steel

Sure thing. Let me know what works with you all and Nate.

From: Bloom, Patrick M <[REDACTED]>
Sent: Thursday, October 1, 2020 12:43 PM
To: Prater, Lori <[REDACTED]>; Zimpher, Nate <[REDACTED]>
Cc: Ludwig, Beth <[REDACTED]>
Subject: Update - Electrical Steel

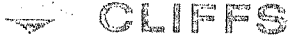
Good afternoon, Lori and Nate.

Laurenco Goncalves spoke to Ambassador Lighthizer late yesterday afternoon. We'd like to provide you with an important update on the status of the pending Section 232 investigation covering laminations, cores and transformers.

Please let us know if you'd have a few minutes to connect yet today.

In addition, please see the attached email/letter sent by Laurenco to Secretary Ross last evening.

Thanks,
Patrick



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Prater, Lori

From: Beth.Ludwig [REDACTED]
Sent: Monday, October 12, 2020 4:49 PM
To: Prater, Lori
Subject: GOES Product Exclusions Follow-Up
Attachments: SecretaryRoss.9.30.2020.pdf

Lori,
Just wanted to be sure you had this letter that outlines all our points on the concerns with the GOES product exclusions that were granted by DOC. By our estimation, in the U.S. market, there is demand for only 1,400 net tons of GOES with widths over 920 mm, a far cry from the 41,446 net tons they just granted.
Thanks,
Beth

AKSteel

A CLEVELAND-CLIFFS COMPANY

Beth DeBrosso Ludwig
Corporate Manager, Government and Public Relations
p [REDACTED]
Beth.Ludwig [REDACTED]

AK STEEL CORPORATION
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p 513.426.6000

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LP_0058

21-9221_0359

Prater, Lori

From: Eisenberger, Andrew
Sent: Wednesday, October 28, 2020 10:45 PM
To: Beth.Ludwig [REDACTED]
Cc: Prater, Lori; Bloom, Patrick M
Subject: Re: [EXT] Re: [EXTERNAL] Follow-up

I'm free to talk at 9.

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16

On Oct 28, 2020, at 10:44 PM, "Beth.Ludwig [REDACTED]" wrote:

Sounds good. We can do 9AM if that works for you both? If not, just let us know what time would work for you and we will do our best to accommodate.
Thanks!
Beth

On: 28 October 2020 22:42, "Prater, Lori" <[REDACTED]> wrote:

Thanks. I'll talk to Andrew in the morning to see what works since he's up in Butler with Mike through the election.

Sent from my iPhone

> On Oct 28, 2020, at 10:35 PM, Bloom, Patrick M wrote:

>

> Thanks, Lori. We'll have something to you and Andrew first thing tomorrow. It may be good if all of us could connect briefly by phone as well to discuss some of the sequencing considerations related to the Sec. 232 and Mexican arrangement.

>

> Best,
> Patrick

>

>

>> On Oct 28, 2020, at 9:42 PM, Prater, Lori wrote:

>>

>> Talked to Mike tonight and Andrew our comms Director. He's talking to the WH comms people tomorrow and would like to work the Mexico agreement into to President's speech. Can you provide him with an overview of the details we discussed by tomorrow morning so he can push it with them?

>>

EXHIBIT 41



Eisenberger, Andrew

From: Daniel Moore [REDACTED]
Sent: Wednesday, September 2, 2020 11:44 AM
To: Eisenberger, Andrew
Subject: Fwd: Background material

Here's the longer timeline of Mike's involvement on behalf of the Butler Works.

----- Forwarded message -----

From: Prater, Lori [REDACTED]
Date: Wed, Aug 19, 2020 at 2:33 PM
Subject: RE: Background material
To: Daniel Moore [REDACTED]

Sure thing! Just a few more pieces to the 232 puzzle.

From: Daniel Moore [REDACTED]
Sent: Wednesday, August 19, 2020 2:08 PM
To: Prater, Lori [REDACTED]
Subject: Re: Background material

Incredibly helpful, thanks so much!

On Wed, Aug 19, 2020 at 1:40 PM Prater, Lori [REDACTED] wrote:

Efforts to address the circumvention of the Section 232 tariff on electrical steel through downstream products (as of 12/18/19)

Timeline of Notable Actions

- March 29, 2017 -- Roger Newport testified at the Congressional Steel Caucus
- May 24, 2017 -- Roger Newport testified before the Department of Commerce on the Section 232 investigation
- July 2017 -- Reps. Tiberi and Kelly raise at House Ways and Means Committee hearing with DOC Secretary Ross
- August 15, 2017 -- Senator Casey tour of Butler Works
- August 22, 2017 -- Butler Eagle Gazette Op Ed
- September 28, 2017 -- Meeting with DOC with downstream customers
- February 16, 2018 -- DOC Section 232 report on steel released publicly
- February 22, 2018 -- Letters from Roger to Ross and President Trump
- March 8, 2018 -- Section 232 tariffs announced
- March 8, 2018 -- Casey, Portman, Brown Letter
- March 21, 2018 -- Roger Newport testified at the Congressional Steel Caucus

April 4, 2018 – Rep. Kelly tours Butler Works
April 12, 2018 – Roger Newport testified at the House Ways and Means Committee Hearing on the Effects of
Tariff Increases on the U.S. Economy and Jobs
April 17, 2018 – AKS-customer group letter to Ross asking for inclusion of downstream products
May 18, 2018 – Executive Summary and formal request for Transformer Supply Chain 232 by AKS and
customer group
May 5, 2018 – Roger and Renee raise with POTUS at Cleveland event
Summer/Fall 2018 – Meetings/Calls with Hill, DOC/USTR including Roger call with Ross
October 12, 2018 – Meeting with Ambassador Mahoney
October 3, 2019 – Meeting with Ambassador Gerrish
October 31, 2019 – Casey, Portman, Brown letter to USTR
November 20, 2019 – Balderson, Kelly letter to USTR
November 21, 2019 – Meeting with DOC Assistant Secretary Nazak Nikakhtar
December 5-6, 2019 – Issue raised at the North American Steel Trade Committee meetings in Ottawa

--
--
Daniel Moore

Washington D.C. bureau chief

Pittsburgh Post-Gazette (www.post-gazette.com)

Mobile: [REDACTED]

dmoore [REDACTED]

[REDACTED]
danielmoorejournalist.com

--
--
Daniel Moore

Washington D.C. bureau chief

Pittsburgh Post-Gazette (www.post-gazette.com)

Mobile: [REDACTED]

dmoore [REDACTED]

[REDACTED]
danielmoorejournalist.com

EXHIBIT 42



Eisenberger, Andrew

From: Daniel Moore [REDACTED]
Sent: Wednesday, September 2, 2020 11:45 AM
To: Eisenberger, Andrew
Subject: Fwd: Timeline

And here's the one that references a verbal commitment a day before the stock purchase.

Lori gave this to me as background, and I believe she said it originated from Cleveland-Cliffs, but I have not confirmed that.

----- Forwarded message -----

From: Prater, Lori [REDACTED]
Date: Wed, Aug 19, 2020 at 1:43 PM
Subject: Timeline
To: Daniel Moore [REDACTED]

Timeline - 4 months.

Verbal commitment on or around April 28 - Four months from this date would be **August 28**. There was a flurry of activity on several different days in May regarding the initiation of the investigation (see below). Generally speaking, four months from the announcement of the investigation would be early September - sometime between **Sept. 4-11**.

DOC Press Release saying DOC is self-initiating the investigation on May 4
The FRN cites the initiation of the investigation date as May 11
The FRN was issued on May 19

--
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]
dmoore@post-gazette.com
danielmoorejournalist.com

EXHIBIT 43



To: Matt Stroia

1/2

Thu, Sep 3, 2:20 PM

Just sent you the follow up questions from Daniel.

Ok.

Thu, Sep 3, 11:32 PM

I read Mike the email on the way home this evening from Daniel. I don't think we get into the specifics in another response. I say we keep our statement as it is. He agreed.

Okay - I'm wondering how he will write that. Probably say something like Kelly declines to be interviewed and his office did not comment on when they learned of the deal.

Investigation**

And he knows Lori confirmed that Cleveland cliffs got a verbal commitment from commerce on April 28

Yeah, that was on background but can you still use it? Also, we didn't get anything in writing until like the 30th that I received I believe.

Yes, he can use it he just can't attribute it to anyone

But he can verify the background by confirming it with someone else like Cleveland Cliffs

And likely already has

He can't use things that were off record. Background is different

We need to re-look at staff other than you doing background then? What Do you think?

I've always thought that was the right thing.

Not that it would likely have mattered in this case

Why would we have a problem telling Daniel that info under normal circumstances?



New iMessage

Cancel

To: Matt Stroia

2/2

Why would we have a problem telling Daniel that info under normal circumstances?

You're right. I know, we did all the right things as a staff. We are trying to get out front for credit.

Yeah

There's only one issue here and it wasn't any of us

Was mike still in a dismissive mood?

EXHIBIT 44



Eisenberger, Andrew

From: Daniel Moore <[REDACTED]>
Sent: Tuesday, September 1, 2020 1:07 PM
To: Eisenberger, Andrew
Subject: Re: Meeting/phone call?

Sure, I'll give you a ring then.

On Tue, Sep 1, 2020 at 12:56 PM Eisenberger, Andrew [REDACTED] wrote:
Yeah how about 3pm?

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
202-225-5406

On Sep 1, 2020, at 10:12 AM, Daniel Moore [REDACTED] wrote:

Sure, no problem. Let's do a phone call. Would you be free sometime today? Thanks!

On Tue, Sep 1, 2020 at 8:45 AM Eisenberger, Andrew [REDACTED] wrote:
Hey man!

Let's go ahead and do a phone call I'm pretty busy this week, unless you want to wait until next week to get together?

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
202-225-5406

On Aug 31, 2020, at 2:54 PM, Daniel Moore [REDACTED] wrote:

Hey Andrew, I'd like to run something by you when you get a minute. Is everyone in your office still remote these days? If you wanted to meet somewhere inside or outside, that would be great. Always looking to stretch my legs (and return to some sense of normalcy.) I can always do a phone call if you're away or wrapped up with something. Just let me know.

All the best,

—
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)

Mobile: [REDACTED]
dmoore
[REDACTED]
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EXHIBIT 45



Eisenberger, Andrew

From: Eisenberger, Andrew
Sent: Tuesday, September 1, 2020 3:41 PM
To: Stroia, Matthew
Subject: Fwd: Cleveland-Cliffs stock purchase
Attachments: ClevelandCliffsStockPurchase.pdf, ATT00001.htm

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
202-225-5406

Begin forwarded message:

From: Daniel Moore [REDACTED]
Date: September 1, 2020 at 3:36:05 PM EDT
To: "Eisenberger, Andrew" [REDACTED]
Subject: Cleveland-Cliffs stock purchase

Hey Andrew, thanks for the call. Attached you'll find the document filed with the House clerk showing a stock purchase on April 29 of \$15,001 - \$50,000 in Cleveland-Cliffs. Let me know what you think when you get a minute. Happy to chat further.

All the best,

—
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]
[dmoore](mailto:dmoore@post-gazette.com)
danielmoorejournlist.com

EXHIBIT 46



21-0221_0375

Eisenberger, Andrew

From: Daniel Moore <[REDACTED]>
Sent: Friday, September 4, 2020 5:23 PM
To: Eisenberger, Andrew
Subject: Re: Timeline

Received, thanks again. I'll let you know if anything else comes up early next week. Have a good weekend.

On Fri, Sep 4, 2020 at 4:45 PM Eisenberger, Andrew <[REDACTED]> wrote:
 Daniel - these can be attributed to me.

For questions 1 and 2: "Whether the 232 investigation would be launched was uncertain until Secretary Ross confirmed the plan in a private phone conversation with the congressman on May 1."

For questions 3 and 4: "The filings regarding investment ownership are accurate."

Andrew Eisenberger
 Communications Director
 Rep. Mike Kelly | PA-16

On Sep 3, 2020, at 11:17 AM, Daniel Moore <[REDACTED]> wrote:

Andrew, thanks for getting this statement to me. I will include it.

I'd like to ask some follow-up questions for the record and to check my understanding of the financial disclosure filing just posted online.

**Did the congressman know on or about April 28, per this account, that the Commerce Department had verbally confirmed a 232 investigation would be announced?

**Did his wife know about the verbal confirmation on April 28 when she decided to make the investment?

**Congressman Kelly's most recent financial disclosure filing from the House Clerk (the 2019 annual form, which I attached to this email) showed his wife owned about 126 financial investments -- I counted 80 stocks, 28 bonds, 18 mutual funds. It appears the congressman owns no stock, bonds or mutual funds personally. Is that accurate? They're all in his wife's name?

**I totaled up about 183 transactions total in 2019. Does Victoria Kelly have a stock broker making some or all of the trades? Or does she make individual investment decisions herself?

**And is it accurate to say Congressman Kelly and his wife declined to be interviewed for this story?

I'm still not on an immediate deadline, but I'm hoping to have something by the end of the week. Happy to chat further.

Thanks,

On Wed, Sep 2, 2020 at 6:19 PM Eisenberger, Andrew <[REDACTED]> wrote:
 Daniel -

You can use this and attribute it to me:

"At a time when the entire Butler community is rallying to save the AK Steel plant and its 1400 jobs, Representative Kelly's wife made a small investment to show her support for the workers and management of this 100-year old bedrock of their hometown, where they both are life-long residents."

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
202-225-5406

On Sep 2, 2020, at 11:45 AM, Daniel Moore <[REDACTED]> wrote:

And here's the one that references a verbal commitment a day before the stock purchase.

Lori gave this to me as background, and I believe she said it originated from Cleveland-Cliffs, but I have not confirmed that.

----- Forwarded message -----

From: Prater, Lori <[REDACTED]>
Date: Wed, Aug 19, 2020 at 1:43 PM
Subject: Timeline
To: Daniel Moore <[REDACTED]>

Timeline - 4 months.

Verbal commitment on or around April 28 - Four months from this date would be **August 28.**

There was a flurry of activity on several different days in May regarding the initiation of the investigation (see below). Generally speaking, four months from the announcement of the investigation would be early September - sometime between **Sept. 4-11.**

DOC Press Release saying DOC is self-initiating the investigation on May 4
The FRN cites the initiation of the investigation date as May 11
The FRN was issued on May 19

--
--
Daniel Moore
Washington D.C. bureau chief
Pittsburgh Post-Gazette (www.post-gazette.com)
Mobile: [REDACTED]

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EXHIBIT 47

From: Prater, Lori [REDACTED] PII
Sent: Tuesday, April 28, 2020 4:06 PM
To: [REDACTED] PII; Stroia, Matthew;
Eisenberger, Andrew
Subject: [EXT] Following Up

Assuming everything stays on track with Ross' offer to help with AK Steel, please let Andrew know if you need a quote from Mike. He's happy to help with press!

Sent from my iPhone

APPENDIX B

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.
ATTORNEYS AT LAW

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MATTHEW F. MARSHALL
THOMAS E. BRETH
RONALD T. ELLIOTT

ANDREA C. PARENTI
PATRICK V. HAMMONDS
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August 26, 2021

via e-mail & UPS/Next-Day Delivery

Thomas A. Rust, Esquire
Chief Counsel and Staff Director
U.S. House of Representatives
Committee on Ethics
1015 Longworth House Office Building
Washington, D.C. 20515-6328

Re: Review No. 21-9221

Dear Mr. Rust:

I write on behalf our client, The Honorable Mike Kelly of Pennsylvania's 16th Congressional District, who is grateful to the Committee on Ethics for the opportunity to submit this response to the Report and Findings of the Office of Congressional Ethics ("OCE") (hereinafter, the "Report"). On April 20, 2021, we informed OCE that Rep. Kelly respectfully declined to participate in OCE's inquiry. While Rep. Kelly has the utmost respect for the ethics process, we were troubled by the fact that OCE initiated its review ten months after Rep. Kelly timely filed the relevant periodic transaction report, and over five months after media reports of the trade. As we expected, OCE's investigation and subsequent Report found no evidence that Rep. Kelly or his wife Victoria acted improperly.

OCE extensively investigated the allegation for three months, yet its Report is noticeably devoid of any evidence of misconduct. Instead, OCE stretched its extrapolations of circumstantial evidence beyond their breaking points; ultimately revealing that its Report is fatally flawed. For example, the Report repeatedly cites Exhibit 15 in support of its allegation that Cleveland-Cliffs "intended to provide layoff notices to its employees on April 29th."¹ That Exhibit is an April 28, 2020 text message from Rep. Balderson's then Communications Director

¹ See, e.g., *id.* ¶ 37 & n.59.

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

Page Two

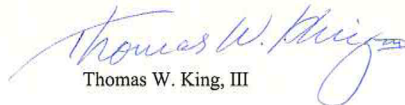
to Witness 1, Rep. Kelly's Director of Communications.² Witness 1 does not respond, so the text message offers no insight into what, if anything, Witness 1 knew about the alleged layoffs. OCE also provides no justification for its assumption that potential layoffs at, or the closing of, the Zanesville Plant in Rep. Balderson's district meant that the same would happen at the Butler Plant in Rep. Kelly's district. The Butler facility had 1,400 employees versus the 100 in Zanesville,³ thus circumstantial evidence at one is of little probative value about the other.

Tellingly, the Report does not contain a single communication where Rep. Kelly or his staff state that there would be layoffs at the Butler Plant on April 29th. The over 600 pages of exhibits include numerous communications between Rep. Kelly's staff and the Department of Commerce, the Minority Leader's Office, and the White House, and it is striking that at no point does anyone from Rep. Kelly's office mention the alleged fact that the largest employer in Rep. Kelly's district intended to lay off its employees or to close within a week. This is just one example of the numerous deficiencies contained in the Report.

