
Trump Accused of \$32 Million Fraud in Unbuilt Resort in Mexico

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Donald Trump, the man who launched his campaign to reach the White House by accusing Mexicans of being criminals, is facing accusations of in a major fraud concerning a luxury resort development in Mexico that bilked investors out of US\$32 million, a report from La Jornada revealed Sunday.

Between 2008 and 2009, Trump—together with Irongate and PB Impulsores firms—lured investors into paying 20 percent deposits for an exclusive, oceanfront, luxury resort in the Mexican state of Baja California.

However, according to records, the builders never even bothered initiating the necessary procedures to start the project.

When asked, the relevant authorities in Tijuana said, “After performing an exhaustive search of the physical and digital files, no procedure that corresponds to the name Trump Ocean Resort Baja could be located.”

Furthermore, according to the La Jornada's investigation, as of this month, the issue remained unresolved and investors who initiated legal action in 2009 have not yet been compensated. Builders had previously claimed that there simply wasn't any money left to pay back to those who placed a deposit, despite the fact that the builders collected US\$32 million.

In response, Trump—now the Republican candidate for the U.S. presidency—said that he merely licensed his name to the project, as he has in many other real estate projects. When the project was first advertised, promotional materials prominently featured his name and image.

Some investors said they decided to place a deposit precisely because of the association with Trump and his real estate empire.

Investors said the business arrangement, which saw Trump merely license his name, was only revealed when the project began to run into financial trouble and accused the mogul of washing his hands of the issue.

The revelation is unlikely to affect Trump's already low standing among Mexicans or Latinos in the U.S. but it serves to undermine his claims of business acumen.
