

United States Senate

WASHINGTON, DC 20510

March 6, 2025

Jane Fraser
Chief Executive Officer
Citigroup
388 Greenwich Street, 17th Floor
New York, NY 10013

Sunil Garg
Chief Executive Officer
Citibank North America
388 Greenwich Street, 17th Floor
New York, NY 10013

Dear Ms. Fraser and Mr. Garg:

Since February 18, 2025, federal investments made under the Greenhouse Gas Reduction Fund (GGRF) and held in Citibank, N.A. accounts reportedly have been frozen. The freeze appears to relate to U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin's desire to claw back the GGRF grants held at Citibank despite a legally executed financial agent agreement (FAA) between Citibank and the U.S. Department of the Treasury (Treasury).¹ The affected Citibank accounts contain legally obligated federal funds, authorized and appropriated in the *Inflation Reduction Act*, aimed at powering domestic investment in low-cost clean energy and energy efficiency. Freezing these accounts jeopardizes private investment, job creation, and economic opportunity in communities across the country. We write to request information about the status of the bank accounts containing this important federal environmental grant funding, and absent any legal process or court order requiring Citibank to hold these monies, we urge their immediate release.

The Citibank accounts at issue involve the National Clean Investment Fund (NCIF) and Clean Communities Investment Accelerator (CCIA)—GGRF grant programs designed to leverage private capital to reduce energy bills for families and small businesses, improve resiliency against climate change-fueled disasters, and create local economic opportunity. We understand that the NCIF and CCIA accounts are maintained at Citibank under the terms of a 2024 FAA between Treasury and Citibank. FAAs are routine funding mechanisms that were first authorized in the 1860s and have been used for decades.² They are designed to allow for agency oversight of how the funds are used while enabling grantees to leverage contractually obligated

¹ See Letter from Senate Committee on Environment and Public Works Democrats to Administrator Lee Zeldin, Environmental Protection Agency (Feb. 24, 2025), https://www.epw.senate.gov/public/_cache/files/c/0/c08cee01-522d-422e-ae4e-7a33932a92c5/A190170AA663AFD77AF1AC6B3C8658E9773DA22017F8FD5412A882268FAA1095.2.24.25-letter-to-epa-ggrf.pdf.

² REVENUE COLLECTIONS AND PAYMENTS: Treasury Has Used Financial Agents in Evolving Ways but Could Improve Transparency, GAO-17-176 (Jan. 2017), <https://www.gao.gov/assets/gao-17-176.pdf>.

funds in private financial markets—a statutory requirement of this program that helps further Congress’ intention to stimulate lending to low-carbon projects.

If public reporting and information obtained by Senate Environment and Public Works Committee Democrats is accurate, the federal funds in these accounts have been frozen for more than two weeks without explanation from either Citibank or the EPA. Without access to these funds, grantees will be hard pressed to cover basic operating expenses, such as payroll or rent, much less satisfy their mission of delivering cost-saving investments in underserved communities across the country. According to recent reporting, a prolonged account freeze may drive many of the nonprofit grantees to bankruptcy or default.³

The government’s recent conduct raises substantial questions about the legal basis for freezing these funds. According to reports, two weeks ago, Denise Cheung, the Chief of the Criminal Division of the U.S. Attorney’s Office in the District of Columbia, was forced to resign after she refused her superiors’ orders to freeze the accounts, citing insufficient evidence of criminal activity.⁴ Trump-appointed U.S. Department of Justice (DOJ) officials then stepped in to try to freeze the funding, but a federal magistrate judge in the District of Columbia reportedly rejected a seizure warrant application. Federal prosecutors outside the District also reportedly refused to seek a court-ordered bank freeze.⁵ Now, DOJ has sent the FBI to investigate the EPA,⁶ and EPA Administrator Zeldin has referred the GGRF matter to the new EPA Acting Inspector General for an investigation—still without credible evidence of wrongdoing.⁷

These reports suggest that Trump DOJ and EPA officials are trying to rescind the legally obligated funding at issue by fabricating claims of financial mismanagement and launching sham investigations. Absent a court order or other legal process requiring Citibank to freeze the NCIF and CCIA accounts, we urge you to immediately resume grantees’ access to their contractually obligated funds. In addition, please respond to the following questions in writing by March 15, 2025:

1. What NCIF, CCIA, or GGRF grantee accounts have been paused, frozen, or closed by Citibank? When did Citibank pause, freeze, or close these accounts?
2. Why did Citibank pause, freeze, or close grantee accounts? Please detail the institution’s decision-making process and factors it considered, including any role the Trump administration has played.

