

News | Business and Economy

Trump Organization fined \$1.6m for 'brazen' tax fraud



The penalty is the maximum the judge could impose on the company, found guilty of 17 criminal charges.



The \$1.6m fine is a pittance for the Trump Organization and less than the cost of an apartment at Trump Tower [File: Shannon Stapleton/Reuters]

By **AP and Reuters**

13 Jan 2023

 Share  Save

A New York judge has ordered the Trump Organization to pay a \$1.6m criminal penalty after it was found guilty of 17 criminal charges, including conspiracy and falsifying business records.

President Donald Trump's namesake real estate company to pay a \$1.6m criminal penalty after tax authorities for 15 years.

Justice Juan Merchan of the Manhattan criminal court imposed the sentence on Friday after jurors last month found two Trump Organization affiliates guilty of 17 criminal charges, including conspiracy and falsifying business records.

RECOMMENDED STORIES

You rely on Al Jazeera for truth and transparency

We use cookies and other tracking technologies to deliver and personalize content and ads, enable features, measure site performance, and enable social media sharing. You can choose to customize your preferences. [Learn more about our Cookie Policy.](#)

[Allow all](#)

[Cookie preferences](#)

The penalty was the maximum the judge could impose for a scheme in which the former president's top executives dodged personal income taxes on lavish job perks, a symbolic and hardly crippling blow for an enterprise boasting billions of dollars in assets.

Trump himself was not on trial and denied any knowledge of his executives evading taxes.

While the fine – less than the cost of a Trump Tower apartment – isn't big enough to impact the company's operations or future, the conviction is a black mark on the Republican's reputation as a savvy businessman as he mounts a campaign to regain the White House.

Neither the former president nor his children, who have helped run and promote the Trump Organization, were in the courtroom for the sentencing.

Prosecutor Joshua Steinglass said the fine constitutes "a fraction of the revenue" of the Trump Organization and that the scheme was "far-reaching and brazen".

"All of these corrupt practices were part of the Trump Organization executive compensation package, and it was certainly cheaper than paying higher salaries to those executives," he said.

Trump Organization, CFO plead not guilty to tax fraud scheme



Because the Trump Organization is a corporation and not a person, a fine is the only way a judge may punish the company. The maximum penalty that Merchan was able to impose was double the taxes a small group of executives avoided paying on benefits that included rent-free apartments in Trump buildings, luxury cars and private school tuition.

You rely on Al Jazeera for truth and transparency

We use cookies and other tracking technologies to deliver and personalize content and ads, enable features, measure site performance, and enable social media sharing. You can choose to customize your preferences. [Learn more about our Cookie Policy.](#)

Trump has said the case against his company was part of a politically motivated “witch hunt” waged against him by vindictive Democrats. The company’s lawyers have promised to appeal the verdict.

The [case](#) involved financial practices and pay arrangements that the company halted when Trump was elected president in 2016.

Over his years as the company’s chief moneyman, [Weisselberg](#) had received a rent-free apartment in a Trump-branded building in Manhattan with a view of the Hudson River. He and his wife drove Mercedes-Benz cars leased by the company, and when his grandchildren went to an exclusive private school, Trump paid their tuition.



Former Trump Organization Chief Financial Officer Allen Weisselberg, who pleaded guilty to tax fraud and was sentenced to five months in jail, testified at the trial that the tax fraud was his idea and the Trump family did not know what he was doing [File: Carlo Allegri/Reuters]

A handful of other executives received similar perks.

When called to testify against the Trump Organization, Weisselberg said he didn’t pay taxes on that compensation and he and a company vice president conspired to hide the perks by having the company issue falsified tax forms.

Weisselberg also tried to take responsibility on the witness stand, saying nobody in the Trump family knew what he was doing. He choked up as he told jurors, “It was my own personal greed that led to this.”

Trump Organization lawyers repeated the mantra, “Weisselberg did it for Weisselberg,” contending that he had gone rogue and betrayed the company’s trust.

Assistant District Attorney Joshua Steinglass contested that claim in his closing argument, showing jurors a lease Trump signed himself for Weisselberg’s apartment.

“Mr. Trump is explicitly sanctioning tax fraud,” Steinglass argued.

You rely on Al Jazeera for truth and transparency

We use cookies and other tracking technologies to deliver and personalize content and ads, enable features, measure site performance, and enable social media sharing. You can choose to customize your preferences. [Learn more about our Cookie Policy.](#)

The company's fine will be barely a dent in the bottom line for an enterprise with a global portfolio of golf courses, hotels and development deals. It could face more trouble outside of court due to the reputational damage, such as difficulty finding new deals and business partners.

The Trump Organization's conviction and sentencing don't end Trump's battle with Manhattan District Attorney Alvin Bragg, a Democrat who took office a year ago. Bragg has said that a related investigation of Trump that began under his predecessor Cyrus Vance Jr is "active and ongoing" with a newly hired prosecutor leading the charge.

At the same time, New York Attorney General Letitia James is suing Trump and the Trump Organization, alleging they misled banks and others about the value of their many assets, a practice she called the "art of the steal", a reference to Trump's book *The Art of the Deal*.

James, a Democrat, is asking a court to ban Trump and his three eldest children from running any New York-based company and is seeking to fine them at least \$250m. A judge has set an October trial date. As a preliminary measure, he appointed a monitor for the company while the case is pending.

Trump faces several other legal challenges as he looks to win the 2024 presidential election.

A special grand jury in Atlanta has investigated whether Trump and his allies committed any crimes while trying to overturn his 2020 election loss in Georgia.

Last month, a House committee voted to make a criminal referral to the Department of Justice over Trump's role in sparking a violent insurrection at the US Capitol on January 6, 2021. The FBI is also investigating Trump's storage of classified documents.

About ▾

Connect ▾

Our Channels ▾

Our Network ▾

Follow Al Jazeera English:



© 2025 Al Jazeera Media Network

You rely on Al Jazeera for truth and transparency

We use cookies and other tracking technologies to deliver and personalize content and ads, enable features, measure site performance, and enable social media sharing. You can choose to customize your preferences. [Learn more about our Cookie Policy.](#)