

**Opening Statement of Chair Richard Blumenthal**  
**“The PGA-LIV Deal: Implications for the Future of Golf and Saudi Arabia’s Influence**  
**in the United States”**

**U.S. Senate Permanent Subcommittee on Investigations**  
**Homeland Security and Governmental Affairs Committee**  
**July 11, 2023**

We will come to order. And I want to thank the witnesses for attending today. I want to thank my colleague, Senator Johnson in participating in the invitation to you and the collaborative approach to this hearing and our inquiry. And to all of our staff for their hard work on the memorandum that we've distributed with documents which I will put into the record without objection.

Today's hearing is about much more than the game of golf. It is about how a brutal, repressive regime can buy influence – indeed even take over – a cherished American institution to cleanse its public image. It's a regime that has reportedly killed journalists, jailed and tortured dissidents, fostered the war in Yemen, and supported other terrorist activities, including the 9/11 attack on our nation. Today's about sportswashing.

It's also about hypocrisy, how vast sums of money can induce individuals and institutions to betray their own values and supporters, or perhaps reveal a lack of values from the beginning. It's about other sports and institutions that could fall prey – if their leaders let it be all about the money.

Perhaps to state the obvious, sports are central to our culture and society. They have huge implications for our way of life, our local economies and communities close to home, and our image abroad. Athletes like the PGA Tour golf players are role models. They are ambassadors of our values. And the institutions that concern us today are vital to our national interest. To have them taken over by a repressive foreign regime certainly is a matter of our national security.

So we hope that today's hearing will help us uncover not only the reasons for the PGA Tour's sudden reversal of its opposition to the LIV Golf takeover and what it means to golf, but also to understand what similar investments by repressive regimes or other countries with deep pockets could mean for our country, for our national security, and for the world.

For two years, the most vehement opposition to the Saudi government's taking over this sport of golf in America, and the most vehement criticisms of Saudi sportswashing, came from the PGA Tour's leaders themselves. They enlisted fans, sponsors, the 9/11 families, Members of Congress like myself. Some of those leaders sat across from me at Cromwell, Connecticut, and asked me to support them. And I did, all on the promise and commitment to maintaining the PGA Tour as an independent, cherished iconic American institution.

And Jay Monahan himself said in June, just a year before June 6th, “I would ask any player that has left or any player that would ever consider leaving, have you ever had to apologize for being a member of the PGA Tour?” The players admirably and heroically stood by the PGA Tour and

said no to tens of millions of dollars. Likewise, members of the 9/11 families who are with us and stood by the PGA Tour, and others of us did the same.

And then suddenly on June 6th, everything changed. The sports world was shocked by the announcement that the PGA Tour was entering into an agreement to combine forces with the Saudi Arabian Public Investment Fund, the Saudi sovereign wealth fund, which owns LIV Golf. It's an instrument of the Saudi government, and the deal was not just to take over a team, but the entire sport. Not just an individual Saudi investor, but the government of Saudi Arabia.

So it was no ordinary investment. The Saudi Public Investment Fund, known as PIF, is closely aligned with the very top of the Saudi monarchy and it is headed by Governor al-Rumayyan who was a negotiator and party to this deal.

So, understandably, there was a feeling of betrayal among many of the individuals and groups that supported the PGA Tour, including from the players themselves. And we are here today because not only did it raise that feeling of betrayal, and Jon Rahm, familiar, to all of us said it best, "I think the general feeling is that a lot of people feel a bit of betrayal from management"

But we're here about questions that go to the core of what the future of this sport and other sports will be in the United States. What led the PGA Tour to change its position? Was it only the hope of ending litigation or was it also the unspecified amount of Saudi investment that would come of it? Just how much money did PIF offer the PGA Tour? And what other sources of money were sought as an alternative?