³ Jean Chemnick, *Groups frozen out of \$20B in EPA cash fear bankruptcy*, Politico E&E (Feb. 28, 2025), <https://www.politico.com/news/2025/02/28/groups-frozen-out-of-epa-cash-fear-bankruptcy-00206733>.

⁴ Spencer S. Hsu et al., *High-ranking D.C. federal prosecutor resigns over order to freeze EPA funds*, Wash. Post, (Feb. 18, 2025), <https://www.washingtonpost.com/investigations/2025/02/18/federal-prosecutor-dc-resigns/>.

⁵ Spencer S. Hsu et al., *FBI takes up EPA probe amid pushback from judge, prosecutors*, Wash. Post, (Feb. 27, 2025), <https://www.washingtonpost.com/dc-md-va/2025/02/27/trump-fbi-epa-grant-investigation/>.

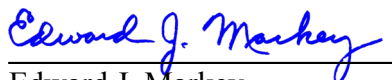
⁶ *Id.*

⁷ News Release, U.S Environmental Protection Agency, EPA Formally Refers Financial Mismanagement of \$20B “Gold Bars” to Inspector General (Mar. 3, 2025), <https://www.epa.gov/newsreleases/epa-formally-refers-financial-mismanagement-20b-gold-bars-inspector-general>.

3. If Citibank has paused, frozen, closed, or otherwise limited access to grantee accounts, please provide the legal authority for doing so, including any court order.
4. Does Citibank have plans to resume grantees' access to, or use of, their accounts and to the federal monies contained therein?
 - a. If so, when can grantees expect resumed access to their accounts and to their federal monies?
 - b. If not, what is Citibank's timeline for deciding whether to give grantees resumed access to their accounts? What factors will Citibank consider in this decision?
5. Has Citibank received any guidance or orders from any Trump administration agency, entity, or official directing the institution to freeze, pause, close, or otherwise impede access to the grantee accounts or the federal funds contained therein? If so:
 - a. Who provided the guidance or orders?
 - b. What reasoning, if any, was given?
 - c. What contractual agreement(s), if any, did the Administration reference in its communication(s)?
 - d. Please provide copies of those communications. If these communications took place verbally, please provide a summary of their content as well as those present during the verbal communications.
6. Has Treasury contacted Citibank to terminate the FAA under the terms of the FAA? If not, please state so clearly. If yes, please provide all communications between and among Citibank, Treasury, EPA, and any other Trump administration agency, entity, or official concerning such an action by Treasury.
7. Does Citibank have reason to believe that Citibank itself or any of the eight entities with which it has Account Control Agreements have failed to comply with the terms and conditions of the GGRF program, and that noncompliance is substantial such that effective performance of the GGRF program as to any of the eight grantees is materially impaired?
8. Does Citibank have an internal policy that dictates the freezing, pausing, or closing of the grantee accounts under specific circumstances? If so, what is that internal policy? Please provide a copy of any such policy.
9. We hereby request that Citibank preserve, and instruct all relevant employees to preserve, any and all documents—including but not limited to internal and external communications—concerning the GGRF program, outreach from Trump administration agencies, entities, or officials concerning the GGRF program, or the subject of this letter.

Thank you in advance for your attention to this matter. We look forward to receiving your prompt responses to our questions.

Sincerely,



Edward J. Markey
United States Senator



Charles E. Schumer
United States Senator



Sheldon Whitehouse
United States Senator
Ranking Member
Committee on Environment
and Public Works



Chris Van Hollen
United States Senator



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Jeffrey A. Merkley
United States Senator