

Name: Alert ID: TMML202403430441 Tom Barrack and Donald Trump have been friends and confidants for more than three decades — the two men are so close, for instance, that Barrack comforted Trump during the funeral of his father, Fred. But the intimate relationship between the wealthy California investor and the president has fractured so badly that the two no longer speak, current and former White House officials say. The key issue driving the two men apart: Barrack's role as chairman of the president's 2017 inauguration fund, which is under investigation by prosecutors. Trump was "really upset" to read reports about Barrack's role in allegedly making it easy for some foreigners and others to try to spend money to get access to Trump and his inner circle and whether some of the inauguration money was misspent, according to a senior administration official. "The president was really surprised to read all about the inauguration and who was trying to buy access and how, because the president doesn't get any of that money," said the official. (The inaugural committee spent more than \$1.5 million at Trump's hotel in Washington.) Barrack and Trump have known each other since the late 1980s, when Barrack, now CEO and executive chairman of the real estate and private equity firm Colony Capital, helped sell him the Plaza Hotel in New York for almost \$410 million, a property that creditors later seized after Trump couldn't make the full debt payments. (Trump took out a full-page ad in New York Magazine in 1988 saying the deal was "not economic" and that "I can never justify the price I paid.") Barrack, 72, has said in interviews that he grew close to Trump, 73, during "soft moments" such as their divorces and the birth of children. A major fundraiser for the 2016 campaign, he spoke warmly of his friend at the convention in Cleveland — flattering him by saying, among other things, that the New York real estate mogul had played him "like a Steinway piano" in business dealings. In the early days of the administration, the newly minted president leaned often on his longtime friend for counsel and sympathy. Trump and Barrack sometimes would speak multiple times a day, according to the senior administration official, often calling Barrack late at night to seek advice and catch up. Trump has spoken glowingly of Barrack's business acumen over the years; he told Fortune for a 2005 profile that "Tom has an amazing vision of the future, an ability to see what's going to happen that no one else can match." But that advice has not always been stellar. According to the Mueller report, Barrack recommended that Trump hire his old friend Paul Manafort, who was initially brought onto the campaign to smooth Trump's path at the Republican convention. Manafort went on to assume a larger role in the campaign after the firing of Corey Lewandowski, only to be ousted himself amid media scrutiny of his business dealings in Ukraine -- and later to be indicted for those activities. And as other prosecutors have dug into Barrack's handling of the inauguration fund, Trump has privately soured on his mentor. In July, the New York Times reported that the public integrity unit of the U.S. Attorney's office in Brooklyn was investigating whether Barrack violated laws requiring lobbyists to register when they work for foreign interests, though he has not been accused of any wrongdoing. In particular, the Times reported, prosecutors were probing whether the inauguration let foreigners from the Middle East use straw donors to donate to the inauguration. Trump was surprised to learn elsewhere, according to a senior administration official, that the inaugural committee paid \$26 million to the firm of Stephanie Winston Wolkoff, a New York social planner who was previously close to First Lady Melania Trump and was a senior adviser to her in the White House until early last year. (Only \$500,000 of that money went to Wolkoff herself, according to documents Vanity Fair reviewed earlier this year.) All the money raised for the convention, a record \$107 million, was for the specific purpose of covering inauguration costs, but it came from a number of people and companies Barrack couldn't convince to give money to the campaign or to outside groups when he was raising money for Trump during the 2016 campaign, according to the senior administration official. "Trump improbably wins and they're like, 'Holy crap, I better send a check.' They send a check to the inauguration and are like, 'Look at me, six- or seven-figure check, I'm involved, I support your presidency,'" this person said. "But you didn't support his candidacy three days ago." Trump's feud with Barrack may not be permanent; the president has been known to turn on allies and friends, only to bring them back into the fold months or years later. But for now, it's clear the breach is serious and deep. The White House declined to comment on the split. But a spokesman for Barrack, Owen Blinksilver, pushed back on the notion that the two are no longer friendly. "The relationship between Mr. Barrack and the president remains unchanged," he said in a statement. "They have been friends for 40 years and Tom has great respect for President Trump and the incredibly daunting task of executing the job of president of the United

