Democracy
Defenders
Fund

July 30, 2026

Hon. Fara Damelin
Inspector General
Federal Communications Commission
Office of Inspector General
45 L Street NE
Washington, DC 20554

Adam Candeub
Designated Agency Ethics Official
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Scott de la Vega
Ethics Counsel
U.S. Office of Government Ethics
250 E Street, SW., Suite 750
Washington, DC 20024

RE: Request for Investigation of FCC Commissioners' Attendance at the 2025 Kennedy Center Honors

Dear Inspector General Damelin, DAEO Candeub, and Ethics Counsel de la Vega:

Democracy Defenders Fund (DDF) respectfully requests that your offices investigate whether Federal Communications Commission (FCC) Chairman Brendan Carr and Commissioner Olivia Trusty violated the federal gift regulations (5 C.F.R. 2635 part B) or the federal illegal gratuities statute (18 U.S.C. § 201(c)) by potentially accepting gifts from Paramount Skydance Corporation (f/k/a Paramount Global) ("Paramount") in December 2025, at the same time Paramount was preparing to launch a multibillion-dollar acquisition requiring the Commission's approval. In addition, we request that the U.S. Office of Government Ethics (OGE) refrain from certifying the annual financial disclosure report of Chairman Carr until he can prove that he is in compliance with all applicable ethics laws and regulations, including the federal gift regulations, as is required by the Ethics in Government Act, 5 U.S.C. § 13108(b)(1). In addition, we request that OGE and FCC Ethics ensure that commissioners who accepted gifts in violation of any ethics requirement repay the fair market value of the gift to the donor, as is required by 5 C.F.R. § 2635.206(a)(3). Finally, given the serious risks of preferential treatment and evidence of prejudgment, Chairman Carr should be disqualified from further participation in the Commission's Paramount-WBD merger decision.

Background

On December 7, 2025, two of the three commissioners of the FCC attended the Kennedy Center Honors.[1] Chairman Carr and his wife attended the event and were seated alongside Paramount CEO David Ellison and other Paramount and CBS executives in a private box.[2] It is unclear whether Chairman Carr's attendance was paid for by Paramount, but it has been reported that comparable seats were sold for $125,000 per ticket.[3] Commissioner Trusty separately reported accepting tickets from Paramount that were reported to have a total value of more than $12,000.[4] Commissioner Anna Gomez declined Paramount's invitation to attend the event.[5]

Paramount is the parent company of CBS and owns or operates numerous CBS-affiliated broadcast stations. Paramount, and its CEO David Ellison, have had a friendly relationship with President Trump. On December 5, 2025, two days before the Kennedy Center gala, Warner Brothers (WBD) accepted a merger bid with Netflix.[6] Paramount CEO David Ellison responded with a series of calls to administration officials, including a conversation with President Trump.[7] On the night of the gala, December 7, 2025, President Trump told reporters that the Netflix deal "could be a problem" and that he intended to get personally involved in the regulatory approval process.[8] That same evening, inside the Kennedy Center, Chairman Carr and his wife sat with

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[1] The Kennedy Center Honors is an annual entertainment-industry event held at the John F. Kennedy Center for the Performing Arts, honoring lifetime achievement in the arts; the 2025 gala honored Sylvester Stallone, the band Kiss, and Gloria Gaynor. The Gala and the subsequent reception are not a professional conference, a regulatory forum, or an event open generally to members of an interested industry. It is a curated, private social occasion attended primarily by entertainment-industry executives, celebrities, and selected invited officials.

[2] Christopher Palmeri, Kelcee Griffis, and Josh Sisco, *Paramount Faces Lower Antitrust Bar Over Warner Bros. Bid*, Bloomberg News (Dec. 8, 2025), https://www.bloomberg.com/news/articles/2025-12-08/paramount-faces-lower-antitrust-bar-over-warner-bros-bid (reporting that Chairman Carr and his wife sat with Paramount CEO David Ellison in a private skybox at the Kennedy Center Honors gala).

[3] John F. Kennedy Center for the Performing Arts, 2025 Kennedy Center Honors Ticket Purchasing Guidelines (2025), https://www.kennedy-center.org/globalassets/support/special-events/honors-ticket-purchasing-guidelines-2025.pdf (listing private skybox seats at $125,000 per ticket).

