

ONE HUNDRED EIGHTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

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December 11, 2023

Mr. Robert K. Kelner
Covington & Burling LLP
One CityCenter
850 Tenth Street NW
Washington, DC 20001

Re: The Vanguard Group, Inc.

Dear Mr. Kelner:

The Committee on the Judiciary is conducting oversight of the adequacy and enforcement of U.S. antitrust laws. Pursuant to the Rules of the House of Representatives, the Committee on the Judiciary has jurisdiction to conduct oversight of matters concerning the “[p]rotection of trade and commerce against unlawful restraints and monopolies” to inform potential legislative reforms, such as whether existing civil and criminal penalties and current antitrust law enforcement efforts are sufficient to deter anticompetitive collusion in the investment industry.¹

Corporations are collectively adopting and imposing progressive environmental, social, and governance (ESG)-related goals, and The Vanguard Group Inc. (Vanguard) appears to have entered into collusive agreements to “decarbonize” its assets under management and reduce emissions to net zero in ways that may violate U.S. antitrust law. To advance our oversight and inform potential legislation related to collusive ESG policies, the Committee must understand how and to what extent Vanguard may have colluded to promote ESG-related goals.

To this end, on July 6, 2023, we requested documents and communications related to how Vanguard advances ESG policies, in addition to other key information.² Although Vanguard has been producing some material on a rolling basis, its overall response to date has been inadequate. On July 7, 2023, Committee staff discussed the Committee’s document requests and production priorities with you by telephone. Thereafter, over the course of more than four months, Vanguard has produced just 3,619 documents—far fewer than other entities have produced to the Committee in this investigation, despite Vanguard’s massive size and influence as the world’s second-largest asset manager suggesting that the company should possess far

¹ See generally Rules of the House of Representatives R. X (2023).

² See Letter from Rep. Jim Jordan, Chairman, Comm. on the Judiciary, et al. to Tim Buckley (July 6, 2023).

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more responsive material.³ Moreover, hundreds of the documents produced by Vanguard were not responsive to the Committee's requests, such as copies of newsletters, out-of-office messages and meeting reminders, and documents related to Vanguard's in-house sustainability efforts like installing solar panels at the office and celebrating Earth Day.⁴

On November 3 and November 7, 2023, Committee staff corresponded with you to inquire when the Committee could expect Vanguard to complete its production of material responsive to its requests.⁵ On November 7, four months after the Committee issued its initial requests to Vanguard, you replied that Vanguard still was "not yet at a point where [it] could anticipate a precise end date" for its production.⁶

As discussed above, Vanguard's response without compulsory process has been inadequate. Accordingly, please find the enclosed subpoena.

Sincerely,



Jim Jordan
Chairman

cc: The Honorable Jerrold L. Nadler, Ranking Member
Mr. Tim Buckley, Chairman and Chief Executive Officer, Vanguard

Enclosure

³ Vanguard, *Vanguard in a Nutshell 2* (2023),

<https://www.ch.vanguard/content/dam/intl/europe/documents/en/vanguard-in-a-nutshell-eu-en.pdf>.

⁴ See E-Mail from Comm. on the Judiciary Staff to Robert K. Kelner & Ashley Joyner Chavous (Sept. 25, 2023).

⁵ See E-Mail from Comm. on the Judiciary Staff to Robert K. Kelner & Ashley Joyner Chavous (Nov. 3, 2023); E-Mail from Comm. on the Judiciary Staff to Robert K. Kelner & Ashley Joyner Chavous (Nov. 7, 2023).

⁶ E-Mail from Robert K. Kelner to Comm. on the Judiciary Staff (Nov. 7, 2023).