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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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June 12, 2023

VIA ELECTRONIC MAIL

Mr. Jay Monahan
Commissioner
1 PGA Tour Boulevard
Ponte Vedra Beach, FL 32082

Dear Mr. Monahan:

Pursuant to its authority under Senate Resolution 59 (118th Cong.) and rule XXVI of the Standing Rules of the Senate, the Permanent Subcommittee on Investigations is reviewing matters related to the planned agreement between PGA TOUR, Inc. (PGA Tour) and the Saudi Arabian Public Investment Fund (PIF), which owns LIV Golf.¹ PGA Tour announced on June 6, 2023 that it had reached an agreement to combine its commercial businesses with those of LIV Golf, with PIF providing “a capital investment into the new entity to facilitate its growth and success.”² While few details about the agreement are known, PIF’s role as an arm of the Saudi government and PGA Tour’s sudden and drastic reversal of position concerning LIV Golf raise serious questions regarding the reasons for and terms behind the announced agreement.³ Accordingly, I write to request documents and information related to the agreement between PGA Tour and PIF.

PIF is an investment fund of more than \$700 billion created by the Saudi government and run by a board that makes investment decisions under “the chairmanship and guidance” of Crown Prince Mohammad bin Salman, the effective Saudi leader.⁴ PGA Tour’s agreement with PIF regarding LIV Golf raises concerns about the Saudi government’s role in influencing this effort and the risks posed by a foreign government entity assuming control over a cherished American institution. PIF has announced that it intends to use investments in sports to further the Saudi

¹ Alan Blinder, *PGA Tour Can Depose Saudi Wealth Fund’s Leader, Judge Rules*, N.Y. TIMES (Feb. 17, 2023), <https://www.nytimes.com/2023/02/17/sports/golf/liv-pga-saudi-influence.html>.

² *PGA TOUR, DP World Tour and PIF Announce Newly Formed Commercial Entity to Unify Golf*, PGA TOUR (June 6, 2023), <https://www.pgatour.com/article/news/latest/2023/06/06/pga-tour-dp-world-tour-and-pif-announce-newly-formed-commercial-entity-to-unify-golf>; see also Rick Maese and Matt Bonesteel, *PGA Tour Agrees to Partner with Saudi-backed LIV Golf, Ending Bitter Feud*, WASH. POST (June 6, 2023), <https://www.washingtonpost.com/sports/2023/06/06/liv-golf-pga-tour-merger/>.

³ Matt Bonesteel, *Here’s What We Know — and Don’t Know — About the PGA Tour-LIV Golf Deal*, WASH. POST (June 6, 2023), <https://www.washingtonpost.com/sports/2023/06/06/pga-merger-what-to-know/>.

⁴ Public Investment Fund, Annual Report 2021, <https://www.pif.gov.sa/Annual%20Report%20EN/PIF%20Annual%20Report%202021.pdf>.

government's strategic objectives.⁵ It established LIV Golf Investments in 2021 to serve this goal.⁶ Critics have cast such Saudi investments in sports as a means of "sportswashing"⁷—an attempt to soften the country's image around the world—given Saudi Arabia's deeply disturbing human rights record at home and abroad.⁸ In fact, prior to this agreement, PGA Tour was one of the loudest critics of LIV Golf's affiliation with Saudi Arabia.⁹

PGA Tour has stated that it intends to preserve its tax-exempt status as a Section 501(c)(6) entity after the agreement is executed.¹⁰ This assertion raises additional questions about the terms of the agreement and whether a foreign government may indirectly benefit from provisions in U.S. tax laws meant to promote not-for-profit business associations.

To assist the Subcommittee's inquiry, please provide the documents and information listed below by June 26, 2023. For the purposes of this request, the term "Agreement" refers to the "agreement that combines PIF's golf-related commercial businesses and rights (including LIV Golf) with the commercial businesses and rights of the PGA Tour and DP World Tour into a new, collectively owned, for-profit entity," announced on June 6, 2023.¹¹ The term "PGA Tour" includes, but is not limited to PGA Tour, Inc., the PGA Foundation, PGA Reach, and any other subsidiaries, divisions, partnerships, properties, affiliates, branches, groups, special purpose entities, joint ventures, predecessors, successors, or any other entity in which PGA Tour, Inc. had or has a controlling interest, and any employees or agents of any such entities. The Term "LIV Golf" includes, but is not limited to LIV Golf Investments, LIV GOLF LTD, and/or LIV GOLF INCORPORATED, and any other subsidiaries, divisions, partnerships, properties, affiliates, branches, groups, special purpose entities, joint ventures, predecessors, successors, or any other entity in which LIV Golf Investments had or has a controlling interest, and any employees or agents of any such entities. The period covered by this request is October 2021 to present.

