

Trump Organization fined \$1.6 million for brazen tax fraud

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New York, January 14 (RHC)-- A New York judge has ordered former U.S. President Donald Trump's namesake real estate company to pay a \$1.6 million criminal penalty after it was convicted of scheming to defraud tax authorities for 15 years.

Justice Juan Merchan of the Manhattan criminal court imposed the sentence on Friday after jurors last month found two Trump Organization affiliates guilty of 17 criminal charges, including conspiracy and falsifying business records.

The penalty was the maximum the judge could impose for a scheme in which the former president's top executives dodged personal income taxes on lavish job perks, a symbolic and hardly crippling blow for an enterprise boasting billions of dollars in assets. Trump himself was not on trial and denied any knowledge of his executives evading taxes.

While the fine – less than the cost of a Trump Tower apartment – isn't big enough to impact the company's operations or future, the conviction is a black mark on the Republican's reputation as a savvy businessman as he mounts a campaign to regain the White House.

Neither the former president nor his children, who have helped run and promote the Trump Organization, were in the courtroom for the sentencing. Prosecutor Joshua Steinglass said the fine constitutes "a fraction of the revenue" of the Trump Organization and that the scheme was "far-reaching and brazen."

"All of these corrupt practices were part of the Trump Organization executive compensation package, and it was certainly cheaper than paying higher salaries to those executives," he said.

Because the Trump Organization is a corporation and not a person, a fine is the only way a judge may punish the company. The maximum penalty that Merchan was able to impose was double the taxes a small group of executives avoided paying on benefits that included rent-free apartments in Trump buildings, luxury cars and private school tuition.

Besides the company, only one executive was charged in the case: former Trump Organization Chief Financial Officer Allen Weisselberg, who pleaded guilty in August to evading taxes on \$1.7 million in compensation. He was sentenced Tuesday to five months in jail.

Trump has said the case against his company was part of a politically motivated "witch hunt" waged against him by vindictive Democrats. The company's lawyers have promised to appeal the verdict. The case involved financial practices and pay arrangements that the company halted when Trump was elected president in 2016.

Over his years as the company's chief moneymen, Weisselberg had received a rent-free apartment in a Trump-branded building in Manhattan with a view of the Hudson River. He and his wife drove Mercedes-Benz cars leased by the company, and when his grandchildren went to an exclusive private school, Trump paid their tuition.

When called to testify against the Trump Organization, Weisselberg said he didn't pay taxes on that compensation and he and a company vice president conspired to hide the perks by having the company issue falsified tax forms.

Weisselberg also tried to take responsibility on the witness stand, saying nobody in the Trump family knew what he was doing. He choked up as he told jurors: "It was my own personal greed that led to this."



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