

Cohen pleads guilty, Manafort convicted

Legal noose tightens around Trump White House

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In an escalation of the factional conflict within the American ruling class, President Donald Trump received staggering blows yesterday on two fronts. In a New York City courtroom, his former attorney and “fixer” of personal scandals, Michael Cohen, pleaded guilty to eight felony charges. And in a courtroom in Alexandria, Virginia, across the Potomac from the White House, his former campaign manager Paul Manafort was convicted on eight felony counts of his own.

Perhaps the greatest political damage came not from the felony charges, all of them related to various forms of financial chicanery, including five counts each for Cohen and Manafort of income tax evasion, but from Cohen’s public statement in the courtroom of Judge Kimba Wood. In confessing his guilt to the eight counts, Cohen declared that in two instances, violating federal laws by using personal funds to suppress politically inconvenient statements by Playboy model Karen McDougal and adult film actress Stormy Daniels, he was acting “in coordination and at the direction of a candidate for federal office.”

Although Cohen did not name the candidate, he was referring to Trump, who sought to avoid public attention during the 2016 presidential election to the claims by the two women that they had had sexual relationships with him. The payment to Daniels came a week before the election.

Cohen paid Daniels \$130,000 from personal funds and was later reimbursed by Trump, although that repayment was disguised as a billing for legal services by Cohen supposedly performed in 2017. Cohen also organized the \$150,000 purchase of McDougal’s account of her relationship with Trump by the *National Enquirer* magazine, whose publisher was friendly to Trump and killed the story. Cohen reimbursed the magazine and was

in turn repaid by the Trump Organization.

Besides the campaign finance violations, Cohen pleaded guilty to five counts of income tax evasion and one count of bank fraud, all relating to his lucrative businesses in Manhattan, which included real estate and the purchase and sale of taxi medallions, as well as legal and consulting work for the Trump Organization.

The case against Cohen originated in the investigation by Special Counsel Robert Mueller into charges that the Trump campaign colluded with alleged Russian interference in the 2016 presidential campaign. Mueller handed off the Cohen case to the US Attorney for the Eastern District of New York, on the grounds that the potential charges against Cohen had no direct relationship to the Russia investigation.

The scale of the investigation of Cohen came to public attention last April 9, with early morning FBI raids on Cohen’s offices and residence in Manhattan, an unprecedented show of force against an attorney whose most prominent client was the president of the United States. For several months, attorneys for Cohen and Trump fought to suppress most of the material collected in the raid, on the grounds of attorney-client privilege. However, a magistrate appointed by Judge Wood to review the items seized allowed most of it into evidence, including tapes of Cohen’s conversations with Trump.

At a press conference after Cohen’s plea, Deputy US Attorney Robert Khuzami said that the president’s former lawyer “worked to pay money to silence two women who had information that [Cohen] believed would be detrimental to the 2016 campaign and to the candidate.” Because the payments were made to influence the outcome of the election, they constituted campaign contributions in excess of the legal limit. They were also not reported to the Federal Election Commission, as

required by law.

Cohen did not formally agree to become a cooperating witness, either for the US Attorney in Manhattan or for the Mueller investigation, but he faces a sentencing hearing on December 12 in which he has agreed in advance not to challenge any sentence from 46 to 63 months, putting him at the mercy of prosecutors if he balks at discussing his work for the Trump Organization or Trump personally.

The logic of the Cohen case was best summed up by one of his own lawyers, Lanny J. Davis—a veteran of the Clinton White House during its defense against impeachment. If what Cohen did in relation to the payoffs to Stormy Daniels and Karen McDougal was a crime, Davis argued, and he did it on behalf of and for the benefit of candidate Donald Trump, then Trump is also guilty of a crime. Last month Davis released an audio recording Cohen had made of Trump admitting to knowing of the payment made to silence McDougal.

The Manafort ruling is less directly related to Trump, although Manafort held a much higher and more public role in the Trump campaign, serving first as its chief vote counter for the convention, then as overall chairman of the campaign. In August 2016, he was forced out after press reports of his raking in tens of millions in fees from Ukrainian President Viktor Yanukovich during the period before the pro-Russian ruler was ousted in a CIA-instigated ultra-right coup in 2014.

The tax evasion and bank fraud charges for which Manafort was prosecuted also relate to these Ukrainian activities. Prosecutors working as part of the Mueller investigation charged that Manafort concealed as much as \$60 million in income from Yanukovich and other Ukrainian oligarchs in overseas bank accounts, evading federal income taxes, and that he subsequently lied about his income in a series of applications for bank loans in the United States.

The jury found Manafort guilty of eight counts, including five counts of income tax evasion, for every year from 2012 through 2016, two counts of lying on applications for bank loans, and one count of failure to disclose a foreign bank account. The jury deadlocked on ten additional charges, including multiple counts of failure to disclose a foreign bank account and several counts of bank fraud. Judge T. S. Ellis declared a mistrial on those counts. The jury did not acquit Manafort on any of the 18 charges initially brought against him.

Manafort faces a jail sentence of ten years or more for the various counts on which he was convicted, and his

lawyers said he would appeal. He faces a separate prosecution in Washington DC next month, also brought by the Mueller investigation, on charges of failing to register as a foreign agent during the years when he was providing political advice and campaign management services to Yanukovich.

President Trump has tweeted repeatedly against the Manafort trial, describing his former campaign chairman as “a good man,” even while taking pains to point out that Manafort was only associated with the campaign for a few months, and the charges against him have nothing to do with the 2016 election or allegations of Russian interference and Trump campaign collusion.

In fact, both the Manafort trial and the Cohen plea do nothing to validate the Russia investigation, which has been instigated by sections of the military-intelligence apparatus, the Democratic Party and corporate media in an effort to push the Trump administration towards a foreign policy more overtly hostile towards Russia and more favorable to military intervention in Syria.

The immediate results of the two cases—demonstrating that Trump’s closest aides are criminals—cannot come as a surprise to anyone familiar with the corrupt milieu out of which Trump himself arose. His fortune is based on real estate swindling, casino flimflam and media manipulation. He moves in the circles of the financial oligarchy where every crime is permitted, personal as well as in business, as long as you pay off the right people.

Both factions in the bitter conflict within the ruling elite are deeply reactionary and anti-democratic. Trump’s enemies use the courts and the special counsel, as well as the *New York Times*, the *Washington Post* and most of the television networks in a stepped-up campaign to drive him out of the White House. Trump conducts himself increasingly as an autocrat. He combines this with a deliberate effort to whip up ultra-right and fascist elements to be used to against those, above all among youth and workers, who oppose his right-wing policies.



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