

EXHIBIT 4

POLITICO



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TRUMPOLOGY

Did the Trump Family Historian Drop a Dime to the New York Times?

A first cousin of the president kept a trove of financial records that appears to have provided evidence for a major investigation of the Trump family business.

By GWENDA BLAIR | October 07, 2018

Nearly 8,000 words into its exhaustive investigation of the elaborate and allegedly illegal schemes by which Donald Trump’s father conserved his wealth and promoted the myth of his son as a self-made billionaire, the *New York Times*

revealed the existence of a sham business the Trump family used to hide massive gifts from Fred Trump to his children, saving himself millions in federal taxes.

The company was called All County Building Supply & Maintenance and it was created in 1992 for the purpose of providing inflated invoices to contractors for Fred Trump's sprawling real estate holdings in Brooklyn and Queens.

"All County had no corporate offices," the Times reporters wrote. "Its address was the Manhasset, N.Y., home of John Walter, a favorite nephew of Fred Trump's. Mr. Walter, who died in January at the age of 83, spent decades working for Fred Trump, primarily helping computerize his payroll and billing systems. He also was the unofficial keeper of Fred Trump's personal and business papers, his basement crowded with boxes of old Trump financial records."

Walter, as any Trumpologist knows, was the self-appointed family historian and enjoyed sharing family lore and memorabilia with journalists. He had assumed this role by virtue of his close relationship to the family: He was the son of Fred Trump's older sister, Elizabeth, who had herself served as Fred Trump's bookkeeper early in his career as a builder and developer. When I was working on my Trump family biography in the 1990s, I met with Walter in a modest office that was down the hall from Fred's own longtime quarters at Beach Haven, a government-subsidized apartment complex near Coney Island that Fred had built nearly half a century earlier. Walter, it seemed to me, doled out bits of info in a somewhat gloating way.

For many years, during the long stretch of time when his younger first cousin Donald was a regular on the gossip pages of the New York tabloids and then the star of "The Apprentice" TV show, there wasn't much demand for Walter's archival services. Donald Trump was master of his own narrative. That changed when Trump ran for president and soon Walter was the increasingly beleaguered target of an almost unending stream of media requests. By the time his cousin had become the surprise 45th president, Walter had all but resigned his unofficial job. As he said to Michael Kruse in the summer of 2017, "I'm not doing anything. I'm letting Donald do his thing. I just can't get involved and give information that always comes out wrong ... I promised everyone I'm not going to do that."

Now, Walter's assiduous work as an amateur historian appears to have become a major source for the *Times*' blockbuster piece. For me, having chronicled multiple generations of the Trump family, it's quite the ironic moment to see this stark violation of Donald Trump's long practice of never leaving a paper trail. No memos, he told his staff back in Trump

Tower, a habit he may well have inherited from his father, who was legendary for keeping details in his head.

But Walter, as the *Times* notes, kept things in his basement. The *Times* reporters say their work “draws on tens of thousands of pages of confidential records—bank statements, financial audits, accounting ledgers, cash disbursement reports, invoices and canceled checks. Most notably, the documents include more than 200 tax returns from Fred Trump, his companies and various Trump partnerships and trusts.” Whether that trove emerged from those boxes, the writers don’t say.

The roots of Walter’s minor but pivotal role in the family go back 100 years.

When Fred was 12, his father, Friedrich, a fledgling real estate developer in Queens, died at 49 in the influenza pandemic. He left a \$30,000 estate, worth about \$500,000 in 2018 dollars, but it was soon battered by severe post-World War I inflation. His widow, Elizabeth Christ Trump, got by with squeezing what she could from his holdings and taking in sewing, but she was determined to continue what he had started and came up with a long-range, family-oriented plan. Her oldest child, also named Elizabeth, who was 14 at the time of Friedrich’s death, would run the office and keep the books; the youngest, John, 10, would be the architect; and the middle child, Fred, would be the builder.

In order to pull off this plan, the younger Elizabeth left high school early, not unusual at the time, and went to secretarial school; John began to study architecture; and Fred, who was taking courses in carpentry, plumbing and other construction skills, built his first structure, a garage for a neighbor. Because the children were under 21, their mother incorporated the new company under the name E. Trump & Son, and the family became real estate nomads, moving from one newly finished home to another all over Queens.

Unfortunately, the two brothers found it trying to work together. Fred wanted to sell the houses as soon as possible, regardless of whether they were completed, whereas John wanted to linger over the final details of each one. When Fred prevailed, John bailed and went on to a career in physics, but Elizabeth stayed put even after she married William Walter, a bank trainee, in June 1929. But four months later, in October 1929, the stock market crashed, the real estate market dried up, and Fred Trump was forced to suspend home building and open a food market in Queens

The career shift was only temporary. In 1934, Fred deftly maneuvered his way into bankruptcy proceedings in federal court in Brooklyn that involved a large mortgage company. Through a series of inflated claims and side deals, the same strategy that Donald would use repeatedly decades later, he emerged with a mortgage-servicing contract that would put him back into real estate. This time, it was for good.

In the 1940s, '50s and '60s, Fred Trump honed his approach to maximize his profits from government-subsidized housing on a national and state level. He routinely submitted bids for projects like Beach Haven to the Federal Housing Administration on the basis of cost estimates, delivered the finished product for far less, and pocketed the difference— a practice that drew a harsh rebuke in the press and a subpoena to testify at a congressional hearing, but no actual penalties. He earned additional windfall profits from New York State housing programs with scams like setting up shell corporations from which he rented construction equipment at inflated prices. This brought more bad press and an appearance before a state commission, but no fines or criminal charges.

Throughout these years, he constantly worked to make sure that his family never faced the same financial pressure that had confronted his mother and his siblings after his father died. Well before Donald Trump would meet Roy Cohn and embrace his do-whatever-you-can-get-away-with philosophy, Fred employed that same approach, making Donald a millionaire when he was in third grade and providing him a lifetime safety net that would protect him from the consequences of unwise moves and impetuous decisions.

Fred was also protective of other members of his family, including John Walter, who received a 20 percent share of the proceeds from All County Building Supply & Maintenance. Donald also watched out for his cousin. In the early 1980s, he insisted that Alan Lapidus, architect of Trump's first Atlantic City casino, Trump Plaza, use Walter as a security consultant on the project despite Lapidus's objection that Walter, who he found "brusque," had "no discernible credentials in this field." In turn, Lapidus said, Walter looked out for Donald and told Lapidus to install video cameras over the women's stalls in the count-room because "the women have twice as many places to stash the cash as the men."

Fred Trump died in June 1999, and in 2004 his four surviving children sold off ownership of most of his real estate empire. According to the *New York Times*, Donald has received the lion's share of Fred's largesse, some \$413 million in assets and a further \$60 million in loans, many of which were never repaid. Unless and until the outside world is able to see Donald Trump's own tax returns, it's impossible to know exactly how and where his father's money may still be playing a role in his life. There's little doubt it would be

welcome, given a recent report in Forbes that his net worth is down nearly \$1 billion since he began his run for president, putting him 138 spots lower on the Forbes 400 list of the nation's wealthiest citizens.

Walter's family has not responded to calls from Politico to discuss the financial records. But when Michael Kruse reached out to him in September for comment on another story, Walter sounded as if he were in no mood to cooperate with any kind of journalistic inquiry, much less one that alleged actual wrongdoing. He did sound somewhat nostalgic for the days before Trump entered politics.

"Way back when, things were fine. But it all got nuts," he told Kruse. "I just can't help you. I'm sorry.

"Maybe later," he said, "when things get right. But right now, things are all screwed up."

Michael Kruse contributed to this report.