March 5, 2018

Ms. Stephanie Avakian
Co-Director
U.S. Securities and Exchange Commission
Enforcement Division Office of Enforcement
100 F Street, NE
Washington, DC 20549

Mr. Steven Peikin
Co-Director
U.S. Securities and Exchange Commission
Office of Enforcement
100 F Street, NE
Washington, DC 20549

Dear Ms. Avakian and Mr. Peikin:

The Project On Government Oversight (POGO) urges the U.S. Securities and Exchange Commission (SEC) to investigate Carl Icahn, former advisor to President Trump, for possible insider trading\(^1\) as well as whether government officials provided him with non-public, market-moving information\(^2\) in advance of President Trump’s announcement that the government was imposing a 25 percent tariff on steel imports or the related Commerce Department report on tariffs.

As first reported by *ThinkProgress*, Icahn began selling shares of crane manufacturer Manitowoc Company’s stock—“a company heavily dependent on steel”—days before the Trump Administration publicly called for steel tariffs.\(^3\) Between February 12, 2018, and February 22, 2018, in four sales, Icahn sold close to one million shares worth around $31.3 million.\(^4\)

These were Icahn’s first trades of shares in Manitowoc Company in three years, according to a review of SEC filings.\(^5\)

---

1. 17 C.F.R. §240.10b5-1.
2. 17 C.F.R. §240.10b5-2.
Four days after Icahn’s first sale of 131,928 shares and three days after his second sale of 35,590 shares, on February 16, 2018, “in coordination with the White House,” Commerce Secretary Wilbur Ross unveiled a public report recommending a global tariff of at least 24 percent on steel imports.\(^6\)

Icahn sold more shares on February 21 and 22. He filed with the SEC documenting all four of these trades on February 22.

A week later, on March 1, President Trump announced that the government was imposing a 25 percent tariff on steel imports.

According to The New York Times, “the legal review of the trade measure had not been completed [before the President made his announcement] and, as of Thursday morning, White House advisers were still discussing various outcomes for tariff levels and which countries could be included, according to people familiar with the deliberations. Just an hour before Mr. Trump made his remarks, a White House spokeswoman said that no announcement was expected that morning.”\(^8\)

The announcement negatively affected the stock market, hitting the stock prices of steel-reliant manufacturing companies the hardest. Manitowoc’s stock fell 6 percent—Reuters wrote that it and other manufacturing companies’ stock price declines were because they are “major consumers of steel,” which would become more expensive with Trump’s tariff.\(^9\)

The SEC has investigated current and former government officials for improperly divulging confidential, market-moving information as well as private sector organizations for improperly handling such information given to them by government officials.\(^10\) As you, then-Acting SEC Enforcement Division Director Stephanie Avakian, said last year, “There’s no place on Wall Street or in our government for such blatant misuse of highly confidential information.”\(^11\)

Icahn resigned as a special advisor to the President last August. At the time, reporters raised concerns about Icahn’s advocacy on an EPA biofuels policy called the “renewable fuel standard”

---


\(^11\) “SEC Files Charges in Trading Scheme Involving Confidential Government Information.”
and about his own stake in a refining company impacted by that policy, but he denied accessing any non-public information or seeking to benefit himself financially through his advisor role.

However, shortly after stepping down, Icahn Enterprises disclosed in an SEC filing that the Justice Department had subpoenaed the company for records related to “Mr. Icahn’s activities relating to the renewable fuels standard and Mr. Icahn’s role as an adviser to the president.”

In an interview with CNBC on March 1, Icahn said he has not had “much” interaction with Trump since stepping down as an advisor.

Given the highly suspect timing of Icahn’s trading activity in advance of the publication of Secretary Ross’s report as well as President Trump’s announcement, the SEC must investigate the full circumstances of his trades and, if appropriate, hold accountable any responsible parties in and out of government.

Sincerely,

Danielle Brian
Executive Director

---


14 Icahn Enterprises, Form 10-Q, November 3, 2017. [https://www.sec.gov/Archives/edgar/data/813762/000081376217000045/a10q-93017.htm](https://www.sec.gov/Archives/edgar/data/813762/000081376217000045/a10q-93017.htm) (Downloaded March 2, 2018)