States. Just as the president has worked 24/7 to lead the strongest economy in the last 50 years, Mr. Barrack also has a 24/7 responsibility leading a business he created 26 years ago." Still, Barrack has cut back his presence in Washington in the last six months and "has not been around" D.C. much recently, according to someone who knows him, although he attended a dinner that Treasury Secretary Steven Mnuchin recently hosted for Qatari Emir Tamim bin Hamad Al Thani. Barrack also used to regularly attend dinners or parties hosted by Commerce Secretary Wilbur Ross, but hasn't been to one recently. "The last thing Trump needs is to be closely associated with one more person facing scrutiny and potential ethical issues," said the person who knows Barrack. The harsh spotlight goes well beyond the inauguration as Barrack, a Lebanese-American who is friendly with several Middle East leaders, has been accused of promoting his own business interests in his dealings with the president. A report recently released by Democrats on the House Oversight and Reform Committee showed that Barrack worked with well-connected UAE businessman Rashid Al-Malik to make suggestions for an energy speech Trump gave in 2016 to be more favorable toward the Middle East and urged Manafort to get Trump to mention Saudi Arabian Crown Prince Mohammed bin Salman and Abu Dhabi Crown Prince Mohammed bin Zayed. He also allegedly pushed the administration to give Saudi Arabia access to sensitive nuclear technology while at the same time trying to profit from a potential deal, according to the House committee. (Trump read with interest the Wall Street Journal article on the report, according to the senior administration official.) Nonproliferation experts have opposed such a deal because they worried that it would make it much easier for Saudi Arabia to get a nuclear bomb to compete with Iran. In late June, when Barrack spoke at the Middle East peace conference in Bahrain organized by the president's son in law and adviser, Jared Kushner, "eyebrows were definitely raised" inside Trump's orbit because of his inclusion, the senior administration official said. Federal prosecutors have probed whether Barrack or other people violated laws requiring public disclosure of efforts to influence national policy or public opinion on behalf of foreign governments or entities, strictures that Manafort, former Trump national security adviser Michael Flynn and former deputy campaign manager Rick Gates have all said they violated. Public integrity prosecutors who work for the U.S. Attorney's office in Brooklyn interviewed Barrack in June as part of the investigation, albeit at Barrack's request, according to the Times. Barrack's spokesman said that Barrack has fully cooperated with the investigation and that his counsel reached out to the Justice Department, which the spokesman said had confirmed that it had no further questions for Barrack. A spokesman for the U.S. Attorney's office declined to comment. Barrack cooperated with requests from Democrats on the House Judiciary Committee for their investigation into Trump, with Barrack's spokesman telling CNBC it was "important work." Former special counsel Robert Mueller's team of investigators also questioned Barrack as part of his probe into Trump's connections with Russia, which did not go unnoticed inside the White House. Another point of friction in Trump's relationship with Barrack is that he kept Gates, who pleaded guilty to two charges and became a star witness for Mueller, on his company Colony NorthStar's payroll — at a rate of \$20,000 per month, according to the Times — up until the moment when Gates was indicted for money laundering and violating foreign lobbying and tax laws. Early in Trump's presidency, Barrack brought Gates to the White House several times and also kept paying him even after Trump urged his friend to fire Gates because he was "bad luck" and "a bad penny" who wouldn't go away, according to the senior administration official. Gates admitted during Manafort's trial last summer that he might have stolen money from the inaugural committee, which he helped manage. Gates and his lawyer did not respond to requests for comment. Several sources said Trump's falling out with Barrack, who hasn't yet donated to Trump's re-election campaign, began even before the damaging reports about the inaugural committee. "Barrack is the kind of guy who would tell him things he didn't want to hear, so Trump stopped talking to him," a former senior White House official said. Barrack has also made some critical remarks about Trump's performance in office and said in Trump's first year that his friend was "better than this" (referring to Trump's rhetoric toward Muslims and immigrants), and that he was "shocked" and "stunned" by some of the remarks. At the start of Trump's presidency, according to another person close to Trump, the president "got tired" of Barrack "because he felt that Tom was checking in all the time and he was a little perturbed by the fact that Tom wanted to be special envoy to the Middle East and then special envoy in South America and then he was going to be the ambassador to Argentina and then he didn't want that and then he was going to be ambassador to Mexico. "He was just kind of

scattered all over," the person added.