

POLITICS

Paul Manafort Convicted of Eight Counts of Fraud

Judge declares mistrial on the other 10 counts he faced



Courtroom sketch showing Paul Manafort, third from the right, and his defense team listening to the verdicts in Alexandria, Va.
PHOTO: DANA VERKOUTEREN/ASSOCIATED PRESS

By Aruna Viswanatha, Sadie Gurman and Julie Bykowicz

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ALEXANDRIA, Va.—Former Trump campaign chairman Paul Manafort was convicted Tuesday of eight charges related to tax and bank fraud, in the first trial to stem from special counsel Robert Mueller’s investigation.

The 12-member Virginia jury reached the guilty verdict on eight counts after four days of deliberations, but couldn’t agree on 10 additional counts of bank fraud and reporting violations. U.S. District Judge T.S. Ellis declared a mistrial on those counts.

Mr. Manafort was convicted of not paying taxes on more than \$16 million in income and lying to two banks when he sought millions of dollars in loans.

The onetime Trump campaign chief looked toward the jury and stood silently in court as the verdict was read aloud. He was flanked by his lawyers and expressed little emotion. Judge Ellis

said he would order a report from the probation office to help guide sentencing.

Mr. Mueller was directed to investigate Russian interference in the 2016 election, including possible links to the Trump campaign. While Mr. Manafort's conviction was not related to those matters, Mr. Mueller was given license to pursue other charges that arose from his investigation.

Mr. Manafort's conviction is a fall from grace for the onetime high-living political operative who earned some \$60 million as a star political consultant in Ukraine. He joined the Trump campaign in March 2016 and departed by August. Over the years, he worked for other Republican presidents including Ronald Reagan and Gerald Ford.

Based on the maximum possible sentence for each count, Mr. Manafort could in theory face up to 80 years in prison. But previous government guidance in the case and legal experts suggested he was more likely to face between about eight and 10 years. He remained in federal custody Tuesday.

In comments to reporters after arriving in West Virginia for a campaign rally, President Trump expressed sadness over Mr. Manafort's convictions and said the matter had nothing to do with him and did not show any collusion between his campaign and Russia during the 2016 presidential race.

Mr. Trump repeated Tuesday that there was no collusion and termed the probe a "witch hunt." Moscow has denied interference.

Mr. Trump didn't address questions from reporters about a separate legal development Tuesday, the guilty plea by Michael Cohen in New York federal court.

The former Trump lawyer pleaded guilty to criminal charges related to payments he arranged before the 2016 election to silence two women who alleged having affairs with Mr. Trump.

Outside the Alexandria courthouse, an attorney for Mr. Manafort, Kevin Downing, told reporters: "Mr. Manafort is disappointed at not getting acquittals all the way through, or a complete hung jury on all counts, however he would like to thank Judge Ellis for granting him a fair trial and the jury for its hard-fought deliberation."

Mr. Downing said Mr. Manafort is evaluating all his options.

A spokesman for Mr. Mueller's office declined to comment on the verdict.

Prosecutors said in court they needed one week to decide if they wanted to retry Mr. Manafort on the counts on which the jury couldn't reach a verdict.

Before the verdict was announced, Judge Ellis quizzed the jury of six men and six women, whose



Members of the defense team for Paul Manafort—(left to right) Thomas Zehnle, Kevin Downing, Brian Ketchum, and Richard Westling—returning to the courthouse Tuesday in Alexandria, Va. PHOTO: JACQUELYN MARTIN/ASSOCIATED PRESS

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names he agreed to keep private, about those 10 counts. Most of those charges were similar to those on which Mr. Manafort was convicted, though four had to do with \$16 million in loans he secured from a bank whose chief executive allegedly wanted a position in the Trump administration.

“I want to know whether each of you believe that there is any reasonable possibility you could reach agreement if

you continue your deliberations?” he asked.

“No,” each juror responded.

Mr. Manafort still faces a second criminal trial on related charges next month in Washington, D.C.

The Trump presidential campaign came up only a few times during the trial, as did Mr. Trump himself. Instead, the trial focused on Mr. Manafort’s prior consulting work, how he paid for personal high-end expenses from foreign accounts and the documents he provided banks as he applied for loans.

Over two weeks at the trial, prosecutors called more than two-dozen witnesses and presented hundreds of emails, memos and financial documents that showed Mr. Manafort hadn’t paid taxes on some \$16 million in income he earned as a political consultant in Ukraine between 2010 and 2014.

Prosecutors also accused Mr. Manafort of misleading multiple U.S. banks to obtain millions of dollars in loans in 2016 after that income dried up.

He was convicted of committing bank fraud when he sought loans from Citizens Bank, based in Providence, R.I., and Banc of California, based in Santa Ana, Calif., but the jury didn't reach a verdict on conspiracy counts related to those loans or on fraud charges related to two other loans he got from Federal Savings Bank, which is based in Chicago.

The jury also convicted Mr. Manafort of not filing a report on foreign bank accounts in 2012, but didn't reach a conclusion on identical charges for 2011, 2013, and 2014.

"Mr. Manafort lied to keep more money when he had it and he lied to get more money when he didn't," prosecutor Greg Andres said last week as he summed up the case for the jury. "When you follow the trail of Mr. Manafort's money, it is littered with lies."

Mr. Manafort's lawyers had argued that prosecutors were "selectively pulling" information to create a misleading picture—and had relied too much on testimony from Mr. Manafort's former deputy, Richard Gates.

Mr. Gates admitted to a litany of misconduct over three days of testimony, including that he had embezzled hundreds of thousands of dollars from Mr. Manafort.

Defense attorneys also showed that Mr. Manafort had paid \$8.3 million in taxes between 2005 and 2015 and had been open about his financial dealings.

Jurors had asked for clarification about the legal obligations for reporting such accounts after their first day of deliberations.

In comments from the bench, Judge Ellis said: "I think the government and Mr. Manafort received very zealous and effective representation from their counsel."

Earlier, Judge Ellis instructed the jurors to keep deliberating after they sent a note asking how to proceed if they couldn't agree on an individual count.

—Alexa Corse contributed to this article.

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Manafort Verdict: How the Jury Found on Each Count

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COUNT NUMBER ^	CHARGE	VERDICT
1	Subscribing to False United States Individual Income Tax Returns For 2010 Tax Year	Guilty
2	Subscribing to False United States Individual Income Tax Returns For 2011 Tax Year	Guilty
3	Subscribing to False United States Individual Income Tax Returns For 2012 Tax Year	Guilty
4	Subscribing to False United States Individual Income Tax Returns For 2013 Tax Year	Guilty
5	Subscribing to False United States Individual Income Tax Returns For 2014 Tax Year	Guilty
11	Failure To File Reports Of Foreign Bank And Financial Accounts For Calendar Year 2011	No Verdict

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