

# [***Mary Trump Raises Alarms About Truth Social 'Scam'***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BPH-KY11-JBR6-900F-00000-00&context=1516831)

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**Length:** 775 words

**Byline:** Alexander Fabino

**Highlight:** The former president's outspoken niece shares how she thinks Truth Social could skirt FEC rules, enabling potential foreign financial support for Trump.

**Body**

Mary Trump, the outspoken niece and frequent critic of former president [*Donald Trump*](https://www.newsweek.com/topic/donald-trump?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), has offered her views on Truth Social, the social media venture spearheaded by her uncle, saying it could be a potential multi-billion-dollar campaign funding scam.

Mary Trump, in a long form tweet shared on Monday, said that she thinks Truth Social might be operating as a clandestine operation to raise campaign funds, skirting federal regulations and potentially welcoming unsanctioned foreign influence.

"Truth Social could be a front for a campaign finance scam," Mary said in the tweet.

"Direct donations to political candidates are subject to FEC laws, which impose limits on the amount that can be donated and require transparency about the source of donations," she said. "Now that Truth Social is a publicly traded company, however, supporters and even foreign entities have a new, surreptitious way to back Donald financially without having to make a direct political donation."

Mary Trump is warning that the social platform's public listing in March inflated its financial valuation without a solid foundation, paving the way for potential campaign finance irregularities.

By allowing supporters—and possibly the foreign entities she mentioned—to purchase stock, [*Mary Trump*](https://www.newsweek.com/topic/mary-trump?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) said they funds can indirectly be funneled to Donald Trump's coffers, bypassing the Federal Election Commission's (FEC) stringent donation caps and transparency mandates.

According to FEC regulations available to view on its [*website*](https://www.fec.gov/help-candidates-and-committees/), individual contributions to federal candidates are capped at $3,300 per election cycle. Regulations establish clear limits for political action committees (PACs) and candidate committees in an attempt to thwart disproportionate financial influence in ***politics***.

The FEC's prohibitions extend to contributions from corporations, labor organizations, national banks, federal government contractors, and even foreign nationals.

The commission also mandates detailed reporting of campaign contributions, including the identities of donors and the specifics of campaign expenditures, ensuring what it calls a transparent electoral process.

Mary Trump suggested in a [*Substack post accompanying*](https://marytrump.substack.com/p/caught-why-he-wont-get-away-with) the tweet that Truth Social's emergence as a publicly traded entity could allow FEC regulations to be circumvented, possibly allowing foreign governments the potential to "buy a significant amount of Truth Social stock, thereby gaining a financial stake in the platform and essentially putting Donald in the position of owing them a favor."

The Securities and Exchange Commission (SEC), however, has laws surrounding that situation as well.

[*According*](https://www.sec.gov/news/statement/gensler-statement-final-rules-regarding-beneficial-ownership-231010) to the SEC, any institutional investor that acquires a significant stake in a company—defined as 5 percent or more of a company's outstanding shares—must file a disclosure with the SEC. The rule applies to both domestic and foreign institutions, ensuring that there is transparency regarding who holds substantial portions of U.S. companies.

*Newsweek* has reached out to both the FEC and SEC for comment.

Currently, public records [*reveal*](https://www.tipranks.com/stocks/djt/ownership#:~:text=Truth%20Social%20(DJT)%20Ownership%20Overview&text=Approximately%200.67%25%20of%20the%20company's,Public%20Companies%20and%20Individual%20Investors.) a mostly empty scenario in regard to institutional ownership of the Truth Social stock. The sole institutional holder of Truth Social stock identified is the Fidelity Concord Street Trust, with a 0.01 percent stake, amounting to 17,141 shares.

That low level of institutional ownership suggests that there are not yet any detectable foreign actors in the stock, and that the prices are being propped up by the [*volatile nature of "meme stocks,"*](https://www.newsweek.com/trump-media-truth-social-losses-revenue-disconnect-stock-fall-1885608?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) which can be pushed higher by public sentiment and cultural affiliations.

Mary Trump also warned that the former president could begin to sell his shares once the lock-up period ends on the stock in September, diverting the cash to his campaign, which would be legal under FEC regulations and subject to no limits.

"Massive amounts of cash funneled to Donald from the sale of shares gives him the opportunity to divert large amounts of cash into his cash-starved campaign," she wrote in the Substack post.

Last week, Trump's media enterprise, Trump Media & Technology Group Corp, merged with blank-check company Digital World Acquisition Corp, giving him a [*windfall of roughly $4 billion*](https://www.newsweek.com/trump-truth-social-djt-stock-spikes-market-debut-1883576#:~:text=Former%20President%20Donald%20Trump%20owns%20about%2058%20percent%20of%20the%20company's%20shares.?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships). The company brought in $4.1 million in revenues over the course of last year, while losing $58 million in the same time frame.

Market experts have previously referred to Truth Social as the first ever "election stock" that will be a proxy for the financial implications of the personal brand of Trump. Others have called it a meme stock that is "overvalued."

*Newsweek* has reached out to the Donald Trump campaign for comment by email on Tuesday.

[*Link to Image*](https://d.newsweek.com/en/full/2371917/truth-social.jpg)

**Graphic**

Truth Social

STEFANI REYNOLDS/AFP via Getty Images

This photo illustration shows an image of former President Donald Trump reflected in a phone screen that is displaying the Truth Social app. Mary’s scrutiny is the notion that Truth's public listing paves the way for potential campaign finance irregularities.

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