In sum, we respectfully disagree with many of the assertions and characterizations in the Report, and we look forward to working with the Staff to resolve the matter quickly. We reserve the right to provide supplemental information and materials as warranted by developments, and we hope to establish a constructive dialogue with you moving forward. As I told the OCE, "[t]here has been no indication that Rep. Kelly provided Mrs. Kelly any material non-public information learned through the performance of his official duties prior to her stock purchase or, in fact, that he had any involvement whatsoever in Mrs. Kelly's decision to purchase the stock."⁴ I am confident that after a fair and objective review you will reach the same conclusion.

Very truly yours,

DILLON McCANDLESS KING COULTER & GRAHAM, LLP



Thomas W. King, III

TWK / Attachment

² Exhibit 15.

³ Report ¶ 32 & n.47.

⁴ April 20, 2021 Letter to Omar S. Ashmawy.

Declaration

I, Representative Mike Kelly, declare (certify, verify, or state) under penalty of perjury that the response and factual assertions contained in the attached letter dated 8/26, 2021, relating to my response to the July 28, 2021, Committee on Ethics letter, are true and correct.

Signature:

A handwritten signature in blue ink, appearing to read "Mike Kelly", written over a horizontal line.

Name:

Representative Mike Kelly

Date:

8/26, 2021

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February 9, 2022

Honorable Theodore E. Deutch, Chairman
Honorable Jackie Walorski, Ranking Member
U.S. House of Representatives
Committee on Ethics
1015 Longworth House Office Building
Washington, D.C. 20515-6328

RE: Honorable Mike Kelly

Honorable Chairman Deutch and Ranking Member Walorski:

By letter dated January 12, 2022, you notified Representative Kelly that the Committee on Ethics (hereinafter "Committee") received a referral from the Office of Congressional Ethics (hereinafter "OCE") on July 23, 2021, recommending further review of allegations related to Representative Kelly and his wife, Victoria Kelly. Specifically, it is alleged that Representative Kelly may have violated House rules or laws related to conflicts of interest in connection with a stock purchase made by his wife. On behalf of Representative Kelly, I wish to indicate to the Committee in the clearest terms possible that Representative Kelly did not at any time violate the House Ethics Rules in connection with his wife's purchase of the stock at issue.

Further, Representative Kelly will fully and completely cooperate with the Committee's investigation. Representative Kelly has provided each of the staff members, who were employed by Representative Kelly during the time period at issue, with a letter notifying the staff member that the Committee has initiated an investigation into allegation of alleged ethical misconduct by Representative Kelly; that the staff member may be contacted by the Committee and asked to cooperate with the Committee's investigation; that the staff member is expected, encouraged, and directed to fully and honestly cooperate with the Committee's request for interviews, information or any other request made by the Committee; and that the staff member's cooperation will not result in any adverse action against the staff member by Representative Kelly or anyone else. Copies of Representative Kelly's letters have been provided as part of Representative Kelly's production of documents, pages 92 through 107.

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

Page -2-

Further, Representative Kelly was asked to submit two letters to the Chief Information Security Officer of the Office of the Chief Administrative Officer (hereinafter "CAO"). The first letter was submitted pursuant to the CAO's Electronic Preservation and Search Policy and Process requesting the Office of Cybersecurity to preserve electronic data. A copy of Representative Kelly's first letter has been provided as part of Representative Kelly's production of documents, pages 113 through 117. The second letter was submitted pursuant to the CAO's Electronic Preservation and Search Policy and Process requesting the Office of Cybersecurity to search for, investigate, or otherwise produce electronic data. A copy of Representative Kelly's second letter has been provided as part of Representative Kelly's production of documents, pages 108 through 112.

Finally, seven (7) specific requests were made of Representative Kelly. Each request, along with Representative Kelly's responses are listed below.

1. Inform the Committee of: what information you received prior to May 4, 2020, regarding the Commerce Department's actual or potential plans to launch a Section 232 investigation regarding transformer laminations and cores; (b) when you learned the information; and (c) how you learned of the information.

Response:

From the late fall of 2019 through May 4, 2020, Representative Kelly was an outspoken advocate seeking to protect steelworker jobs within his congressional district and, more specifically, his hometown of Butler, Pennsylvania. As I indicated in my letter of April 5, 2021, to Omar S. Ashmawy, Esquire, of the Office of Congressional Ethics, Rep. Kelly and his wife, Victoria Kelly ("Mrs. Kelly"), are interwoven into the fabric of Rep. Kelly's hometown district of Butler, Pennsylvania. Mike Kelly Automotive, formerly Kelly Motors, has been in Rep. Kelly's family since his father started the business in 1953.¹ More importantly, Rep. Kelly's dealerships employ over 100 people from the region.² Many customers of Kelly Automotive are employees or family members of employees of AK Steel, now Cleveland Cliffs.

Prior to entering Congress, [Rep. Kelly] served on the Butler Area School Board and the Butler City Council and sat on the boards of several local and civil organizations, including the Housing Authority of Butler County, the Redevelopment Authority of Butler County, and the Moraine Trails Council of Boys Scouts of America.³ "In recognition of Mike's extensive volunteer

¹ <https://kelly.house.gov/about-me/full-biography>.

² *Id.*

³ *Id.*

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

Page -3-

and charitable work, Catholic Charities awarded him its Mary DeMucci Award.⁴ The Mayor of Butler designated October 26, 2001, as “Mike Kelly Day” for his commitment to his hometown.⁵

Mrs. Kelly’s family is also an integral part of Butler’s history. “The development of the oil field of Butler County and the oil business generally in western Pennsylvania owes more to Hon. Thomas W. Phillips than any other man living or dead, since the beginning of oil operations in 1859.”⁶ Thomas W. Phillips (“T.W. Phillips” or “Mr. Phillips”), Mrs. Kelly’s great-great-grandfather, was president of The T.W. Phillips Gas & Oil Company. “Mr. Phillips came into public life prominently in 1880, during the Garfield campaign.”⁷ “His work in [the] campaign brought him into prominence in Pennsylvania, and in the subsequent contest in the legislature for United States Senator, he repeatedly received votes in the open convention of both Houses.”⁸ Mr. Phillips “received the party nomination in for Congress 1892 and was elected by the largest majority ever given in the Twenty-fifth District, which was then composed of Beaver, Butler, Lawrence and Mercer Counties.”⁹ “Mr. Phillips was reelected in 1894.”¹⁰

Mrs. Kelly’s great-grandfather, Thomas W. Phillips, Jr., was also an elected member of Congress from 1923-1927. He also sought the nomination for Governor of Pennsylvania in 1926, 1930, and 1934, albeit unsuccessfully.

Also interwoven into the fabric of Rep. Kelly’s district is the tangential subject of your investigation, Cleveland-Cliffs, formerly known as “AK Steel” and affectionately known in Butler as “Armco,” an acronym for “American Rolling Mill Company.” To date, Armco is still synonymous with the people of Butler County and can be seen for miles alongside Route 8 North on the drive into the City of Butler from Pittsburgh. “Faith in men, corporation and honesty” was the mantra of Armco’s founder George M. Verity.¹¹ It is also the mantra of the Kellys.

Historically, “Armco enjoyed a niche in the vibrant steel industry in Southwest Pennsylvania” during the 20th century.¹² At the time, “[o]nly two steel mills in the world had the continuous operations of raw material to steel.”¹³ “The interdependent parts of Armco, its workers

⁴ *Id.*

⁵ *Id.*

⁶ McKee, James A. *20th Century History of Butler and Butler County, Pa., and Representative Citizens*. Richmond-Arnold Pub. Co., 1909, p. 219.

⁷ McKee, James A. *20th Century History of Butler and Butler County, Pa., and Representative Citizens*. Richmond-Arnold Pub. Co., 1909, p. 219.

⁸ *Id.*

⁹ *Id.* at pp. 219-220.

¹⁰ *Id.* at 220.

¹¹ <https://butlerhistorical.org/items/show/42>

¹² *Id.*

¹³ *Id.*

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

Page -4-

and Butler built a well-respected company, self-sufficient individuals and families, and a thriving small town.”¹⁴ “Armco may be gone, but all it stood for in the 20th century is not forgotten.”¹⁵

The importance of Armco, which is now Cleveland-Cliffs, is so deeply engrained within the Kellys that there is an unquestionable understanding that it is, for all intents and purposes, the very heartbeat of the community. Indeed, Rep. Kelly has passionately advocated for its plants to remain to prevent the loss of thousands of jobs in Butler.¹⁶ Simply stated, without Armco, there would be no Butler.

Based upon Representative Kelly’s best recollection, concerns regarding foreign steel imports were first brought to his attention by long-time Butler residents who are steelworkers at the AK Steel Butler Works, located in Butler, Pennsylvania. Once again, these conversations took place in the late fall of 2019 through May 4, 2020. These conversations were informal in nature and usually occurred while Representative Kelly was having breakfast in a local Butler restaurant after church on Sundays. These conversations helped to educate Representative Kelly regarding the significance of grain oriented electric steel (hereinafter “GOES”); its production at the AK Steel Butler Works; and its importance as a national security issue. Representative Kelly does not have a specific recollection or to his knowledge specific records, of the specific dates, times, or locations of these conversation, other than, his recollection that some of the conversations occurred during his and his wife’s breakfast after church on Sundays.

During this same general period of time, Cleveland Cliffs announced that it would merge with AK Steel. In addition, Cleveland Cliffs subsequently announced that approximately 1,400 jobs at the Butler Works could be lost due to the importation of foreign GOES through Mexico and Canada. In response, Representative Kelly became an outspoken advocate of action, including action by the U.S. Department of Commerce, to protect the jobs within his Congressional District and to address what he believes to be a national security issue. As part of his advocacy efforts, Representative Kelly, directly or through his staff, communicated with numerous individuals and/or their respective staff regarding these issues, including, but not limited to, communications with Patrick Bloom, Director of Government Relations for Cleveland-Cliffs; Lourenco Goncalves, Chairman, President, and CEO of Cleveland-Cliffs; Wilbur Ross, Secretary of Commerce; Representative Balderson; U.S. Trade Ambassador Robert Lighthizer; Senator Portman; Senator Brown; and others. Representative Kelly does not have a specific recollection or to the best of his knowledge, limited records, of the specific dates, times, and/or locations of these communications. Representative Kelly does not personally communicate via email so his direct communications would have occurred via text-message, telephone or cellphone call, or through his staff.

With respect to what information Representative Kelly received prior to May 4, 2020, regarding the Commerce Department’s actual or potential plans to launch a Section 232

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ See Rep. Kelly’s letter to Donald J. Trump dated March 6, 2020.

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

Page -5-

investigation regarding transformer lamination and cores, Representative Kelly was not aware of the Commerce Department's actual or potential plan to launch a Section 232 investigation until he was notified by his staff on or about April 29, 2020. Obviously, Representative Kelly was an outspoken advocate for such action, but until he was notified by his staff that the Commerce Department was going to announce its intent to initiate a Section 232 investigation, he was not aware of whether the Commerce Department had any actual or potential plans to initiate such an investigation. With respect to when and how Representative Kelly learned that the Commerce Department was going to announce its intent to initiate a Section 232 investigation, he believes his staff would have informed him on or about April 29, 2020. Representative Kelly does not have a specific recollection, or to the best of his knowledge, records of the individual staff member or staff members who informed him, or the specific date and time he was informed that the Commerce Department was going to announce its intent to initiate a Section 232 investigation.

2. Inform the Committee of: (a) what information you received prior to May 4, 2020, regarding Cleveland-Cliffs, Inc.'s actual or potential plans to lay off employees at its Butler Works plant; (b) when you learned the information; and (c) how you learned the information.

Response:

See response to Question 1, herein. The response contained in Question 1 is equally applicable to the information relative to potential plans to lay off Cleveland-Cliffs, Inc. employees. Further, Mike Kelly had numerous informal verbal conversations with employees at Cleveland Cliffs from the fall of 2019 through May 4, 2020. During these conversations, layoffs from the plant, and potential closure of the plant, were discussed. Mr. Kelly does not recall the specific dates of said conversations.

3. Inform the Committee whether you had any communications with your spouse, Victoria Kelly, regarding (i) the Commerce Department's intent to launch the Section 232 investigation or (ii) Cleveland-Cliffs, Inc.'s plans regarding closure of the Butler Works plant or employee layoffs at the plant. Please identify when and how (e.g., in-person, phone, email, etc. the communication occurred).

Response:

Representative Kelly did not have any communications with his wife, Victoria Kelly, regarding the Commerce Department's intent to launch the Section 232 investigation. With respect to Cleveland-Cliff, Inc.'s actual or potential plans to lay off employees of the Butler Works plant or employee layoffs at the plant, Representative Kelly and Mrs. Kelly would have generally discussed the need to protect these jobs and the tremendous impact that the loss of these jobs would have on the Butler community. Further, Mrs. Kelly was aware that Representative Kelly was working hard to protect these jobs and to keep the AK Steel Butler Works open and operational.

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

Page -6-

Representative Kelly does not have a specific recollection, or to the best of his knowledge, any records of the conversations that he had with Mrs. Kelly regarding these issues. Their communications would have occurred in-person or via cellphones.

4. Inform the Committee whether you were aware of or otherwise involved in Mrs. Kelly's April 29, 2020, purchase of stock in Cleveland-Cliffs, Inc., and if so, describe the nature of your awareness and/or involvement.

Response:

At the time Mrs. Kelly purchased the stock, Representative Kelly was not aware of, nor involved with, her purchase in Cleveland-Cliffs, Inc. stock. To the best of Representative Kelly's recollection, he learned of the purchase when he was informed by a staff member who received an inquiry shortly after the filing of their May 2020 Financial Disclosure Report. Representative Kelly does not have a specific recollection of the purchase when he reviewed and signed the May 2020 Financial Disclosure Report.

5. Provide all documents that form the basis of your responses to requests 1 through 4 above.

Response:

Representative Kelly has submitted Pages 1 through 123 as part of this response.

6. Provide all documents related to Mrs. Kelly's April 29, 2020, stock purchase in Cleveland-Cliffs, Inc.

Response:

Representative Kelly did not have any records responsive to this request, but he has confirmed that Mrs. Kelly, via her legal counsel, has submitted the requested documentation.

7. Describe the efforts you made to identify documents responsive to these requests. To the extent that you have withheld responsive documents on the basis of any privilege or other grounds, please provide a log of the documents withheld consistent with the Committee's Data Delivery Standards.

Response:

Representative Kelly's cell phone, along with his wife's cell phone and iPad were supplied to bit-x-bit, a recognized forensic data retrieval company, to comply with the Committee's requests. A Declaration and Letter Report from bit-x-bit has been submitted as part of Representative Kelly's response. Both documents detail the efforts made by bit-x-bit to

DILLON McCANDLESS KING COULTER & GRAHAM L.L.P.

February 9, 2022

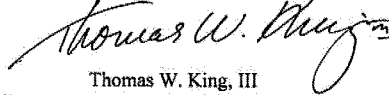
Page -7-

identify, retrieve, and produce records responsive to the Committee's request for information. In addition, Representative Kelly has searched his own records, as has his Chief of Staff, for relevant information. However, as he was never involved in the decision to purchase the stock, made solely by his wife from her own independent trust funds, he has no such records or information to provide. It is Representative Kelly's understanding that his Staff fully cooperated with the OCE's preliminary review of this matter.

We have attached to this letter Representative Kelly's signed Declaration as to the facts contained herein. Said Declaration is attached as page 124.

Very truly yours,

DILLON McCANDLESS KING
COULTER & GRAHAM LLP

A handwritten signature in cursive script, appearing to read "Thomas W. King, III".

Thomas W. King, III

cc: Honorable Mike Kelly

REPRESENTATIVE MIKE KELLY
SIXTEENTH DISTRICT, PENNSYLVANIA



COMMITTEE ON WAYS AND MEANS
CHAIRMAN, SUBCOMMITTEE ON TAX
SUBCOMMITTEE ON HEALTH

Congress of the United States
House of Representatives
Washington, DC 20515

July 7, 2025

I have called Butler, Pennsylvania home nearly my entire life. I have watched generations of workers punch a clock and work in the Cleveland-Cliffs Butler Works plant, dating back to when it was known as Armco and AK Steel. First, it was my friends' parents, then my friends, and now their children. The plant is a mile from my family's business and just two miles from my home. It's an iconic piece of Butler.

At a time when the entire Butler community rallied to save 1,400 jobs that were on the line, my wife made a small investment to show her support for the workers and management of this 100-year old bedrock of our hometown. Today, I continue to drive by that mill knowing Butler's economy would be jeopardized without it. Not just the Butler community, but the United States would be without its last domestic producer of grain-oriented electrical steel, a key component of our nation's electrical grid.

Any accusation that I'm an "insider" is purely political. I'll tell you this – I've been inside the mill, I've spoken with the workers, and they appreciate the hard work we have done to fight for those jobs and fight for Butler.