[4] Olivia Trusty, Annual Report of Gifts, OGE Form 278e (2026 filing), https://www.documentcloud.org/documents/28464902-olivia-trusty-2026-annual-report-gifts/.

[5] Corey G. Johnson, *FCC Officials Took Pricey Gifts From Paramount as the Company Needed Approval for Billion-Dollar Deals*, ProPublica (Jul. 15, 2026), https://www.propublica.org/article/paramount-mergers-fcc-kennedy-center-gala [hereinafter Johnson, ProPublica].

[6] *Id*.

[7] Joe Flint, Brian Schwartz, Natalie Andrews, *Behind Paramount's Relentless Campaign to Woo Warner Discovery and President Trump*, The Wall Street Journal (Dec. 8, 2025), https://www.wsj.com/business/media/paramount-netflix-warner-bros-battle-ellisons-a86fe15c (reporting that Ellison made numerous calls to administration officials, including a call with President Trump, regarding the Warner Bros. Discovery bid).

[8] Kevin Breuninger, Dan Mangan, *Trump says Netflix, WBD deal could be 'problem' as son-in-law Kushner backs Paramount bid*, CNBC (Dec. 8, 2025), https://www.cnbc.com/2025/12/08/trump-netflix-wbd-paramount.html (reporting President Trump's remarks that the Netflix-Warner Bros. Discovery deal "could be a problem" and that he intended to be personally involved in the regulatory approval process).

Ellison in an exclusive private skybox.[9] Hours after the gala ended, Paramount announced a hostile takeover bid for Warner Bros. Discovery ("WBD").[10]

The resulting transaction—a proposed media consolidation valued at approximately $110 billion that would unite Paramount+ and HBO Max, CBS and CNN, and numerous other broadcast, cable, and streaming assets—requires FCC Commission approval and remains pending before the FCC as of this writing.[11] The merger is currently being challenged in the Northern District of California by twelve state Attorneys General[12] and by the Writer's Guild of America,[13] and is currently being delayed while that litigation is pending.[14] Notwithstanding the pending nature of the matter, Chairman Carr remarked on CNBC earlier this year that Paramount's merger was "cleaner" than the previous Netflix merger offer and that "[i]f there's any FCC role at all, it'll be a pretty minimal role. And I think this is a good deal, and I think it should get through pretty quickly."[15]

ProPublica reported that Carr and three other then-sitting commissioners had previously accepted Kennedy Center Honors tickets from Paramount worth a combined $48,156 in 2024.[16] These tickets were accepted at the same time that Skydance (which David Ellision was CEO of at the time) was actively seeking a merger with Paramount. On July 2, 2025, Paramount agreed to pay President Trump $16 million to settle his lawsuit over a 2024 "60 Minutes" interview and separately agreed to appoint an independent ombudsperson to monitor CBS News for bias and to eliminate its diversity, equity, and inclusion initiatives. On July 24, 2025, the FCC approved the Paramount-Skydance merger by a 2-1 vote, with Chairman Carr and newly confirmed Commissioner Trusty voting in favor, and Commissioner Anna Gomez dissenting on the ground that the merger conditions imposed "never-before-seen forms of government control over newsroom decisions and editorial judgment."[17]

Request for Investigation

As described more fully below, if Chairman Carr received free tickets to attend the Kennedy Center Honors in 2025, it would pose serious questions under both the federal gift regulations (5 C.F.R. 2635 subpart B) and the federal gratuities statute (18 U.S.C. § 201(c)). The

