



Episode 4: From Russia with Cash

Producer:

Previously on The Asset.

Max Bergmann:

To begin to understand Putin, you need to understand his KGB past. It is key to who he is.

Calder Walton:

He, as I understand it, was so eager to join the KGB that he tried to sign up before he was, I think when he was 16 years old, and was told to go away and come back when he was the right age of 18.

Max Bergmann:

One former East German Intelligence Officer who knew Putin during this time claimed he had been involved in efforts to recruit western businessmen.

Angela Stent:

The collapse of the Soviet Union was for him also a personal tragedy.

Max Bergmann:

By the late 1990s Russia was a mess. It had a weak government, a drunk president.

John Sipher:

So, some of these people who are the most wealthy and around the Kremlin are people that sort of grew up in a, in a wild west system where the way you got ahead was killing your rivals.

Angela Stent:

When Putin came in he summoned these oligarchs and he said, 'If you stay out of politics, you can keep your money. I'm not going to question how you got it.'

Max Bergmann:

As Russian money poured into London, villas in Italy, beach-front property in Spain, it was also pouring into a large building on Fifth Avenue between 56th and 57th Street: the headquarters of the Trump Organization.

-Break-

Max Bergmann:

Episode Four: From Russia with Cash. In 1991, a fight broke out between two stockbrokers in



the El Rio Grande bar in midtown Manhattan. Only one of the men wasn't your average stockbroker. He had been born in Moscow, emigrated to Brighton Beach in Brooklyn as a boy, and was allegedly tight with the Russian mob. And he wasn't one to turn the other cheek. Instead, he broke a large Margarita glass on the bar and stabbed the other guy in the face. He didn't turn the other cheek, he stabbed the other guy's, opening up a massive gash that required 110 stitches. It also brought a year-long prison sentence. His name was Felix Sater and it wouldn't be his last run-in with the law. Over the next decade, Felix Sater would find himself heading a group funneling money from the former Soviet Union into American real estate, and that's how Sater and Donald Trump came to work together. I'm Max Bergmann, director of The Moscow Project, and this is The Asset.

-Break-

Max Bergmann:

In 1998, Russia defaulted on its debt just as Trump was about to break ground on Trump World Tower right across from the United Nations. It was financed by the only bank that would lend to Donald Trump: Deutsche Bank. So as Russian money was flying out of Russia, it poured into this new Trump building. Bloomberg described Trump World Tower as being full of oligarchs. Again, this wasn't a big secret. One real-estate broker in New York said she sold about 65 units in Trump World Tower to Russian buyers in the late 1990s. She said, "I had contacts in Moscow looking to invest in the United States. 'What do you have to recommend?' They all wanted to meet Donald. They became very friendly." This was the beginning of what would become a mutually beneficial relationship. The amount of cash that flowed out of Russia and into the West since the late 90s was truly staggering. Economist and author Thomas Piketty estimated that Russian assets held outside of Russia was roughly \$1 trillion. And western and offshore banks were open for business. Multiple investigations by governments, banks, and independent reporting have recently uncovered hundreds of billions of dollars being siphoned out of Russia and channeled through European and offshore banks. This has recently caused a furor in Europe. Here's Heather Conley, Deputy Assistant Secretary of State for Europe during the George W. Bush Administration and coauthor of *The Kremlin Playbook*.

Heather Conley:

We're looking at enabling and facilitating forces that are actually both wittingly and unwittingly helping illicit finance, particularly Russian, helping it grow. What we saw was there was a facilitation of Russian funding, foreign direct investment stocks. If the Russian funding can get into an EU bank, it can go throughout the European Union. Illicit financing is, is globalized. It is networked. It is using all sorts of shell companies and, and different bank accounts.

Max Bergmann:

But laundering money takes more than just getting money into a bank under the name of some



anonymous shell company. You eventually have to get the money out. And that's where real estate comes in. After 9/11, driven by a fear of terrorism, the US worked to strengthen anti-money laundering regulations to stop terrorist financing. But while this led to a tightening of regulations on banks, stockbrokers, casinos, real estate, due to push back from the powerful real-estate lobby, remained exempt. So this created a regulatory gap of vulnerability that created a way for all sorts of actors to access our financial system. Here's Heather Conley.

Heather Conley:

So after September 11, understandably terrorism financing, oh my goodness, to the top of the priorities. And that is really where our system is geared: to, to focus on terrorism financing. The money laundering, illicit financing, yes that's really more related to fraud, again that corruption stuff, low-level, and I think we missed it. We missed the fact that uh, our, our overconcentration, if you will, on terrorism financing really underplayed this money laundering illicit financing. It's big business. 2-5% of global GDP is considered, sort of, in the illicit money laundering.

Max Bergmann:

That's a big problem because real estate has always been a great way to launder money. Real-estate transactions are an easy way for large amounts of cash to frequently change hands. The true value of any property can swing a great deal over a short period, creating opportunities for hidden price manipulation. Here's Jonathan Winer, former Deputy Assistant Secretary of State for International Law Enforcement in the Clinton Administration.