Given these questions and their implications, not only for the future of professional sports but for foreign influence and global human rights, this Subcommittee launched an inquiry into this deal. And I've already put into the record the memorandum that we circulated that incorporates the documents that have been produced and some of what we've learned, but clearly, although the agreement itself is seemingly unspecific, vacuous, and simply an agreement to agree, we know from it that the Saudi government will have an equity dominance and ownership of this institution through its investment. And we know also that the PGA Tour surrendered once for the Saudi investment of money, and there is no assurance in this agreement that it would not do so again.

We have learned from the documents some facts that also indicate that the PGA Tour will be dominated in this agreement. We learned that after rebuffing the PIF as recently as this January, the PGA Tour representative reached out to PIF Governor Yasir al-Rumayyan days after he was told of fears that, "the Saudis will double down on their investment," in LIV.

We learned that Saudi Arabia's early vision for the tour included a team golf tournament, culminating in Saudi Arabia, at least one high-profile PGA event in Saudi Arabia, and a global golf investment fund managed by the PIF.

We learned that just one night, one night before the framework agreement between the PIF and the PGA tour was signed, the PIF added a non-disparagement clause that appears to prevent the PGA Tour from criticizing Saudi Arabia. And it applies to the witnesses that are before us today.

We learned that Governor al-Rumayyan will not only become the chairman of the PGA Tour's board, but he will sit on the executive committee of the new company that is to be formed where he will, and this is a direct quote from a document we received, “provide PIF with strong influence” over the new company.

And we learned that what is not in the agreement, which may be as important as what is explicitly there, very little is explicit, that there are potential side agreements and understandings. Only in the internal documents that were reviewed by this Committee did we learn that PGA Tour officials prepared to sign an agreement providing that LIV CEO, Greg Norman, would be terminated upon execution of the final agreement. We don't know whether this agreement was executed, but there are other documents such as the talking points that are now in the record for Jay Monahan to talk to the policy board, that indicate the parties maintained this understanding about terminating Norman after the agreement was announced.

We still don't know whether there are other side agreements or other understandings that may exist or what they might say. We don't know what assets the PGA Tour will place on the new entity or how it will maintain its nonprofit status, certainly, a profoundly important question. What assets it gained while it had nonprofit status that may be transferred now to a for profit entity raising very serious questions that ought to concern this Committee and the Congress. And especially since it has indicated that there will be an active commercial role for this new entity.

We also don't know what will happen to players who may want to speak out against Saudi Arabia's human rights abuses. They apparently are bound by the non-disparagement clause. The LIV Golf tournament had requirements about wearing apparel. Are they going to have Saudi insignia on their shirts? Are they going to be speaking on behalf of the Saudi government?

And we don't know whether LIV will continue to exist after the conclusion of its next season, and if so what form or under what leadership. And, of course, we still don't know how much money, how much money is on the table or was even discussed to prompt the PGA Tour to make this sudden, dramatic reversal. My hope is that this hearing will begin answering those questions and that we will learn more as we receive additional documents and have additional hearings.

Americans very simply deserve to know what this agreement means for the future of golf as well as for the future of the Saudi Arabian government's investment in sports and other autocratic regimes that may choose to do the same. Because Saudi Arabia has nearly limitless capacity to inject its funds into endeavors through its nearly \$700 billion in assets. And we already know they have purchased a British Premier League soccer team, two of the largest video game tournament operators in the world, and made investments in Formula One racing, among many other investments.

Now, we won't be able to comprehensively address these questions because two witnesses who we invited couldn't be here today. They had scheduling conflicts. We're working with them to resolve those scheduling issues and we hope that they will work with us cooperatively.

The PGA Tour Chief Operating Officer Ron Price and Board Member Jimmy Dunne who are with us today played a central role in arranging the agreement and I want to thank each of you for being here. You are both knowledgeable and prominent members of the PGA Tour's leadership. We hope that you will help us to discover some of the reasons for the PGA Tour's sudden reversal and other answers to these questions and what the deep pockets of the Saudi government and other regimes could mean to the future of our country and the world.

And with that I will turn to the Ranking Member for his opening remarks.