

DRIVE FOR SHOW, PUTT FOR DOUGH: TRUMP'S ACCOUNTANT'S PUTTING METHOD REVEALED [UPDATE-3]

[NB: Check the byline, thanks. This is a work in progress, subject to updates which will be added at the bottom of this post. /~Rayne]

Trump's numbers guy, Allen Weisselberg, was indicted yesterday. The indictment was unsealed today and it's revealing – not because there's any big surprise but because the fifteen counts with which Weisselberg is charged point to the next hole(s) on this course to be played.

You can read the indictment here (thanks to Adam Klasfeld at Law & Crime News).

There are a lot of folks complaining this is puny stuff, whining that the Trump Organization and its CFO Weisselberg are getting away with a lot. *Au contraire, mes amis*, it's too soon for such complaints.

Just Security's Ryan Goodman notes right off the BIG FAT RED BLINKING LIGHTS embedded in the indictment which point to potential federal charges in the offing:

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The Trump Organization-Weisselberg Indictment alleges a FEDERAL tax fraud scheme.

Charges are serious and documented enough, and DA believes can prove beyond a reasonable doubt, so question is:

Where is the Garland Justice Department/IRS?

Are the feds coming next?
<https://t.co/zWgEKC8pnJ>

pic.twitter.com/8pVjmKkTrx

– Ryan Goodman (@rgoodlaw) July 1, 2021

Sure would like to know how those IRS audits are coming along, hmm?

Here's the thing: Trump, like his father before him, didn't do something just once. If it worked – and it always has, never resulting in a criminal prosecution until now – Trump did it again. And again. What we see in this indictment is what will be found for every single business under the Trump Organization umbrella.

I will bet good money there will be other individuals who domiciled in New York whose compensation including living expenses were reported fraudulently to city, state, and federal authorities. The implication is right there in the repeated use of the word "defendants," references to "Unindicted Co-conspirator #1," and the conspiracy.

Which of the Trump kindred lived in New York and were also employed by a Trump Organization entity? Does this include ex-wives and their children while they lived at home?

As I noted above, this post is subject to updates; I am only through page 12 of the indictment so far. I'll share a couple disjointed observations here.

- Jesus Christ, they kept goddamned spreadsheets documenting their criming. I feel like I'm watching The Untouchables with Elliott Ness wielding Capone's bookkeeper's black book.

- Trump Org paid tuition for Weisselberg's family members (which was unreported compensation). This smells hinky; I wondered at first if an actual education facility received payment, but it's likely. And yet this points to another possibility, that "tuition payments" may appear in the Trump Org's books and not actually have

been tuition payments.

– This is just the State of New York; where else did Weisselberg work for Trump beside NYS? Are there other states where Trump Org employees have failed to report their income? We know Florida doesn't have personal income tax and can't expect to see similar charges based on income tax evasion. But what about California, New Jersey, North Carolina, Pennsylvania, Washington D.C. where other Trump Org golf courses and resorts are located?

I have to say I'm surprised that Weisselberg never moved as much of the Trump Org's business as possible to Florida because of the lack of personal income tax. There must be some other reason behind retaining a (unreported) domicile in New York instead of "moving" to Florida or any of the other ~~six~~ eight states which don't have personal income tax.

Ditto the use of an entity, Trump Payroll Corp. – was this created as another opportunity to skim cash off payroll?

– The indictment spells out a period, "during the period from on or about March 31, 2005, to on or about June 30, 2021" in which the offenses occurred. This is only months after Trump's tenure on NBC's The Apprentice began. Is there a correlation between offenses delineated in this indictment and the reality TV series?

Is there something in any of the records related to The Apprentice which is an MGM property, and now possibly owned by Jeff Bezos' Amazon? *~dark laugh~*

I hope you stocked up on popcorn because this is going to be entertaining. We haven't even gotten to property tax and insurance fraud suggested by Michael Cohen's appearance before the House Oversight Committee when he testified that Trump understated asset values.

UPDATE-1 – 11:00 AM ET 02-JUL-2021 –

Before I continue I have a couple of asks,
thanks for any help you can offer:

– Does anyone have access to Dun & Bradstreet? If you do can you pull up a copy of the profile on Trump Organization? I've not pulled a D&B in a while, not certain if it will have history of the enterprise available, but it would be VERY helpful at this point to know who the "executives" were at Trump Org according to D&B. These are likely the same individuals legitimate lending organizations understand to be the policy and decision makers for the holding company structure.

– Does anyone have a copy of proceedings mentioned last night on Maddow? (Shut it, bmaz, we know how you feel about that show.) There was a key nugget in an excerpt last night and I can't find it because MSNBC no longer uploads their evening programs in full. It may have been a transcript related to the grand jury but I couldn't give it my full attention at the time; it was important enough that it caught my ear, though. What caught my ear was a throwaway remark that Weisselberg had other sources of income besides Trump Org. [See UPDATE-3 below.]