Jonathan Winer:

In real estate, nobody pays attention to sources of money. Fundamentally in this period there's no money-laundering laws governing the purchase or sale of real estate in particular. It was the biggest gap that I saw in the global anti-money-laundering system that was being built, which generally required banks to know their customers and to know enough about their customers to be able to determine that it wasn't money laundering. But real estate was pretty much outside of that system. So it was a great way to launder money if you were in real estate. You put your money in to buy the property. Then when you sell the property, you've got the money in the country that property is located in, and you can spend it any way you want because now it's, it's legit. Doesn't matter what the original source was. It's wire-transferred in from anywhere in the name of anybody. You name the limited-liability company. Anybody could wire that money in. It could be owned by another limited-liability company, the unit that's being bought. Then when you sell that company, then you've got clean cash to spend any way you want. No questions asked. And I was concerned in the 90s that it was being used not only by criminals, uh, but by intelligence agencies, foreign espionage services, and I saw this phenomenon of people buying massive numbers of unoccupied units in a bunch of major cities of the world certainly including London, one of the centers for financial crime, and New York and Miami.



Max Bergmann:

The impact on urban real-estate markets has been obvious. You can literally see it in the half-full high-rise buildings dotting the urban landscape. When looking into Trump properties in 2016, the *Miami Herald* found that all that offshore money flowing into south Florida was inflating the housing market beyond what locals could afford making the region “one of the nation's least affordable places to live.” They also found that when the Treasury Department set up a temporary program to monitor shell companies, there was a sudden slowdown in luxury real-estate sales. Money was pouring out of Russia into the US real-estate market and Donald Trump was all about it.

-Break-

Max Bergmann:

Protect the Investigation is a non-partisan initiative to educate the American people about the importance of the Special Counsel Investigation and its findings. You too can join Protect the Investigation in demanding that the Justice Department release the full report of Special Counsel Robert Mueller's investigation. Go to www.protecttheinvestigation.org to sign up now.

-Break-

Max Bergmann:

By the early 2000s, Trump was on his own. Banks refused to lend to him. His father's money was gone. He'd sold off much of the family empire. And then, in 2004, with nowhere left to turn, he declared bankruptcy again. Then his comeback started. First, he stumbled into *The Apprentice*. It was the perfect rehab for his public image, selling him as the ultimate business icon. But it didn't help him with most banks, who still refused to lend to him. So Trump pivoted. He used his rehabilitated image to start licensing his name, in large part to take advantage of all that money pouring out of Russia. You're a no-name builder that wants a brand name on their new building to help sell units? Well, here comes Donald Trump, offering to stick the Trump name on your building for a small fee. He would license out the Trump name to adorn properties developed by other companies. They'd get an upfront fee and then possibly some cut of the unit sales and operating revenue. Suddenly, the Trump Organization wasn't in the development business. Now, it was in the real-estate licensing business, which was essentially marketing. This is how Tim O'Brien, author of *Trump Nation*, describes it.

Tim O'Brien:

One of the reasons his partners were overseas for the most part is that he's a pariah in New York real-estate circles. Serious commercial and residential real-estate developers think that he's a cartoon character and he's notorious for stiffing partners, stiffing lawyers, stiffing his suppliers. He got a very bad reputation around that sort of stuff and, and a lot of the blue-chip



real-estate people did not, you know, even want to be in a room with him, much less partner with him. So, I think he was forced into these transactions with people from overseas who thought, "Wow, this is the famous Donald Trump, you know, the, the ring master of The Apprentice. We can hitch our stars to his wagon."

Max Bergmann:

The switch to licensing was an easy way for the Trump Organization to limit its liability. Instead of being on the hook for the actual development, the Trump Organization could just take an upfront licensing fee, maybe help with the marketing or the operations, but their partners would shoulder all the risks of the development. If the project stalled or failed, if investors took a bath, if the partners turned out to be monumentally, staggeringly corrupt, the Trump Organization could just step back and claim they had basically played no part in the actual project. Trump properties were exactly the sort of place that Russians were looking to park their cash. In March 2017, Reuters looked at Trump's properties in south Florida, and what they found was Russian money. A lot of it. In their story, titled "Moscow on the Beach," they found that at least 63 individuals with Russian passports or addresses had bought at least \$100 million worth of property in seven Trump-branded luxury towers in south Florida. But the actual dollar figure was probably a lot higher than \$100 million. Reuters noted the number itself was probably conservative because a whopping one third of the more than 2,000 units they examined in seven Trump buildings were owned by limited-liability companies, or LLCs, which can hide the identity of the property's true owner. Here's Luke Harding of *The Guardian* and author of *Collusion*.

Luke Harding:

Trump was basically synonymous with money laundering. He was the guy that, if you'd stolen money in Moscow, you could dump a bag of cash on his table or go and see him and you could buy a condo. The Trump property empire from, from the sort of late 1980s onwards functioned as a really, as a laundromat for Russian cash, Soviet cash.