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[9] Johnson, ProPublica, *supra* nt. 5.
[10] Press Release, Paramount Skydance Corp., Offer to Warner Bros. Discovery Shareholders (Dec. 8, 2025), https://ir.paramount.com/node/72176/pdf; Johnson, ProPublica, *supra* note 5 (reporting the ethics experts' assessments, the aggregate seven-commissioner/seven-year gift totals, and the agency's and officials' non-response to requests for comment).
[11] Johnson, ProPublica, *supra* note 5 (describing the FCC's ongoing review of the Warner Bros. Discovery transaction).
[12] Complaint, *California v. Paramount Skydance Corp.*, 4:26-cv-07116 (N.D. Cal., Jul. 13, 2026).
[13] Complaint, *Writers Guild of America, West, Inc. v. Paramount Skydance Corp.*, 3:26-cv-07212 (N.D. Cal., Jul. 14, 2026).
[14] Sara Salinas, *Paramount agrees to delay WBD acquisition to as late as June 2027 amid legal challenges*, CNBC (Jul. 24, 2026), https://www.cnbc.com/2026/07/24/paramount-wbd-merger-delay.html.
[15] Sawdah Bhaimiya, *FCC chair tells CNBC WBD-Paramount merger deal 'cleaner' than Netflix*, CNBC (Mar. 3, 2026) https://www.cnbc.com/2026/03/03/fcc-chair-brendan-carr-wbd-paramount-merger-deal-netflix.html.
[16] Johnson, ProPublica, *supra* note 5.
[17] Statement of Commissioner Anna M. Gomez on the Closing of the Paramount/Skydance Merger (Aug. 2025), https://www.documentcloud.org/documents/28469161-commissioner-gomez-on-closing-of-paramountskydance-merger/.

same is true of the gift of free attendance that Commissioner Trusty reported on her financial disclosure report.

A. *Free Tickets to the Kennedy Center Honors would Violate the Federal Gift Regulations*

Pursuant to 5 C.F.R. § 2635.202(a), an employee may not solicit or accept a gift from a "prohibited source" or a gift given because of the employee's official position, unless an exception applies. A "prohibited source" includes any person or entity that (1) is seeking an official action from the employee's agency (2) does or is seeking business with the employee's agency (3) conducts activities regulated by the employee's agency or (4) has interests that may be substantially affected by the performance or nonperformance of the employee's official duties.[18] Paramount is both a regulated party of the FCC and was seeking official action from the FCC at the time of the 2025 Kennedy Center Honors.[19] Moreover, Paramount has interests that could be affected by the performance or nonperformance of the Commissioners' decisions regarding the proposed WBD merger. As such, the company falls squarely in the heartland of the gift prohibition.

It is important to note that the Federal gift rules treat free tickets to Kennedy Center events that are received from regulated parties like Paramount differently than gifts that are received directly from the Kennedy Center Board. In 2009, OGE issued an opinion that explained that gifts from the Kennedy Center and its own trustees, officers, and employees constituted gifts from the government for purposes of the gift rules. [20] That opinion, however, was explicit that:

> This conclusion does not extend to gifts of free attendance at Kennedy Center events offered by persons other than the Kennedy Center and its trustees, officers and employees. An offer of free attendance from a source outside the Kennedy Center, even if that source is a sponsor of the specific Kennedy Center event to which the employee is invited, may be accepted only if it falls within other exceptions to the gift rules, such as those pertaining to widely attended gatherings or gifts based on personal relationships.

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[18] 5 U.S.C. § 7353(a).

[19] For example, CBS along with several other broadcasters filed a joint comment on August 22, 2025, urging the Commission to eliminate the national television ownership cap. Reply Comments of the Joint Broadcasters, In the Matter of Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule (Aug. 22, 2025), https://www.fcc.gov/ecfs/document/108222990223043/1. That docket is still open and the FCC has indicated that it will vote to repeal the rule on August 6, 2026. See Press Release, FCC to Vote on Replacing National Broadcast Ownership Cap (Jul. 15, 2026), https://docs.fcc.gov/public/attachments/DOC-423080A1.pdf; MB Docket No. 17-318 (last visited Jul. 29, 2026), available at https://www.fcc.gov/edocs/search-results?t=quick&dockets=17-318.

[20] Op. U.S. Office of Gov't Ethics, Attendance of Federal Employees at Kennedy Center Events (2009), https://www.documentcloud.org/documents/28464922-oge-opinion-kennedy-center-2009/ (recognizing federal employees' authority to attend Kennedy Center events funded by the Kennedy Center itself, but expressly stating that officials may not accept free attendance "offered by persons other than the Kennedy Center and its trustees, officers and employees").

As was clear from Ms. Trusty's financial disclosure report and consistent with past reporting, the tickets given to Ms. Trusty, and those potentially given to Chairman Carr, were not provided by the Kennedy Center; they were provided by Paramount. Paramount is an outside regulated entity with interests before the Commission. As a result, absent an exception, free tickets to the Kennedy Center Honors provided by Paramount would not be permissible under the gift rules.

