

THE SENATE INTELLIGENCE COMMITTEE HAS IT RIGHT: “FOLLOW THE MONEY”

Although the firestorm over President Trump’s firing of FBI Director James Comey has dominated the news, the most significant development in the investigation of possible ties between Team Trump and the Russians has been into possible money laundering by the Trump Organization itself.

On Wednesday, it was disclosed that the Senate Intelligence Committee had requested information from the Treasury Department’s Financial Crimes Enforcement Network (FinCEN) about financial transaction that Trump associates – and possibly Trump himself – had engaged in which may have constituted the illegal laundering of tens or hundreds of millions of dollars. FinCEN agents have been working together with FBI agents as part of the ongoing federal counterintelligence investigation into ties between the Trump Campaign/Administration and Russia. FinCEN maintains a vast database of suspicious cash and banking transactions, and it has been reported that some of the suspicious transactions that this federal agency has focused on involve Trump casino operations and transactions with one of the largest German banks -- Deutsche Bank.

The Treasury Department imposed a \$10 million civil penalty on Trump Taj Mahal in 2015 for multiple violations of money laundering laws. Although Trump advisor and billionaire financier Carl Icahn bought out Trump’s remaining stake in that casino in 2014, many of the transactions found to be in violation of the federal Bank Secrecy Act go back as far as 1998, when Trump still had an ownership interest in the casino.

More recent Trump transactions that are on FinCEN’s radar screen include two loans and two mortgages that Trump has with Deutsche Bank, totaling \$340 million. That Bank has also loaned another \$950 million to a venture in which Trump owns a 30% stake. In January, the New York Department of Financial Services (DFS) fined Deutsche Bank \$425 million for failing to prevent \$10 billion of Russian money laundering run out of the bank’s Moscow branch. Apparently undeterred, Deutsche Bank played a prominent role in a second Russian money laundering scandal, where Deutsche Bank and other western banks were caught processing at least \$20 billion of criminal Russian cash.

Deutsche Bank is reported to be conducting an internal investigation as to whether any of the Trump loans are linked to financial guarantees from Moscow, although it is expected that the FinCEN and Senate Committee investigations into Trump/Russian financial ties involving Deutsche Bank will be far more objective and effective than that Bank’s own investigation. There is great concern among federal investigators that Deutsche Bank may be “restructuring” the hundreds of millions of dollars in outstanding loans that Trump has with them on favorable terms to Trump in return for the unspoken expectation that the Trump Administration will go easier on the Bank when the next money laundering scandal hits it.

One of the other banks that investigators are focusing on with regard to possible money laundering by Trump business interests is the Bank of Cyprus, where Trump’s Commerce Secretary Wilbur Ross served as vice-chairman of the bank, along with Russian national

Vladimir Strzhalkovsky, a former KGB official and Putin ally. The Bank of Cyprus has long been a favored money laundering machine for Russian oligarchs moving their funds to and from Russia, and since a significant percentage of the Trump Organization's financing in recent years has come from Russia and other former Soviet countries, federal investigators are seeking to determine whether and how much of that financing flowed through the Bank of Cyprus and other well-known money laundering conduits. As Donald Trump Jr. told a real estate conference in 2008, "We see a lot of money pouring in from Russia." Exactly where that money came from and whether it was generated from Russian criminal or state-affiliated sources may shed some light on why Trump has been leaning over backwards to accommodate Putin and his cronies in the Kremlin.

Another possible Trump money laundering connection has cropped up in the Netherlands, where Bayrock -- the Trump Organization's favored real estate development company and conduit for Russian cash -- is under investigation for setting up a money laundering scheme. Bayrock is headed by Felix Sater, a Russian-American whose father is a prominent figure in Russian organized crime and a close Putin associate. Bayrock appears to have hatched this money laundering scheme through Amsterdam with Viktor Khrapunov, the fugitive ex-mayor and governor from Kazakhstan, who is accused of embezzling hundreds of millions of dollars from that country. Bayrock is also now being investigated by New York State for massive tax fraud, which may well motivate Sater to cooperate with federal and state authorities regarding the Russian and Central Asian sources of the Trump Organization's financing.

One thing that is already clear is that Trump was being less than candid when he told CNN last summer: "No, I have nothing to do with Russia. How many times do I have to say that? I have nothing to do with Russia."

As the Watergate-informant "Deep Throat" told reporter Bob Woodward in the movie "All the President's Men": "Follow the Money." If federal investigators follow that same advice, they may well find the quickest path to getting to the bottom of the Trump/Russia scandal.

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