Max Bergmann:

To tap into this Russian market Trump would need some help, and that's where people like Felix Sater came in. After stabbing that guy in a bar, Felix Sater was arrested again in 1998, this time in a \$40-million stock-fraud scheme that eventually brought him in touch with a soldier in New York's Genovese mafia family. He eventually pleaded guilty, although we still don't know a whole lot about what Sater was actually charged with doing, because the records for those guilty pleas are under seal. What we do know is that Sater avoided prison by becoming an FBI informant. What Sater allegedly did for the US government was help track down and acquire shoulder-fired anti-aircraft missiles, which are known in the US government with either the greatest or the worst military acronym, MANPADS: Man Portable Air Defense Systems. The Soviets had manufactured these missiles en-masse during the Cold War, but they were now an



ideal weapon for terrorists. They could fit in the trunk of a car and were able to take down a civilian airliner. This was a major concern for the US government after 9/11, and was an issue I actually worked on in the State Department. Now according to Sater, he was working to track down and buy these missiles off the black market for the US government. If he did indeed do this, the only way he could do it is because he could tap into the criminal underworld through his network in the former Soviet Union. Sater has made some really hard to verify claims about what he did for the Feds. He even claimed that he got not just one but five real working numbers for Osama bin Laden's cell phone. But what's clear is that Sater did enough to keep himself out of jail, which also enabled Sater to get back on his feet financially, this time in real estate. And that's how Felix Sater and Donald Trump started working together. It's not clear who first made the connection. Perhaps it was Trump's personal attorney, Michael Cohen, who met Sater back when they were kids in Brighton Beach. But however it happened, Sater, an ex-felon with purported ties to the Russian mob, became the Trump Organization's go-to guy for cultivating the money pouring out of Russia and the former Soviet Union. In 2005 Sater's company, the Bayrock Group, which Sater founded a year earlier with his partner, a former Soviet government official, joined forces with Trump to build Trump SoHo. In this deal, Trump wouldn't have to put up a dime, just lend his name. Here's Trump promoting the project on the season finale of *The Apprentice* in 2006.

Donald Trump:

Located in the center of Manhattan's chic artist enclave, the Trump International Hotel and Tower in SoHo is the site of my latest development. This 50-story building will be the first condominium hotel in the city with world-class accommodations and panoramic views of lower and midtown Manhattan and the Hudson River. When it's completed in 2008, this brilliant \$370 million work of art will be an awe-inspiring masterpiece.

Max Bergmann:

The money poured in from Russia and the former Soviet Union. But Trump SoHo raises 50 floors of questions. Bay Rock's former finance director alleged in a lawsuit against the company that "tax evasion and money laundering are at the core of Bay Rock's business model." The suit claimed that the Trump SoHo project was "a monument to spectacularly corrupt money laundering and tax evasion." The structure of the project would lend itself to that description. The project was supposed to have condos, but zoning regulations in New York prohibited residential properties in that area. It was ultimately approved for both condos and hotel rooms, but with an odd arrangement that dramatically limited the time owners could actually stay in their condos during the year. One real-estate broker told NPR what that meant: "You could only do cash deals." This is because no bank would give a mortgage on a non-residential property. So to buy one of Trump's condos, you needed \$1.5 million in cash. And guess who had that kind of money? Well, buyers included the daughter of the controversial former Kazak politician Viktor Khrapunov, who purchased three condos in Trump SoHo with all cash. Trump SoHo quickly ran



into trouble. Yet when Trump was asked about Felix Sater under oath in 2013 while he was being deposed in the lawsuit over Trump SoHo, Trump claimed to have little idea who Felix Sater was.

[Deposition:](#)

Donald Trump: He got into a bar room fight, which a lot of people do. I don't, cause I don't drink. But um, I don't think he was connected to the Mafia, but you know, again, I don't know him very well. But I don't think he was connected to the Mafia.

Lawyer: About how many times have you, have you conversed with Mr. Sater?

Donald Trump: Over the years?

Lawyer: Over the years if you could estimate?

Donald Trump: Not many.

Lawyer: Not many.

Donald Trump: If he were sitting in the room right now, I really wouldn't know what he looked like.

Lawyer: Okay.

Max Bergmann:

This is really hard to believe. By 2010, Sater was so integrated into the Trump Organization that he reportedly had an office in Trump Tower right below Donald Trump's, and he even had business cards with the Trump logo listing him as a "senior advisor to Donald Trump." Trump wasn't just licensing his name here in the United States. He found that this was also something he could do abroad. There were lots of financiers looking to slap Trump's name on a building. Soon, Trump-branded buildings were popping up around the world and just about every single one of them looked incredibly suspicious. Here's Jonathan Winer.

