

**By Kenneth F. McCallion**

Lost in all of the media hype over Donald Trump's mistreatment of women and Hillary Clinton's missing emails is the fact that Donald Trump's real estate empire is largely dependent on Russian and other foreign money being laundered through his various real estate projects.

This Russian money is now the lifeblood of the Trump Organization, and if Putin and his Russian billionaire oligarchs were to suddenly pull their money out of the Trump Organization, the entire enterprise would suffer a rapid and irreversible collapse.

As Donald Trump Jr. bragged to a group of largely Russian and other foreign investors at a conference in 2008, Russian money was "pouring in" to the Trump Organization, and constituted "a pretty disproportionate cross-section of a lot of our assets." It is estimated that the figure amounts to hundreds of millions of dollars.

In the event that Trump were to actually occupy the White House as our next President, how could he "get tough" with the Russians, or consider signing stronger money-laundering legislation focused on the real estate industry, knowing that to do so would be the death knell to his real estate business empire, proudly built on debt and substantially beholden to shady foreign investors?

To do so would mean financial suicide. He would be forced to smile and follow Putin's lead, no matter where it took this country.

How did it come about that the Trump Organization came to be financed primarily by dirty money originating with international financial criminals from Russian, Ukraine, Kazakhstan, the former Soviet Republic of Georgia and other Eastern European and Central Asian sources? The answer is simple: It had no choice, if it wanted to survive. After six business bankruptcies, nearly all the legitimate U.S. banks realized that any further loans to Trump would be reckless.

The Trump business empire was on the verge of collapse. Salvation was found in Russian money of questionable origin.

Take, for example, the Trump Grande project at Sunny Isles Beach, Fla. Trump and his local development partners specifically targeted buyers from Russia and Latin America to buy these condos, and over 60% of the units in this 813-unit condo development are owned by corporations, many of which are offshore shell companies designed to hide the true identities of the real owners, which included a rogue's gallery of crooked businessman and corrupt foreign politicians who were anxious to find a safe harbor for their ill-gotten gains.

Investigative reporters with The Miami Herald were able to penetrate through the "corporate veil" of 13 Trump Towers ownership companies, and found that the beneficial owners of the condos included the subjects of various government criminal investigations, known members of Russian or Ukrainian organized crime, members of a Russian-American organized crime group, a "Venezuelan oilman convicted in a bribery scheme," and "a Mexican banker accused of robbing investors of their life savings."

Trump promises to deport Mexican criminals and other foreign undesirables back to where they came from, but says nothing of the wealthy foreign criminals who have invested millions into his real estate projects, and to whom he is deeply financially indebted.

Thanks in large measure to Trump's aggressive marketing strategy to the Russian elite and organized crime magnates, Sunny Isles is now known as "Little Moscow," with Russian shops and restaurants in abundance, and even sporting Russian signs on the streets.

Foreign condo owners in Trump Towers include Peter Kiritchenko, a Ukrainian businessman arrested on fraud charges in San Francisco in 1999, who, with his partner — former Ukraine Prime Minister Pavlo Lazarenko, laundered hundreds of millions of dollars through the U.S. and elsewhere. Kiritchenko avoided jail time in the U.S. by agreeing to testify against Lazarenko, who was convicted of money laundering and is now a client of the U.S. Bureau of Prisons.

Other proud owners of Trump condos at Sunny Isle include Anatoly Golubchik and Michael Sall, members of a Russian-American organized crime group who ran an illegal high-stakes sports betting ring catering almost exclusively to wealthy oligarchs from the former Soviet Union. The list goes on and on.

Trump is not the only real estate developer to take advantage of the lax money laundering laws relating to real estate, but he is probably the most aggressive developer to take advantage of the loopholes in the U.S. Patriot Act, which required strict disclosure requirements and imposed stiff penalties relating to banks and other financial institutions, but due to lobbying efforts by the real estate industry, exempted real estate development projects such as the ones that the Trump Organization specializes in.

Trump and his local partner recruited George Baronov, a Russian-born realtor, to work as the lead broker on the project, and the Trump Organization aggressively marketed the units in Russia itself, with Trump Towers brokers flying to Moscow and St. Petersburg in a successful effort to induce Russian plutocrats to move some of their cash to Sunny Isles. They also marketed the units in Nice and Cannes on the French Riviera, where wealthy Russians are known to congregate.

As with Trump's ability to avoid paying federal income taxes, his ability to channel huge sums of foreign cash into his projects is largely due to the structural weaknesses in the U.S. legal and enforcement system. Thanks to loopholes in the U.S. Patriot Act, which exempt real estate development projects such as those by the Trump Organization, the U.S. now has the dubious distinction of being one of the money laundering capitals of the world.

Traditional safe-havens for criminals and the super-rich, such as Switzerland, have become far too willing to disclose the identities of account holders to the IRS and European tax authorities. So these individuals now turn to New York and South Florida luxury real estate, where few questions are asked about the source of money used to purchase condominiums worth \$5 million or more, and the entire transaction can be shrouded in layers of offshore corporations.

Regardless of the outcome of the election, it is likely that legislation will be introduced in Congress to close the loopholes in the money laundering laws and to establish some sort of database system to keep track of the identities of the owners of luxury real estate and cross-check those names with known members of organized crime and international financial criminals. This kind of database has already proven to be a powerful tool for the European Union in preventing the use of luxury real estate to launder dirty money.

If such legislation was passed by Congress and presented to a President Trump for his signature, he would be confronted with a huge conflict of interest: If he signed the legislation, he would be placing his entire business empire in jeopardy. If he didn't sign the bill, the flood of dirty money would continue to flow unabated into U.S. real estate. This would give Russian organized crime and its Kremlin partners tremendous leverage over one of the largest sectors in the U.S. economy.

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