

Trump refuses to sever ties with his business empire

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US President-elect Donald Trump has made clear that he will not sever ties with his vast business empire upon assuming office. The decision underscores the authoritarian and corrupt character of the incoming government and its open contempt for democratic norms.

While some media outlets have published articles worrying about the legal implications of a government with manifold and open conflicts of interest, the Democratic Party has been virtually silent on the question. This is in keeping with its effort to legitimize an administration headed by an ultra-right billionaire, who lost the popular vote by a substantial margin, and to make the transition from Obama to Trump as seamless as possible.

In defending his decision, Trump recently declared, “As far as the potential conflict of interests, the law is totally on my side, meaning, the president can’t have a conflict of interest.”

From a legal and constitutional standpoint, this assertion is clearly false. The Emoluments Clause (Article I, Section 9, Clause 8) of the US Constitution bars any person holding office in the US government from receiving any sort of present, salary, fee or profit from a foreign state.

Trump has business interests in real estate, management and branding in no less than 18 foreign countries, spanning virtually the entire globe. They are: Canada, Brazil, Uruguay, Panama, Bermuda, French Antilles, Scotland, Ireland, Turkey, Azerbaijan, Saudi Arabia, the United Arab Emirates, Qatar, Israel, South Africa, Indonesia, India and China. He is currently attempting to expand into Argentina. Over the course of his 16-month election campaign, Trump registered eight new companies based in Saudi Arabia.

The president-elect claims he will form a blind trust,

an arrangement whereby the management of his holdings would be turned over to a trustee with whom he had no contact. But he insists on naming his three adult children, all of whom are involved in his transition team, as the trustees, making a mockery of his supposed adherence to legal and democratic norms.

Among the most obvious conflicts of interest arising from Trump’s business ventures and the political power he will wield as president are the following:

- * Trump owns shares of stock in companies involved in the construction of the Dakota Access Pipeline, which is being opposed by Native American tribes and hundreds of supporters who have been protesting for months in the face of brutal police repression. Trump owns between \$15,000 and \$50,000 in stock in Energy Transfer Partners, the company building the pipeline, and holds between \$100,000 and \$250,000 in Phillips 66, which owns a one-quarter share of the pipeline.

- * The Trump International Hotel, which opened in October in Washington, DC, is housed in a building leased by Trump from the federal government’s General Services Administration. As president, Trump will have the power to appoint the GSA’s next administrator. The hotel has already begun catering to foreign diplomats on official state business.

- * Philippine President Rodrigo Duterte appointed a longtime business associate of Trump as a special envoy to the United States in late October.

- * Trump’s golf course in Turnberry, Scotland opened during his election campaign. He has since encouraged UK Independence Party (UKIP) leader Nigel Farage to oppose the construction of offshore wind farms that would affect the coastal views at the golf resort.

It is already clear from Trump’s actions and those of his transition team members that he has no intention of avoiding conflicts of interest. Though he claims that his

children will take no part in his administration, he appears to already have requested security clearances not only for his children, but also for his son-in-law, Jared Kushner, who owns a real estate company as well as the *New York Observer*.

His children have already been present in meetings between Trump and foreign leaders. Ivanka participated in a meeting between her father and Japanese Prime Minister Shinzo Abe on November 17 as well as in a phone call with Argentine President Mauricio Macri on November 14. Argentine journalist Jorge Lanata has alleged that the president elect's first call with Macri included a discussion about circumventing permit requirements that are delaying the construction of a Trump-brand office building in Buenos Aires. Both Ivanka and Eric appeared with Mr. Trump at a meeting with three of the family's Indian business associates in New York on November 15.

Trump, the personification of the backwardness and criminality of the American financial aristocracy, has an extensive history of corrupt business practices. From the 1970s on, he has been at the center of scandal after scandal:

- * He was charged with housing discrimination on the basis of "race and color" at 39 sites around New York in the 1970s. He was caught bullying tenants at various buildings he was attempting to convert into luxury apartments and condos in the 1980s.

- He is alleged to have links to mafia figures, including Robert LiButti, John Gotti's right-hand man, who was a preferred customer at Trump's Atlantic City casino up until 1991.

- He is notorious for hyper-exploitation of undocumented Polish immigrants on a building site in New York City. The workers were paid \$5 an hour, with numerous cases of alleged wage theft. They were forced to sleep at the construction site. If they raised the question of back pay with management, they were threatened with deportation.

- Trump ventures have been cited for violations of casino laws, including one instance where his father bought 700 chips worth a total of \$3.5 million with no intention of gambling. The purchase, serving essentially as an illegal loan, helped Trump pay off the casino's debt.

- He has been cited for anti-trust violations, including one case in 1986 when he attempted to carry out a

hostile takeover of two rival casinos, Holiday and Bally.

- He is known for allegedly refusing to pay contractors, waiters, dishwashers and plumbers in hundreds of cases over the course of three decades.

- On November 18, ten days after the election, it was reported that Trump had agreed to pay \$25 million to settle two class action law suits and a third suit brought by the New York State Attorney General's Office charging illegal and fraudulent business practices in connection with his for-profit Trump University, which operated from 2005 to 2010. The "university" was essentially a pyramid-scheme consisting of a series of "seminars" that claimed to teach his real estate business secrets. Students paid as much as \$35,000 for the classes, only to find that many of the instructors were totally unqualified.

- * Trump may have avoided paying income tax for nearly two decades by exploiting a legal loophole. His tax returns in 1995 reported a \$916 million loss (three years after his second bankruptcy), a number so high that it legally exempted him from income tax for 18 years. He has refused to release his tax returns to the public.

- * The Donald J. Trump Foundation admitted in IRS filings that it broke federal rules against "self-dealing," a provision intended to prevent charitable organizations from using funds to help their leaders' families or business interests. Trump was fond of using the foundation's funds to settle his legal disputes. He appears to have spent some \$260,000 in foundation funds on legal battles. The foundation reportedly also bought high-priced luxury items only to gift them to Trump.



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