Sincerely

Mike Kelly
Member of Congress

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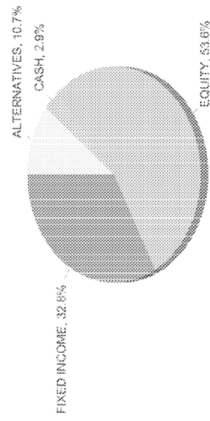
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FAX: (724) 282-3088

APPENDIX C

EXHIBIT 1

Portfolio Summary by Asset Class
VICTORIA P KELLY TRUST ICA CONS As of November 30, 2020



Description	Market Value	Tax Cost	Annual Income	Yield
Cash	218,803			
Equity	3,985,705			
Fixed Income	2,444,434			
Alternatives	793,344			
Total	7,442,286			



12-10-501- See Important Legal Disclosure at the end of this report

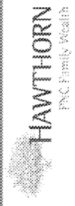


Equity Summary - Style and Capitalization
VICTORIA P KELLY TRUST ICA CONS

As of November 30, 2020

12-10-501 

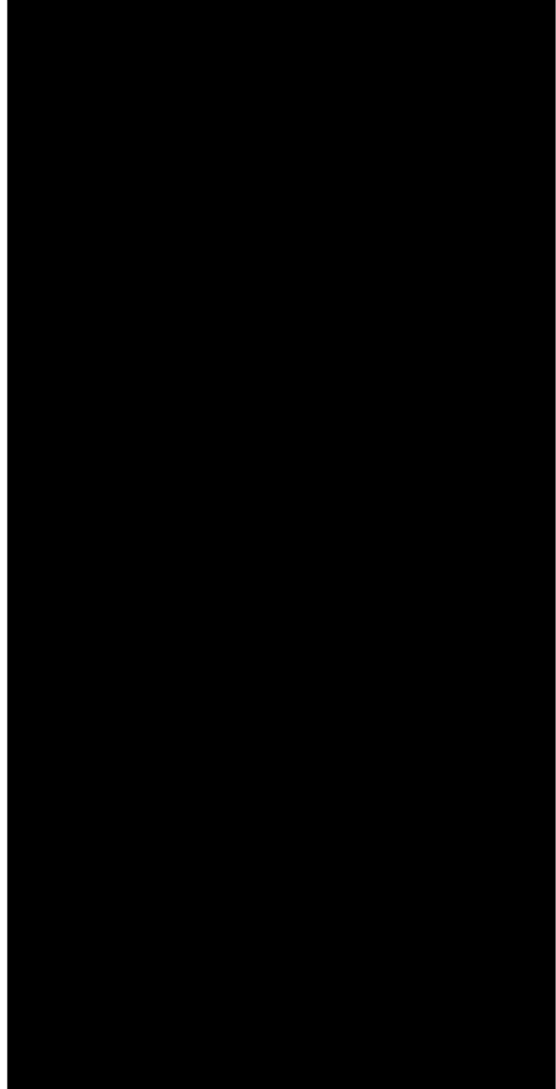
See Important Legal Disclosure at the end of this report



Bond Summary

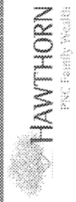
VICTORIA P KELLY TRUST ICA MASI

As of November 30, 2020



12-10-942

See Important Legal Disclosure at the end of this report



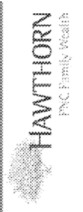
Portfolio Holdings by Asset Class and Sector
VICTORIA P KELLY TRUST ICA CONS As of November 30, 2020

Security Description	Shares (Units)	Ticker	MAT Date/ Coupon	Market Value	Tax Cost	Recent Price	Annual Dividend	Annual Income	Yield	% Asset Class	% Of Portfolio
Cash											
[REDACTED]											
Total Cash											
Equity											
Common Stock											
Materials											
CLEVELAND-CLIFFS INC	5,000.00	CLF		55,050	23,075	11.01	0.24	1,200	2.2%	1.4%	0.7%
Total Materials				55,050	23,075			1,200	2.2%	1.4%	0.7%
Total Common Stock				55,050	23,075			1,200	2.2%	1.4%	0.7%
Other Equity											
[REDACTED]											

Portfolio Holdings by Asset Class and Sector
VICTORIA P KELLY TRUST ICA CONS As of November 30, 2020

Security Description	Shares (Units)	Ticker	MAT Date/ Coupon	Market Value	Tax Cost	Recent Price	Annual Dividend	Annual Income	Yield	% Asset Class	% Of Portfolio
[REDACTED]											
Total Other Equity											
Total Equity											

12-10-501 [REDACTED] See Important Legal Disclosure at the end of this report

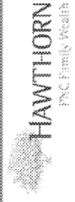


Portfolio Holdings by Asset Class and Sector
VICTORIA P KELLY TRUST ICA CONS

As of November 30, 2020

Security Description	Shares (Units)	Ticker	MAT Date/ Coupon	Market Value	Tax Cost	Recent Price	Annual Dividend	Annual Income	Yield	% Asset Class	% Of Portfolio
Fixed Income											
Other Fixed Income											
Total Other Fixed Income											
Total Fixed Income											
Alternatives											
Hedge Funds											
Total Hedge Funds											
Real Assets											
Total Real Assets											
Total Alternatives											
Grand Total				7,442,288							

12-10-501 See Important Legal Disclosure at the end of this report



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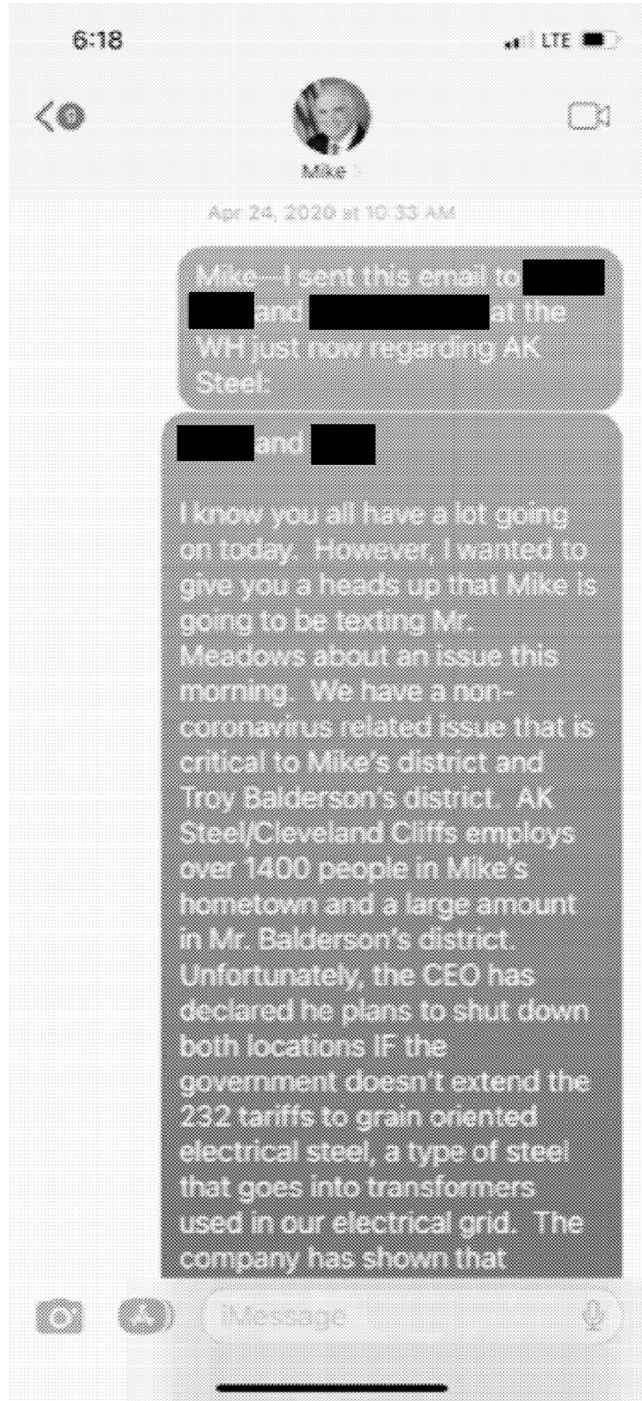
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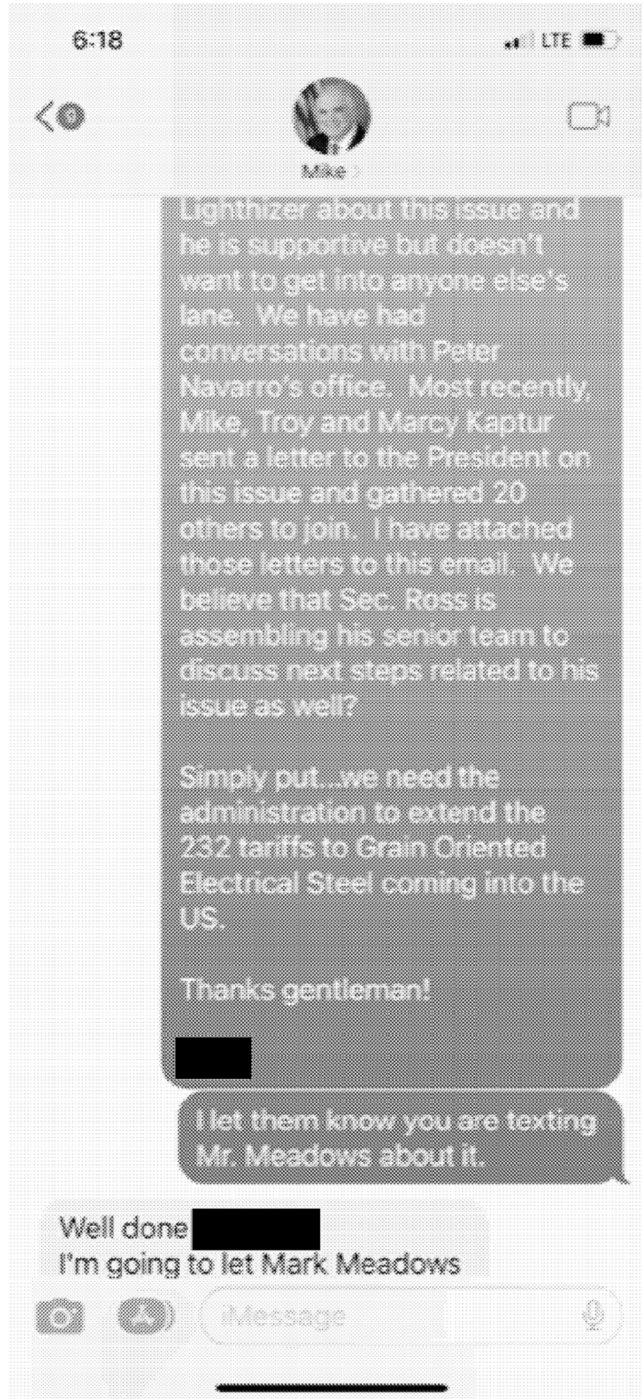
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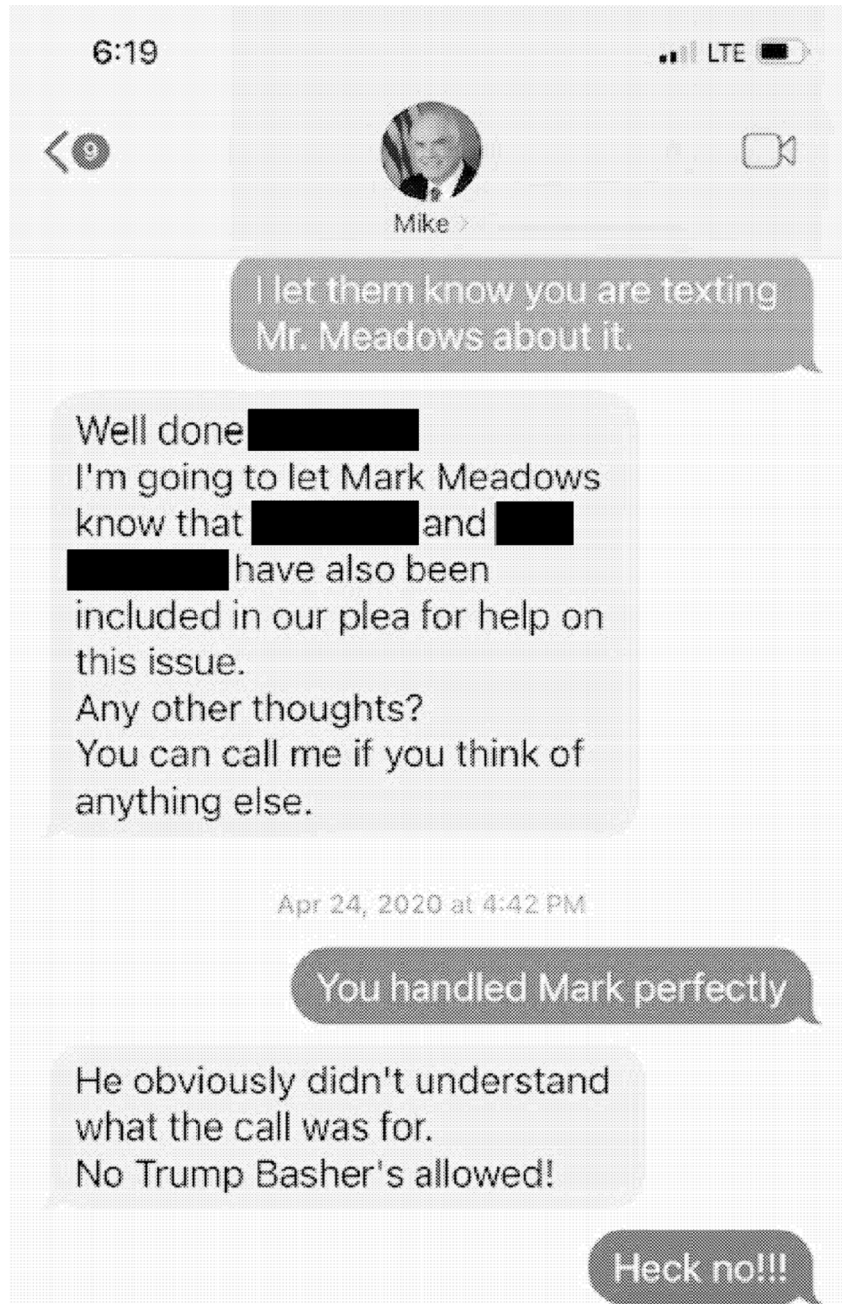
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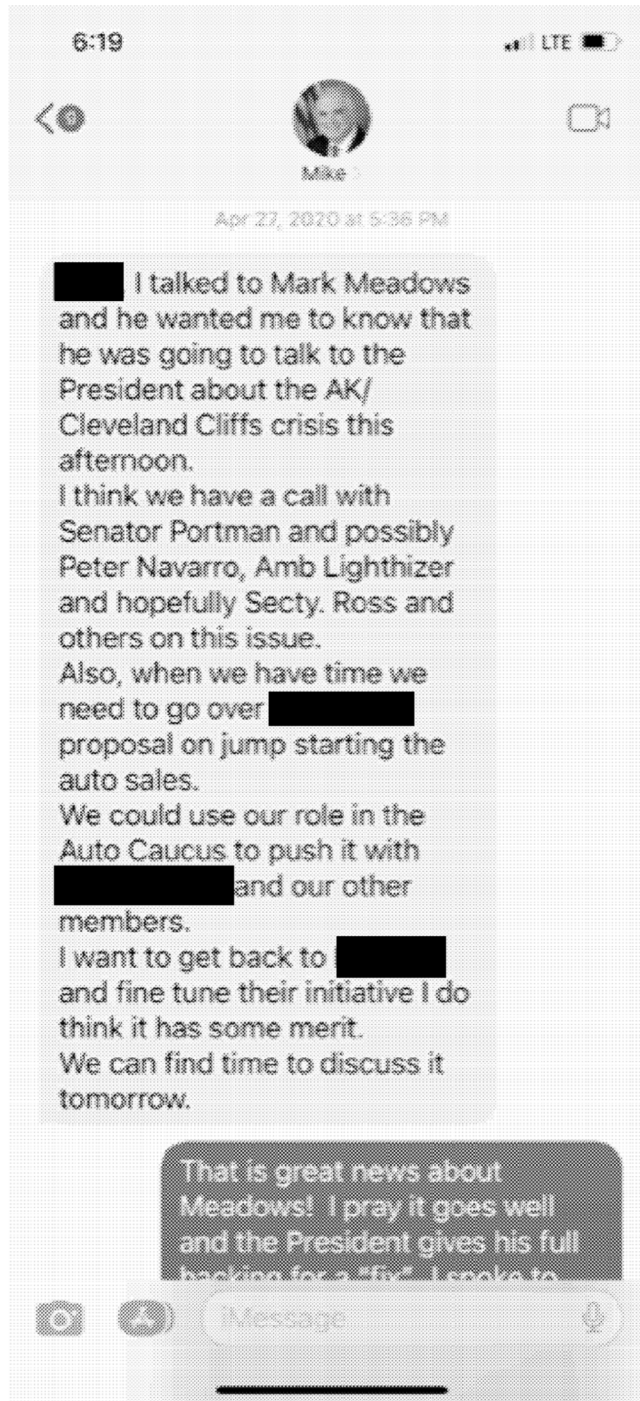
EXHIBIT 2











