

Coalition for Integrity

Allegations of Money Laundering at the Trump Ocean Club, Panama

Coalition for Integrity calls on President Trump to fully separate himself from his businesses and be transparent about his past business dealings, including at the Trump Ocean Club International Hotel and Tower in Panama, to avoid any actual or perceived conflicts of interest.

The Narco-A-Lago story also highlights how essential it is that people involved in the real estate industry conduct due diligence on buyers' identities and the sources of their funds to avoid misuse of the property market by money launderers and other criminals.

Washington D.C., 17 November, 2017: A new investigation by Global Witness, Narco-A-Lago, alleges that while President Trump made millions by licensing his name to a Panamanian development, the Trump Organization may have ignored red flags of money laundering. The investigation also alleges that one of the people who laundered money at the Trump Ocean Club was Colombian fraudster, David Eduardo Helmut Murcia Guzmán, who was sentenced to nine years in prison in the U.S. for his participation in a scheme to launder millions of dollars' worth of illicit funds, including narcotics proceeds.

Guzmán's business associate, Alexandre Henrique Ventura Nogueira, claims to have brokered over half the 666 pre-construction unit sales at the Trump Ocean Club and he alleges that a large number of those involved with the Trump Ocean Club in its early phase were Russian, and that some had "questionable backgrounds."

Further, this is not the first time the Trump Organization's business deals have been called into question for partnering with questionable figures. Earlier this year, the New Yorker [reported](#) that an unopened Trump hotel in Azerbaijan has been linked to corrupt officials with ties to Iran's Islamic Revolutionary Guard Corps. In June, USA today [reported](#) that about 70 percent of buyers of Trump real estate properties are held by limited liability companies (LLCs) which obscure the buyers' identities. All of these stories fuel speculation over who may be seeking ways to curry favor with the Trump administration and happen in the background of Robert S. Mueller's investigation into ties between President Trump's campaign and Russian officials.

While President Trump was only licensing his name and participating in marketing, the Narco-A-Lago story showcases how important it is for the President to separate from his businesses and avoid all real and perceived conflicts of interest.

The story also highlights once again the use of real estate by criminals to hide illicitly acquired funds. The report states that the Trump Organization, the developer and the brokers ignored many warning signs of money laundering in the purchases of units at the Trump Ocean Club. Many units were purchased in bulk, according to individuals directly involved in the deals. Some buyers paid cash and many properties were also purchased using anonymous companies to hide the identities of the purchasers.



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Millions of dollars are spent around the world on luxury properties by persons who disguise their identities using anonymous companies. They are able to do so because most countries do not require the real estate industry to carry out background checks on the source of purchase funds or conduct any due diligence on the transaction.

In 2015, the New York Times series “[Towers of Secrecy](#),” revealed how billions of dollars’ worth of luxury real estate in New York City had been purchased using shell companies by individuals under investigation for corruption and other crimes. However, even in the U.S., the real estate industry continues to enjoy a 2002 temporary exemption from the PATRIOT Act requirement for implementation of anti-money laundering programs.

Coalition for Integrity is calling for:

1. President Trump to separate himself from his businesses so that he is not confronted with choosing between the duties and demands of the presidency and his own private interests.
2. Buying real estate with the proceeds of crime or corruption is unacceptable and it is imperative that the real estate sector is required to check where money for these purchases comes from and is required to conduct adequate due diligence into buyers’ identities.
3. It is imperative that lawyers who carry out real estate transactions for their clients or serve as company service providers are required to conduct due diligence and screenings of their clients so that they are not unwittingly aiding money launderers and other criminals.
4. All jurisdictions, including the U.S., should collect beneficial ownership information upon company formation so that anonymous companies are not used to facilitate corruption and other crimes.

Notes to Editors:

1. [Coalition for Integrity](#) is a non-profit, non-partisan 501(c)(3) organization. We work in coalition with a wide range of individuals and organizations to combat corruption and promote integrity in the public and private sectors.
2. The Narco—A —Lago report is available [here](#).

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