Jonathan Winer:

If you're in business and you're trying to build a big tower, big commercial real-estate operation, you have a couple of choices. You can borrow money, in which case you have to pay interest on it, or you can raise the money, in which case somebody has to give it to you and expect to get a nice rate of return. Either way, you'll be lucky if you're only paying five, six, seven, eight, nine percent for the cost of that money. That's what it's going to cost you out of pocket when you're building a \$100 million property. That means you're going to spend eight, nine, ten, eleven,



twelve million dollars just on the financing. Now, if you're a drug money launderer, drug trafficker by comparison, and you've got a \$100 million that you want to place, you are delighted if it's only costing you three, four, five million dollars, whatever, because that's the price for laundering the money. Now you've got clean money at the other end. So the drug traffickers were going into competition with legitimate businessmen. Legitimate businessmen were having to pay eight, nine, ten percent. The drug trafficking folks were happy to lose a few percent. They couldn't compete. So, we saw in the real-estate industry, in Latin America, a criminalization of the high-rise sector in which criminal groups were buying, uh, were developing big real-estate and the legitimate guys couldn't compete.

Max Bergmann:

The more you dig into these international licensing deals, the worse they look. Take Trump Toronto, for example. The main backer of the project was Alexander Shnaider, a Russian-Canadian commodities trader with alleged ties to organized crime. Here's Trump's daughter, Ivanka Trump promoting the project.

[Ivanka Trump:](#)

Hello, I'm Ivanka Trump and I'd like to personally welcome you to Trump International Hotel and Tower Toronto. I hope you're enjoying your stay with us at Toronto's premiere luxury hotel. Every detail, from the groundbreaking architecture to the sumptuous interiors, was designed to ensure a first-class experience. Towering 900 feet above the city, Trump Toronto is Canada's tallest residential building. A striking addition to the skyline.

Max Bergmann:

It failed. Trump Toronto was sued, and the tower fell into insolvency, eventually removing the Trump name in 2017. In Azerbaijan, formerly part of the Soviet Union, and a country where the Kremlin still holds a lot of sway, the Trump Organization struck a deal with the Mammadovs, a notoriously corrupt family, even by the standards of the former Soviet republics. It's impossible to look at that deal in any detail and not see huge red flags for money laundering. The Mammadovs have long been suspected of being a front for the Iranian Revolutionary Guard, an organization the Trump administration has even designated as a terrorist organization. And according to Adam Davidson of *The New Yorker*, we're talking literally envelopes full of cash being passed around the construction site. This was, to Davidson, a follower of Trump's finances, "Trump's worst deal." Finally, there's Trump Ocean Club in Panama, and when you think of Panama you may not think of Russian money, but the Trump Organization's partner said he sold half the units to Russian buyers, some of whom had connections to Russian organized crime. But that's hardly the worst of it.

[Ivanka Trump:](#)



Buenos Dias. Hello. I'm Ivanka Trump. Welcome to Trump Ocean Club International Hotel and Tower Panama. Rising 70 stories above the glistening Panama Bay, we've taken inspiration from the beauty that surrounds us.

Max Bergmann:

An investigation by the transparency organization Global Witness found all sorts of irregularities, the biggest one being a mountain of evidence that a lot of money for the project came from drug cartels seemingly trying to launder drug money. Trump's licensing deals abroad involved alleged Russian crime ties, the Iranian Revolutionary Guard, and even Colombian drug cartel money. All of these transactions had the kinds of red flags that any above-board business would go out of its way to avoid. In fact, most companies have whole due-diligence teams and offices full of lawyers whose entire job is to make sure they don't accidentally end up in business with some Russian oligarch who is secretly funneling in government cash, or drug cartels trying to launder their money, or literal terrorist organizations. But not the Trump Organization. They go out of their way to court shady buyers and shady funders. They don't avoid the shadiness, they actively seek it out. That's their entire business model. It's by design. But when called out, when sued, when a project goes bust or even catches fire, they can wash their hands of the whole thing by saying, "It was just a licensing deal. We didn't know anything. No collusion." Trump's willingness to turn a blind eye also attracted another class of Russian buyer interested in Trump properties: the mob. If Trump was enamored with mobsters as we discussed back in Episode Two, mobsters, particularly of the Russian variety, were also pretty enamored with Donald Trump. Case in point: The FBI was frantically searching for one particularly fearsome Russian mob boss in the US when they found out he had been living in Trump Tower all along. That mobster was later assassinated, shot in the chest by a sniper as he left a Thai restaurant in central Moscow in 2009. Another, a diamond dealer from the former Soviet Union and someone who was being investigated for money laundering, bought a condo on the 79th floor of Trump World Tower. Back in 2004, he was walking down Sixth Avenue, talking on his cell phone on a pleasant May evening, when suddenly he was shot in the back of the head at point-blank range in front of The Gap. As panic broke out, the assassin coolly stood over his fallen victim and shot him twice more in the chest, and then walked away. In April 2013 the FBI raided a Russian mafia ring running a gambling operation and a sophisticated money-laundering scheme out of unit 63A in Trump Tower, just one floor down from Donald Trump. They had moved \$100 million out of the former Soviet Union and were allegedly working for a made-Russian crime boss, a guy named Alimzhan Tokhtakhounov. About a decade earlier, Tokhtakhounov had been indicted for conspiring to fix the 2002 Olympic Figure Skating Competition in Salt Lake City. The raid on unit 63A arrested 29 people, but Tokhtakhounov got away. Then, in 2013, he suddenly reappeared on the red carpet of the Trump Miss Universe Pageant in Moscow. He was sitting in the VIP section not far from Donald Trump. Craig Unger, author of the book *House of Trump, House of Putin* found that "at least 13 people with known or alleged links to Russian mobsters or oligarchs have owned, lived, and even run criminal



