

Congress of the United States
Washington, DC 20515

February 7, 2019

Mr. Matthew G. Whitaker
Acting Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Dear Acting Attorney General Whitaker:

We are writing to request that you fully explain the extent of your involvement with World Patent Marketing, which the Federal Trade Commission (FTC) charged with operating an “invention-promotion scam” in which officials were “deceiving customers and suppressing complaints about the company by using threats of criminal prosecution against dissatisfied customers.”¹

On November 14, 2018, as the incoming Chairmen of the four House Committees of jurisdiction, we sent a letter requesting that you produce eight categories of documents relating to your work on behalf of World Patent Marketing and your communications with Scott Cooper, the company’s CEO and founder.² To date, you have failed to respond to that letter or provide a single document that we requested.

Since that time, we have obtained new documents showing that you failed to return thousands of dollars that were supposed to be distributed to the victims of World Patent Marketing’s alleged fraud, despite your involvement with Mr. Cooper in handling complaints from individuals of the company’s actions.

For these reasons, we request full compliance with our November 14, 2018, document request by February 21, 2019. If you fail to produce these documents, we will be forced to consider alternative means to obtain compliance.

¹ Federal Trade Commission, *FTC Halts Invention Promotion Scheme Charged with Bilking Millions of Dollars from Consumers* (Mar. 14, 2017) (online at www.ftc.gov/news-events/press-releases/2017/03/ftc-halts-invention-promotion-scheme-charged-bilking-millions). See also *FTC v. World Patent Marketing, Inc.*, Case No. 17-cv-20848 (S.D. Fl.) (Mar. 6, 2017).

² Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, et al., to Acting Attorney General Matthew G. Whitaker, U.S. Department of Justice (Nov. 14, 2018) (online at <https://edit-democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018-11-14.EEC%20Nadler%20Pallone%20Schiff%20to%20Whitaker-DOJ%20re%20Document%20Request.pdf>).

Failure to Return Funds for Harmed Consumers

We have obtained new records from the Receiver in the FTC enforcement action indicating that DESA Industries, Inc. (d/b/a World Patent Marketing) paid you \$9,375 from October 2014 through February 2016 for your services as a World Patent Marketing Advisory Board member.³

We have also obtained new records and information from the Receiver indicating that he demanded that you return these funds so that they could be distributed to consumers as part of the action enjoining the alleged fraud. The demand stated:

The Receiver has concluded that you did not provide any value to customers and performed no services as a member of the Advisory Board. The purpose of this correspondence is to demand the return of the \$9,375.00 that you received as compensation for being a member of the Advisory Board ...⁴

However, attorneys for the Receiver have informed us: "According to our internal records, Mr. Whitaker did not respond, either in writing or by phone, to the demand letter. Mr. Whitaker has not returned the \$9,375."⁵

Personal Involvement with Mr. Cooper and Awareness of Complaints

In addition to the documents above, we have obtained documents from the FTC showing that, during this time period, you were in direct contact with Mr. Cooper about a range of topics, including your role in promoting the rapid growth of the company and how to handle complaints from individuals regarding the company's alleged fraud. For example:

- On December 2, 2014, Mr. Cooper raised with you the idea of being featured in a television commercial on behalf of World Patent Marketing. He wrote: "I just received some sample scripts for our tv commercial – I have to convince my partner but do you have a dollar amount in mind to appear?" He added: "you

³ Payment Archive and Research Center (Feb. 9, 2017) (showing wire transfers from DESA Industries Inc. to Matthew Whitaker PC Account from Oct. 17, 2014, through Feb. 25, 2016) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Whitaker%20Wires%20with%20redactions.pdf>); Letter from Counsel for Jonathan E. Perlman, Receiver of World Patent Marketing, Inc. and DESA Industries, Inc., to Matthew Whitaker (Feb. 16, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Demand%20Letter%20with%20redactions.pdf>).

⁴ Letter from Counsel for Jonathan E. Perlman, Receiver of World Patent Marketing, Inc. and DESA Industries, Inc., to Matthew Whitaker (Feb. 16, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Demand%20Letter%20with%20redactions.pdf>).