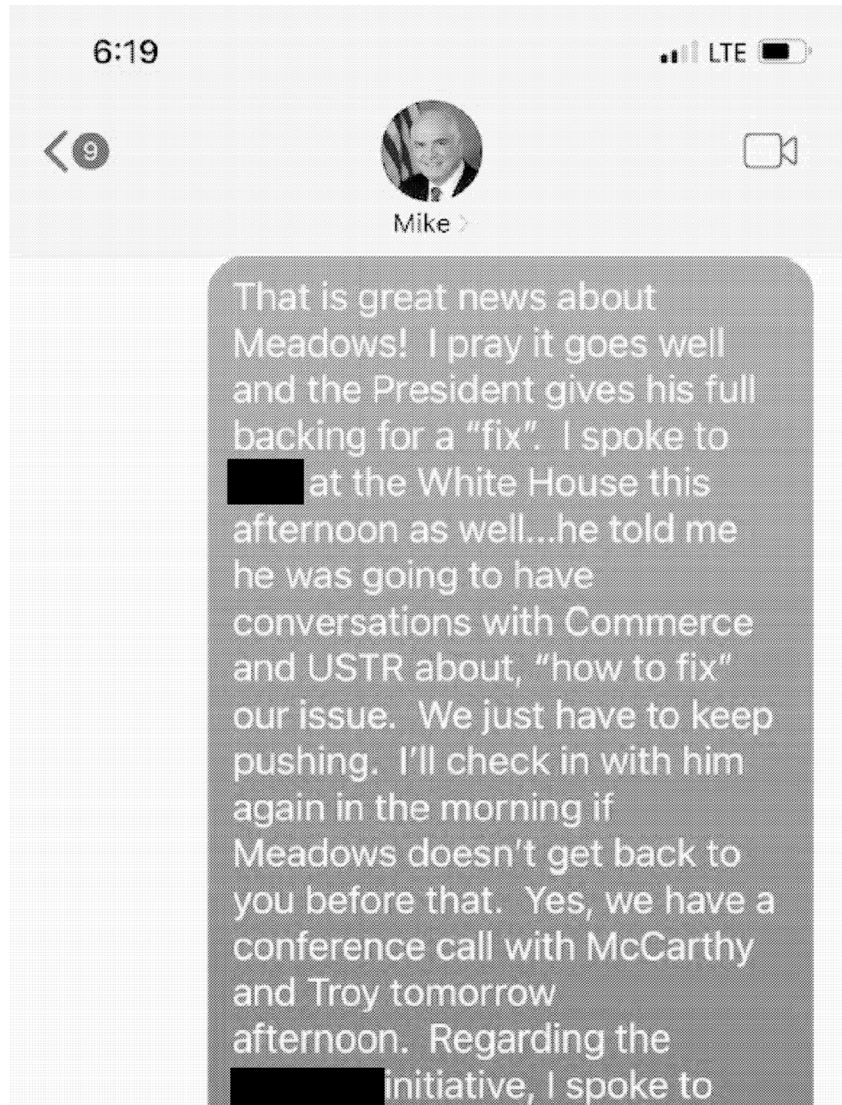


EXHIBIT 3

REPRESENTATIVE MIKE KELLY
SOUTHERN DISTRICT, PENNSYLVANIA



COMMITTEE ON WAYS AND MEANS
RANKING MEMBER, SUBCOMMITTEE ON OVERSIGHT
SUBCOMMITTEE ON HEALTH

Congress of the United States
House of Representatives
Washington, DC 20515
July 1, 2020

The Honorable Wilbur L. Ross
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

RE: Comments on Section 232 National Security Investigation on Imports of Laminations for Stacked Cores for Incorporation into Transformers, Stacked Cores for Incorporation into Transformers, Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators, (Docket Number BIS-2020-0015)

Dear Secretary Ross:

In response to a request from the U.S. Department of Commerce, I wish to submit the following comments regarding the newly-initiated Section 232 national security investigation on imports of laminations for stacked cores for incorporation into transformers, stacked cores for incorporation into transformers, wound cores for incorporation into transformers, electrical transformers, and transformer regulators.

As the U.S. Representative of Pennsylvania's 16th Congressional District and lifelong resident of Butler, Pennsylvania, I am writing on behalf of AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc. and the last producer of grain-oriented electrical steel (GOES) in North America, to express my strong support that the Department of Commerce recommend that President Trump take the necessary steps to preserve the production of this critical material in the U.S.

For over a century, our community has benefitted by having this steel mill in Western Pennsylvania. AK Steel employs over 1,300 Butler area residents with family sustaining wages and benefits, and with its multiplier effect, indirectly employs thousands of others who work in businesses that supply and service AK Steel as well as those businesses that provide for the needs of the workforce, such as local restaurants and retail shops.

AK Steel's Butler Works operations are not just an integral and critical part of our community, but as the last producer in North America of GOES, a material essential to the electric grid, these operations are crucial to the national and economic security of our entire country. As such, I encourage you to address and remedy the unfair trade and tariff circumvention that has undermined the market for electrical steel.

I commend the Department of Commerce and President Trump for taking a strong stance on enforcing our trade laws and standing up to the unfair trading practices of foreign producers, especially China. Over the past several years, I have fought alongside AK Steel to get one such trade

WASHINGTON, DC OFFICE
1707 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
TEL: (202) 225-5696
FAX: (202) 225-3103

ERIE OFFICE
208 EAST BAYFRONT PARKWAY
SUITE 102
ERIE, PA 16507
TEL: (814) 454-8190
FAX: (814) 454-8197

SHARON OFFICE
33 CHESTNUT AVENUE
SHARON, PA 16146
TEL: (724) 342-7170
FAX: (724) 342-7242

BUTLER OFFICE
101 EAST DIAMOND STREET
SUITE 210
BUTLER, PA 16001
TEL: (724) 282-2557
FAX: (724) 282-3682

distorting practice stopped; that is, the circumvention of the Section 232 steel tariff and quotas on GOES through derivative downstream transformer laminations and cores being imported from Canada and Mexico. At countless Ways and Means Committee hearings when officials from the Department of Commerce and the U.S. Trade Representative's (USTR) office have testified, I have raised this issue. I have invited the former AK Steel Corporation CEO, Roger Newport, to testify at the Ways and Means Committee about the trade distorting issues facing the company, and I have written numerous letters to the Administration on the matter. For the record, I am enclosing several of those letters, including a letter recently sent to President Trump and signed by a bipartisan group of 25 Members of the U.S. House of Representatives requesting him to address this issue and ensure the preservation of the last producer of electrical steel in North America.

Unfortunately, once the President announced the Section 232 investigation and subsequent tariff and quotas on steel, bad actors quickly found ways to evade the tariff applying to GOES by taking advantage of Canada and Mexico's favored trade status. Companies have surged imports of GOES into Canada and Mexico where the GOES is being slightly altered into transformer laminations and cores, which is simply stacked or wound GOES. Those laminations and cores are then shipped to the U.S. virtually tariff-free for incorporation into transformers. These trade patterns were established as part of a clear effort to circumvent the steel tariffs and quotas designed to prevent imports of GOES from harming U.S. production. As I understand it, the value of these imports from Canada and Mexico are up 105% from 2016 to 2019, and 95% of Canadian and Mexican lamination and core exports are now coming into the United States, even though neither Mexico nor Canada have any domestic GOES production.

Cleveland-Cliffs has announced that it will idle the Butler and Zanesville plants in 2020, unless the circumvention of the national security tariffs is stopped. Failure to address this circumvention would leave the U.S. dangerously reliant on foreign producers in China and elsewhere to help us repair or restore our country's electricity grid in the event of a natural disaster or other major disruption. We cannot replace damaged transformers without GOES, and lead times for orders from offshore producers can be three months or more. As the COVID-19 response has illustrated, in times of crisis, the United States should not be dependent on foreign countries for critical product and materials. Losing the domestic production of GOES would pose a serious threat to our national security.

The Administration's work to maintain and restore production of materials and components deemed critical to national security and rebuild the U.S. steel industry. Consistent with these policy priorities, I urge the implementation of an effective trade enforcement strategy to address this tariff circumvention and to preserve domestic production of GOES. A swift resolution is critical to saving America's GOES production capabilities and the 1,400 steel jobs in Western Pennsylvania and Central Ohio.

Thank you, in advance, for your consideration of this important national and economic security matter.

Sincerely,


Mike Kelly
Member of Congress

Enclosure (2)

Congress of the United States
Washington, DC 20515

March 6, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to express our urgent concerns threatening America's electrical steel market. We have strong reason to believe that unfairly traded imports of minimally transformed grain-oriented electrical steel (GOES) are pouring into Canada and Mexico, contrary to the intent of the administration's action pursuant to Section 232 of the Trade Expansion Act of 1962. These imports are then being used to create downstream products that are entering the U.S. at such low prices they are further eroding the U.S. electrical steel market. We urge you and the administration to address this matter immediately before the doors of the last American maker of electrical steel close.

We represent the nation's only producer of electrical steel, AK Steel, which will soon be acquired by Cleveland-Cliffs. This week, Lourenco Goncalves, chairman and chief executive officer of Cleveland-Cliffs testified before the Congressional Steel Caucus in Washington, D.C., that unless his company receives Section 232 tariff relief, he will be forced to close the two AK Steel plants in our districts. This would mean the loss of thousands of jobs in Butler, Pennsylvania, and Zanesville, Ohio. Moreover, if the AK Steel plants close, this country will no longer produce GOES that go into transformers for the electrical grid, which poses a serious national security risk.

The United States cannot afford to lose the one remaining producer for grain-oriented electrical steel (GOES), for economic or national security reasons. GOES, which is used to make electrical transformers, is critical for our national power grid. Without AK Steel's GOES, the U.S. will be solely reliant on overseas production for material that supports America's critical infrastructure. If the national electrical grid were to be attacked or compromised by a natural disaster, the U.S. would need a dependable source of electrical steel to allow for rapid repair. Becoming wholly dependent on foreign producers for this vital product puts Americans at grave and unnecessary risk.

For now, U.S. imports of GOES are restricted by tariffs imposed under Section 232 of the Trade Expansion Act of 1962. However, there has been a *dramatic* increase in imported GOES into Canada and Mexico – two countries with no capacity to make GOES. GOES shipped to Canada and Mexico does not stay there. Instead, after very limited processing, much of it enters the U.S. market in the form of internal components of electric transformers. These products include

laminations, cores, and core assemblies – products that generally consist of GOES that has been merely stacked, slit, or wound.

We appreciate your valiant work to improve the U.S. global trade situation and national security, especially your work to rebuild and support the American steel industry and its workers. We implore the U.S. Trade Representative and the Department of Commerce to address this matter immediately before our communities lose thousands of jobs and our country sees the doors of the last American maker of electrical steel shuttered. America cannot afford to lose its last remaining producer of electrical steel.

Sincerely,


Tippy Balderson
Member of Congress


Mike Kelly
Member of Congress

cc: Ambassador Robert Lighthizer
Secretary Wilbur Ross

Congress of the United States
Washington, DC 20515

April 15, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to share our grave concern about the vulnerability of the electrical transformer supply chain and the fate of 1,500 jobs in Pennsylvania and Ohio. AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc., is the only producer of grain-oriented electrical steel (GOES) in North America. GOES is produced at AK Steel's mill in Butler, Pennsylvania, employing approximately 1,400 workers, and finishing occurs at its Zanesville, Ohio operation, employing approximately 100 workers.

GOES is a critical and irreplaceable material used in the manufacturing of power and distribution transformers that sustain America's electrical grid. In its 2018 Steel Section 232 report, the Department of Commerce extensively cited national security concerns associated with GOES and emphasized the importance of ensuring continued production by AK Steel.

While relief from direct imports of GOES was imposed by your Administration under the Section 232 steel tariff program, the bad actors have found a way to circumvent those tariffs and quotas. Because the Section 232 tariffs do not apply to derivative electrical steel articles including laminations and cores (i.e., simply cut and shaped electrical steel) imports of those products are now surging into the United States. Mexico and Canada are being used as a staging ground for this blatant circumvention of the Section 232 program. The value of these imports from Canada and Mexico are up 87% from 2017 to 2019, indicating that approximately 43,000 tons of U.S. GOES have been displaced by this circumvention activity. A stunning 95% of Canadian and Mexican lamination and core exports are now coming into the United States yet there is no domestic GOES production in either Canada or Mexico.

AK Steel has announced that, unless this circumvention of the national security tariffs can be stopped, it will have no choice but to idle the Butler and Zanesville plants in 2020. Such an idling of these facilities would result in approximately 1,500 layoffs and the loss of America's last electrical steel producer. Such an outcome would leave the United States dangerously dependent on GOES-producing countries including China, Japan, Korea, and Russia for the stability of our electric grid.

Mr. President, we respectfully urge you to issue a proclamation that would cover these derivative steel products under your Administration's steel Section 232 program. In order to effectively

address circumvention and preserve this critical supply chain, tariffs must be applied to laminations and cores from Mexico and Canada.

Taking this action will not undermine the USMCA agreements already ratified by the U.S., Canada, and Mexico. In fact, when the new USMCA rules of origination are fully implemented, laminations and cores would rightly be considered originating from the country where the GOES was produced, not Canada or Mexico, which has no GOES production. This derivative product action would narrowly target intentional circumvention of the national security tariffs applying to GOES.

A successful resolution of this circumvention is critical to national security, the effectiveness of your administration's Section 232 steel program, and thousands of livelihoods in western Pennsylvania and central Ohio.

Thank you in advance for your consideration of this important economic and national security matter.

Sincerely,



Marcy Kaptur
Member of Congress

Troy Balderson
Member of Congress

Peter Stauber
Member of Congress

Steve Stivers
Member of Congress

Mike Bost
Member of Congress

Rick Crawford
Member of Congress

Scott Perry
Member of Congress

Peter J. Visclosky
Member of Congress

Bill Johnson
Member of Congress



Mike Kelly
Member of Congress

Glenn 'GT' Thompson
Member of Congress

Anthony Gonzalez
Member of Congress

Michael R. Turner
Member of Congress

Tim Walberg
Member of Congress

Tim Ryan
Member of Congress

Steve Chabot
Member of Congress

David P. Joyce
Member of Congress

Fred Keller
Member of Congress

Bob Gibbs
Member of Congress

Daniel T. Kildee
Member of Congress

Jack Bergman
Member of Congress

Conor Lamb
Member of Congress

Marcia L. Fudge
Member of Congress

Guy Reschenthaler
Member of Congress

Mike Doyle
Member of Congress

cc: **USTR Ambassador Robert Lighthizer**
Secretary of Commerce Wilbur Ross
Dr. Peter Navarro, Director of the Office of Trade and Manufacturing Policy

EXHIBIT 4

[REDACTED]

From: [REDACTED]@aksteel.com
Sent: Tuesday, September 15, 2020 5:45 PM
To: [REDACTED]
Cc: [REDACTED]@clevelandcliffs.com; [REDACTED]@portman.senate.gov
Subject: Re: [EXT] RE: Thursday Call

Great, please use the following number:

10:00 AM, Thursday, Sept. 17
Dial-In: [REDACTED]
Conference room number: [REDACTED]



[REDACTED]
Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45089
p 513.425.5000

From: [REDACTED]@mail.house.gov
To: [REDACTED]@aksteel.com; [REDACTED]@aksteel.com; [REDACTED]@portman.senate.gov; [REDACTED]@portman.senate.gov; [REDACTED]@mail.house.gov
Cc: [REDACTED]@mail.house.gov; [REDACTED]@clevelandcliffs.com; [REDACTED]@clevelandcliffs.com
Date: 09/15/2020 05:38 PM
Subject: [EXT] RE: Thursday Call

10am works for me.

From: [REDACTED]@mail.house.gov
Sent: Tuesday, September 15, 2020 5:36 PM
To: [REDACTED]@portman.senate.gov; [REDACTED]@aksteel.com; [REDACTED]@mail.house.gov; [REDACTED]@mail.house.gov
Cc: [REDACTED]@clevelandcliffs.com
Subject: RE: Thursday Call

Works for me as well.

From: [redacted] <[redacted]>
Sent: Tuesday, September 15, 2020 5:27 PM
To: [redacted] <[redacted]>; [redacted] <[redacted]>; [redacted] <[redacted]>
Cc:
Subject: RE: Thursday Call

From: [redacted] <[redacted]>
Sent: Tuesday, September 15, 2020 5:25 PM
To: [redacted] (Portman) <[redacted]>; [redacted] <[redacted]>
Cc:
Subject: Thursday Call

Hi All,
[redacted] and I wanted to see if we could get a call scheduled for sometime Thursday, perhaps Thursday morning, for a status update/next steps conversation? Would 10AM happen to work Thursday for everyone? If not, please share some time frames that work. [redacted] and [redacted] we welcome your participation and ideas but also understand if you need to divide and conquer and let [redacted] and [redacted] do the call.
Thanks!
Best,
[redacted]



[redacted]
Corporate Manager, Government and Public Relations
p [redacted] m [redacted]

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000

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[REDACTED]

From: [REDACTED]@aksteel.com
Sent: Tuesday, September 15, 2020 5:25 PM
To: [REDACTED]@portman.senate.gov; [REDACTED]; [REDACTED]
Cc: [REDACTED]@clevelandcliffs.com
Subject: Thursday Call

Hi All
[REDACTED] and I wanted to see if we could get a call scheduled for sometime Thursday, perhaps Thursday morning, for a status update/next steps conversation? Would 10AM happen to work Thursday for everyone? If not, please share some time frames that work. [REDACTED] and [REDACTED] we welcome your participation and ideas but also understand if you need to divide and conquer and let [REDACTED] and [REDACTED] do the call.
Thanks!
Best,
[REDACTED]



[REDACTED]
Corporate Manager, Government and Public Relations
[REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000

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[REDACTED]

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 11:57 AM
To: [REDACTED]
Subject: FW: Letter attached
Attachments: SecretaryRoss.9.30.2020.pdf

From: Goncalves, Lourenco
Sent: Wednesday, September 30, 2020 7:29 PM
To: [REDACTED]@doc.gov' <[REDACTED]>
Subject: Letter attached

Secretary Ross,

The attached letter describes in summarized fashion the serious issue created by the unexpected concession of 41,446 net tons of GOES in Section 232 exclusions to South Korea last week. I discussed the subject in phone calls with [REDACTED] yesterday and with Ambassador Lighthizer today, during our conversation regarding our announced acquisition of ArcelorMittal USA by Cleveland-Cliffs.

Due to the fact that the domestic market only requires 1,400 net tons each year of GOES wider than 920 mm, I can only believe that the concession of the exemption of 41,446 net tons was a clerical mistake. We need this mistake to be rectified right away, and I would appreciate your help on that.

