

Opening Statement of Chairman Richard Blumenthal
“Examining the Saudi Arabian Public Investment Fund’s Engagement with and Influence
in the United States”
U.S. Senate Permanent Subcommittee on Investigations
September 13, 2023

Good morning, this hearing will come to order.

This is the second hearing in PSI’s inquiry into the Saudi Arabian Public Investment Fund’s unprecedented deal with the PGA Tour.

Many Americans were outraged in June when it was announced that an authoritarian, foreign government with a horrific human rights record had entered into an agreement that would allow it to effectively take over an entire American sport. Our Subcommittee swiftly initiated an inquiry to learn more about not only how this was allowed to happen but why, what it means for the future of golf and other cherished American institutions, and what it means for our own freedom.

Sports have tremendous power to do good in this world. Professional athletes often serve as ambassadors for our ideals and role models for our children. But, as I said at our first hearing in July, this inquiry is about much more than the game of golf. It is about more than sports. It is about the need for transparency so Americans can understand when valuable foreign investment becomes a vehicle for malign foreign influence.

As our inquiry has progressed, we have found that there are many reasons to be concerned. While we received important information from the PGA Tour, which sent two representatives to testify at our first hearing, the institution that is attempting to take over American golf—the Saudi Arabian Public Investment fund or “the PIF”—has refused to cooperate. They have refused to make a witness available to testify or to produce a single document. We can only infer that this means that Saudi Arabia intends to gain the benefit of our freedom while avoiding the obligations of our laws.

The PIF is run under the, quote, “chairmanship and guidance” of Crown Prince Mohammad bin Salman, the effective Saudi leader. Saudi Arabia’s use of its sovereign wealth fund to attempt to gain influence in the United States should trouble us all.

Under Crown Prince bin Salman, Saudi Arabia remains a brutal regime, utterly resistant to criticism, devoid of any right to free speech, and ruthless in its response to those who question it.

Saudi Arabia is a country where, just two months ago, Mohammed Alghamdi, a retired teacher, was sentenced to death for criticizing the government on YouTube and other social media accounts, including on Twitter accounts that had a total of just 10 followers.

Saudi Arabia is a country where, in the past year, border guards have killed hundreds of Ethiopian migrants and asylum seekers, many of whom were children, as they tried to cross over the border with Yemen.

And the PIF has itself been implicated in some of Saudi Arabia’s abuses.

The PIF itself is leading the development of NEOM, a futuristic city planned for the desert and a centerpiece of Crown Prince bin Salman's Vision 2030. When members of the Howeitat tribe who live near the planned city resisted forced eviction from their homes, three tribe members were captured and sentenced to death by the Saudi government, while three others were sentenced to decades of imprisonment. Another Howeitat man was reportedly killed in his own home by Saudi Special Forces.

The PIF also played a central role in the brazen kidnapping and murder of Washington Post journalist Jamal Khashoggi, having taken ownership of the planes that were later used to transport Khashoggi's assassins to Turkey where they carried out that horrific act.

I would be remiss if I did not also mention Saudi Arabia's role in the September 11th attacks on our country. This week marks 22 years since those horrific events. Not only did 15 of the 19 hijackers come from Saudi Arabia, but—in the years since—evidence has come to light revealing that Saudi government officials may have knowingly or unknowingly aided some of these hijackers.

The Saudi government must take responsibility for its role, and our own government must be transparent about what happened. That is why, earlier this week, along with Ranking Member Johnson, I wrote to the Attorney General and the FBI director, demanding full transparency over everything they know. The families of 9/11 victims need accountability, and all of us are entitled to answers.

I am encouraged that the Department of Justice and FBI have responded. They provided us with an initial set of documents, which are unfortunately still highly redacted, but committed to working with us going forward. It is clear that they have a lot more work to do to provide full transparency to the American people, but this work has to start somewhere.

As many experts have noted, Saudi Arabia's investments in golf—as well as its other investments in global sports—represent an attempt to “sportswash” its terrible record and influence how the Kingdom is perceived across the world. At a time when authoritarian regimes are gaining power and people around the world are losing freedom, it is important that we stay vigilant against those who want to protect, promote, or normalize autocracy.

Saudi Arabia's bid to buy professional golf in America is not just one investment in a vacuum. It is instead part of a web of growing U.S. investments that are largely unknown, and largely without oversight.

Since our July hearing, this Subcommittee has looked closely at the Saudi Arabian government's investments in the United States. We have been troubled not only by what we have seen, but by what we have not.

The PIF's United States investments go far beyond golf and have grown exponentially in the past five years. The little information that is publicly available shows that the PIF's U.S. investments were a little over \$2 billion in 2018. Today, just five years later, they stand at more than \$35 billion. The PIF has made investments in electronic vehicles, gaming, entertainment, and more. In fact, last year, it formed a wholly-owned U.S. subsidiary, based in New York.

That information is just based on what can be discerned from public sources. We have no way of knowing whether the PIF has other investments in private equity, privately held companies, or other areas where public disclosure is not required. The \$35 billion that we know of may be just the tip of the iceberg.

As we will hear today, commercial investment has been used by foreign governments, like China and Russia, as a part of larger influence and disinformation campaigns. What we know so far about Saudi Arabia's investments show the hallmarks of a similar effort. While we have laws that require the review of foreign investments that pose direct threats to our national security and we require agents of foreign governments to file disclosures, our current laws largely leave commercial investment by foreign governments in the shadows. These gaps may leave room for sophisticated regimes to engage in influence campaigns without scrutiny.

I want to be clear: The United States has a long and proud history of welcoming foreign investment. Open investment is central to our economy and has helped to spur innovation time and time again. We must continue to open our arms and our markets. But we also must demand transparency so that we can understand the strings that are attached to certain investments, especially those that come directly from authoritarian regimes. With this inquiry, we hope to explore the extent to which Saudi Arabia is exploiting these loopholes and how other countries, like China, may do so as well. We also hope to learn ways in which we can start to close these gaps.

To that end, the PIF has offered none of the transparency necessary to understand its goals or the extent of its influence efforts. This Subcommittee has repeatedly sought cooperation from the PIF with our inquiry and they have persistently refused. The PIF's refusal to cooperate is an affront to our authority and to our institutions. Congress has a Constitutional responsibility to regulate American commerce, and an inquiry into the PIF's investment in the United States is well within this Subcommittee's mandate. That is why, today, I issued a subpoena to the PIF through its U.S. subsidiary for records concerning the PIF's investments in the United States. I also provided a memorandum to the members of this Subcommittee providing further detail on the need for this subpoena.

As I wrote to the Governor of the PIF last month, the PIF cannot have it both ways: if it wants to engage with the United States commercially, it must be subject to United States law and oversight. That oversight includes this Subcommittee's inquiry.

The PIF and the Saudi government cannot take advantage of our democratic freedoms and cloak themselves in dictatorial secrecy. They can use democratic institutions, but they cannot leverage them to promote suppression and oppression.

I look forward to hearing from today's witnesses, each of whom brings expertise and experience with different concerns surrounding the PIF's investments. I hope they be able to help us shed more light not only on why this inquiry must continue, but how we can address risks that may exist from others as we move forward.