1. All records¹² referring or relating to the relationship between PGA Tour and LIV Golf, including but not limited to all communications referring or relating to the Agreement.

⁵ *Id.*

⁶ Andrew England et al., *Saudi Arabia's Billions Are Shaking up Golf. What Next?* FINANCIAL TIMES (June 8, 2023), <https://www.ft.com/content/dede3728-b146-4a51-a6c5-e82f901b6f57>.

⁷ Eddie Pells, *LIV Golf-PGA Tour Merger Reignites Not-So-Clean Debate over Sportswashing*, WASH. POST (June 6, 2023), https://www.washingtonpost.com/sports/golf/2023/06/06/liv-pga-sportswashing-saudi-golf/72924f0c-04b5-11ee-b74a-5bdd335d4fa2_story.html; Sarath K. Ganji, *The Rise of Sportswashing*, 34 J. OF DEMOCRACY 62 (2023).

⁸ *The High Cost of Change: Repression Under Saudi Crown Prince Tarnishes Reforms*, HUMAN RIGHTS WATCH (Nov. 4, 2019), <https://www.hrw.org/report/2019/11/04/high-cost-change/repression-under-saudi-crown-prince-tarnishes-reforms>.]

⁹ David Leonhardt, *A Stunning Merger Angers Athletes*, N.Y. TIMES (June 7, 2023), <https://www.nytimes.com/2023/06/07/briefing/liv-golf-pga.html>.

¹⁰ *PGA TOUR, DP World Tour and PIF Announce Newly Formed Commercial Entity to Unify Golf*, PGA TOUR (June 6, 2023), <https://www.pgatour.com/article/news/latest/2023/06/06/pga-tour-dp-world-tour-and-pif-announce-newly-formed-commercial-entity-to-unify-golf>.

¹¹ *Id.*

¹² "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (text messages, WhatsApp messages, emails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

2. All records referring or relating to the relationship between PGA Tour and PIF or any of its officers, agents, or other representatives, including but not limited to all communications with Members of the Board of PIF or the Executive Management of PIF referring or relating to the Agreement.
3. All records referring or relating to the Agreement, including but not limited to all internal or external communications related to the possibility of entering the Agreement, and all records related to the structure of the “new, collectively owned, for-profit entity” to be formed by the Agreement.
4. All communications between the PGA Tour Commissioner, PGA Tour Board of Directors, PGA Tour Player Advisory Council, and/or PGA Tour Executive Leadership concerning LIV Golf, including but not limited to communications concerning risks to PGA Tour posed by LIV Golf, ownership of LIV Golf, and Saudi Arabia’s influence on LIV Golf.
5. All records referring or relating to any dispute between PGA Tour and PIF, LIV Golf, Jay Monahan, or Yasir Al-Rumayyan.
6. All records referring or relating to PGA Tour’s tax-exempt status under Section 510(c)(6) of the Internal Revenue Code, including but not limited to communications related to whether and how to preserve PGA’s tax-exempt status following execution of the Agreement.
7. All records produced in response to any inquiry or investigation by any law enforcement or regulatory agency regarding the Agreement, PGA Tour’s interactions or communications with PIF or LIV Golf, and PGA Tour’s tax-exempt status or eligibility.
8. All organizational charts reflecting corporate structure, officers, directors, and employees for PGA Tour as it is currently formed, as well as for any new entity formed as a result of the Agreement.

Please carefully review the attached *Procedures for Transmitting Documents to the Permanent Subcommittee on Investigations*. Please contact [REDACTED] with the Subcommittee staff at [REDACTED] with any questions. Thank you for your attention to this request.

Sincerely,



Richard Blumenthal
Chairman
Permanent Subcommittee on Investigations

cc: The Honorable Ron Johnson
Ranking Member