I will be more than happy to explain the consequences of this exemption to you on the phone, and I can call you at your convenience. Alternatively, please call me on my cell [REDACTED]

Respectfully,
Lourenco Goncalves

September 30, 2020

The Honorable Wilbur L. Ross, Jr.
 Secretary of Commerce
 Herbert Clark Hoover Building
 1401 Constitution Avenue, NW
 Washington, DC 20230

Dear Secretary Ross:

I am writing on behalf of Cleveland-Cliffs Inc. and its wholly-owned subsidiary, AK Steel, to express my grave concern over Section 232 product exclusions for Grain Oriented Electrical Steel (GOES) recently granted by the Department of Commerce. On September 24, the Department of Commerce's Bureau of Industry Security (BIS) released information regarding eight separate product exclusions granted for GOES from Korea. The tonnages associated with these eight product exclusions total 37,600 metric tons (41,446 net tons) of GOES. AK Steel submitted substantive objections to all of these requests. As you know, domestic production of GOES is critical to U.S. national security, a fact acknowledged and highlighted by the Department of Commerce in its 2018 steel section 232 report. If not reversed, these product exclusion decisions will threaten the effectiveness of a potential Section 232 remedy covering transformer laminations and cores and jeopardize the integrity of President Trump's existing Section 232 program.

As explained below, these exclusions chart yet another path for circumvention of the existing steel Section 232 quotas applying to GOES. For each of the applications associated with the approved requests, AK Steel has existing products that meet or exceed customer specifications. The following table summarizes the eight product exclusion requests recently granted, totaling 37,600 metric tons. Note that, in each case, AK Steel has an alternative, equivalent or superior product to the imported steel article at issue.

Company	Exclusion Request	Grade	Volume (MT)	NOTES
ABB	77197	27PHD085	4,000	AK Steel equivalent X-1DR
Hyundai	56333	27PHD090	1,500	AK Steel equivalent H-1DR
POSCO	16947	27PHD085	6,000	AK Steel equivalent X-1DR
POSCO	16937	27PHD090	3,300	AK Steel equivalent H-1DR
POSCO	16928	23PHD085	2,000	AK Steel H-0DR has better core losses
POSCO	8011	27PH100	2,200	AK Steel equivalent H-1 Carlite
POSCO	8003	23PHD080	10,600	AK Steel equivalent H-0DR
POSCO	7956	23PHD085	8,000	AK Steel H-0DR has better core losses
			37,600 MT	
			(41,446 NT)	

It is noteworthy that virtually identical product exclusion requests were reviewed by BIS and denied in 2019. Neither the electrical steel market or availability of domestic source GOES have changed since that time. Also noteworthy is the extremely high volume of GOES permitted under these exclusions. The entire domestic GOES market is approximately 250,000 – 260,000 net tons. These requests alone stand to permit 41,446 net tons of duty-free imports from South Korea. Significantly, this figure does not include GOES that can be imported from South Korea duty-free pursuant to the quota that has been established under Section 232. In total, the volume

that was just granted exclusion from the Section 232 is dramatically higher than the record levels of GOES imports from Korea that entered this market in 2017 (20,798 net tons) and 2018 (25,126 net tons). **In other words, the exclusions rest on the groundless assumption that the U.S. market needs more imported GOES from Korea than U.S. companies have ever purchased.**

There is no basis for such an assumption. These exclusion requests rely on a claim by the requesting companies that they require GOES wider than 920 MM (the maximum width produced by AK Steel). **In reality, the domestic transformer market only requires approximately 1,400 net tons each year of GOES wider than 920 mm.** The requesting companies that will now be permitted to bring in massive volumes of Korean GOES will undoubtedly silt most of the steel to reduced widths for application in transformer production. Such imports will compete directly with products that AK Steel makes, and that are vital to the success of our electrical steel operations.

For two years, AK Steel has made these points to the Department of Commerce, and Commerce apparently agreed with AK Steel when it rejected very similar exclusion requests last year. If the Department of Commerce is now willing to grant exclusions based on misleading claims regarding required widths of steel products, other importers will exploit the same loophole to bring in various types and grades of steel, tariff-free. Such an outcome would threaten the effectiveness of President Trump's Section 232 program and jeopardize tens of thousands of steel jobs.

The Department of Commerce self-initiated a Section 232 investigation in early May covering transformer laminations, transformer cores and transformers. I am grateful for DOC's efforts to diligently pursue this investigation of trade patterns harming the viability of AK Steel's electrical steel division, with 1,400 jobs between Butler, Pennsylvania and Zanesville, Ohio. We firmly believe a stringent tariff is necessary to address the circumvention of the Section 232 steel tariffs involving production of laminations and cores in Canada and Mexico using foreign GOES. However, these exclusions threaten the effectiveness of potential remedy on laminations and cores, casting doubt on the immediate future of AK Steel's Butler Works and Zanesville Works.

I ask that the Department of Commerce re-evaluate these product exclusions and the bases on which they were granted and reverse these approvals. If not reversed, the flood of imported GOES entering the country will be detrimental to 1,400 electrical steel jobs in Pennsylvania and Ohio and will have a profound, negative impact on President Trump's steel Section 232 program.

Thank you for your consideration of this time-sensitive matter.

Respectfully,



Lourenco Goncalves
Chairman, President & Chief Executive Officer
Cleveland-Cliffs Inc.

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:43 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Update - Electrical Steel
Attachments: FW: Letter attached

Good afternoon, [REDACTED] and [REDACTED]

Lourenco Goncalves spoke to Ambassador Lighthizer late yesterday afternoon. We'd like to provide you with an important update on the status of the pending Section 232 investigation covering laminations, cores and transformers.

Please let us know if you'd have a few minutes to connect yet today.

In addition, please see the attached email/letter sent by Lourenco to Secretary Ross last evening.

Thanks,
[REDACTED]



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[REDACTED]

From: [REDACTED]
Sent: Thursday, October 1, 2020 12:55 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Update - Electrical Steel

Sounds good.

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:50 PM
To: [REDACTED] <[REDACTED]@mail.house.gov>; [REDACTED] <[REDACTED]@mail.house.gov>
Cc: [REDACTED] <[REDACTED]@aksteel.com>
Subject: RE: Update - Electrical Steel

[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Thursday, October 1, 2020 12:47 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] RE: Update - Electrical Steel

Sure thing. Let me know what works with you all and [REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Thursday, October 1, 2020 12:43 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>
Subject: Update - Electrical Steel

Good afternoon, [REDACTED] and [REDACTED]

Lourenco Goncalves spoke to Ambassador Lighthizer late yesterday afternoon. We'd like to provide you with an important update on the status of the pending Section 232 investigation covering laminations, cores and transformers.

Please let us know if you'd have a few minutes to connect yet today.

In addition, please see the attached email/letter sent by Lourenco to Secretary Ross last evening.

475

Thanks,
[REDACTED]



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Imposing tariffs, restrictions not beneficial

Oct 1, 2020 12:00 AM

The Sept. 20 article “[U.S. Power Grid Relies on Imported Steel](#)” provides an interesting account of the lobbying effort by AK Steel to obtain protection from competition beyond tariffs on imported electrical steel. However, the article failed to point out that the tariffs or quotas that could result from this “Section 232” investigation of electrical steel imports would damage, not enhance, national security, severely harm U.S. transformer producers and their workers, and raise the cost of electricity for American consumers.

The U.S. power grid cannot rely on domestic production to supply inputs for power transformers because the capacity simply does not exist. AK Steel, even with its competitors currently paying 25% steel tariffs put in place in 2018, cannot make its electrical steel competitive.

Furthermore, the notion that there is a “national security” issue regarding the imports of transformers, cores, laminations and other transformer inputs is not credible, given the fact that over 85% of imported cores and laminations come from two of our closest allies — Canada and Mexico.

Imposing tariffs or other trade restrictions on imports of transformer components would not address AK Steel's chronic structural cost problems or force that company to make the significant capital investments clearly needed to regain competitiveness in the electrical steel market. Instead, import restrictions would result in job losses in the American transformer industry that employs far more American workers than AK Steel. The Post-Gazette should consider these points in future stories. Tariffs are taxes, and this is no time to impose more taxes on American companies and consumers.

GWYNNE JOHNSTON
Executive Director
The Core Coalition
Barrington, Ill.

First Published October 1, 2020, 12:00am

EXHIBIT 5

[REDACTED]

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:55 PM
To: [REDACTED]
Subject: RE: Trump's Steel Election Trap WSJ Particle
Attachments: Imposing tariffs, restrictions not beneficial _Pittsburgh Post-Gazette.pdf

[REDACTED]

From: [REDACTED] <[REDACTED]@mail.house.gov>
Sent: Thursday, October 1, 2020 12:46 PM
To: [REDACTED] <[REDACTED]@clevelandcliffs.com>; [REDACTED] <[REDACTED]@aksteel.com>
Subject: [EXTERNAL] Trump's Steel Election Trap WSJ Particle

I'm sure you saw this article. Mike was texting with your boss. He thinks it's important that we push back on the article highlighting the national security angle as the last maker of electrical steel.

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 1:52 PM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Subject: RE: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 9:58 AM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] Re: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

Sure thing. Let me know what would work tomorrow morning.

Sent from my iPhone

On Sep 28, 2020, at 9:35 AM, [REDACTED] <[REDACTED]> > wrote:

[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 7:32 AM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] Re: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

Wow! Thanks for the heads up, [REDACTED]

Sent from my iPhone

On Sep 28, 2020, at 6:41 AM, [REDACTED] <[REDACTED]> wrote:

Good morning, [REDACTED] and [REDACTED]

I hope you both had a great weekend.

Please see the attached press release announcing that Cleveland-Cliffs Inc. has entered into a definitive agreement with ArcelorMittal S.A., pursuant to which Cleveland-Cliffs will acquire substantially all of the operations of ArcelorMittal USA LLC and its subsidiaries.

Please let us know if you'd be available to briefly discuss by phone sometime today.

Thanks and kind regards,
[REDACTED]

<image001.jpg>

[REDACTED]

[REDACTED]

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EXHIBIT 6

From: [REDACTED] <[REDACTED]@mail.house.gov>
Sent: Tuesday, September 1, 2020 10:59 PM
To: [REDACTED]
Subject: Re: Draft Statement

That is not technically true.

On Sep 1, 2020, at 10:53 PM, [REDACTED] <[REDACTED]@mail.house.gov> wrote:

“Representative Kelly did not purchase stock in Cleveland Cliffs, Inc. The Congressman’s wife has assets that she owns independently of the congressman for which trade decisions are made and executed without her input.”

If this works we should say something like.

[REDACTED]
Communications Director
Rep. Mike Kelly | PA-16

On Sep 1, 2020, at 10:40 PM, [REDACTED] <[REDACTED]@mail.house.gov> wrote:

[REDACTED] I am running this by our financial guy for technical accuracy but can you review this. I spoke to Mike tonight about it. We will talk to him in the morning.

“Congressman Kelly did not purchase any stock in Cleveland Cliffs, Inc and is not the owner of the stock. The Congressman’s wife has assets that she solely owns in which a third party manages the account.”

EXHIBIT 7

From: [REDACTED] PII
Sent: Tuesday, September 15, 2020 2:19 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: [EXT] Re: Sept. Steel Event?

I haven't told participants otherwise...should we proceed and see if we get lucky and votes slip, and if not and we get cut super short, we can reschedule...?



[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
P [REDACTED] PII aksteel.com

[REDACTED] ---09/15/2020 02:08:24 PM---okay -- still start at 3? From [REDACTED]
[REDACTED] PII

From: [REDACTED] PII
To: [REDACTED] PII
Cc: [REDACTED] PII
Date: 09/15/2020 02:08 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

okay -- still start at 3?

From: [REDACTED] PII
Date: Tuesday, September 15, 2020 at 12:29 PM
To: [REDACTED] PII, [REDACTED] PII
Cc: [REDACTED] PII
Subject: RE: [EXT] Re: Sept. Steel Event?

Just a heads up -- votes are now expected to be called between 3:00 and 3:30 so we will probably have to keep this on the shorter side.

From: [REDACTED] PII
Sent: Monday, September 14, 2020 6:49 PM
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII

Subject: Re: [EXT] Re: Sept. Steel Event?

Thanks [redacted]! For Ford, for now, please use [redacted] PII who is their PAC coordinator.



[redacted]
Corporate Manager, Government and Public Relations

[redacted] PII

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
P [redacted] PII aksteel.com

From: [redacted] PII
To: [redacted] PII
Cc: [redacted] PII, [redacted] PII
Date: 09/14/2020 06:43 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Thank you! Link for zoom is below – I'll double check that I have them all –

[redacted] is inviting you to a scheduled Zoom meeting.

Topic: Mike Kelly Steel Industry Virtual
Time: Sep 15, 2020 03:00 PM Eastern Time (US and Canada)

Join Zoom Meeting
[redacted] PII

Meeting ID: [redacted] PII

Passcode: [redacted] PII

One tap mobile

[redacted] PII US (Germantown)
[redacted] PII US (Chicago)

Dial by your location

[redacted] (Germantown)
[redacted] (Chicago)
[redacted] (New York)
[redacted] (Tacoma)
[redacted] (Houston)
[redacted] (San Jose)

Meeting ID: [redacted] PII

Passcode: [Redacted]
Find your local number: <https://us02.webex.com/us02/jdoxluh0NP>

From: [Redacted] PII
Date: Monday, September 14, 2020 at 3:18 PM
To: [Redacted] PII
Cc: [Redacted] PII, [Redacted] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

Hi [Redacted]
Here is my list of participants for tomorrow's virtual fundraiser at 3:00 PM. Do you have the virtual dial-in info. that I can circulate to them? I'll get you the Ford participant's name asap. Thanks!!

[Redacted] and [Redacted] (AKS/Cliffs)	\$2,500
[Redacted] (AISI)	\$1,000
[Redacted] (Nucor)	\$1,000
[Redacted] (Kelley Drye)	\$1,000?
[Redacted] (U.S. Steel)	\$1,000?
[Redacted] (SSAB)	\$1,000
[Redacted] (King & Spalding)	\$1,000?
Awaiting participant name for Ford	\$1,000
[Redacted] (SMA)	\$500



[Redacted]
Corporate Manager, Government and Public Relations

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p [Redacted] PII aksteel.com

From: [Redacted] PII
To: [Redacted] PII
Cc: [Redacted] PII, [Redacted] PII, [Redacted] PII
Date: 09/10/2020 12:58 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Will send one.

486

Sent from my iPhone

On Sep 10, 2020, at 12:50 PM, [REDACTED] <[REDACTED] PII> wrote:

[REDACTED] do you have a Zoom link for us?

From: [REDACTED] PII
Sent: Thursday, September 10, 2020 12:42 PM
To: [REDACTED] PII
Cc: [REDACTED] PII; [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

We are all good on my end!

<image001.gif>

[REDACTED]
Corporate Manager, Government and Public Relations
[REDACTED] PII

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
P [REDACTED] PII aksteel.com

From: [REDACTED] PII
To: [REDACTED] PII
Cc: [REDACTED] PII
Date: 09/10/2020 12:35 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Hi [REDACTED] -

Just making sure we are still good for 3pm on Tuesday.

Thanks,

[REDACTED]

From: [REDACTED] PII
Date: Tuesday, August 11, 2020 at 2:50 PM
To: [REDACTED] PII; [REDACTED] PII
[REDACTED] PII

4

CC_OCE-000100

CLEVELAND-CLIFFS - HIGHLY CONFIDENTIAL TREATMENT REQUESTED

COE.KELLY.000322

21-8921-0318

Cc: [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

From: [REDACTED] PII
Date: Tuesday, August 11, 2020 at 2:28 PM
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

Great, 9/15 at 3PM it is, thanks!

<image002.gif>

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p [REDACTED] PII aksteel.com

From: [REDACTED] PII
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Date: 08/11/2020 02:17 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Let's go with 9/15. Thanks [REDACTED]

From: [REDACTED] PII
Date: Tuesday, August 11, 2020 at 1:57 PM
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

Looks like both those dates and times work for the group i polled, do you have a preference given the Congressman's schedule?

[REDACTED] once the date is selected, can you put together and send me an invitation and i will get it around to folks?

Thanks!

<image003.gif>

Corporate Manager, Government and Public Relations

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p [redacted] aksteel.com

From: [redacted] PII
To: [redacted] PII [redacted] PII [redacted] PII
Date: 08/06/2020 12:04 PM
Subject: [EXT] Re: Sept. Steel Event?

How about 3 PM on 9/15 or 9/16?

From: [redacted] PII
Date: Wednesday, August 5, 2020 at 5:15 PM
To: [redacted] PII [redacted] PII
Cc: [redacted] PII [redacted] PII
Subject: Re: Sept. Steel Event?

Awesome [redacted] - we would love to. [redacted] - can we offer a couple dates?

From: [redacted] PII
Date: Tuesday, August 4, 2020 at 1:14 PM
To: [redacted] PII
Cc: [redacted] PII [redacted] PII
Subject: Re: Sept. Steel Event?

That would be great [redacted] I'm also adding [redacted] to coordinate Mike's schedule.

Thanks again!

[redacted]

On Tue, Aug 4, 2020 at 12:30 PM [redacted] PII wrote:

Hi [REDACTED] and [REDACTED]
Hope all is well. We wanted to see if you all were doing any virtual fundraiser events with Rep. Kelly as we have a group of our steel friends who would like to support his re-elect. We were hoping to get a few September dates to run by folks and check on availability.

