

Why Commerce Secretary Ross and his Russian ties may be next in Mueller's investigation



U.S. Secretary of Commerce Wilbur Ross on May 10 in Washington DC.

Ross's labyrinth of Russian bank ties may have paid off Trump's five bankruptcies when no U.S. bank would.

Is this why Ross was named secretary of commerce?
(Photo by Alex Wong | Getty Images)

By Robert Weiner and Kyle Fleck, special to *New Jersey Star-Ledger*, posted May 13, updated May 13

Is Commerce Secretary Wilbur Ross Jr. in special counsel Robert Mueller's sights?

Ross has local ties, born and raised in Weehawken. His mother graduated valedictorian from Sacred Heart Academy in Hoboken and taught third grade in North Bergen for 40 years. [His father was](#) a judge and served as commissioner of finance in North Bergen. Though mostly under the radar among the Trump chaos, Ross has found himself in the news recently, thanks to President Donald Trump's insistence on trade standoffs.

That media footprint may now change. Ross's labyrinth of Russian bank ties may have paid off Trump's five bankruptcies when no U.S. bank would. Many have asked how Ross was named secretary of commerce, seemingly out of nowhere.

Stormy Daniels' attorney, Michael Avenatti, has just reported, and the New York Times and NBC among others have confirmed, documents showing payments to Daniels right before the election through the [Russian-sanctioned bank of Cyprus, where Ross had a controlling interest](#) and was its head.

On a "Morning Joe" show segment last month, Joe Scarborough asked: "What does Vladimir Putin have over Donald Trump? You have to look at the finances. Maybe it goes through Cyprus where Wilbur Ross had a bank." CNN's Jake Tapper also asked Ross about his role with the bank.

[Ross questioned about role with Bank of Cyprus](#)

It isn't surprising by now that elements of quid pro quo were at work when forming the nascent Trump administration back in 2016.

So how much does it cost to get a seat at the table in the Trump administration?

If you had connections to Trump's ballooning casino empire in the early 1990s, that number could be around \$675 million. That's the figure Trump paid for the Taj Mahal in 1990, with a 14 percent interest rate. [Rothschild bankruptcy division was then headed by Ross](#) and specialized in distressed asset management. No assets were more distressed than Trump's Atlantic City casino empire.

Ross swept in, representing the bondholders and getting Trump to give up a 50 percent stake while allowing him to remain in charge of the casinos with better interest rates. Trump ended his bankruptcy.

Even though the casinos went bankrupt twice more, Trump didn't forget the favor. When it came time to pick a commerce secretary, he chose Ross, paying him for saving his skin back in Atlantic City. ["This guy knows how to make money, folks," Trump said.](#)

After his career as a venture capitalist (sometimes a corporate raider), Ross got into private equity in 2000 and continued to invest in a variety of business interests. Navigator Holdings, in which Ross' investment firm holds [a 31 percent stake, does business with Russian energy giant Sibur.](#)

One of its major shareholders is the owner of a U.S. and E.U. sanction list company (for helping Russia invade Ukraine), Eastern Europe's biggest bank, Sberbank, the Russian state-owned bank based in Moscow. [Ross conveniently forgot to disclose this](#) information in his confirmation hearings. Russian President Vladimir Putin's son-in-law, Kirill Shamalov, along with other members of his inner circle, is also a primary shareholder in Sibur.

"When you start doing business with Russian energy companies like Gazprom and Sibur, you're ... getting into bed with the Russian state," Amos Hochstein, a top energy diplomat in the Obama administration, told the New York Times.

Several of Sberbank's chairmen were people with direct links to Putin, including Putin's son-in-law. In 2015, while Ross served as vice chairman of the Bank of Cyprus, the bank's Russia-based businesses were sold to a Russian banker and consultant, Artem Avetsayan, who Putin had appointed to lead an agency building businesses with Russian connections.

Equally concerning is Ross' vice presidency of the Bank of Cyprus, which he only resigned from after his confirmation to the Cabinet in March 2017. The Bank of Cyprus has extensive dealings with Sberbank and is widely seen as a financial haven for Russian oligarchs. A subsidiary, the now-defunct Federal Bank of the Middle East, is [currently under FBI investigation for Russian money laundering.](#)

Incidentally, Ross was a registered Democrat until 2016, proving that unseemly dealings with Russia are not a partisan issue, but a national security one.

Former Deutsche Bank CEO Josef Ackermann was chairman of the Bank of Cyprus at this time. Deutsche Bank, which recently had to pay \$10 billion after being found guilty of money-laundering for Russian oligarchs, [has loaned Trump a staggering \\$3.5 billion since 1998](#) to pay off his other bankruptcies.

During Ross' few public appearances in the White House briefing room, including one in April 2017 regarding lumber trade with Canada, the press corps has neglected to press him on these troubling allegations. Other than [Rachel Maddow](#) and Scarborough on MSNBC, and Tapper on CNN, there has been little other coverage to date.

Ross will be speaking at the [National Press Club](#) on Monday. He may have some explaining to do there, as well as to Mueller.

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