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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

A. JAY KHOSLA, STAFF DIRECTOR
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February 9, 2018

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

I am writing to request any reports or documents that may exist in the Department of Treasury's custody pertaining to several real estate transactions involving property once owned by the President and Russian oligarch Dmitry Rybolovlev.

In 2004, Donald Trump purchased a 6.3 acre Palm Beach estate, colloquially known as the *Maison de L'Amitie*, for \$41.35 million. Four years later, in July 2008, he sold that property to a Florida LLC owned by Russian oligarch Dmitry Rybolovlev for \$95 million.¹ At the time of the transaction, *The Guardian* noted that it was "the most expensive residential sale ever recorded" in the United States.² Palm Beach County property records show that the property was appraised for \$65 million the year of the sale.³ Despite a claim by the Trump organization that the property had been renovated, press reports indicate that the home was "uninhabitable."⁴ Mr. Rybolovlev never lived in the home, and reportedly visited the property just once.⁵

After sitting vacant for several years, Mr. Rybolovlev received approval to tear down and subdivide his \$95 million purchase into three separate parcels of land.⁶ According to public records he has since sold two of those three parcels.⁷ In October of 2017 the *South Florida*

¹ Palm Beach County Clerk & Comptroller's office, July 16, 2008; http://oris.co.palm-beach.fl.us/or_web1/details.asp?doc_id=17079257

² Donald Trump sells Florida mansion for record sum; *The Guardian*, July 17, 2008; www.theguardian.com/world/2008/jul/17/donaldtrump.usa

³ Palm Beach County Property Appraiser's Office, accessed March 22, 2017

⁴ Trump and the Oligarch, *Politico Magazine*, July 28, 2016; www.politico.com/magazine/story/2016/07/donald-trump-2016-russian-ties-214116

⁵ Donald Trump and the mansion that no one wanted. Then came a Russian fertilizer king; *McClatchy*, February 27, 2017; www.mcclatchydc.com/news/nation-world/national/article135243694.html

⁶ Only in Palm Beach: The \$95 Million Tear-Down; *New York Times*, August 27, 2016; www.nytimes.com/2016/08/28/business/only-in-palm-beach-the-95-million-tear-down.html

⁷ Palm Beach County Clerk & Comptroller's office, November 18, 2016; http://oris.co.palm-beach.fl.us/or_web1/details.asp?doc_id=21503709

⁸ Palm Beach County Clerk & Comptroller's office, October 6, 2017; http://oris.co.palm-beach.fl.us/or_web1/details.asp?doc_id=21951542

Business Journal reported, “With a recent property sale, Russian billionaire Dmitry Rybolovlev has recouped another chunk of the \$95 million he paid in 2008 to buy a Palm Beach mansion from Donald J. Trump.”⁹ In November 2016, the 2.72-acre lot at 515 North County Road was sold by County Road Property LLC, an anonymous shell company owned by Rybolovlev, to a different anonymous trust, 515 North County Trust, for \$34.34 million. In October 2017, Rybolovlev sold a second parcel, again through his anonymous shell company, to an anonymous company called 535 North County Road for \$18.8 million per acre.”¹⁰ Both sales appear to have been to shell company LLCs with no clearly discernible beneficial owners; “the 515 North County Road Trust” and “535 North County Road LLC,” respectively.

According to a *Bloomberg* report, the 2008 sale has become a point of interest for the U.S. special counsel investigating possible ties between the President and Russia.¹¹

It has been widely reported that many financial institutions stopped lending to Mr. Trump due to his business practices in the 1980s and 1990s.¹² In December of 2008, Trump Entertainment Resorts missed a \$53.1 million bond interest payment.¹³ Less than two months later the company filed for Chapter 11 bankruptcy protections while Mr. Trump and his daughter, Ivanka, quit the board.¹⁴ That same month, Mr. Trump filed a lawsuit against Deutsche Bank, identified by *the Guardian* as “the only financial institution willing to lend Trump significant sums,” to avoid a \$40 million payment on a construction loan that he had personally guaranteed.¹⁵¹⁶ In the context of the President’s then-precarious financial position, I believe that the Palm Beach property sale warrants further scrutiny.

It is imperative that Congress follow the money and conduct a thorough investigation into any potential money laundering or other illicit financial dealings between the President, his associates, and Russia. I therefore request that you provide the Senate Finance Committee with any reports or documents related to the July 2008 property transaction, including any Suspicious Activity Reports (SARs) related to the transaction that the Treasury Department may retain.

Additionally, in July 2016 the Financial Crimes Enforcement Network (FinCEN) expanded its “Geographic Targeting Orders” program that requires U.S. title insurance companies to identify the natural persons behind shell companies used to pay all cash for luxury real estate to include

⁹ Russian billionaire makes \$37M selling Palm Beach land once owned by Trump; South Florida Business Journal; www.bizjournals.com/southflorida/news/2017/10/06/russian-billionaire-makes-37m-selling-palm-beach.html

¹⁰ Id.

¹¹ Mueller Expands Probe to Trump Business Transactions; Bloomberg, July 20, 2017;

www.bloomberg.com/news/articles/2017-07-20/mueller-is-said-to-expand-probe-to-trump-business-transactions

¹² When Donald Trump Needs a Loan, He Chooses Deutsche Bank; Wall Street Journal, March 20, 2016;

www.nytimes.com/2008/12/05/business/05norris.html

¹³ Fact-checking claims about Donald Trump’s four bankruptcies; PolitiFact, September 21, 2015;

www.politifact.com/truth-o-meter/statements/2015/sep/21/carly-fiorina/trumps-four-bankruptcies/

¹⁴ Trump casino group in bankruptcy; CNN, February 17, 2009;

money.cnn.com/2009/02/17/news/companies/trump_entertainment/index.htm

¹⁵ Deutsche Bank examined Donald Trump’s account for Russia links; The Guardian, February 16, 2017;

www.theguardian.com/us-news/2017/feb/16/deutsche-bank-examined-trump-account-for-russia-links

¹⁶ Trump Sees Act of God in Recession; New York Times, December 4, 2008;

www.nytimes.com/2008/12/05/business/05norris.html

transactions in Palm Beach County.¹⁷ Title insurance companies report these transactions to FinCEN utilizing FinCEN Form 8300. I am requesting that you also provide to the Senate Finance Committee any documents that exist related to the 2016 and 2017 transactions, including any Form 8300 reports and any related SARs, by March 9th, 2018. If you have any questions please contact Committee staff at (202) 224-4515. Thank you for your attention to this important matter.

Respectfully



Ron Wyden
Ranking Member

¹⁷ FinCEN Expands Reach of Real Estate “Geographic Targeting Orders” Beyond Manhattan and Miami, July 27, 2016; <https://www.fincen.gov/news/news-releases/fincen-expands-reach-real-estate-geographic-targeting-orders-beyond-manhattan>