

Trump's long history of seeking a politically inconvenient business deal in Russia

By **Philip Bump** August 28

On Sunday night, The Washington Post reported that President Trump's private business was actively pursuing a real estate deal in Russia in late 2015, only to abandon it shortly before the 2016 presidential primaries. The revelation adds a new layer of context to Trump's repeated insistence over the past year that he has no business ties to the country, suggesting that his avowed indifference toward making money in Russia was a function less of resolve than of circumstance.

Broadly, Trump's attitude toward business in Russia mirrors his behavior when it comes to Russian President Vladimir Putin. Before he was a political candidate, Trump repeatedly said that he had a relationship with the Russian president. (Among the examples he cited as evidence he knew Putin? They were both on the same episode of "60 Minutes" — though Trump was filmed in the United States and Putin in Russia.) After that relationship became politically inconvenient, his tune changed sharply. In the third presidential debate, he preemptively responded to a question about Russian interference in the election by saying, "I don't know Putin."

As we did with Trump's claims about knowing Putin, in light of the most recent Post reporting, it's worth reviewing Trump's long history of seeking a business deal in Russia — and his change in tune once such a deal would no longer be personally helpful.

We begin at the beginning.

1987

Trump — and his business, the Trump Organization — explores opening a hotel in Moscow while the country was still under Communist control.

1990

In an interview with Playboy, he explains why that project didn't work.

“I told them, ‘Guys, you have a basic problem. Far as real estate is concerned, it’s impossible to get title to Russian land, since the government owns it all. What kind of financing are you gonna get on a building where the land is owned by the goddamned motherland?’

They said, ‘No problem, Mr. Trump. We will work out lease arrangements.’

I said, ‘I want ownership, not leases.’

They came up with a solution: ‘Mr. Trump, we form a committee with ten people, of which seven are Russian and three are your representatives, and all disputes will be resolved in this manner.’

I thought to myself, [S—], seven to three — are we dealing in the world of the make-believe here or what?

Despite that concern, Trump warned of an imminent revolution in the country because premier Mikhail Gorbachev was too lenient.

“I was very unimpressed” with Russia, he said. “Their system is a disaster. What you will see there soon is a revolution; the signs are all there with the demonstrations and picketing. Russia is out of control and the leadership knows it. That’s my problem with Gorbachev. Not a firm enough hand.”

China, by contrast, did it right.

“When the students poured into Tiananmen Square,” Trump explained, “the Chinese government almost blew it. Then they were vicious, they were horrible, but they put it down with strength. That shows you the power of strength.”

1996

Trump announces a \$250 million investment in two residential buildings in Moscow near the old Olympic Stadium. At a news conference, he says that he has never been as “impressed with the potential of a city as I have been with Moscow,” according to the New York Times. The deal is never finalized.

That same year, he is granted a number of trademarks for real estate property in the country.

1999

Putin becomes president of Russia.

2005

Working with a longtime business partner named Felix Sater, Trump explores building a high-rise on the site of an old pencil factory. Sater ran the Bayrock Group, once a real estate development firm located in Trump Tower.

Sater, who was also involved in the project outlined in the new Post's report, is cooperating with an international investigation into money laundering, according to the Financial Times.

2007

During a deposition about the Bayrock Group, Trump addresses his interest in investing in Russia.

"It's ridiculous that I wouldn't be investing in Russia," he said. "Russia is one of the hottest places in the world for investment. ... We will be in Moscow at some point."

2008

In an interview linked to a conference about real estate investments in developing countries, Trump's son Donald Trump Jr. explains the Trump Organization's relationship with Russian investors.

"In terms of high-end product influx into the US," he says, "Russians make up a pretty disproportionate cross-section of a lot of our assets ... We see a lot of money pouring in from Russia."

That same year, Trump sells a house in Palm Beach, Fla., to a Russian oligarch named Dmitry Rybolovlev for \$95 million. Trump had purchased the house for \$40 million in 2004.

2013

The Trump Organization, which owns the Miss Universe pageant, announces that the pageant will be held in Moscow that November.

Trump's enthusiasm about the event spurs a number of tweets. Among them are ones praising Putin.

For the pageant, Trump partners with a developer named Aras Agalarov and his son, Emin, who has a side job as a musician. Trump stars in one of Emin's music videos.

As part of the pageant media circus, Trump tells the Russian-government-operated RT: "I have plans for the establishment of business in Russia. Now, I am in talks with several Russian companies to establish this skyscraper." That includes the Agalarov's company, Crocus Group, but this, too, comes to nothing.