The exceptions to the gift prohibition are exceptionally narrow. In general, gifts from prohibited sources can only be accepted if they are below $20 or meet the criteria for one of the other very narrowly tailored exceptions. *ProPublica* reports that the sources believe that FCC officials may have received guidance that attendance at the Kennedy Center Honors qualified for the widely attended gathering ("WAG") exception under 5 C.F.R. § 2635.204(g).[21]

The WAG exception, which is "[o]ne of the most commonly used exceptions," requires specific criteria to be met.[22] Those include that (1) the event be "widely attended" with an opportunity to exchange ideas and views among invited persons; and (2) that the agency's interest in the employee's attendance outweighs the concern that an employee would be improperly influenced in their duties.[23] These criteria are not met here.

First, OGE's rules require that there be an "opportunity to exchange ideas and views among invited persons" at an event for it to qualify as a WAG. OGE's interpretive guidance going back over 20 years has looked at whether the event is "structured to foster the kind of interchange among attendees envisioned by the WAG rule." On that basis, OGE has determined that sports, theatrical and musical performances "ordinarily would not constitute WAGs" because they are not structured to foster the exchange of views the rule requires.[24] What unites these types of non-WAG events is that they have fixed seating, passive attendance focused spectatorship and not active participation, and limited opportunities to speak with others. The Kennedy Center Honors falls within this guidance: it is, at its core, a theatrical and musical performance honoring artistic achievement, not a forum for the exchange of diverse views on matters of public policy. Moreover, OGE's guidance foreclosed any argument that a post-show reception could convert a non-WAG event into a WAG event. Doing so would result in, as OGE put it, the "tail wagging the dog."[25]

Second, it is not clear how the agency's interest in attendance at this event could overcome the concern that the Commissioners would be improperly influenced in their duties. OGE regulations list a number of factors that agencies should consider, including the "importance of the event to the agency," the "nature and sensitivity of any pending matter affecting the interest of the person who extended the invitation and the significance of the

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[21] Johnson, ProPublica, *supra* note 5.
[22] OGE DAEOgram DO-07-047 (Dec. 5, 2007).
[23] 5 C.F.R. § 2635.204(g)(3).
[24] Memorandum from Robert I. Cusick, Director, U.S. Office of Government Ethics, to Designated Agency Ethics Officials, Widely Attended Gatherings, DO-07-047, at 8–9 (Dec. 5, 2007), https://ogc.army.mil/EandF/Documentation/OGE%20DAEOGram%2007-047%20WAGS.pdf ; *see also* Sarah N. Welling, Reviving the Federal Crime of Gratuities, 55 Ariz. L. Rev. 417, 430–31 (2013) https://arizonalawreview.org/pdf/55-2/55arizlrev417.pdf.
[25] DO-07-047 at 8.

employee's role in any such matter," whether "acceptance would reasonably create the appearance that the donor is receiving preferential treatment" and the "market value of the gift of free attendance."[26]

In total, any reasonable assessment of the facts suggests that the minimal benefits to the FCC were far outweighed by the risk that the Commissioners would be, or at least would appear to be, influenced in the performance of their duties. On one hand, the FCC Commissioners have little need to attend the Kennedy Center Honors in person, as it is not an event requiring commission action or superintendence. Any potential value to the FCC in their interaction with other attendees was limited, particularly given the nature of the event. On the other hand, the FCC Commissioners routinely deal with important matters involving CBS and Paramount[27] and Paramount had already made several overtures to purchase WBD by the time the Honors was held.[28] Pursuant to 47 U.S.C. § 310(b)(4), Paramount is subject to the FCC's foreign ownership rules, and departure from the statutory cap on foreign ownership would require Commission approval that doing so is in the public interest. As a result, the Commissioners should have anticipated the possibility of having to assess a Paramount-WBD merger. And whatever the Commissioners' intentions, Paramount's conduct should be viewed skeptically. The immense value of the tickets and timing of the event, just before Paramount announced its hostile takeover bid, raises questions of whether the company was seeking to gain preferential treatment through the provision of tickets to the Commissioners.

