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United States Senate
COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION
WASHINGTON, DC 20510-6125
WEBSITE: <https://commerce.senate.gov>

January 30, 2026

The Honorable Orice Williams Brown
Acting Comptroller General
U.S. Government Accountability Office
441 G Street, N.W. Washington, D.C. 20548

Acting Comptroller Brown:

On June 3, 2025, we requested the Government Accountability Office (GAO) conduct a comprehensive review of the actions taken by the Department of Commerce (Department) under the leadership of Secretary Howard Lutnick to unilaterally dismantle the Minority Business Development Agency (MBDA). Since then, new information has come to light indicating Secretary Lutnick and other Department officials may have violated—and may continue to violate—a May 13, 2025, Preliminary Injunction and subsequent November 21, 2025, Permanent Injunction issued by a federal district court ordering the Trump Administration to reverse its actions against the MBDA and restore its personnel and grantmaking capacities.¹ Congress has a compelling interest in ensuring executive branch officials comply with court orders guarding against unlawful attempts to dismantle federal agencies like the MBDA, which Congress statutorily authorized and funded on a bipartisan basis. Accordingly, we request GAO expand its ongoing inquiry to evaluate whether Secretary Lutnick or other Administration officials have violated the court’s orders and assess the adequacy of the policies and protocols the Department has implemented, if any, to ensure compliance.

On January 29, 2025, Secretary Lutnick appeared before the Senate Committee on Commerce, Science, and Transportation and testified he did not support dismantling the MBDA.² However, on March 14, 2025, President Trump issued Executive Order (EO) 14238, which purported to eliminate the MBDA and other federal agencies.³ Notwithstanding his testimony, Secretary Lutnick proceeded to unilaterally dismantle the agency—terminating almost all of MBDA’s staff

¹ Preliminary Injunction, *State of Rhode Island, et al, vs. Donald J. Trump, et al, United States District Court for the District of Rhode Island* (May 13, 2025);

https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.60.0_2.pdf; see also Memorandum and Order, *State of Rhode Island, et al, vs. Donald J. Trump, et al, United States District Court for the District of Rhode Island* (Nov. 21, 2025); https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.99.0_2.pdf.

² Hearing, “Nomination Hearing – U.S. Secretary of Commerce”, *U.S. Senate Committee on Commerce, Science, and Transportation*, (Jan. 29, 2025); https://www.commerce.senate.gov/2025/1/full-committee-nomination-hearing_2_3.

³ Presidential Action, “Continuing the Reduction of the Federal Bureaucracy”, *The White House*, (Mar. 14, 2025); <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>.

and canceling its grant programs.⁴ Of the 40 individuals employed at the MBDA before the EO, only five employees remained working at the agency after Secretary Lutnick began implementing the order.⁵

On April 4, 2025, 21 State Attorneys General filed a lawsuit seeking an injunction against any further implementation of the EO.⁶ As part of that case, an MBDA employee submitted a sworn declaration to the court explaining how the remaining five employees would “not be capable of carrying out MBDA’s statutorily mandated functions, administering its existing programs, or spending its appropriated funds” because it was “not possible for five employees to monitor the existing portfolio of grants for waste, fraud, and abuse, or to ensure that they are being used for authorized purposes consistent with the grant award,” all of which “requires consistent contact with grantees to monitor and evaluate grantee performance, train, conduct site-visits, and to ensure compliance” with the grants’ terms.⁷ The MBDA employee also informed the court that “MBDA allowed its contract with Salesforce to expire,” making it “particularly difficult” to adequately monitor grants without this management platform.⁸

On May 13, 2025, the federal district court issued a Preliminary Injunction that both prohibited any further implementation of the EO and ordered the Department to reverse its implementation. This included “tak[ing] all necessary steps to restore” MBDA employees “involuntarily placed on leave or involuntarily terminated” and “resum[ing] the processing, disbursement, and payment of already awarded funding” and any “funds previously withheld” to the States due to the EO.⁹ Following the district court’s order, multiple Senators sent a letter to the Acting Under Secretary for MBDA seeking information about how the agency intended to comply with this Preliminary Injunction—but, consistent with Secretary Lutnick’s pattern of stonewalling Congress, the Department has refused to provide any relevant information.¹⁰

Despite the court’s clear order, the Department has taken several actions that appear to violate its terms. First, in a September 2, 2025, letter to the Office of Inspector General, the Acting Director of MBDA Business Centers revealed that the Department had “terminated or discontinued” funding for at least nine MBDA business centers as of August 29, 2025—months after the district court’s order took effect.¹¹ Then, on October 10, 2025, the Department sent Reduction in Force (RIF) notices to the 24 employees who then-remained working at the MBDA stating their

⁴ Letter to MBDA Grantee from Nate Cavanaugh Under the Authority of Keith Sonderling, Acting Undersecretary of MBDA, (Apr. 17, 2025); on file with Democratic Committee staff.

⁵ Declaration of Alex Doe, State of Rhode Island, et al, vs. Donald J. Trump, et al, *United States District Court for the District of Rhode Island* (Apr. 4, 2025); <https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.3.41.pdf>.