Thanks,
[REDACTED]

<image004.gif>

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED]
PII
[REDACTED]

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

P [REDACTED] PII aksteel.com

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EXHIBIT 8

From: [REDACTED]
To: [REDACTED]
Subject: [REDACTED]
Date: [REDACTED]

[REDACTED]

Begin forwarded message:

From: [REDACTED]@aksteel.com
Date: October 30, 2020 at 9:31:10 AM EDT
To: [REDACTED] <[REDACTED]@gmail.com>
Cc: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@clevelandcliffs.com>
Subject: Re: [EXT] Rep. Kelly just spoke with Mark Meadows

Great, let's use the following number at 10AM.
Thanks,

[REDACTED]

Dial-In: [REDACTED]
Conference Room number: [REDACTED]



[REDACTED]
Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000 aksteel.com

From: [REDACTED] <[REDACTED]@gmail.com>
To: [REDACTED]@aksteel.com
Cc: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@clevelandcliffs.com> <[REDACTED]@clevelandcliffs.com>
Date: 10/30/2020 09:28 AM
Subject: Re: [EXT] Rep. Kelly just spoke with Mark Meadows

Hello -

Yes we can [REDACTED] Mike and I are all together and can talk

On Fri, Oct 30, 2020 at 9:11 AM <[REDACTED]@aksteel.com> wrote:
Hey guys, can we connect this morning? Maybe 10AM?



Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000 aksteel.com

From: [REDACTED] <[REDACTED]@gmail.com>
To: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@clevelandcliffs.com>, [REDACTED] <[REDACTED]@clevelandcliffs.com>, [REDACTED] <[REDACTED]@aksteel.com>
Date: 10/30/20 11:43 AM
Subject: [EXT] Rep. Kelly just spoke with Mark Meadows

Team -

Mark Meadows just asked that we text him talkers for what we want POTUS to say in the speech, and that he and Robert Lighthizer will work on getting something into the speech that they feel is appropriate to say.

These are the talking points Mike and I just put together. They are very high level, which is all we need and all POTUS would do anyway given his style.

- We're in Butler, Pennsylvania, home of Cleveland Cliffs' AK Steel plant, the last domestic producer of grain oriented electrical steel in America.
- I have good news for workers at this plant.
- You are vital to our national security, because you build critical parts of our electrical

infrastructure

- My Department of Commerce acted this week to make sure that your hard work isn't undermined by the flow of Chinese electrical steel into America through Mexico and Canada
- We're going to protect this plant and your jobs, and we appreciate what you do for America. Thank you!

We plan to send this over and once we get confirmation that they will get it in the speech, we need to immediately start working on rallying plant workers to attend, and we'll work with the campaign to get them a section at the rally.

Also, if this all works out, Mike just said he would love to for Mr. Goncalves to come in and be there for this rally too.



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EXHIBIT 9

From: [REDACTED]
Sent: Thursday, April 30, 2020 12:21 PM
To: [REDACTED]
Subject: (File 08) FW: Pls Confirm Purchase

VICTORIA P KELLY TRUST ICA: [REDACTED]

- Please file OnBase in 2 places:
- Trade Authorization- Direction to purchase unapproved stock, CLF
 - Trust, Investment- Direction to purchase unapproved stock, CLF.

Thanks,
[REDACTED]

[REDACTED]
Senior Vice-President
Senior Investment Adviser
Hawthorn

The Tower at PNC Plaza
300 Fifth Avenue, 27th Floor
Pittsburgh, PA 15222

[REDACTED]@Hawthorn.PNC.com



From: Victoria Kelly [mailto:[REDACTED]@hotmail.com]
Sent: Wednesday, April 29, 2020 8:00 PM
To: [REDACTED]@hawthorn.pnc.com>
Subject: EXTERNAL: Re: Pls Confirm Purchase

** This email has been received from outside the organization – Think before clicking on links, opening attachments, or responding. **

Thank you for buying those shares. Victoria Kelly

Sent from my iPhone

On Apr 29, 2020, at 10:11 AM, [REDACTED]@hawthorn.pnc.com> wrote:

Hi Vicki, Thanks for your call today. I am so glad to hear that you and Mike are feeling better; I hope you stay well. Per your direction, I purchased 5,000 shares of Cleveland Cliffs (CLF), for a little more than \$20,000. Because this stock is not currently covered by our analysts, I will take all trade direction from you (future buys or sells). Please respond with your authorization.

497

Great to talk to you; please take care.



Senior Vice-President
Senior Investment Adviser
Hawthorn

The Tower at PNC Plaza
300 Fifth Avenue, 27th Floor
Pittsburgh, PA 15222

@Hawthorn.PNC.com

<image003.jpg>

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EXHIBIT 10

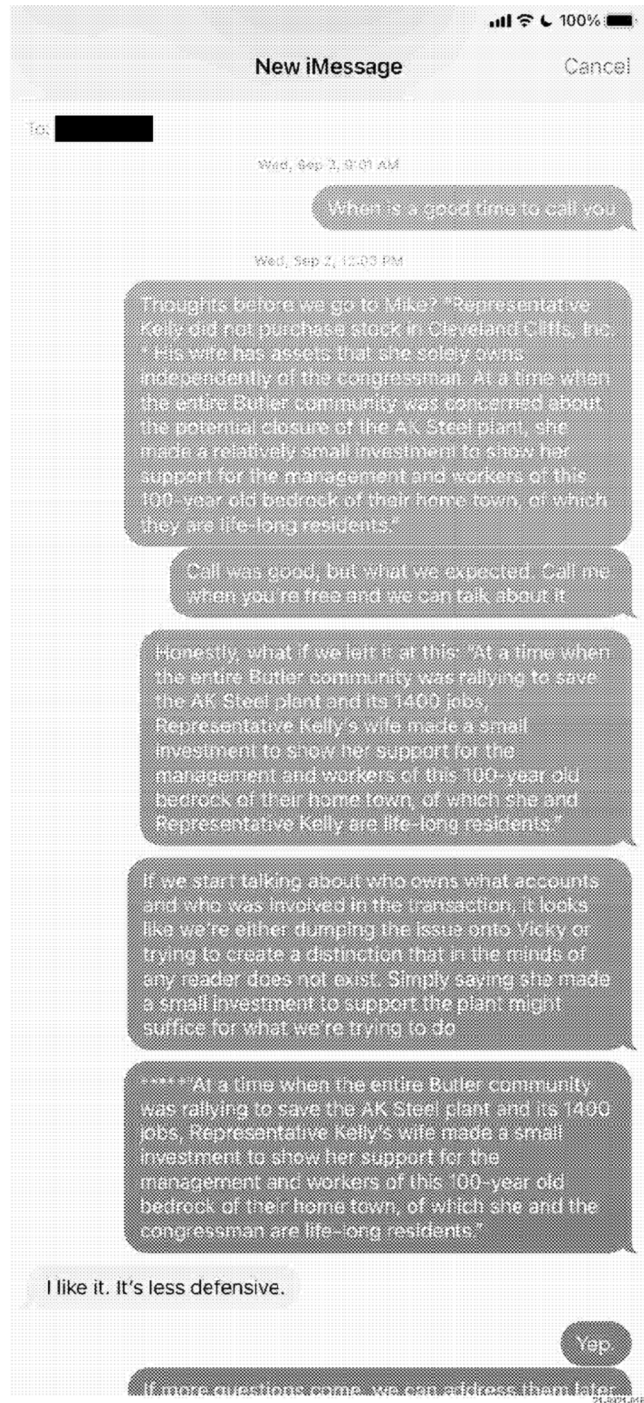


EXHIBIT 11

New iMessage Cancel

To: [Redacted]

1/2

Fri, Sep 4, 9:22 AM

Adding To this thread to think about this:

Covering the bases here and trying to think through this. What if we were to respond with something like this:
Q1-2: "There was nothing certain about whether the 232 investigation would be launched until Secretary Ross confirmed the plan in a private phone conversation with the congressman on May 1."
Q3-4: "That is correct, the congressman does not directly own any investments. His wife solely owns investment accounts that are collaboratively managed with a third party."
Q5: I think I would call [Redacted] off-record and ask if he is willing to not write that we refused an interview since these responses are sufficient answers to his questions and see how he responds...

Fri, Sep 4, 12:40 PM

Where are we on this?

Fri, Sep 4, 2:57 PM

[Redacted]
I'm fine with this.
What about changing 3/4 to the following? This was our original statement to [Redacted] and it seems to fit here.
"Correct, Congressman Kelly did not purchase any stock in Cleveland Cliffs, Inc and is not the owner of the stock. The Congressman's wife has assets that she solely owns in which a third party manages the account."

EXHIBIT 12



Sep 1, 2020 at 9:57 PM

Let me know how we answer the PG's question about my wife's investment in our hometown steel mill before we release it.
Thanks

Definitely! I was going to call you in the morning and go over the draft.



EXHIBIT 13

Analysis for Office of Congressional Ethics Review No. 21-9221

Ankura Consulting Group, May 24, 2021¹

I. Introduction

1. We have been asked by the Office of Congressional Ethics, as part of the OCE Review No. 21-9221, to analyze and provide our opinion as to whether the purchase of common stock of Cleveland-Cliffs, Inc. by Victoria Kelly, the spouse of Representative Mike Kelly, may be deemed to constitute trading on the basis of material, nonpublic information and may therefore have been in violation of Federal law related to insider trading.

2. U.S. securities law, under the authority of the Securities Exchange Act 1934, has created a two-part test for prohibited insider trading. In simplest terms, the first part is that insider trading pertains to purchasing or selling securities on the basis of material non-public information. The second part is that the individual trading the securities must have violated a duty not to trade on such information stemming from the individual's position as a corporate insider or some other position of trust or have been tipped by such an individual.²

¹ This report was prepared by an Ankura team led by [REDACTED], Senior Managing Director [REDACTED] (@ankura.com), and including [REDACTED], Senior Director, and [REDACTED], Senior Associate.

² See, for example, Bryan B. House and Joseph D. Edmondson, § 5.04, Implied Civil Liabilities under Section 10(b) and Rule 10b-5, in Federal Securities Exchange Act of 1934, Matthew Bender & Company, Inc., 2021.

3. The Stop Trading on Congressional Knowledge Act of 2012 (“STOCK Act”) added Section 21A(g) to the Securities Exchange Act of 1934. This provides that, with regard to insider trading prohibitions, “each Member of Congress...owes a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States with respect to material, nonpublic information derived from such person’s position as a Member of Congress...”. SEC Rule 10b5-2 generally extends “duties of trust or confidence” in insider trading cases to spouses of those with a primary duty of trust or confidence.³

4. Our analysis has three parts. We first consider the investment of Ms. Kelly in Cleveland-Cliffs, and the degree to which was either routine or atypical of the Kellys’ investment behavior. To the extent the Cleveland-Cliffs investment was atypical, the possibility that Ms. Kelly came into possession of material non-public information regarding the company may have been one explanation. On the other hand, an investment that appears entirely routine is less likely to have been undertaken on the basis of material nonpublic information that indicated the likelihood of high risk-adjusted returns.

5. We next consider what nonpublic information may have been available to Ms. Kelly at the time of her investment in Cleveland-Cliffs. We make use of documents that have been provided to the OCE regarding communications between Cleveland-Cliffs, the Department of Commerce (“DOC”), and Rep. Kelly’s office.⁴ We note that we

³ See 17 CFR § 240.10b5-2.

⁴ All references in this report to Rep. Kelly refer to Representative Mike Kelly.

do not have any direct evidence on whether information regarding the DOC's intent to open a Section 232 investigation reaching Rep. Kelly's office was in fact communicated to Rep. Kelly himself or to Ms. Kelly in advance of her investment in Cleveland-Cliffs.

6. Finally, we evaluate whether the nonpublic information available to Rep. Kelly's office (and presumably to Ms. Kelly) would be considered material. Our standard for materiality, discussed in greater detail below, is whether the information changed the total mix of information sufficiently to change the investment decision of a reasonable investor. The economic context for such analysis is the principle that investors are primarily concerned with the expected return and risk of their investments.⁵ Information matters to such investors and is "material" to the extent that it bears on either the expected return or the risk of that investment sufficiently to be relevant to their investment decisions. An important component of this analysis is an "event study" of the impact on Cleveland-Cliffs stock price of the public release of the previously nonpublic information related to the initiation of the Section 232 investigation. We also consider other information that indicated whether the information was material.

7. Our findings, detailed in this report, may be summarized as follows:

- a) Ms. Kelly's purchase of Cleveland-Cliffs stock on April 29, 2020 represented a sharp departure from her investment behavior, leading to the inference that this investment was due to some special event or consideration, such as the receipt of material nonpublic information.

⁵ Investors may of course have a variety of other, non-pecuniary objectives for making particular investments. We do not consider such objectives in this report.

- b) The intention of the DOC to initiate a Section 232 investigation into electrical transformers and coils was nonpublic information communicated to Rep. Kelly's office on April 28, 2020, a day before Ms. Kelly's investment in Cleveland-Cliffs.
- c) There is substantial doubt as to whether the information regarding the DOC's initiation of the Section 232 was material to investors in Cleveland-Cliffs. Among other factors, our event-study analysis does not find a statistically significant price reaction to the announcement of the investigation after market-close on May 4, 2020.
- d) Although Ms. Kelly may have traded while possessing nonpublic information, the evident lack of materiality of this information makes it unlikely, in our view, that she would be found to have violated Federal law against insider trading.

II. Background

8. Section 232 of the Trade Expansion Act of 1962 allows the President of the United States to impose restrictions on specific imports based on a DOC investigation concluding that the product(s) are "being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security."⁶ Once an investigation is initiated by the DOC, government officials (and sometimes the public) are consulted, and a report on the DOC's findings and recommendations is submitted to the President within 270 days. If the DOC concludes the imports constitute a threat to impair national security, the President has 90 days to

⁶ 19 U.S. Code § 1862.

determine whether to concur with the finding of the Commerce Secretary and, if so, another 15 days to “take action to adjust imports.”⁷

9. In 2017, the Trump Administration initiated the first Section 232 investigation since February 2001.⁸ In total, the Trump Administration initiated eight Section 232 investigations, five of which resulted in reports by the DOC.⁹ All five reports concluded that the investigated import(s) threatened to impair national security (prior to those, the last positive DOC finding was in 1999).^{10,11} President Trump concurred and acted on four of the five positive DOC reports, including imposing tariffs on steel and aluminum imports on March 23, 2018. Exhibit 1 within the Appendix (at the end of this report) summarizes the Section 232 investigations initiated under the Trump Administration.

10. On May 4, 2020, the DOC initiated a Section 232 investigation into imports of electrical transformers and components. The DOC’s initial investigation statement referred to laminations and cores as “critical transformer components” made from grain-oriented electrical steel (“GOES”), an electrical steel “necessary for power distribution transformers.”¹²

⁷ Ibid.

⁸ Prior to the Trump Administration, the last Section 232 investigation was a February 2001 investigation into iron ore and semi-finished steel. See:

<https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/section-232-investigations>

⁹ “Trump Administration Tariff Actions: Frequently Asked Questions,” Congressional Research Service, December 15, 2020 (Update).

¹⁰ Ibid.

¹¹ Prior to the Trump Administration, the last positive conclusion by the DOC was on imports of crude oil. See: <https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/section-232-investigations>

¹² “U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators,” Department of Commerce, May 4, 2020.

11. GOES is a steel product “specially processed so that optimal magnetic properties are developed.”¹³ Since 2016, the sole U.S. producer of GOES has been AK Steel/Cleveland-Cliffs.¹⁴ AK Steel claimed that following the inclusion of GOES in the Trump Administration’s March 2018 steel tariffs, domestic prices were suppressed due to imports of downstream products made principally of GOES (e.g., laminations and cores).¹⁵

12. According to The Core Coalition, in 2019 (the first year after the original steel tariffs), U.S. imports of GOES metal dropped by about 31,000 tons (-52.5%) while the estimated imports of GOES as cores, stacks and laminations increased by about 25,000 tons (+57%).¹⁶ That year, despite contributing an estimated \$425 million to \$511 million in sales to AK Steel (see Exhibit 2), GOES reportedly generated about \$40 million in EBITDA losses to the firm.¹⁷

13. In March 2020, AK Steel merged with Cleveland-Cliffs, Inc. As shown in Exhibit 3, on March 5, 2020, about two weeks prior to consummation of the deal, Lourenco C. Goncalves, the CEO of Cleveland-Cliffs, warned that due to imports of laminations and cores, the company’s two GOES plants, located in Zanesville, Ohio and

¹³ The definition of GOES obtained from “Electrical Steel and Transformer-Related Parts 232 Survey,” Bureau of Industry and Security, 2020.

¹⁴ In 2016 Allegheny Technologies, Inc exited the market for GOES. See “ATI Exits GOES Business, AK Steel Last US GOES Producer,” *MetalMiner*, November 9, 2016.

¹⁵ AK Steel SEC Form 10-K, filed February 20, 2020.

¹⁶ In 2019, U.S. imports of GOES dropped by 31,000 tons (from 59,000 in 2018 to 28,000 in 2019), while the estimated volume of GOES imported as cores, stacks, and laminations increased by 24,764 tons (43,373 in 2018 to 68,137 in 2019). See Table 1 and Table 2 of “Public Comments on behalf of The Core Coalition LLC” submission to the U.S. Department of Commerce (pursuant to the May 19, 2020 Federal Register Document 2020-10715), dated July 3, 2020.

¹⁷ See “Q1 2020 ClevelandCliffs Inc Earnings Call – Final,” CQ FD Disclosure, May 11, 2020.