activities out of Trump Tower and Trump properties.” Now you may be asking, what's this got to do with Trump? How is it on him if there are shady figures operating out of his properties? How's he supposed to know? And if you ask that question, you have just hit on Trump's business model: See no evil, hear no evil. Trump had a reputation for not asking too many questions about where the money came from, and that's just the type of businessman money launderers and those with shady ties want to do business with. But to say Trump turned a blind eye and didn't know what was going on ignores the fact that he actively sought out this money. It became his business model.

-Break-

Max Bergmann:

To access the Russian market Trump needed people. He needed people with ties to Russia, with connections to that rich Russian oligarch class that was buying up real estate all around the world. So Trump hired people with these sorts of connections. He hired brokers, people who worked for him with the express purpose of getting these rich Russians to buy up Trump properties. One of these people was Felix Sater, who we've discussed, and another was a man named Sergei Millian. You may recognize the name Sergei Millian. He was reported by *The Washington Post* and *Wall Street Journal* to be an unwitting source of Christopher Steele's dossier. Millian denies this strenuously, or at least a Twitter account purporting to be him does. Now, in addition to being a real-estate broker, Sergei Millian was also president of the Russian American Chamber of Commerce. Millian told ABC that “What we do is help Russian and American businessmen work together. To do business together. To do transactions together.” According to a report in the *Financial Times*, the FBI actually became concerned about Millian in 2011 when he helped arrange a trip for nearly 50 US businessmen, all expenses paid, to Russia. One of the American businessmen told the *Financial Times* he was later contacted by the FBI. As they suspected, some of the people organizing the trip were spies. When the *Financial Times* looked into the Russian American Chamber of Commerce, it found most of their board members were obscure entities and a *Financial Times* reporter found “no trace of the Chamber of Commerce at the Wall Street address listed on the website.” The *Financial Times* found that the group appeared to have close official ties, even arranging visits for Russian political leaders. Millian, it reports, even received an award in January 2015 from the Russian government for building links between Russian and American businesspeople. The *Financial Times* even talked to a former Russian member of parliament and an expert on the KGB, Konstantin Borovoi, who said during the days of the Soviet Union, Chamber of Commerce groups were “the official representative office of the secret services.” He added that “These institutions have been revived and developed. The Chamber of Commerce institutions are the visible part of the agent network.” Now, Sergei Millian sat down with ABC's Brian Ross in July 2016 in what may be one of the most revealing and perplexing interviews of this entire affair. We're going to play a lot of it, because it kind of has everything.



[Newscast:](#)

Brian Ross: How did you meet Mr. Trump?

Sergei Millian: Some members of his team came to visit our event in Atlanta, Georgia, that we hosted. It was a diplomatic reception with some of the diplomats and they asked me to come meet Donald Trump, uh, in Miami. So, um, I received an invitation to meet with him, uh, in the Gulf Stream horseracing event. So we stayed in his private suite.

Brian Ross: So you went to his private suite at the, at the racetrack?

Sergei Millian: That's correct.

Max Bergmann:

So what Millian says here is that the Russian American Chamber of Commerce, hosting a diplomatic event with Russian government officials, had members of the Trump team there. And it was the members of the Trump team that reach out to Millian and say, "Hey, can you come meet with Donald Trump down in Miami?"

[Newscast:](#)

Brian Ross: Why did Mr. Trump want your help?

Sergei Millian: Uh, because, uh, Trump team, they realize that we have lots of connections with Russian investors and, uh, they noticed that we bring a lot of investors from Russia.

Brian Ross: And they wanted your connection with the Russian investors?

Sergei Millian: They needed my assistance yes to, um, sell properties and to sell some of the assets to Russian investors.

Brian Ross: So you became the official broker for Donald Trump?

Sergei Millian: I became the official broker for Trump Hollywood.

Brian Ross: And how many units did you sell?

Sergei Millian: That's a, because they cannot disclose, disclose the financials, and we have in fact signed that we cannot disclose that, but a nice percentage of all the units sold out of 200 units, they were sold to Russians.



Brian Ross: To Russians? So the Russian money was heavily invested in it.

Sergei Millian: Absolutely.

Brian Ross: And have there been other projects too?

Sergei Millian: Some of my colleagues, they were involved in some other projects. But overall, uh, Trump has done significant business with Russians and uh, the level of business amounts to hundreds of millions of dollars that he received as a result of interaction with Russian businessmen.

Brian Ross: Hundreds of millions of dollars from Russian businessmen?

Sergei Millian: Correct.

Max Bergmann:

And then the interview gets a little weird.

[Newscast:](#)

Brian Ross: So he likes Russia because there's money to be made there?

Sergei Millian: He likes Russia because he likes beautiful Russian ladies and he likes talking to them of course. And he likes to be able to make a lot of money with Russians. Yes, correct.

