



June 23, 2011

The Hon. Kathryn Ruemmler
White House Counsel
1600 Pennsylvania Ave.
Washington, DC
20500

Dear Ms. Ruemmler,

We are writing you as the person charged with overseeing White House ethics policy to express our concern about the Administration's inappropriate relationship with Google while the company is under criminal investigation.

It's unheard of for the President to publicly embrace a corporate executive whose company is under criminal investigation by the U.S. Justice Department. Nonetheless, the Obama Administration continues to have close relationships with top executives of Google Inc. while the company is the target of serious federal investigations for possible wrongdoing. We ask you to rule that the President and other members of the Administration must distance themselves from Google until the investigations are concluded.

Eric Schmidt, Google's executive chairman, and Marissa Mayer, a Google vice president, were both guests at the recent State Dinner honoring German Chancellor Angela Merkel. It has long been a tradition to invite some business leaders to attend these White House functions. However, executives of companies under federal criminal investigation should not be invited while a major case is pending. Allowing such executives to hobnob at a gala White House event inevitably sends a message that the Administration supports them and undercuts the ability of federal investigators to proceed with their case in a fair and unbiased way.

As you may know, Google is under criminal investigation into allegations that it profited from selling online ads to illegal pharmacies. These illicit pharmacies may violate U.S. law by peddling expired or counterfeit prescription medication, or selling medicine without a physician's prescription. Before the State Dinner Google had begun negotiating a settlement of the charges and had filed notice with the Securities and Exchange Commission that it was setting aside \$500 million – roughly one-sixth of its 2011 first-quarter revenue – to resolve the case. This is no minor matter.

Clearly, entertaining Google executives at the White House while a case of this magnitude is pending poses an inappropriate conflict of interest. In addition to the drug ads case, Google is understood to be the target of an antitrust investigation by the Federal Trade Commission. While the Commission is an independent agency, prudence suggests that the White House ought not entertain executives of a company that is the target of a major FTC probe.

In addition, the Department of Justice is now evaluating Google's proposed acquisition of Admeld to see if the deal poses antitrust problems.

We understand that President Obama has had a warm relationship with Eric Schmidt. He advised the campaign, was on the transition team and serves on the President's Council of Advisors on Science and Technology. Nonetheless, given the current circumstances, the President and top Administration officials must distance themselves from Google until the serious allegations against the company are resolved.

Unfortunately it is not just the White House that has potentially been inappropriately involved with Google. Last December Attorney General Eric Holder appeared at a White House conference with Google and other companies pushing an effort to protect intellectual property rights that was, among other things, targeting fake drug sales.

In helping establish the industry group, Hilary Ware, Google's managing counsel for litigation and regulatory affairs, said the problems with illegal online pharmacies are bigger than any one company can resolve. "As the administration has made clear, no one company can solve this problem, so this new cross-industry group is a welcome step forward that we are pleased to support," Ware said in a statement, according to a Bloomberg News.

No mention was made of the fact that Google was under investigation for its role in selling ads for the counterfeit drugs. It is not clear whether Holder was aware at that time of the probe by the U.S. attorney in Rhode Island into allegations that the search giant profited from selling online ads to illegal pharmacies. If he was aware of the investigation, yet appeared at the forum with Google, that certainly would be problematic.

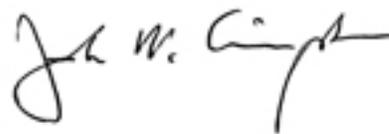
It is clear that hardworking dedicated federal employees are pursuing significant investigations into Google's activities. Unfortunately when top Administration officials entertain Google executives, it undercuts those investigations by sending the implicit message that the Administration supports Google.

We ask you to render a formal opinion that the President and other top Administration officials must step back and assume a neutral position so the various investigations into Google's activities can be concluded in a fair and professional manner.

Sincerely,



Jamie Court
President



John M. Simpson
Director, Privacy Project.