Butler, Pennsylvania, were unprofitable and would close unless those components were included in Section 232 tariffs.¹⁸

14. In the two months that followed, pressure for Section 232 action was evident in both public and private communications. On March 6, 2020, the day after Mr. Goncalves's warning, Rep. Kelly, along with Rep. Troy Balderson of Ohio, sent the Trump Administration an open letter imploring the DOC to address imports of "minimally transformed" GOES.¹⁹ On April 15, 2020, they and several additional Representatives sent a second open letter to the Administration.²⁰ Intensive communication between Cleveland-Cliffs, the DOC, and key legislators occurred in late April 2020, culminating the DOC initiating a Section 232 investigation into electrical transformers & components on May 4, 2020.

III. Investment activity of Victoria Kelly

15. Title I of the Ethics in Government Act of 1978 requires members of the U.S. House of Representatives to file Financial Disclosure Statements with the Clerk of the House of Representatives. Among other information, these statements report year-end assets valued at more than \$1,000 held by the member, member's spouse, and any dependent children.²¹ In addition, the STOCK Act requires members of Congress, their spouses, and any dependent children to file Periodic Transaction Reports ("PTRs") for

¹⁸ "AK Steel buyer warns of plant closures without stronger U.S. import curbs," Reuters, March 5, 2020.

¹⁹ Letter signed by Rep. Kelly and Rep. Balderson to President Trump, Congress of the United States, March 6, 2020.

²⁰ Letter signed by Rep. Kelly and Rep. Kaptur to President Trump, Congress of the United States, April 15, 2020.

²¹ Ethics in Government Act of 1978, Pub. L. No. 95-521.

all financial securities transactions exceeding \$1,000 within 30 days of notice of the transaction.²²

16. On April 29, 2020, before the DOC's Section 232 investigation was initiated, Victoria Kelly purchased between \$15,001 and \$50,000 worth of Cleveland-Cliffs stock. Rep. Kelly reported this transaction in a PTR submitted May 15, 2020.²³ On February 12, 2021, Rep. Kelly submitted another PTR indicating that Ms. Kelly had sold between \$50,001 and \$100,000 of Cleveland-Cliffs' stock on January 11, 2021.²⁴

17. The Cleveland-Cliffs investment was a relatively small portion of the Kellys' overall investment portfolio. The Kellys' overall investment portfolio at year-end 2019 fell in a range between \$4.3 million and \$9.9 million in total value. See Exhibit 4. Based on this overall portfolio value, Ms. Kelly's \$15,001-50,000 Cleveland-Cliffs investment on April 29, 2020 was at most 1.14% of their total investment portfolio.

18. Rep. Mike Kelly's 2018 Financial Disclosure Statement reports holdings in 61 individual stocks. See Exhibit 5. On May 28, 2019 the Kellys reported their last stock purchase of the 2019 calendar year before liquidating all single stock positions and investing in mutual funds in June 2019.²⁵ Cleveland-Cliffs was the only single stock the Kellys held in their portfolio in 2020.²⁶

19. Other notable aspects of the Cleveland-Cliffs investment include:

²² U.S House of Representatives Committee on Ethics Instruction Guide - Financial Disclosure Statements and Periodic Transaction Reports – Calendar Year 2020; Congressional Research Service - The STOCK Act, Insider Trading, and Public Financial Reporting by Federal Officials (April 18, 2013)

²³ May 15, 2020 George (Mike) Kelly, Jr. Periodic Transaction Report

²⁴ February 12, 2021 George (Mike) Kelly, Jr. Periodic Transaction Report

²⁵ George (Mike) Kelly, Jr. Financial Disclosure Statements (2019) Schedule B

²⁶ George (Mike) Kelly, Jr. Financial Disclosure Statements (2019) Schedule A; 2020 Periodic Transaction Reports

- a) Cleveland-Cliffs had a substantially smaller stock market capitalization than the stocks the Kellys purchased in 2019.²⁷
- b) Most of Victoria Kelly's earlier single-stock investments involved purchases spread over multiple days. See Exhibit 6. In contrast, her entire Cleveland-Cliffs investment was made on a single day.
- c) The size of the Cleveland-Cliffs position investment was comparable in size to those of the Kellys' other single stock positions held in 2018 and the first half of 2019. See Exhibit 5.

20. In summary, Victoria Kelly's investment in Cleveland-Cliffs represented a clear departure from her investment practices at the time. It was her first purchase of a single stock (as opposed to a bond or mutual fund) in eleven months and her first holding of a single stock in ten months. Based on market capitalization, Cleveland-Cliffs was a substantially smaller stock than her 2019 stock investments. She also made her investment in Cleveland-Cliffs more quickly than most of her earlier investments. On the other hand, the amount of her investment in Cleveland-Cliffs was in line with her earlier stock investments.

IV. Timing of information related to Section 232 investigation

21. Possible circumvention of Section 232 tariffs on GOES metal through imports of downstream products (and persistent requests for DOC action) were mentioned by market participants at least as early as 2018, as indicated in Exhibit 7.

²⁷ Market capitalization data from Bloomberg L.P. The market capitalization of Cleveland-Cliffs on April 29, 2020 was \$1.9 billion. Among the stocks purchased in 2019, the next smallest market capitalization was that of Ingersoll-Rand PLC, which was approximately \$5.5 billion when purchased in April 2019.

Concerns regarding downstream GOES products—expressed both privately as well as through disclosures by Cleveland-Cliffs and statements by members of Congress—predated the Trump Administration's implementation of steel tariffs in April 2018 and intensified after the December 3, 2019 announced acquisition of AK Steel by Cleveland-Cliffs. In the weeks leading up to the March 13, 2020 finalization of the AK Steel acquisition, the CEO of Cleveland-Cliffs threatened to close the two GOES plants in Pennsylvania and Ohio unless Section 232 action was taken, while Reps. Kelly & Balderson publicly wrote to President Trump.

22. Lobbying for Section 232 tariffs on downstream GOES products intensified in April 2020, including in an additional letter to President Trump on April 15th led by Rep. Kelly and Rep. Kaptur and signed by 23 additional representatives. Exhibit 8 also shows that private communications indicate Cleveland-Cliffs advised legislators and the DOC of the imminent closure of the two GOES steel plants by the end of April 2020 unless action was taken. That month, the CEO of Cleveland-Cliffs continued to push for action through private communications with the DOC while publicly warning of inaction theretofore by Commerce Secretary Ross.

23. On April 28, 2020, Cleveland-Cliffs informed Rep. Kelly's office of the DOC's intention to initiate a Section 232 investigation into transformer laminations and cores. The DOC publicly disclosed its initiation of an investigation after the stock market closed in the afternoon of May 4, 2020.

V. Analysis of materiality

24. The standard for materiality identified in Supreme Court decisions in the context of information omitted from a disclosure has been that “there must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available.”²⁸ Courts have tended to place substantial weight on event-study analyses in assessing materiality, but have also considered other factors.²⁹ The Supreme Court’s test has also been phrased as, “a fact is material if there is a substantial likelihood a reasonable investor would consider it important in making an investment decision.”³⁰ In addition to analysis of the stock price reaction to the release of relevant news (event-study analysis), courts have sometimes considered the impact of the issue on a company’s financials, focusing on the percentage change in (for example) earnings or revenue. They have emphasized, however, that should be no bright-line threshold for such percentages.³¹

25. Courts have cited *SEC Staff Accounting Bulletin No. 99 – Materiality*, Aug. 12, 1999. The Bulletin states:

One rule of thumb in particular suggests that the misstatement or omission of an item that falls under a 5% threshold is not material in the absence of particularly egregious circumstances, such as self-dealing or misappropriation by senior management. The staff reminds registrants and the auditors of their financial statements that exclusive reliance on this

²⁸ *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 96 S. Ct. 2126 (1976).

²⁹ See Section 4.02, “The Concept of Materiality,” in *Insider Trading: Liability and Compliance*, Matthew Bender & Company, Inc., 2013.

³⁰ *U.S. v. Bachynsky*, 415 F. App’x 167 (11th Cir. 2011).

³¹ See House and Edmondson, Section 4.

or any percentage or numerical threshold has no basis in the accounting literature or the law.

The use of a percentage as a numerical threshold, such as 5%, may provide the basis for a preliminary assumption that – without considering all relevant circumstances – a deviation of less than the specified percentage with respect to a particular item on the registrant's financial statements is unlikely to be material. The staff has no objection to such a "rule of thumb" as an initial step in assessing materiality. But quantifying, in percentage terms, the magnitude of a misstatement is only the beginning of an analysis of materiality; it cannot appropriately be used as a substitute for a full analysis of all relevant considerations. Materiality concerns the significance of an item to users of a registrant's financial statements. A matter is "material" if there is a substantial likelihood that a reasonable person would consider it important. In its Statement of Financial Accounting Concepts No. 2, the FASB stated the essence of the concept of materiality as follows:

The omission or misstatement of an item in a financial report is material if, in the light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item.

26. We conducted an "event study" analysis of the impact of the public announcement of the Commerce Department investigation. An event study is a standard tool in financial economics and is frequently used in investigations and litigation related to information disclosures about corporations, including in securities class actions and in insider trading cases. The theory of efficient financial markets holds that, to the extent information is important to investors' assessment of the value of a security, the price of that security should react promptly to the public release of that information.

27. An event study is based on a "market model," which is a regression analysis of the relationship of the daily changes (or returns) in the prices of a company's

common stock (or another security) with the returns of either broad market indices or indices of related companies. For our analysis, we chose a market model relating Cleveland-Cliffs's daily common stock returns with the daily returns of the S&P SmallCap 600 market index. The market capitalization of Cleveland-Cliffs fell within the size range of companies included in this index.³² To ensure that our results were not sensitive to our choice of index, we also considered another market index (the Russell 2000 Index), as well as an index of metals and mining stocks (the S&P Metals & Mining Select Industry Index). We estimated the market model using daily returns over the period February 12, 2020 -September 25, 2020. This was the period between a disclosure that AK Steel and Cleveland-Cliffs anticipated an earlier-than-expected consummation of their merger and a disclosure that Cleveland-Cliffs would acquire Arcelor-Mittal USA.³³ The nature and composition of Cleveland-Cliffs's business over this period should therefore have been relatively stable. We also considered several other regression sample periods as sensitivity checks. The sensitivity checks indicate that our results are not sensitive to our choices of the market index and regression period.

³² Cleveland-Cliffs is also a member of this index, which generally includes companies with market capitalizations ranging from \$750 million to \$3.3 billion. Bloomberg L.P.; S&P U.S. Indices Methodologies.

³³ See "Cleveland-Cliffs Inc. and AK Steel Holding Corporation Announce the Extension of the Expiration Date for Exchange Offers and Consent Solicitations," *BusinessWire*, February 11, 2020 5:42 PM and "Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA," *BusinessWire*, September 28, 2020 1:40 AM.

28. The results of the market model regression are shown below in Table 1.

Table 1: Market model regression

	Coefficient	t stat	p value ³⁴
Constant	0.000	0.044	0.965
S&P SmallCap 600 Index	1.415	16.900	0.000 *
R-squared:	0.647		
No. Observations:	158		

29. The regression model is based on logarithmic returns (that is, the daily changes in the logarithms of the stock price and the explanatory index). A log return is approximately equivalent to a percentage return divided by one hundred. The coefficient on the explanatory index, the S&P SmallCap 600 Index, is 1.415, indicating that for a 0.01000 return in the index, a 0.01415 return in Cleveland-Cliff's stock would be expected. This coefficient is sometimes referred to as the "beta" of the stock. The constant term, which is estimated to be zero, is the return in the stock that would be expected given no change in the market index. A stock return on any given day will differ from its expected return by an amount known as the excess, or abnormal, return. The R-squared of the regression, 0.647, is the portion of overall variation in Cleveland-Cliff's stock returns explained by the regression model. The remainder can be attributed to random market fluctuations (or "noise") and to company-specific events.

³⁴ One star (*) indicates statistical significance at the 5% level.

30. Public news of the Commerce Department's investigation came out after the 4 pm ET close of stock market trading on Monday May 4, 2020. We no longer have access to the Commerce Department's press release, but a Reuters news article as well as a Tweet by Commerce Secretary Ross both carry timestamps after 4 pm. The relevant trading day to assess the market impact of the announcement is, therefore, the following trading day, May 5. Our analysis of the market impact of this announcement is in Table 2.

Table 2: Event study of Cleveland-Cliffs stock in response to the DOC's May 4, 2020 initiation of Section 232 Investigation³⁵

Date	Cleveland-Cliffs Stock Price	Actual Return	S&P SmallCap 600 Return	Predicted Return	Excess Return	t-statistic
5/4/2020	\$4.31					
5/5/2020	\$4.38	0.016	0.004	0.005	0.011	0.304

31. The actual return in Cleveland-Cliffs stock that day was 0.016. Of this return, our market model leads us to expect a 0.005 return (given the S&P SmallCap 600 return of 0.004 that day). The excess return of Cleveland-Cliffs stock, above what was expected, was therefore 0.011. The "t-statistic" is a statistical measure of the size of this return relative to normal price variation for the stock. Economists typically look for a t-statistic indicating statistical significance at the 5% level (in our model, this requires a t-statistic greater than 1.975 in absolute value) or sometimes at the 10% level

³⁵ "U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators," U.S. Department of Commerce, May 4, 2020. This information was released after the close of trading on May 4, 2020.

(greater than 1.655 in absolute value). The t-statistic shown, 0.304, is well below these levels, leading us to conclude that the impact of the Section 232 announcement on Cleveland-Cliffs stock price was not statistically significant. This suggests that the information did not generally cause investors to change their assessment of the value of Cleveland-Cliffs, and therefore suggests the information was not material.

32. We also considered the market impact of several earlier announcements related to the Section 232 investigation. The results of our event studies of these events are summarized in Table 3, and descriptions of each relevant disclosure may be found in Exhibit 3. None of events led to a statistically significant stock price reaction.

Table 3: Event study summary for other announcements

Event Date	Actual Return	S&P SmallCap		Excess Return	t-statistic
		600 Return	Predicted Return		
3/5/2020	-0.047	-0.036	-0.051	0.005	0.138
3/9/2020	-0.108	-0.101	-0.143	0.035	0.996
4/15/2020	-0.117	-0.050	-0.070	-0.047	-1.308
4/22/2020	0.000	0.009	0.012	-0.012	-0.351
11/5/2020	0.068	0.028	0.039	0.029	0.803

33. Finally, given the allegations of insider trading, it is conceivable that such trading had a market impact in the days preceding the public announcement after-hours on May 4. For this reason, Table 4 shows our analysis of the cumulative excess return of Cleveland-Cliffs stock over various intervals ending on May 5. The t-statistics

indicate that none of these cumulative excess returns are statistically significant, confirming our findings for the single-day excess return on May 5, described above.

Table 4: Cumulative excess returns of Cleveland-Cliffs stock through May 5, 2020

Initial Date	Cumulative Excess Return Through May 5,	
	2020	t-statistic
4/24/2020	0.093	0.984
4/27/2020	0.086	0.989
4/28/2020	0.081	1.019
4/29/2020	0.047	0.659
4/30/2020	0.060	0.978
5/1/2020	0.049	0.973
5/4/2020	0.011	0.304

34. Information relevant to materiality, in addition to the above event studies of Cleveland-Cliffs stock, may include (1) whether sales of GOES metal played a significant role in the operations of AK Steel/Cleveland-Cliffs, (2) analyst perspectives on GOES relative to the combined business, and (3) uncertainties regarding the outcome of the Section 232 investigation and any resulting Presidential action.

35. We estimate that in 2019, AK Steel/Cleveland-Cliffs sold between \$425 million and \$511 million worth of GOES steel, or about 5% to 6% of combined-company revenue.³⁶ About 193,000 metric tons of GOES was sold (representing an average capacity utilization of 73%) at an estimated domestic price ranging from \$2,205 to

³⁶ \$425 to \$511 million is approximately 5% to 6% of combined-company revenue of \$8,349.3 million.

\$2,646 per ton. Details and sources may be found in Exhibit 2. Since the Trump Administration's 2018 action on steel tariffs, imported GOES metal has been subject to a 25% tariff.³⁷ As discussed in Section IV of this report, concerns were raised that further Section 232 action was needed to resolve circumvention of the 25% tariff. Assuming Presidential action stemming from the Section 232 investigation initiated on May 4, 2020 results in a 25% increase in the domestic price of GOES, prices would increase by \$551 to \$661 per metric ton. At 2019 production levels, that equates to an increase of between \$106 million and \$128 million in revenue to AK Steel/Cleveland-Cliffs (or about 1.3% to 1.5% over 2019 combined company revenue). Further assuming that production increases to firm capacity, revenue is estimated to increase by \$304 million to \$366 million (or about 3.7% to 4.4% over 2019). We do not, unfortunately, have any means to judge, independent of our event study, whether such a revenue increase would cause many investors to change their evaluation of the value of Cleveland-Cliffs stock. It is greater than the 3% level cited by at least one court.³⁸ But courts and the SEC have cautioned about using such thresholds without considering the context.

36. We have also reviewed nine securities-analyst reports by five different research teams following Cleveland-Cliffs, published between April 1, 2020 and May 12,

³⁷ GOES relevant to the DOC's Section 232 investigation was classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTS), according to "Electrical Steel and Transformer-Related Parts 232 Survey," Bureau of Industry and Security, 2020. The Trump Administration's 2018 steel tariffs included, among other articles, those defined at the HTS as 7216.99 through 7301.10, according to "Adjusting Imports of Steel Into the United States," Proclamation 9705 of March 8, 2018, Federal Register Vol. 83, No. 51.

³⁸ See House and Edmondson.

2020. Except for one report, published by Cowen and Company, LLC, on May 5, 2020, right after the DOC announcement, none of these reports mentions GOES or the prospect of any expansion of Section 232 tariffs related to downstream GOES products. Analysts tended to focus most on the effects of the COVID pandemic, including shutdowns in automobile production, on Cleveland-Cliffs business. This suggests that the prospect of these tariffs was not generally an important consideration for most investors.