Max Bergmann:

Ross then brings up the elephant in the room.

[Newscast:](#)

Brian Ross: Are you involved in any way with Russian intelligence agencies?

Sergei Millian: Absolutely no.

Brian Ross: You've heard that, right?

Sergei Millian: Of course.

Brian Ross: What do you say?

Sergei Millian: So, I'm not involved.



Brian Ross: Not involved? Do you ever report back to them?

Sergei Millian: Absolutely no.

Brian Ross: Do they ever ask you questions?

Sergei Millian: No.

Brian Ross: But you have friends inside the government, don't you?

Sergei Millian: Of course.

Brian Ross: Do they ever ask you what's going on in American politics?

Sergei Millian: Yes. Because usually if I meet the top people in the Russian government, they invited me, let's say to Kremlin for the reception. So of course I have a chance to talk to some presidential advisors and to some of the top people.

Brian Ross: You're saying you're not a Russian spy?

Sergei Millian: Of course not.

Brian Ross: You've become an American citizen?

Sergei Millian: Yes.

Max Bergmann:

Now, if you were thinking that this is all very strange, it is. But let's break this down just a little bit more. If you just take what Millian says literally, here's what you have. A guy who was a Trump real-estate broker, who was therefore working for Donald Trump, was the head of an organization that also builds ties between Russia and American businessmen. Millian also claimed to have "insider knowledge of the Kremlin," and to be well connected to the Russian government. He hosted diplomatic events, which is how he got connected to Trump and he says that hundreds of millions of dollars from Russia went into Trump's businesses. Oh, and then he says, Trump likes Russian ladies. Millian doesn't have to be some shady Russian intelligence figure to have made some really enlightening points about Donald Trump's business ties to Russia. You just have to listen to what he actually said. The Trump campaign at the time this interview came out immediately dismissed having anything to do with Millian, just as Trump did with Felix Sater a few years earlier. But in 2016, the *Financial Times* had also found that Millian had bragged in 2009 in a newsletter, about the formal agreement he had



with the Trump Organization to work on its behalf. Now, who knows whether Millian was a spy or not. He denies it and it would be odd, though not unprecedented, for a spy to go on national television. But what is odd about Millian is that when ABC eventually released the full transcript of the interview, Millian also claimed that Trump had been to Russia more than 10 times. And he also said mysteriously that he was sure Trump had “lots of other tricks up his sleeve.” And when Brian Ross pressed him, Millian said, “That you will see in the presidential campaign. Yes.” If you were thinking Millian might be someone that Robert Mueller's investigation would want to talk to, you would be right. But according to the Mueller report, the Special Counsel's office was “not fully able to explore the contact with the Trump campaign because Sergei Millian remained out of the country since the inception of the investigation and declined to meet with members of the office despite our repeated efforts to obtain an interview.” Now, why would Millian leave the country and avoid Mueller and Congress if there was no there there? The Mueller Report also found something pretty stunning. On August 23, Millian sent a Facebook message to George Papadopoulos, a member of the Trump campaign, saying that he would “Share with you a disruptive technology that might be instrumental in your political work for the campaign.” Now we don't know what he meant by “disruptive technology.” It remains a mystery. Who is Sergei Millian is still an open question. But it does highlight, when you do business with Russia, you may not always know who you are doing business with and this is an example of what James Angleton, the former Chief of Counterintelligence of the CIA during the early days of the Cold War called:

[James Angleton:](#)

Wilderness of mirrors. They can have you believe whatever they desire you to believe.

Max Bergmann:

In September 2008, the same month Lehman Brothers collapsed and the global financial system began melting down, Donald Trump Jr. told a real-estate conference that “Russians make up a pretty disproportionate cross section of a lot of our assets. We see a lot of money pouring in from Russia.” So at the moment the financial system was melting down and the US real-estate market was about to go into a tailspin, the Trump Organization found itself deeply entangled with and dependent on Russian money. And so here we have a high-profile American businessman in dire financial straits. He's desperate, and desperation, as we know, is compromising. And as we discussed in the previous episode, the oligarchs in Russia are beholden to the Kremlin. They're not your typical American businessmen; they are tools of the state. So, when the FBI opened a counterintelligence investigation into Donald Trump in May 2017 after James Comey was fired, one period of particular interest would be right after the real-estate crisis in 2008. This period also just happens to align with that shocking claim in the Steele dossier that we outlined in Episode One that, according to four different sources, “Russian authorities had been cultivating and supporting Donald Trump for at least five years.” This is the period after the financial crisis and if the FBI were to look at this time frame, they



would see a lot of business dealings that don't make any sense. One extremely suspicious deal was the sale of Trump's Palm Beach property to a Russian oligarch. Dmitry Rybolovlev was a Russian fertilizer magnate, and before 2016 he was most famous for owning a soccer team in Monaco. Rybolovlev stepped in and bought Trump's Palm Beach property for \$95 million. That is \$13 million more than any previous sale in Palm Beach and \$50 million more than Trump had paid for the property just four years previously. Trump had done basically nothing to drive up its price. The real-estate market was in free fall, and yet somehow Trump had nearly doubled the price that he had paid for the property, and this came right at the moment when Trump was financially desperate. Those are big red flags for money laundering, as is the fact that Rybolovlev basically didn't ever use it before tearing it down in mid 2016. Just when Trump was desperate for cash, here came the cash. And Rybolovlev didn't just disappear. In fact, he kept reappearing during the election.