B. *Free Tickets to the Kennedy Center Honors May Have also Violated the Illegal Gratuities Law*

Beyond the gift rules, 18 U.S.C. § 201 establishes two related but distinct criminal offenses. Section 201(b) prohibits bribery: the giving or accepting of anything of value with intent to influence an official act. Section 201(c) prohibits the giving or accepting of anything of value "for or because of" any official act performed or to be performed by a public official[29]. Section 201(c) does not require a corrupt quid pro quo agreement.[30] The distinguishing features of bribery and illegal gratuity are their intent elements. Bribery requires intent to influence an official act, while illegal gratuity requires only that the gratuity be given or accepted 'for or because of' a specific official act.[31]

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[26] 5 C.F.R. § 2635.204(g)(4).
[27] According to Paramount's most recent Form 10-K, the CBS stations segment of the company "consists of [Paramount's] 29 owned broadcast television stations, all operating under licenses granted by the Federal Communications Commission . . . pursuant to the Communications Act of 1934, as amended . . . ." Paramount Skydance Corporation, Form 10-K, I-4 (Feb. 25, 2026), https://ir.paramount.com/node/72736/html.
[28] See Meg James, *Paramount launches hostile $78-billion bid for Warner Bros., with backing from Trump's son-in-law,* Los Angeles Times (Dec. 8, 2025), https://www.latimes.com/business/story/2025-12-08/paramount-goes-hostile-in-bid-for-warner-bros-challenging-72-billion-bid-by-netflix#:~:text=Since%20mid%2DSeptember%2C%20Paramount%20has,streaming%20service's%20combined%20market%20share.
[29] 18 U.S.C. § 201(c)(1)(A)-(B).
[30] *Id.*; *see also Snyder v. United States*, 603 U.S. 1, 11 (2024) ("The bribery statute for federal officials, § 201(b), uses the term 'corruptly.' But the gratuities statute for federal officials, § 201(c), does not").
[31] *United States v. Sun-Diamond Growers of Cal*., 526 U.S. 398, 404–05 (1999); Welling, *supra* note 27, at 417–19. The gift regulations provide that a gift accepted pursuant to an exception will not trigger 18 U.S.C. § 201(c) unless

The Supreme Court has held that an illegal gratuity requires a link between the gift and a specific official act, and that a gratuity "may constitute a reward for some future act that the public official will take (and may already have determined to take)."[32] To distinguish an illegal gratuity from a gift motivated by general goodwill, courts examine whether the gifts "fell into a pattern tracking the official acts" and whether the gift was "unusually valuable." Under the mixed-motive doctrine, a gift need not be based exclusively on an official act; the statute is satisfied where the gift is based "in part" on the official act and in part on personal reasons or general goodwill.[33]

The Commission's pending review of Paramount's acquisition of WBD squarely falls within the context of an official act. The timing of the event also raises serious questions about whether Paramount had an intent to influence the Commission's decision-making or support of Paramount's hostile bid to acquire WBD. While we do not know whether Chairman Carr's attendance at the event was at Paramount's expense, he was seated in an exclusive section next to Paramount's CEO David Ellison. That meant that Mr. Ellison had direct access to Chairman Carr right before he made the announcement that they were moving forward with an attempt to takeover WBD.

C. *Absent a Gift Exception, the Commissioners Must Pay Back Paramount the Fair Market Value of Gifted Tickets*

Pursuant to 5 C.F.R. § 2635.206, "an employee who has received a gift that cannot be accepted under this subpart must dispose of the gift in accordance with the procedures set forth" in that section. "The obligation to dispose of a gift that cannot be accepted under this subpart is independent of an agency's decision regarding corrective or disciplinary action under § 2635.106." Because this obligation is separate from any disciplinary action that can be ordered by an agency, employees cannot rely on the safe harbor from disciplinary action provided by 5 C.F.R. § 2635.107(b) for reliance on advice of an ethics official. Because tickets to an event are considered an "intangible" gift, the regulations provide that the employees "must promptly reimburse the donor the market value" of the gift.[34]

D. *OGE Should Not Certify Chairman Carr's Annual Financial Disclosure Until They Have Confirmed He is in Compliance with the Ethics Rules*

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the gift is given with the intent to influence an employee. 5 C.F.R. § 2635.202(c). That section is inapplicable where no gift exception applies.

[32] *Sun-Diamond*, at 405, 414.

[33] *Welling*, *supra* note 27 at 425–26.