By now you've seen Marcy's post this morning about Weisselberg's stagnant income requiring tax evasion. My personal suspicion is that any changes to income levels were being hidden out of sight of local, state, and federal regulators as well as banks just about the point when Trump was beginning to think seriously about a run for POTUS, Trump Org was beginning to experience liquidity problems, AND they were pursuing what I might call euphemistically "alternative financing." Trump Org purchased 4-5 golf courses in the period 2010-2011 (I need to confirm this number and which courses) which may have required filing of documents related to operating expenses for loans. Weisselberg's

income could have been suppressed on the Trump Org's books but augmented by income not formally reported as Trump Org payroll.

Which brings me to another observation: the indictment mentions an unindicted co-conspirator. It's not Trump because in the section Overt Acts under item 2 the indictment reads,

2) On or before April 5, 2010, the Trump Corporation, acting through its agent, Unindicted Coconspirator #1, underreported Allen Weisselberg's taxable income for the tax year 2009.

The term agent makes it likely it's Mazars, the accounting firm which did the bookkeeping for Trump Org.

What's interesting to me looking at the timeline of events: Mazars, an international firm, acquired Weiser, an accounting firm in northeast U.S., in early 2010. It may be something, it may be nothing, but the acquisition happened ahead of the stagnation in Weisselberg's income. Of course the acquisition didn't change a history of sketchy financial reporting by Trump Org's previous accountants, Weiser, and Spahr, Lacher & Berk before Weiser.

The term "executives" – plural – appears throughout the indictment nine times, hence my ask for the D&B profile. D&B's freebie profile indicates the current executives are:

Eric Trump, Chief Executive Officer
Donald J. Trump Junior, Director
Ivanka Trump, Executive Vice President
A Aamiyahh, Accountant

I wonder if Aamiyahh also qualifies as controller, which may be relevant if more decision making power comes with that title. We don't know the history of Trump Org's executives that I'm aware of prior to Trump's election. Were there any other persons who may also be under scrutiny as one of the "executives,"

plural?

As I understand it, the indictment's first count of grand larceny is based on theft of tax dollars owed not one victim but two – New York State and the IRS. The charge is not in lieu of a federal charge of tax fraud, though.

The multiple counts of falsifying business records have likely set any legitimate financing entities holding Trump Org debt scurrying to check documents on which they predicated lending decisions. One might imagine a liquidity crisis at Trump Org if loans are called in.

Last bit which has been niggling at me which the New York State investigation likely couldn't encompass: what the hell was the ~\$50 million "springing loan" related to Trump's Chicago Unit Acquisition LLC? How does it fit into the Trump Org's financial ecosystem?

I'm sure there will be plenty more to come, it's just a matter of time.

UPDATE-2 – 11:30 AM ET 02-JUL-2021 –

Just had ~~two~~ three thoughts:

- Trump's revocable trust which was last modified on February 10, 2017 after he assumed office as president doesn't specify how the trust is revoked. The simplicity and sparseness of the document is a massive loophole of sorts; at any given time Trump could give a verbal order and the trust could have been revoked and/or restored; the inclusion of an "ethics advisor" (ha!) is a mere gesture without any real brake on transactions. The two named trustees, Donnie Jr. and Weisselberg, also provide zero checks on this trust given their weaknesses. Ditto Eric Trump's role as Chairman of the Advisory Board of the Trust; we don't even know who that board is (could be just Eric).

In short, the trust is like the \$50 million "springing loan," the exact terms of which

are unknown to the public. Is it possible the revocable trust and the springing loan are mirror images of each other, an asset in the trust and a debt in the loan, canceling each other out to avoid/evade taxes?

– The word “employees” plural appears 19 times in the indictment of Weisselberg, of which only one use is “executives and employees.” There are some employees who are not executives who must be very itchy right now, besides Weisselberg’s son Barry, the manager of the all-cash operation Wollman Rink.

– If I were a naïve and legitimate paid member of Trump Golf Courses, I’d be panicking. What happens to the tens of thousands of dollars, even hundreds of thousands of dollars paid to become a member (not to be confused with dues or fees related to monthly/annual consumption of services) should the entire Trump holding company structure go bankrupt?

UPDATE-3 – 10:50 PM ET 02-JUL-2021 –

Community member Justlp provided a link to the full transcript for last night’s Maddow show. It contains the snippet I heard which I couldn’t pick apart at the time.

Looking at the transcript I didn’t hear exactly what I thought I heard, but it does raise questions:

The prosecutor says to the judge: While these charges are eligible for bail, we believe there is a flight risk associated with this defendant. So surrender of the passport is necessary to reasonably assure his return to court. This defendant has been and apparently will remain the CFO of a company with international tentacles, and the evidence on this would demonstrate an ample record of travel by private jet and defendant has

significant means and connections to support himself outside the jurisdiction, including in places beyond our powers of extradition.

The surrender of the passport is the least restrictive alternative condition that would reasonably assure defendant's return to court. It's our understanding that defendant Weisselberg consents to this condition and is prepared to surrender the passport to our investigators.

Emphasis mine – it was this bit in the transcript from the indictment hearing which caught my attention. It wasn't that he had other income streams but assets and a network outside New York State and the U.S. such that prosecutors think he's a flight risk.

Was Weisselberg paid enough during his tenure in spite of what reported expenses he had residing in New York, or are we supposed to believe he's a talented asset manager after hours?