Newscast:

According to flight records Dmitry Rybolovlev's jet shared a tarmac with Trump's plane in North Carolina back in the month of November. Now he allegedly was in Las Vegas in late October when Trump was there too. And just last week, the Russian billionaire's yacht was spotted in the Caribbean near top Trump financier Robert Mercer's own luxury liner.

Max Bergmann:

Another extremely suspicious Trump financial relationship were his ties to his favorite bank. In fact, the only bank that would lend to him: Deutsche Bank.

-Break-

Max Bergmann:

The Moscow Project is an initiative of the Center for American Progress Action Fund dedicated to analyzing the facts behind Trump's connections with Russia. Our work at The Moscow Project is made possible through the generous support of people like you. If you would like to support our work and this podcast, please go to www.themoscowproject.org and click on the donate tab. That's themoscowproject.org. Thank you.

-Break-

Max Bergmann:

Back in the 1990s, when Trump was running his father's business into the ground, he managed to burn bridges with just about every financial institution, and that's pretty much a death sentence for a big real-estate developer. Here's Tim O'Brien.

Tim O'Brien:



The only big commercial bank that continued to do business with Donald Trump after the mid 1990s was Deutsche Bank and Deutsche Bank in a lot of ways was a rogue bank. It continually got into trouble for things like money laundering, um, interest-rate rigging, um, questionable transactions moving funds out of Moscow into Europe, money-laundering allegations in the US, on and on and on and on.

Max Bergmann:

Deutsche Bank is known as a bank willing to take risks, and one area where Deutsche Bank was willing to dive in headfirst was Russia. It engaged in a sophisticated mirror-trading scheme that helped move more than \$10 billion from Russia to the West between 2011 and 2015 and it resulted in a massive fine. But Deutsche Bank didn't balk at taking Russian money, and for some reason, they didn't balk at lending to Donald Trump. But when the economic crisis hit in 2008, Trump had a payment due to Deutsche Bank on the loan he took out to build his tower in Chicago. Trump was in trouble, and decided to try to wiggle out of what he owed. He decided to sue Deutsche Bank for \$3 billion, claiming, kind of absurdly, that they not only caused the financial crisis, but they also engaged in predatory lending against him by trying to collect on the money that Donald Trump owed. Now, this is a completely bogus lawsuit. But Deutsche Bank suddenly realized that Trump owed them hundreds of millions of dollars. So they countersued him and it's a two-year court fight. Now, this is normally the kind of acrimony that would end most relationships. But not this one. Trump and Deutsche Bank settled, and Deutsche Bank went straight back to lending to Donald Trump. In fact, Trump was able to pay back many of his debts to Deutsche Bank with loans he took out from other parts of Deutsche Bank. Here's Luke Harding of *The Guardian* and author of *Collusion* on this bizarre relationship.

Luke Harding:

*Then the financial crash comes along. He defaults, fails to repay \$45 million. You know, so far so normal, and submits this absolutely vexatious legal claim saying Deutsche Bank actually owes him because it co-created the financial crisis. All of that is pretty standard stuff, but what is not is what happened next, which is that that the real-estate division washed its hands of Donald Trump. But, for some reason private banking fairly soon afterwards settled with Donald Trump and started lending him hundreds of millions of dollars, essentially kind of rescued him financially. This is Deutsche Bank in New York. Meanwhile, Deutsche Bank in Moscow is running essentially a kind of high-end money laundering scheme, rather a clever one, for VIPs and people close to power to essentially convert their rubles into dollars and get their money out of the country. And we're talking about \$10 billion. Deutsche Bank has acknowledged this. It's been fined in New York and in London. And meanwhile we've talked to sources inside the bank and we say, look, here is what happened with Donald Trump normal, this lending pattern 2008, 2009, 2010, 2011 and they say, are you *expletive* kidding me? So in other words, it's not normal. They too are mystified by it. And this is a whole toxic area for Deutsche Bank that it just, it just does not want to go there. It still faces regulatory fines. It's being investigated by the DOJ,*



which reports to one Donald J. Trump. So there is a clear conflict of interest here. And I think we haven't quite got to the bottom of this mystery.

Max Bergmann:

That's not the only strange turn in Trump's fortunes. Around the same time, Trump started buying up lots of properties, in cash. This doesn't make any sense. Trump went from being the king of debt, borrowing and blowing billions, causing banks to turn away from him.

Newscast:

Reporter: Hillary Clinton called you the king of debt.

Donald Trump: Well, no, she didn't call me. I call myself the king of debt. I'm the king of debt. I'm great with debt. Nobody knows debt better than me. I made a fortune by using debt.