⁶ Motion for Temporary Restraining Order, State of Rhode Island, et al, vs. Donald J. Trump, et al, *United States District Court for the District of Rhode Island* (Apr. 4, 2025); https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.3.0_1.pdf.

⁷ See *supra* n. 5 (Notably, this employee credibly feared retaliation from the Trump Administration for providing factual information to the court about the MBDA and thus submitted this sworn declaration pseudonymously.)

⁸ *Id.*

⁹ See *supra* n. 1 (Preliminary Injunction).

¹⁰ Press Release, “Following Federal Court Order, Democrats Hold Trump Administration Accountable for Unlawfully Dismantling MBDA”, *U.S. Senate Committee on Commerce, Science, and Transportation*, (May 28, 2025); <https://www.commerce.senate.gov/2025/5/following-federal-court-order-democrats-hold-trump-administration-accountable-for-unlawfully-dismantling-mbda>.

¹¹ Report, “Audit of MBDA Business Center Program”, *U.S. Department of Commerce Office of Inspector General*, (Nov. 19, 2025); <https://www.oig.doc.gov/audit-of-mbda-business-center-program-2/> (at Appendix 2).

positions were being eliminated due to supposed “lack of funding” and because their functions “are not consistent with the Secretary’s priorities.”¹²

The Department implausibly claimed the RIF—which would eliminate every employee working at the MBDA and leave only one political appointee responsible for carrying out all of the agency’s required functions¹³—would “not prevent the Department from fulfilling its statutory obligations.”¹⁴ In a sworn declaration, an MBDA employee explained to the court how effectuating these obligations requires “experienced MBDA employees to expend approximately 20 hours per week per grant” and affirmed it is “not feasible that one or two political appointees who lack training and experience in grants management” could carry out those duties.¹⁵ Although the Department later rescinded the RIFs after Congress passed legislation requiring it do so and before the district court could rule on whether the Department’s actions violated the court’s order,¹⁶ the court admonished the Administration “that it is never acceptable to violate a court order” and warned any such violations may “warrant further Court action.”¹⁷

These developments, coupled with the Department’s lack of transparency regarding its actions toward the MBDA, raise serious questions about the sufficiency of the Department’s protocols for ensuring compliance with the district court’s orders and whether Department leadership is violating the court’s clear commands. Therefore, to supplement the review requested in our June 3, 2025 letter, we request GAO also examine and provide a detailed report on the Department’s compliance—or lack thereof—with the May 13, 2025, Preliminary Injunction and November 21, 2025, Permanent Injunction issued by the District Court of Rhode Island in *State of Rhode Island v. Trump*, and any policies or protocols the Department has implemented to ensure its compliance.

¹² Letter from Jeremy Pelter, Acting Chief Financial Officer and Assistant Secretary for Administration at the Department of Commerce, to Department of Commerce Employee, (Oct. 10, 2025); <https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.88.1.pdf>.

¹³ MBDA’s statutory obligations include, but are not limited to, conducting an annual diverse business forum on capital formation (Sec. 100201), establish and maintain an information clearinghouse to collect demographic, economic, financial, managerial, and technical data and disseminate to business owners and researchers (Sec. 100103(b)), widely publicize the MBDA Business Center Program via website, social media outlets, and sharing information with community-based organizations (Sec. 100116); <https://www.mbda.gov/sites/default/files/2023-10/MBDA%20ACT%20of%202021.pdf>

¹⁴ Memorandum, “Reduction in Force of Minority Business Development Agency Positions”, *Paul Dabbar, Deputy Secretary of Commerce*, (Oct. 10, 2025); <https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.88.6.pdf>.

¹⁵ Declaration of Alex Doe, State of Rhode Island, et al. vs. Donald J. Trump, et al, *United States District Court for the District of Rhode Island* (Nov. 7, 2025); <https://storage.courtlistener.com/recap/gov.uscourts.ri.59257/gov.uscourts.ri.59257.96.0.pdf>.

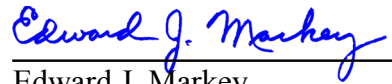
¹⁶ H.R.5371 – Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act 2026; <https://www.congress.gov/bill/119th-congress/house-bill/5371>.

¹⁷ See *supra* n. 1 (Memorandum and Order).

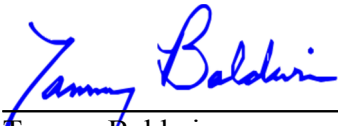
Sincerely,



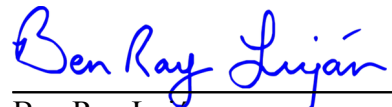
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United States Senator
Ranking Member, Committee
on Commerce, Science, and
Transportation



Edward J. Markey
Ranking Member, Committee
on Small Business and
Entrepreneurship



Tammy Baldwin
United States Senator



Ben Ray Lujan
United States Senator



Lisa Blunt Rochester
United States Senator



Martin Heinrich
United States Senator