September 2015

Discussions about a new project in Moscow begin, according to Post reporting. The project is driven by Sater.

Later that month, Trump appears on journalist Hugh Hewitt's radio show. The subject of business dealings in Russia is raised in the context of the 2013 pageant.

“[T]wo years ago, I was in Moscow. And a lot of the people, Hugh, they were there, and they had an amazing time. And they’re terrific people. You know, I was getting along with them so great. I really loved my weekend, I called it my weekend in Moscow. But I was with the top level people, both oligarchs and generals, and top of the government people. I can’t go further than that, but I will tell you that I met the top people, and the relationship was extraordinary.”

January 2016

Michael Cohen, an attorney for the Trump Organization and occasional advocate for Trump on the campaign trail, emails Putin’s top press aide to ask for assistance in advancing the project.

“As this project is too important, I am hereby requesting your assistance,” the email read, as the Post reported on Monday. “I respectfully request someone, preferably you, contact me so that I might discuss the specifics as well as arranging meetings with the appropriate individuals. I thank you in advance for your assistance and look forward to hearing from you soon.”

Despite that request, the proposed project comes to nothing.

In an interview with Talking Points Memo, Sater blames the campaign for killing the project. “Once the campaign was really going-going, it was obvious there were going to be no deals internationally,” he told TPM’s Sam Thielman.

June 2016

Emin Agalarov helps facilitate a meeting between a lawyer linked to the Russian government and the Trump campaign, predicated on dirt the Russian government dug up on Hillary Clinton.

July 2016

With emails from the Democratic National Committee that were allegedly stolen by the Russians being shared by WikiLeaks, questions about Trump’s relationship to Russia take on a new urgency.

At his last news conference before the election, Trump is repeatedly asked about business deals in Russia.

He says he will release tax returns that prove he had no business in the country — once the returns are out of audit. He goes on:

“I built an unbelievable company, tremendous cash, tremendous company with some of the great assets of the world. You’ve seen it. You were all very disappointed when you saw it actually but that’s okay. Far, far greater than anybody ever thought. I have a great company. I built an unbelievable company but if you look there you’ll see there’s nothing in Russia.” ...

“No, I have nothing to do with Russia, John (ph). How many times do I have say that? Are you a smart man? I have nothing to with Russia, I have nothing to do with Russia. And even — for anything. What do

I have to do with Russia? You know the closest I came to Russia, I bought a house a number of years ago in Palm Beach, Florida.” ...

“Excuse me, listen. We wanted to; we were doing Miss Universe four or five years ago in Russia. It was a tremendous success. Very, very successful. And there were developers in Russia that wanted to put a lot of money into developments in Russia. And they wanted us to do it. But it never worked out. Frankly I didn’t want to do it for a couple of different reasons. But we had a major developer, particular, but numerous developers that wanted to develop property in Moscow and other places. But we decided not to do it.”

He doesn’t mention the project described by Sater.

October 2016

During the second presidential debate, the subject comes up again.

“I know nothing about Russia — I know about Russia, but I know nothing about the inner workings of Russia. I don’t deal there, I have no businesses there, I have no loans from Russia. I have a very very great balance sheet. So great that when I did the old post office, on Pennsylvania Avenue, the United States government because of my balance sheet, which they actually know very well, chose me to do the old post office between the White House and Congress. They chose me to do the old post office — one of the primary things, in fact, perhaps the primary thing was balance sheet. But I have no loans with Russia.”

Nov. 8, 2016

Trump is elected president. The same day, four Trump Organization trademarks in Russia are renewed.

Early 2017

With new revelations about Russian interference in the 2016 election emerging, Trump repeatedly denies any link to the country.

May 2017


Trump has his attorneys release a summary of his business dealings with Russia.

“...[Y]our tax returns do not reflect (1) any income of any type from Russian sources,” the letter reads, “(2) any debt owed by you or [The Trump Organization (TTO)] to Russian lenders or any interest paid by you or TTO to Russian lenders, (3) any equity investments by Russian persons or entities in entities controlled by you or TTO, or (4) any equity or debt investments by you or TTO in Russian entities.”

But the first part of that paragraph is what seizes the public’s imagination: That lack of business dealings holds true, the lawyers say, “[w]ith few exceptions.”

The exceptions are the sale of the house in Palm Beach and the Miss Universe pageant. But that those were the only exceptions was not, it seems, for lack of trying.

 **0 Comments**

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