

## Donald Trump

# Donald Trump committed fraud by inflating real estate value, New York judge rules

Former president and his businesses are found liable in attorney-general's civil lawsuit



The lawsuit alleges Donald Trump and his businesses inflated the value of assets by more than \$2bn in total to obtain hundreds of millions of dollars in loans on favourable terms © AP

**Joe Miller** in New York YESTERDAY

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Donald Trump, his oldest sons and his business organisation are liable for orchestrating a “persistent and repeated fraud” in which they vastly inflated the value of properties in Manhattan and Florida, as well as golf courses in the US and Scotland, a New York state judge ruled on Tuesday.

In an order handed down days before a case brought by New York attorney-general Letitia James is due to go to trial, Judge Arthur Engoron said the former president and his associates had committed fraud, and issued sanctions against Trump’s lawyers, while suspending the Trump Organization’s business licences in New York.

He said a jury would be left to determine further damages and whether the defendants were also liable for issuing false financial statements and insurance fraud.

In a statement released on his Truth Social platform, [Trump](#) said the ruling was a “terrible reminder that the Radical Left Democrats will stop at nothing” in trying to prevent him from winning office again.

Christopher Kise, a lawyer for Trump, called the decision “outrageous” and “completely disconnected from the facts and governing law”.

He added that the ruling “seeks to nationalise one of the most successful corporate

...the assets that the ruling seeks to dismantle one of the most successful corporate empires in the United States and seize control of private property all while acknowledging there is zero evidence of any default, breach, late payment or any complaint of harm”.

James wrote on the social media platform X: “We look forward to presenting the rest of our case at trial.”

The lawsuit, originally filed in 2020, alleges Trump and his businesses inflated the value of assets by more than \$2bn in total to obtain hundreds of millions of dollars in loans on favourable terms. The attorney-general is seeking to recover \$250mn in damages and attempting to bar the defendants from ever acting as an officer or director of a corporation in the state again.

The ruling deals a blow to the eponymous business empire that made Trump a household name and adds to the mountain of legal woes he faces while vying to again become the Republican nominee for president next year. The 77-year-old has been charged in [four separate criminal indictments](#) over matters including the retention of classified documents and attempting to subvert the result of the 2020 election. He has pleaded not guilty to all charges.

In his decision, Engoron agreed with the New York attorney-general’s office that assets including a Park Avenue skyscraper and a property on Wall Street were unlawfully inflated, and further ordered that several of Trump’s New York businesses be dissolved, accusing them of continuing to “disseminate false and misleading information” even after a monitor was appointed by the court last November.

Lawyers for the Trumps, including Kise, a former solicitor general of Florida, were also fined \$7,500 each by the court.

The judge also dismissed arguments by the Trump lawyers that the banks in question, including Deutsche Bank, were not defrauded as the loans were ultimately repaid in full.

Trump himself echoed this on social media, saying no harm had been done to the “sophisticated Wall Street banks” from whom he borrowed money. But Engoron said “the first principle of loan accounting is that as risk rises, so do interest rates”, and the lenders could have made “even more money” had the true value of Trump’s collateral been stated.

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