[34] 5 C.F.R. § 2635.107(a)(3). OGE explicitly deals with this circumstance an example to the regulation:

> A Department of Defense employee wishes to attend a charitable event for which they were offered a $300 ticket by a prohibited source. Although attendance is not in the interest of the agency under § 2635.204(g), the employee may attend if they reimburse the donor the $300 face value of the ticket.

Id. at Example 1 to paragraph (a)(3).

As of the date of writing, Chairman Carr's annual financial disclosure report covering calendar year 2025 has not been released by OGE. OGE should not certify Chairman Carr's report until and unless they have confirmed that he has fully complied with the ethics rules, including discerning whether he accepted free attendance to attend the Kennedy Center Honors from Paramount. Pursuant to the Ethics in Government Act, OGE provides a second-level review of all financial disclosure reports for appointees to Senate-confirmed positions.[35] OGE can only certify if it is "of the opinion that on the basis of information contained in such report the individual submitting such report is in compliance with applicable laws and regulations."[36] If Chairman Carr unlawfully accepted tickets from Paramount to attend the Kennedy Center Honors, he would not be in conformity with the ethics rules until at least such time as he had repaid the donor the fair market value of the tickets as required by 5 C.F.R. § 2635.206.

E. FCC Commissioner Carr Should be Recused from Particular Matters Involving Paramount

Beyond the gift rules, the Standards of Ethical Conduct for Employees of the Executive Branch provide that "[e]mployees shall not use public office for private gain" and that "[e]mployees shall act impartially and not give preferential treatment to any private organization or individual."[37] The facts that have been reported raise serious questions about the integrity and impartiality of FCC Chairman Carr in particular matters involving Paramount, including the attempted WBD merger. Chairman Carr's presence in a private box at the Kennedy Center Honors with the head of Paramount hours before the company announced their bid to acquire WBD, and his subsequent statements that the FCC's review of that bid would be done "quickly" give at the very least the "appearance that the [matter] has been prejudged."[38] Taken together these facts support a finding that "a disinterested observer [would] conclude" that Chairman Carr "has in some measure adjudged the facts as well as the law of [the merger decision] in advance of hearing it."[39] Given the serious risks of preferential treatment and prejudgment, Chairman Carr should be disqualified from further participation in the Commission's Paramount-WBD merger decision.[40]

Conclusion

The federal gift regulations and the gratuities statute exist to ensure that government decisions are made on the merits, free from the influence of private benefits. The public must have confidence that the FCC's merger review process is not compromised by self-dealing or the

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[35] 5 U.S.C. § 13105(c).
[36] 5 U.S.C. § 13108(b)(1).
[37] 5 C.F.R. § 2635.101(b)(7)-(8).
[38] *Cinderella Career & Finishing Schs., Inc. v. F.T.C.*, 425 F.2d 583, 590 (D.C. Cir. 1970).
[39] *Id.* at 591 (cleaned up); *see also Metro. Council of N.A.A.C.P. Branches v. F.C.C.*, 46 F.3d 1154, 1165 (D.C. Cir. 1995) (cleaned up) (stating that the test for recusal from agency quasi-adjudicative actions was whether the individual had "demonstrably made up [his] mind about important and specific factual questions and [would be] impervious to contrary evidence").
[40] Even if, *assuming arguendo*, the facts did not suggest that Chairman Carr had prejudged the Paramount-WBD merger, Chairman Carr should be recused from any matters involving Paramount until at least such time as OGE and any investigative and enforcement bodies determine that Chairman Carr's actions did not violate the ethics rules—including the gift and impartiality rules—and he has repaid the cost of any ticket provided to him for free from Paramount or any of its agents.

appearance of impropriety. Chairman Carr's potential acceptance of $125,000 private seats and Commissioner Olivia Trusty's acceptance of tickets valued at over $12,000 raise serious questions about adherence to these bedrock rules. DDF respectfully calls on your offices to investigate the conduct described in this letter, determine whether applicable laws were violated, and take such action as the facts warrant.

Sincerely,

/s/
Ambassador Norman L. Eisen (ret.)
Executive Chair and Co-Founder
Democracy Defenders Fund

/s/
Virginia Canter
Chief Counsel and Director for Ethics and Anti-Corruption
Democracy Defenders Fund