⁵ Email from Counsel for Jonathan E. Perlman, Receiver of World Patent Marketing, Inc. and DESA Industries, Inc., to Minority Staff, Committee on Oversight and Government Reform (Dec. 6, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Email%20from%20Counsel%20for%20Receiver%20with%20redactions.pdf>).

might get some good visibility nationally.” You responded: “I do not have a dollar amount in mind. What does talent of my type usually demand?” Mr. Cooper then replied, “I’ll do the best I could for you.” You then appear to have sent links to two videos in which you made previous appearances.⁶

- On March 29, 2015, Mr. Cooper sent you an email explaining that “the business is growing like crazy.” He added: “I’m going to be on the yacht in Bahamas next week – need a break.” He then invited you to visit him, presumably in Florida. He wrote: “feel free to bring your wife and I’ll take care of the entire thing as promised – first class all the way.”⁷
- On July 26, 2015, you received a forwarded message from an individual who wanted to speak with you regarding World Patent Marketing. The individual stated: “I would like to talk with Matt about his relationship with this company and his knowledge of this industry, as I am planning to continue with WPM.” You then forwarded this communication to Mr. Cooper, writing: “I should get a cut of this for helping close the deal!”⁸
- On August 14, 2015, an apparent victim of the company’s actions sent an email complaining about World Patent Marketing’s tactics and its failure to return his money. In response, Mr. Cooper accused the consumer of “blackmail” and “threatening to slander,” and the consumer appeared to back down. Mr. Cooper then forwarded this exchange to you, writing: “Lol lol.”⁹
- On September 7, 2016, an individual left an angry voicemail asking whether you could “get a message to scoot [sic] cooper [Scott Cooper] you are on his advisory board but what you don’t know is how many people were scammed by him and how fraudulent they are and how much money they robbed from people” The next day, you forwarded this message to Mr. Cooper, stating: “Just forwarding this along. I hope all is well.”¹⁰

⁶ Emails between Matthew Whitaker and Scott Cooper (Dec. 2, 2014) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Dec.%202%202014%20Email%20First%20Chain%20with%20redactions.pdf>).

⁷ Email from Matthew Whitaker to Scott Cooper (Mar. 29, 2015) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Dec.%202%202014%20with%20redactions%20Second%20Email%20Chain.pdf>).

⁸ Email from Matthew Whitaker to Scott Cooper (July 30, 2015) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/July%2026-30%2C%202015%20with%20redactions.pdf>).

⁹ Email from Scott Cooper to Matthew Whitaker et al. (Aug. 14, 2015) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Aug.%2014%202015%20with%20redactions.pdf>).

¹⁰ Email from Matthew Whitaker to Scott Cooper (Sept. 8, 2016) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Sept.%207-8%202016%20with%20redactions.pdf>).

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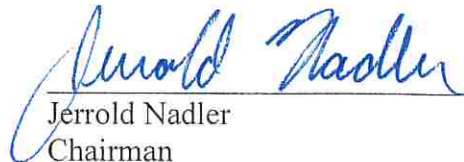
We now ask that you fully comply with our request on November 14, 2018, and produce all of the documents requested in our letter by February 21, 2019.

Thank you for your cooperation with this matter.

Sincerely,



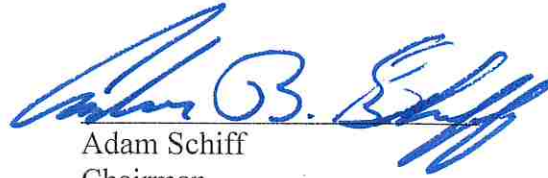
Elijah E. Cummings
Chairman
Committee on Oversight and Reform



Jerrold Nadler
Chairman
Committee on the Judiciary



Frank Pallone, Jr.
Chairman
Committee on Energy and Commerce



Adam Schiff
Chairman
Permanent Select Committee
on Intelligence

cc: The Honorable Jim Jordan, Ranking Member
Committee on Oversight and Reform

The Honorable Doug Collins, Ranking Member
Committee on the Judiciary

The Honorable Greg Walden, Ranking Member
Committee on Energy and Commerce

The Honorable Devin Nunes, Ranking Member
Permanent Select Committee on Intelligence