

# Trump Organization chief financial officer indicted on felony charges in tax fraud and conspiracy scheme

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In the first criminal case against entities and persons tied to former President Donald Trump's business activities, New York prosecutors on Thursday charged the Trump Organization, Trump Payroll Corporation and Chief Financial Officer Allen Weisselberg with 15 felony counts, as part of an alleged grand larceny and tax fraud scheme stretching from March 31, 2005 through June 30, 2021.

The 73-year-old Weisselberg, an employee of the Trump family since 1973, surrendered at the Manhattan District Attorney's office early Thursday morning, where he was forced to hand over his passport after prosecutors alleged he was a "high flight risk." He was briefly handcuffed and marched to a Thursday afternoon court hearing during which he pleaded "not guilty." Weisselberg was subsequently released on his own recognizance. A lawyer for the Trump Organization also entered a "not guilty" plea on all counts.

The charges against the Trump Organization, Trump Payroll Corporation and Weisselberg include one count each of scheming to defraud in the first degree and conspiracy in the fourth degree, four counts of criminal tax fraud in the third degree and four counts of falsifying business records in the first degree. Additionally, Weisselberg is being charged with grand larceny in the second degree and four counts of offering a false instrument for filing in the first degree.

The indictment describes the charges as part of an "off-the-books" scheme in which high-ranking executives in the Trump Organization, such as Weisselberg and members of his family, were provided rent-free housing in New York City, Mercedes-Benz cars to drive and elite private school tuition, along with home renovations and holiday bonuses, all as part of "compensation packages" that were not reported to the Internal Revenue Service and

not taxed.

Prosecutors relied on financial records turned over by Jennifer Weisselberg, former daughter-in-law to Allen and former wife to Barry Weisselberg, Allen's son.

Democratic Manhattan District Attorney Cyrus Vance Jr. wrote in the 25-page indictment:

"The purpose of the scheme was to compensate Weisselberg and other Trump Organization executives in a manner that was 'off the books': the beneficiaries of the scheme received substantial portions of their income through indirect and disguised means, with compensation that was unreported or misreported by the Trump Corporation or Trump Payroll Corp."

The indictment alleges that from 2005 through 2017, "corporate defendants provided Weisselberg approximately \$1,174,018 in unclaimed income resulting from the payment of his rent and related expenses." According to the indictment, other unreported and untaxed benefits brought the grand total illegally going to Weisselberg and his family to over \$1.76 million.

While Trump himself has not been charged, commentators speculate that the battery of felony charges against Weisselberg is an attempt to get him to turn state's witness, similar to former Trump attorney Michael Cohen. So far, Weisselberg has given no indication that he will do so.

Commentators on CNN have lamented that the charges are relatively tame compared to the known fraud in which the Trump family has engaged for decades. However, charges against the Trump Organization could prove detrimental to Trump family finances, especially if various Wall Street banks keeping the company afloat via loans demand repayment.

The charging of the Trump Organization by Democratic prosecutors, Vance Jr. and New York Attorney General

Letitia James, is no doubt an attempt by the Democrats to cripple Trump financially and possibly politically. However, even if Trump were eventually indicted, the fascist movement that is being cultivated within the Republican Party would elevate the next demagogue to take his place, such as Florida Governor Ron DeSantis, Arkansas Senator Tom Cotton or Georgia representative and Holocaust-denier Marjorie Taylor-Greene.

Petrified of the political and social consequences of an exposure of the scale of the conspiracy headed by Trump and the key role played by the Republican Party and high officials in the military, the FBI and the police, the Democrats are engaged in a cover-up combined with appeals for “unity” and “bipartisanship” with Trump’s Republican co-conspirators. They are desperate to maintain the two-party political monopoly through which the American ruling class exercises its rule and prevent the growth of working class opposition outside of the framework of capitalist politics.

This is indicated in the charges, which, while describing criminal behavior, hardly scratch the surface of the financial parasitism, fraud, tax evasion and criminality that are standard operating procedure not only for Trump, but for the corporate-financial oligarchy he personifies.

The relatively narrow scope of the charges, largely focused on Weisselberg’s compensation, omits the far greater funneling of money under the table to Trump’s children, some of which has been previously reported and documented in the press.

Responding to the charges, and revealing perhaps more than he intended about the pervasiveness of fraud and illegality in the operations of big business, particularly New York real estate, Trump said his company’s actions were “things that are standard practice throughout the US business community, and in no way a crime.”

A recent example of the sort of “legal” tax avoidance in which billionaires regularly engage was documented in black-and-white earlier this year with the publication of the tax returns of the world’s richest people. Amazon CEO Jeff Bezos and Tesla CEO Elon Musk, within the parameters of pro-corporate tax laws, routinely manipulate their reported income and hide their money to lower their tax liability, allowing them to pay less in taxes than the average worker, and, in some cases, claim a refund.

As the *World Socialist Web Site* wrote in 2018 in response to a lengthy and detailed *New York Times* exposé on the financial dealings of Trump’s father, Fred C. Trump, who passed along the Trump empire to his

children through massive tax evasion and inheritance schemes:

The *Times* seeks to present the Trumps as an aberration from the norm for very definite class reasons. It and the Democratic Party with which it is allied are defenders of the capitalist system and the oligarchy that rules it. In fact, its own exposé gives a glimpse of the standard, everyday practice of the ruling class and the official institutions of government—the courts, the regulatory agencies, Congress and the Democratic and Republican parties.

This rampant corruption and criminality have only increased in recent decades, in tandem with the social counterrevolution carried out against the working class, over which both parties have presided. The decades of deindustrialization and decimation of industrial cities and towns have coincided with the ever more dominant role of financial speculation and manipulation in the economic life of the country and, indeed, the world.

Trump embodies the degraded and gangster-like social forces that have risen to the top. He is the product and expression of the decay of American capitalism and capitalist democracy. He is no aberration.



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