

# Trump fraud trial opens in Manhattan

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On Monday, the first of seven civil and criminal cases against ex-president Donald Trump began in Manhattan, with Trump facing a lawsuit by the New York attorney general Letitia James, seeking \$250 million in damages for the Trump Organization systematically overvaluing major real estate properties in order to gain more favorable loan and insurance rates.

According to the opening statement by Kevin Wallace, an attorney in James' office, Trump and his business gained \$1 billion from deliberate fraud. Wallace said: "Year after year, loan after loan, the defendants misrepresented Mr. Trump's net worth to maintain those favorable interest rates."

The state attorney general seeks to bar Trump and his sons from ever conducting business in the state of New York, and the Trump Organization, which they control, from engaging in real estate transactions for five years. Ivanka Trump, Donald Trump Jr. and Eric Trump are codefendants with their father.

Trump's lead attorney, Christopher Kise, argued that the valuation of real estate is subjective and cited the standard disclaimer in bank loan and insurance agreements that the valuations are estimates only, and should not be relied on. He also argued that no financial institution actually lost money doing business with Trump.

The examples of deliberate fraud in the valuation of Trump properties are so egregious that last week New York State Supreme Court Justice Arthur Engoron granted summary judgment to the state, ruling that the allegations of fraud had been proven, leaving only the questions of the impact of the fraud and the penalties to be imposed to be decided in the trial.

Among these examples, many of them publicized in previous media exposures, but consolidated in the indictment, are the following:

- Estimating Trump's apartment in the Trump Tower

in midtown Manhattan as 30,000 square feet, three times its actual size.

- Reporting the Trump Tower itself as 68 stories high, when it has only 58 stories.

- Estimating the value of his estate in suburban New York at \$291 million, when a bank previously valued it at \$30 million.

- Putting the value of his Mar-a-Lago estate in Florida at \$739 million when a local covenant limited it to \$28 million.

All told, Trump exaggerated his wealth by anywhere from \$2.2 billion to \$3.6 billion. Judge Engoron singled out the gross disparity in reporting the size of Trump's own residence: "A discrepancy of this order of magnitude, by a real estate developer sizing up his own living space of decades, can only be considered fraud," he wrote.

The purpose of inflating the value of these holdings was twofold: to obtain more favorable terms from banks for loans and from insurance companies, saving hundreds of millions on interest rates and premiums; and boosting Trump's social and political profile as a supposed billionaire, when his fortune may well have been in nine figures rather than ten or even eleven, as he once claimed. In that case, the \$250 million judgment, together with the forced selloff of many of his properties, could be a devastating blow to the Trump Organization.

The remaining six claims by the prosecution, including insurance fraud, falsification of documents and conspiracy, will be determined at the trial. Judge Engoron said the state had to prove that the false valuations were deliberately fraudulent and caused actual damage.

The case will be heard and decided by the judge alone, because Trump's attorneys did not request a jury trial. This makes all the more noteworthy Trump's continued vilification of Engoron. He wrote on his

Truth Social platform, “I have a Deranged, Trump Hating Judge, who RAILROADED this FAKE CASE through a NYS Court at a speed never before seen.”

It seems likely that Trump has calculated that the case will be tied up on appeal for years and that portraying himself as a victim of persecution by a judge who is a liberal Democrat is the best course of action for his political fortunes. It is also possible that his attorneys were simply negligent: the ex-president has had difficulty obtaining competent lawyers in the two and a half years since he led a failed coup on January 6, 2021, seeking to overthrow the Constitution and retain power despite losing the 2020 presidential election.

During the lunch break on the opening day of the trial, Trump continued with his unrestrained denunciations of Judge Engoron, denouncing him as a “political hack.” He called him “a Democrat operative” and “a disgrace to people that call themselves judges ... This is a judge that should be disbarred. This is a judge that should be out of office. This is a judge that some people say could be charged criminally for what he’s doing. He’s interfering with an election, and it’s a disgrace.”

As in other diatribes by Trump, there is an incitement to violence embedded in his language. His fascist supporters have already responded with a torrent of antisemitic messages, apparently driven by the location of the trial in New York City, since it is not clear that Engoron is Jewish.

The judge had already dealt a series of blows to Trump before last week’s ruling on the overvaluation of his properties. He ordered Trump to sit for a deposition, which the ex-president initially refused to do, until the judge found him in contempt and imposed escalating fines which ultimately totaled \$110,000.

At the same hearing where he gave summary judgement on the fraud charge against Trump, he ordered each of Trump’s lawyers to pay a fee of \$7,500 to the court in sanction for their conduct in the courtroom, a highly unusual action.

Trump also complained Monday, “I think it's very unfair I don't have a jury,” although his own lawyers did not request a jury trial. He continued, seeking to mislead his own supporters about the supposed unfairness of the legal proceeding, saying, “we’re not entitled to a jury, which is pretty unusual in the United States of America.”

The civil trial in Manhattan is only the first of a whole series of criminal and civil cases in both state and federal courts. Two more civil cases are set for early in the New Year: January 15 for a lawsuit brought by retired writer E. Jean Carroll, who previously won a \$5 million defamation judgement against Trump, after he denied her claims of a long-ago sexual assault. He has continued to vilify her publicly, sparking the current case.

On January 29, a federal class action case against Trump and his children is scheduled to begin charging them with promoting a pyramid scheme involving investing in fly-by-night companies that were secretly paying for Trump’s endorsement. A similar lawsuit by those defrauded by his bogus Trump University was settled for \$25 million, but the current suit is set to go to trial.

On March 4, 2024, the federal case against Trump for inciting the January 6 attack on Capitol Hill is set to go to trial. The criminal trial on charges of illegal payoffs to porn actress Stormy Daniels, brought by the Manhattan District Attorney Alvin Bragg, begins March 25.

Trump faces another trial in federal court May 20 on charges of illegally retaining and withholding classified documents at his Mar-a-Lago estate.

The Georgia case over Trump’s efforts to steal the state’s electoral votes, the most sprawling of all the indictments, has not yet been scheduled for trial, but the first two of nineteen defendants indicted, former Trump attorneys Sidney Powell and Kenneth Chesebro, are set for trial only three weeks from now, on October 23.



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