37. It is also worth noting that the May 4, 2020 announcement by the DOC was only the announcement of the initiation of an investigation. It was not the announcement of a positive outcome of such an investigation for Cleveland-Cliffs or of any eventual imposition of additional tariffs by the President. Even if the imposition of such tariffs may have been material, if and when it occurred, the announcement of the initiation of the investigation arguably only raised the probability of such tariffs, but certainly did not make such tariffs a certainty.

VI. Conclusions

38. As described above, Victoria Kelly made what was for her a highly unusual investment in Cleveland-Cliffs stock on April 29, 2020, although this investment did not represent a large share of the Kellys' overall investment portfolio. This investment occurred one day after Cleveland-Cliffs informed Rep. Kelly's staff that the DOC would be initiating an investigation into downstream GOES products, information that was not yet public. We do not have any direct information on whether this information reached Ms. Kelly before her investment.

39. In order to assess the materiality of this information, we conducted an event study of the reaction of Cleveland-Cliff stock price to the public release of this information, after hours on May 4, 2020. The lack of a statistically significant price reaction suggests the information may not have been material. Our analysis of movements of the stock on other days is consistent with this negative finding. We also estimate that in the still highly uncertain event that tariffs were imposed on downstream GOES products, Cleveland-Cliffs likely would have realized incremental revenue of at most 4.4% of its revenue. Perhaps for this reason, the prospect of such tariffs does not seem to have been a major focus for analysts covering Cleveland-Cliffs during this period. For these reasons, we conclude that the information provided to Rep. Kelly regarding the pending announcement of the DOC's investigation would not have been considered material by most investors.

Appendix

OCE Review No. 21-9221**Exhibit 1: Section 232 Investigations Initiated by the Trump Administration¹**

Import Investigated	Date of	
	DOC Investigation Initiation	Presidential Action
steel	4/20/2017	3/23/2018
aluminum	4/27/2017	3/23/2018
motor vehicles/parts	5/23/2018	5/17/2019
uranium	7/18/2018	None ²
titanium sponge	3/4/2019	2/27/2020
electrical transformers & components	5/4/2020	N/A ³
mobile cranes	5/6/2020	None ⁴
vanadium	6/3/2020	N/A ⁵

Sources and notes:

- ¹ Investigations and dates obtained from "Trump Administration Tariff Actions: Frequently Asked Questions," Congressional Research Service, December 15, 2020 (Update).
- ² *ibid.* President Trump did not concur with the DOC's findings. The U.S. Nuclear Fuel Working Group was established to develop recommendations to revive domestic industry.
- ³ The DOC "concluded its investigation and delivered its report to President Trump on October 16, 2020, but it has not been made public." The only related action taken by the Trump Administration was to waive further Section 232 action against Mexico after they agreed to establish a monitoring system. See Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021.
- ⁴ The Commerce Department terminated the Section 232 investigation into mobile cranes following a September 8, 2020 request by the applicant, citing a changing economic environment due to the Covid-19 pandemic. See "Commerce Department Terminates Section 232 Investigation into Mobile Crane Imports," Bureau of Industry and Security, December 4, 2020.

OCE Review No. 21-9221

Exhibit 1: Section 232 Investigations Initiated by the Trump Administration¹

⁵ The DOC “concluded its investigation and delivered its report to President Biden on February 22, 2021; it has not been made public.” If there was an affirmative finding, according to the Congressional Research Service, President Biden has until May 23, 2021 “to determine the appropriate response.” See Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021, p. 25.

OCE Review No. 21-9221

Exhibit 2: Estimated Impact of Section 232 Action on Revenue of Cleveland-Cliffs

- A. 2019 AK Steel GOES production 193,000 metric tons¹
- B. 2019 AK Steel GOES production capacity 265,000 metric tons¹

Estimated Range of Domestic Price of GOES

- C. Low \$ 2,205 per metric ton²
- D. High \$ 2,646

Estimated Range of 2019 Revenue from GOES

- E. Low (A) * (C) \$ 425 million³
- F. High (A) * (D) \$ 511 million³

Estimated Range of Domestic GOES Price Assuming a 25% Price Increase due to Section 232 Action on Laminations and Cores³

- G. Low 1.25 * (C) \$ 2,756
- H. High 1.25 * (D) \$ 3,307

Estimated Range of GOES Revenue Relative to 2019 Total Revenue⁴

Assuming a 25% GOES price increase and production at 2019 level	
I. Low (A)*(G) - E	\$ 106 million (1.27% of total 2019 revenue)
J. High (A)*(H) - F	\$ 128 million (1.53% of total 2019 revenue)
Assuming a 25% GOES price increase and production at 2019 production capacity	
K. Low (B)*(G) - E	\$ 305 million (3.65% of total 2019 revenue)
L. High (B)*(H) - F	\$ 366 million (4.38% of total 2019 revenue)

OCE Review No. 21-9221

Exhibit 2: Estimated Impact of Section 232 Action on Revenue of Cleveland-Cliffs

Sources and notes:

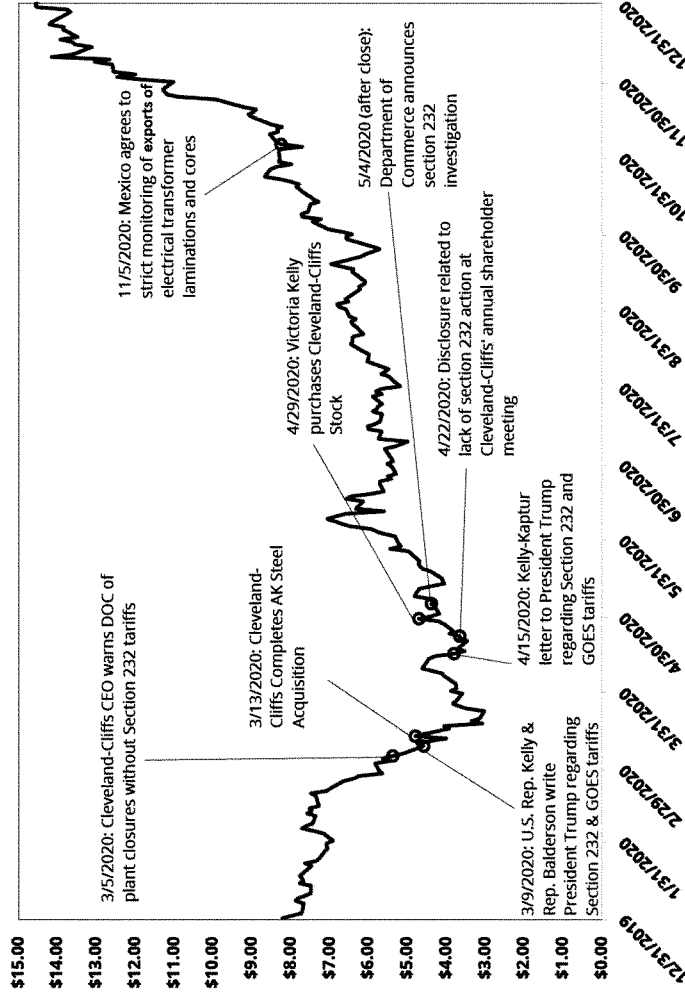
¹ Obtained from "Public Comments on behalf of The Core Coalition LLC" submission to the U.S. Department of Commerce (pursuant to the May 19, 2020 Federal Register Document 2020-10715), dated July 3, 2020.

² Estimated based on the "typical" domestic price of \$2,000 to \$2,400 per short ton for medium and higher grade GOES according to market participants, as-obtained from "New Section 232 probe may increase GOES prices," Metal Bulletin Daily, May 7, 2020. The price per metric ton is calculated by multiplying the short ton price by 1.1023.

³ A 25% increase in the domestic price of GOES is assumed since the objective of the Section 232 action on downstream GOES products is to mitigate circumvention of the original 25% tariff on GOES metal. Industry commentary implies that a 25% domestic price increase in GOES is an upper limit: a U.S. cores manufacturer stated that a 25% tariff on the "downstream items (i.e. laminations and cores) won't always close that gap" between the domestic price of GOES and the import price that's already subject to a 25% tariff. See "New Section 232 probe may increase GOES prices," Metal Bulletin Daily, May 7, 2020.

⁴ Total 2019 combined Cleveland-Cliffs and AK Steel revenue equals \$8,349.3 million. This is calculated as the sum of \$6,359.4 million in AK Steel revenue and \$1,989.9 million in Cleveland-Cliffs revenue. See SEC Forms 10-K for each firm filed on February 20, 2020.

Exhibit 3: Cleveland-Cliffs Stock Price 12/31/2019 - 12/31/2020



OCE Review No. 21-9221

Exhibit 4: 2019 Year End Asset Summary

Block B Category	Low end of range	High end of range	Count of Assets in Category ¹				Total ²
			Stocks	Bonds	Mutual Funds	Total ²	
B	\$1	\$1,000	0	0	0	0	
C	\$1,001	\$15,000	0	0	0	0	
D	\$15,001	\$50,000	0	2	0	2	
E	\$50,001	\$100,000	0	5	3	8	
F	\$100,001	\$250,000	0	17	5	22	
G	\$250,001	\$500,000	0	0	3	3	
H	\$500,001	\$1,000,000	0	0	2	2	
I	\$1,000,001	\$5,000,000	0	0	0	0	
Total	\$4,380,037	\$9,900,000	0	24	13	37	

Cleveland-Cliffs Purchase³ \$15,001 \$50,000

	Purchase as % of Total	
	Low Purchase Price	High Purchase Price
Low Portfolio Value	0.34%	1.14%
High Portfolio Value	0.15%	0.51%

Sources and notes:

¹ George (Mike) Kelly, Jr. United States House of Representatives 2019 Financial Disclosure Statement - Schedule A

² Total only includes stocks, bonds, and mutual fund assets

³ May 15, 2020 George (Mike) Kelly, Jr. Periodic Transaction Report

OCE Review No. 21-9221

Exhibit 5: 2018 Year End Asset Summary

Block B Category	Low end of range	High end of range	Count of Assets in Category ¹			Total ²
			Stocks	Bonds	Mutual Funds	
B	\$1	\$1,000	0	0	0	0
C	\$1,001	\$15,000	34	0	0	34
D	\$15,001	\$50,000	27	1	0	28
E	\$50,001	\$100,000	0	3	3	6
F	\$100,001	\$250,000	0	20	4	24
G	\$250,001	\$500,000	0	0	3	3
H	\$500,001	\$1,000,000	0	0	2	2
I	\$1,000,001	\$5,000,000	0	0	0	0
Total	\$4,870,063	\$11,500,000	61	24	12	97

Sources and notes:

¹George (Mike) Kelly, Jr. United States House of Representatives 2018 Financial Disclosure Statement - Schedule A

²Total only includes stocks, bonds, and mutual fund assets

OCE Review No. 21-9221

Exhibit 6: 2019 and 2020 Stock Purchases

2019 Stock Purchases				
Company	Low End of Purchases	High end of purchases	Days to complete purchase	
Accenture PLC Class A	\$2,002	\$30,000	2	
Alexion Pharmaceuticals	\$2,002	\$30,000	2	
Alphabet Inc	\$50,001	\$100,000	1	
Bank of America Corp	\$3,003	\$45,000	3	
Berry Global Group Inc	\$4,004	\$60,000	4	
Boeing Corp	\$1,001	\$15,000	1	
Booz Allen Hamilton Holdings	\$4,004	\$60,000	4	
Bp PLC Sponsored	\$2,002	\$30,000	2	
Broadcom Inc	\$2,002	\$30,000	2	
Church & Dwight Inc	\$2,002	\$30,000	2	
Cintas Corp	\$3,003	\$45,000	3	
Costco Wholesale Corp	\$1,001	\$15,000	1	
Darden Restaurants	\$2,002	\$30,000	2	
E*Trade Financial	\$2,002	\$30,000	2	
Estee Lauder Cos Inc	\$2,002	\$30,000	2	
HCA Healthcare	\$1,001	\$15,000	1	
Ingersoll-Rand PLC	\$3,003	\$45,000	3	
International Flavors & Fragrances	\$3,003	\$45,000	3	
M&T Bank Corp	\$5,005	\$75,000	5	
Proctor & Gamble Co	\$3,003	\$45,000	3	
Progressive Corp Ohio	\$3,003	\$45,000	3	

Analysis for Office of Congressional Ethics Review No. 21-9221
Ankura Consulting Group

OCE Review No. 21-9221

Exhibit 6: 2019 and 2020 Stock Purchases

2020 Stock Purchases		
Company	Low End of Purchases	High end of complete purchase
Cleveland-Cliffs	\$15,001	\$50,000
		1

Sources:

George (Mike) Kelly, Jr. United States House of Representatives Financial Disclosure Statements (2019): May 15, 2020
George (Mike) Kelly, Jr. Periodic Transaction Report

OCE Review No. 21-9221
Exhibit 7: Public Disclosures Related to Initiation of a Section 232 Investigation into Downstream GOES Products

Date	Public Disclosure
3/8/18	Senators Casey, Portman & Brown write to President Trump regarding Section 232 steel tariffs and downstream GOES products ¹
3/23/18	The Trump Administration enacts Section 232 tariffs on steel ²
4/30/18	AK Steel discloses that circumvention of tariffs on GOES metal through downstream products may adversely affect their electrical steel business and that the firm raised concerns with the U.S. gov ³
11/20/19	Reps. Kelly & Balderson write to the U.S. Trade Rep. regarding Section 232 and downstream GOES products ⁴
12/3/19	Cleveland-Cliffs announces acquisition of AK Steel ⁵
3/5/20	Cleveland-Cliffs CEO warns of plant closures w/o Section 232 action ⁶
3/6/20	Reps. Kelly & Balderson write to President Trump regarding Section 232 and downstream GOES products ⁷
3/13/20	Cleveland-Cliffs closes deal to buy AK Steel, the sole producer of GOES metal in the United States ⁸
4/15/20	Kelly-Kaptur letter to President Trump regarding Section 232 and downstream GOES products ⁹
4/22/20	Cleveland-Cliffs CEO states that "Secretary Wilbur Ross is sitting on a proclamation to take the President Trump for his signature, and he's not acting." ¹⁰
5/4/20	Dept. of Commerce announces Section 232 investigation into electrical transformers & components ¹¹

Sources and notes:

- ¹ Senator Portman, "Portman, Brown, Casey Ask President Trump to Prioritize Electrical Steel in Trade Remedy," press release, March 8, 2018.
- ² Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021.
- ³ AK Steel SEC Form 10-Q, filed April 30, 2018.
- ⁴ Letter to Ambassador Robert E. Lighthizer from Reps. Balderson and Kelly, November 20, 2019.
- ⁵ "Cleveland-Cliffs to Acquire AK Steel," BusinessWire, December 3, 2019.
- ⁶ "AK Steel buyer warns of plant closures without stronger U.S. import curbs," Reuters, March 5, 2020, 2:37 PM EST.
- ⁷ Letter to President Donald Trump from Reps. Balderson and Kelly, March 6, 2020.
- ⁸ "Cleveland-Cliffs Completes Acquisition of AK Steel," Business Wire, March 13, 2020.
- ⁹ Letter to President Donald Trump from Reps. Kaptur and Kelly, April 15, 2020.
- ¹⁰ "Cleveland Cliffs Inc Annual Shareholders Meeting - Final, CQ FD Disclosure," April 22, 2020.
- ¹¹ "U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators," U.S. Department of Commerce, May 4, 2020.

OCE Review No. 21-9221
Exhibit 8: Private Disclosures Related to Initiation of a Section 232 Investigation into Downstream GOES Products

Date	Nonpublic Communications
1/15/20	Cleveland-Cliffs contacts DOC Sec. Ross regarding GOES and pending AK Steel acquisition ¹
2/19/20	Meeting between Cleveland-Cliffs CEO and Sec. Ross at the DOC (resulting from 1/15/20 email) ²
3/11/20	Planned meeting between AK Steel, Cleveland-Cliffs, and the DOC regarding GOES is cancelled ³
4/22/20	Cleveland-Cliffs requests meeting with DOC Sec. Ross to discuss time-sensitive matter involving electrical steel business (8:37 AM) ⁴
4/22/20	DOC informs Rep. Kelly's office that the DOC continues to look into the matter (10:22 AM) ⁵
4/22/20	Cleveland-Cliffs informs Rep. Kelly of "potential layoffs at Butler Works" ⁶
4/24/20	Cleveland-Cliffs informs Rep. Kelly's staff that "the DOC had declined to pursue coverage of laminations and cores as 'derivative products' under existing steel Section 232 tariffs/quotas." ⁷
4/28/20	Cleveland-Cliffs provides notification to Rep. Kelly's staff of the DOC's intent to initiate a Section 232 investigation covering transformer laminations and cores ⁸
4/29/20	Rep. Kelly's staff expresses that the DOC still needs "to get their legal ducks in a row" and "it ain't over until commerce makes that announcement." ⁹
5/1/20	Rep. Kelly's staff reference a "great call" that day with DOC Sec. Ross. Rep. Kelly states that he'll "be more upbeat once we get it off our lot and in his driveway." ¹⁰

Sources and notes:

- 1 Commerce-OCE-RFI-21-9221-0000092-97
- 2 Commerce-OCE-RFI-21-9221-0000092-97
- 3 Commerce-OCE-RFI-21-9221-0000118-20
- 4 Commerce-OCE-RFI-21-9221-0000154
- 5 █_0027
- 6 Call Summaries - CC_OCE000126
- 7 CC_OCE-000037-38; Call Summaries - CC_OCE000126
- 8 Call Summaries - CC_OCE000126
- 9 █_0010
- 10 █_0011