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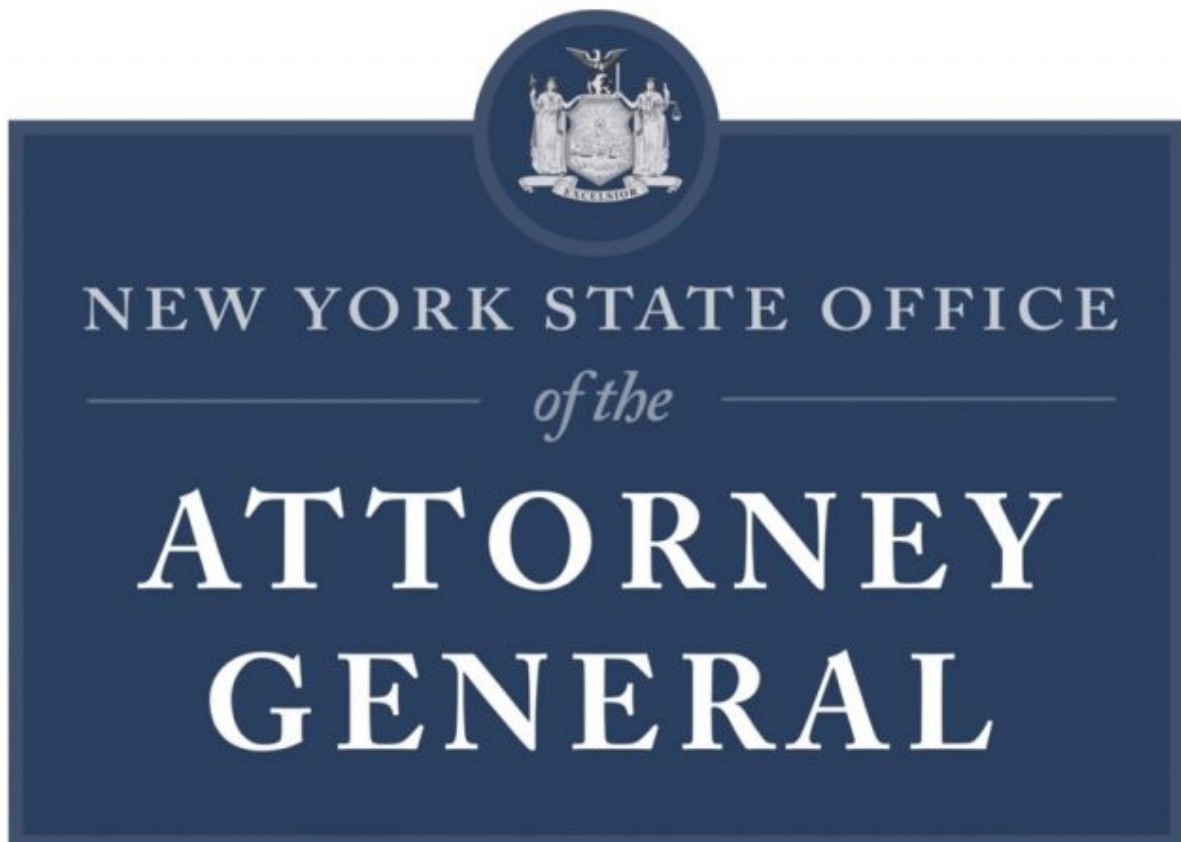
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ACCOUNTING & AUDIT

New York Attorney General Sues Trump, Alleges Financial Fraud

The AG's lawsuit to be filed in State Supreme Court in Manhattan accuses the Trump Organization and top company executives of purposely misrepresenting the value of assets emblazoned with the...

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By Molly Crane-Newman and Denis Slattery, New York Daily News (TNS).

New York Attorney General Letitia James announced a bombshell civil fraud lawsuit Wednesday against former president Donald Trump, his adult children and his company.

The AG's lawsuit to be filed in State Supreme Court in Manhattan accuses the Trump Organization and top company executives of purposely misrepresenting the value of assets emblazoned with the former president's name including skyscrapers, mansions, and golf courses by hundreds of millions of dollars over decades to enrich itself.

The suit seeks to remove Trump and his children from their roles with the eponymous organization after he "falsely inflated his net worth" in order to enrich themselves through "numerous acts of fraud and misrepresentations."

Trump and the Trump Organization used false and misleading statements "repeatedly and persistently" to induce banks to lend money on favorable terms, per the lawsuit.

"Donald Trump falsely inflated his net worth by billions of dollars to unjustly enrich himself, and cheat the system, thereby cheating all of us," James said at a press conference Wednesday.

James added that her office is making criminal referrals against Trump and his kids on top of the \$250 million civil suit, which seeks to bar Trump, his kids and his company from partaking in any commercial real estate transactions in New York and would also bar Trump and his business from seeking loans from banking institutions registered in the state.

The lawsuit surfaces from a three-year civil investigation by James' office into allegations of widespread fraud at the company and names the former commander-in-chief as well as his children, Ivanka, Eric and Don Jr. and other company executives as defendants.

The AG's office deposed Trump and his son, Eric, in the probe, with both invoking their right to stay silent hundreds of times under questioning. During the investigation, Trump was also held in civil contempt and fined \$110,000 for failing to meet evidence deadlines.

The lawsuit represents the latest legal setback faced by the former president and a resounding blow. If James' case succeeds, it could sound the death knell for Trump's namesake company in his home state — where his grandmother founded it with his father almost 100 years ago.

In a parallel criminal case, the Trump Organization and Trump Payroll Corp. are headed to trial next month in Manhattan on tax evasion and fraud charges. The company's longtime chief financial officer, Allen Weisselberg, pleaded guilty in that case in August, admitting to engaging in a 15-year scheme with the company and agreeing to testify against it at trial in exchange for less prison time. James' office has aided the Manhattan district attorney investigators trying the Trump Org case.

James has scrutinized Trump Organization assets in her investigation, including its sprawling Seven Springs estate in Bedford, Westchester County, Trump Tower Triplex on Fifth Ave, Scottish golf course, Trump Park Ave, 70-story skyscraper at 40 Wall Street, Trump International Hotel and Tower Chicago, and the Trump National Golf Club in Los Angeles.

The Trump family business was incorporated as a real estate development company in the 1920s by Trump's German immigrant grandmother, Elizabeth, and her young son, Fred Trump, Donald's father. Fred would go on to become one of New York City's biggest landlords and amass a fortune building middle-class housing in Brooklyn and Queens.

The Justice Department sued the Trump company around the time Trump took over as president in his twenties for refusing to rent any of its 15,000 units to Black and Puerto Rican people. The suit resulted in a 1975 settlement with the feds requiring then-named Trump Management Inc. to give nonwhite tenants the chance to rent vacancies.

In 2016, when Trump became president, he handed the reins to his three eldest children and Weisselberg, placing his stake in a revocable trust controlled by his sons.

Trump's lawyer Alina Habba did not immediately return a call seeking comment.

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