Max Bergmann:

But now suddenly, in the midst of the biggest real-estate crisis and economic downturn since the Great Depression, Trump has all this cash?

Newscast:

Reporter: *So which one is it? The king of debt or the king of cash? Well, according to a new piece in The Washington Post, the latter. The piece revealing quote, 'In the nine years before he ran for president, Donald Trump's company spent more than \$400 million in cash on new properties, including 14 transactions paid in full without borrowing from banks.'*

Max Bergmann:

Here's the author of the *Washington Post* piece, David Fahrenthold, on MSNBC talking with Sam Stein.

Newscast:

David Fahrenthold: It's a big deal because nobody does this. Right? Nobody buys giant golf courses and we're talking about in these cases, golf courses that cost \$80 million for just two of them and that lose money year after year, requiring more money to be put in. Nobody buys that sort of thing in cash because it's just risky to sink all your own cash into something.

Kasie Hunt: So you can borrow it from a bank. You spread the risk around.

David Fahrenthold: You get co-investors. You borrow it from a bank. You know, this is what Trump did his whole life until he started doing it totally differently in 2006. So the question was, why would you defy something that seemed to be at the core of his identity as a developer?



Sam Stein: This is super weird, \$400 million in cash just lying around to play with and buy golf courses is basically unheard of, especially when you can borrow money for really cheap right now. It's not like interest rates are particularly high and its prohibitive to do that. So yes, there are a lot of questions around here. I looked it up because money laundering is a very specific legal definition and what we do not know is the origins of the money that they had on hand, which would be a money laundering definition. You have to have criminally generated, money putting it into something that looks legally appropriate.

Max Bergmann:

It isn't just that they bought these properties, it's that many of them are huge money pits. *The Washington Post* found that the golf courses in Scotland and Ireland are at least \$240 million in the hole. The Trump numbers just don't add up. Max Haldevang, a reporter at *Quartz*, wrote that Trump's investment in Scotland "appear to make little business sense leading some to speculate that the money is coming from a third party." Eric Trump may have unwittingly provided an answer to this mystery in 2013. A golf reporter asked him how the Trump Organization seemed to be building golf course after golf course in the middle of the worst recession in decades. Eric, who denied saying this, was reported to say, "We don't rely on American banks. We have all the funding we need out of Russia. We just go there all the time." So let's recap. Trump goes into the worst real-estate crisis in modern memory. He's in real trouble. Yet he comes out on the other side, able to spend absurd amounts of money on golf courses and with a new line of credit from that bank, Deutsche Bank, that sued him for defaulting on his loans. This does not add up. Except, it kind of does. When you look back at Trump's business past, you see a person who fails a lot and needs to be bailed out again and again. During the 1980s and 1990s, it was Trump's dad who bailed him out, who kept him afloat, but since then, it's been Russia. It's been Russian money that has kept Trump afloat and has kept him going. And his dependency on Russian money only grew in the years after the crisis. This may have seemed like a mutually beneficial relationship to Donald Trump, but this relationship also meant that Trump was dealing with compromising figure after compromising figure, engaging in shady deal after shady deal. And unlike in the US those figures aren't independent businessmen. They're appendages of the Russian state, of the Kremlin, and therefore of Vladimir Putin. Their money often comes with strings attached, and in the years approaching the 2016 election, Putin increasingly found himself looking to pull on those strings.

-Break-

Max Bergmann:

Next week on *The Asset*: Vladimir Putin turns against the West. Ukraine's struggle for a European democratic future brings Russia and the United States toe-to-toe and rekindles talk of a new Cold War.



[Barack Obama:](#)

Consider Russia's annexation of Crimea and further aggression in eastern Ukraine. We cannot stand by when the sovereignty and territorial integrity of a nation is flagrantly violated.

Max Bergmann:

But while the US slammed Russia was sanctions, Putin brushed off the KGB playbook and plotted away to hit back that would catch the US and Europe off guard.

[Vladimir Putin:](#)

And in the case of Ukraine, our western partners have crossed a line. They acted primitively, irresponsibly, and unprofessionally.

Producer:

The Asset is a production of the Center for American Progress Action Fund, Protect the Investigation, and District Productive. Paul Woody Woodhall, Max Bergmann and Andrea Purse, executive producers and Peter Ogburn, senior producer. The Asset is written by Max Bergmann and the good people at The Moscow Project: Jeremy Venook, Talia Dessel, and Siena Cicarelli. And the team at Protect the Investigation. And Paul Woody Woodhall and his cohort at District Productive. To learn more about Russian interference in the 2016 presidential election, go to themoscowproject.org and protecttheinvestigation.org. Please subscribe to the podcast on Apple podcasts or your favorite podcast app and please leave a rating and review. Thank you.

[Newscast:](#)

Reporter: You went to Russia with Trump's children, uh, to advance business interests. Is that true?

Felix Sater: That is true. The president asked me to be in Russia at the same time as them to look after them.

Reporter: The president asked you?

Felix Sater: Yes, sir.

Reporter: Directly?

Felix Sater: Directly.