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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR
MARY FRANCES REPKO, MINORITY STAFF DIRECTOR

May 3, 2018

The Honorable Scott Pruitt
Administrator
Environmental Protection Agency (EPA)
1200 Pennsylvania Ave., NW
Washington, DC 20004

Dear Administrator Pruitt:

We write to request information regarding EPA's decision to sign a Cooperative Research and Development Agreement (CRADA) with Water-Gen, a company whose representatives you met with in Washington, DC at the request of Sheldon Adelson. Your planned (but cancelled) February, 2018 trip to Israel appears to have included a public announcement of EPA support for Water-Gen.

Water-Gen, an Israeli company owned by Russian-Israeli billionaire Mikhael Mirilashvili, claims to be able to produce potable water out of air, and has been touted by Israeli Prime Minister Binyamin Netanyahu¹ and Alan Dershowitz.² Sheldon Adelson, a longtime donor to Republican causes in which you been involved, brought this company to your attention in 2017. Mr. Adelson is the billionaire owner of the Las Vegas Sands Corporation. He has also been a donor to the Republican Attorneys General Association (RAGA), an organization you formerly headed. Las Vegas Sands gave RAGA \$1,501,269 during the 2014 election cycle, and \$755,000 during the 2016 election cycle.³

Water-Gen's American CEO, Ed Russo, has been a consultant to the Trump Organization since 2001 and is the author of a book entitled "Donald J. Trump: An Environmental Hero."⁴ It is our understanding that Mr. Russo personally delivered Water-Gen's system to EPA's Cincinnati office for evaluation. Information received by our offices from both current and former EPA employees reveals that scientific, legal and procedural concerns were raised by a number of individuals involved in the CRADA award.

¹ <https://www.haaretz.com/us-news/epa-signs-agreement-with-israeli-company-recommended-by-adelson-1.5957455>

² <https://www.timesofisrael.com/at-aipac-dershowitz-pulls-water-out-of-thin-air/>

³ https://www.opensecrets.org/527s/527cmtedetail_contribs.php?cycle=2016&ein=464501717. During that period you served in leadership positions at RAGA and its associated 501(c)(4) Rule of Law Defense Fund. Until recently, Samantha Dravis, former general counsel and policy director for RAGA, served as your senior counsel and Associate Administrator for Policy at EPA. <https://www.linkedin.com/in/samanthadravis/>

⁴ <https://www.eenews.net/stories/1060046222>

Below is a timeline of events as we understand them:

March 29, 2017: According to public copies of your calendar, you held two meetings with representatives of Water-Gen, including Maxim Pasik, its executive chairman, at the request of Sheldon Adelson. We have been informed that the company left a prototype of its water purification system in your office. An EPA official also told our staffs that you said that you wished to evaluate the technology to determine whether residents living near Superfund sites whose drinking water might be contaminated⁵ could be provided with Water-Gen systems in lieu of bottled water.

May 10, 2017: According to copies of your calendar, you met with representatives of Water-Gen.

June 13, 2017: Following a meeting at EPA that included Albert “Kel” Kelly, until recently your senior advisor, and other individuals in EPA’s Offices of General Counsel and Water, EPA’s Office of Research and Development was asked to fund a project to validate Water-Gen’s system for potential deployment in lieu of bottled water in disaster response or other scenarios because of your interest in the technology. EPA career staff did not understand what statutory authority existed for engaging in the validation of what they referred to as a “glorified de-humidifier” or “magic water machine” simply because you were interested in the technology.

June 2017: Ed Russo, the U.S. CEO of Water-Gen,⁶ delivered a prototype system to EPA’s Cincinnati Research and Development Laboratory⁷.

September 12, 2017: EPA put out a notice⁸ seeking non-federal partners for “a Cooperative Research and Development Agreement to investigate the potential use of atmospheric water generators in expanding the availability of water during shortages, contamination events, and other interruptions of service.” We have been told by current and former EPA staff that this notice was issued because EPA’s career staff were uncomfortable using EPA funds to validate a single company’s technology absent a public selection process, particularly when, by their estimation, about 70 other similar systems exist on the market.

January 2018: EPA reportedly⁹ signed¹⁰ a CRADA with Water-Gen to evaluate its water purification system, although the CRADA wasn’t publicly announced until March 2018¹¹. In addition to validating the technology, EPA career staff were instructed to undertake a comparison of the costs and operational challenges associated with using Water-Gen’s technology to those associated with using bottled water during situations when potable drinking water is not otherwise available.

⁵ <http://www.chicagotribune.com/suburbs/post-tribune/news/ct-ptb-east-chicago-one-year-later-st-0723-20170721-story.html>

⁶ <http://watergenusa.com/executive-team/edward-r-russo/>

⁷ <https://www.epa.gov/aboutepa/cincinnati-oh-lab-office-research-and-development>

⁸ <https://www.epa.gov/sciencematters/epa-research-september-12-2017>

⁹ <https://www.wsj.com/articles/sheldon-adelson-facilitated-epa-connection-for-israeli-firm-1522204212>

¹⁰ <https://www.politico.com/story/2018/03/28/sheldon-adelson-scott-pruitt-epa-447497>

¹¹ <https://www.eenews.net/stories/1060077833>

February 10, 2018: According to EPA documents obtained by our offices, several members of your Personal Security Detail, including its leader, Nino Perrotta, traveled to Israel in advance of your planned February 17, 2018 trip to Israel.


February 17-23, 2018: According to a draft itinerary of your trip to Israel obtained by our offices (attached), you and several members of your staff planned to travel there. You were scheduled to participate in a number of tours and other meetings that do not appear to directly relate to your job as EPA Administrator, including tours of the Old City of Jerusalem and several churches in Capernaum, a meeting with an Israeli Supreme Court Justice and tour of Israel's Supreme Court, and a meeting with Israeli Prime Minister Binyamin Netanyahu. You were also scheduled to participate in several meetings and tours that were related to drinking and wastewater treatment technologies and other environmental matters, including a planned public announcement of EPA's Water-Gen CRADA. The trip was cancelled, despite the fact that your advance team was already in Israel, due to revelations regarding your exorbitant spending on travel.¹²

So that we can better understand the manner in which EPA decided to fund Water-Gen's technology, as well as the role Mr. Adelson or other non-governmental officials played in the CRADA and your planned Israel trip, please provide, by close of business on May 25, 2018, the following:

1. All documents (including but not limited to emails, correspondence, memos, cost estimates, receipts for actual incurred expenses, and calendar items) related to your planned trip to Israel.
2. All documents (including but not limited to emails, correspondence, memos, cost estimates, receipts for actual incurred expenses, technical assessments or evaluations and legal analysis) related to EPA's Water-Gen CRADA or other efforts to provide funding or other support to Water-Gen.

Thank you very much for your attention to this important matter. If you or members of your staff have further questions, please feel free to ask them to contact Michal Freedhoff at the Committee on Environment and Public Works at (202) 224-8832, or Dan Dudis with Senator Whitehouse's staff at 202-224-2921.

Sincerely yours,


Thomas R. Carper
Ranking Member


Sheldon Whitehouse
United States Senator

¹² https://www.washingtonpost.com/news/energy-environment/wp/2018/02/18/under-fire-for-travel-expenses-pruitt-cancels-trip-to-israel/?utm_term=.98c9f18306ae