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## Donald Trump

# Business interests create dilemma for Trump administration

No president-elect has had as many potential conflicts with official duties



*The Trump International Hotel in Las Vegas © Bloomberg*

YESTERDAY by: **Gary Silverman** and **Kara Scannell** in New York

On November 3, the US agency charged with safeguarding workers' rights ruled that the Trump International Hotel in Las Vegas had violated federal law by refusing to hold contract talks with a union representing housekeepers and other staff.

Five days later, the lodging's co-owner — [Donald Trump](#) ([https://www.ft.com/topics/people/Donald\\_Trump](https://www.ft.com/topics/people/Donald_Trump)) — was elected president of the US, putting him in position to appoint a Republican majority at the regulator — the National Labor Relations Board — that could overturn the decision.

The possibility points to one of the central ethical dilemmas facing a Trump administration. There has never been a president-elect with more potential conflicts between his financial interests and his official duties. But with his inauguration set for January 20, Mr Trump has yet to present a formal proposal to insulate himself from criticism that he is putting aside the general welfare in favour of his own.

During the campaign, Mr Trump suggested he might transfer his holdings into a “blind trust” — in the manner of many of his predecessors — managed by his oldest children, Donald Jr, Ivanka and Eric. But critics say the trust would be neither blind — because its assets are so well known — nor independent. They note the three Trump scions already have been named as members of their father’s transition team.

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“Just turning management over to the kids doesn’t solve the problem — he would still retain ownership,” said Richard Painter, a former White House ethics lawyer in the administration of George W Bush. “He hasn’t given us any plan going forward that will remove those conflicts of interest.”

Norman Eisen, a former legal ethics adviser for President [Barack Obama](https://www.ft.com/topics/people/Barack_Obama)

([https://www.ft.com/topics/people/Barack\\_Obama](https://www.ft.com/topics/people/Barack_Obama)), said “the best thing” for Mr Trump would be to liquidate his business holdings and invest the proceeds in a real

blind trust run by an independent trustee. But he adds that Mr Trump has no legal obligation to do so, nor any seeming inclination, either.

“We have never confronted a situation like this one before and it poses some very serious challenges and risks,” Mr Eisen says. “As the shock of the result wears off, the president-elect and his team — and all of us — need to address those risks.”

Mr Painter said he sees two big potential conflicts for Mr Trump. The first involves his hundreds of millions of dollars in debt and the perception that his borrowings could influence regulation in his administration. Complicating matters further is the fact that one of Mr Trump’s biggest current lenders is Deutsche Bank, which is now in talks with the US justice department involving its handling of mortgage-backed securities.

Another pitfall involves a section of the US Constitution known as the “emoluments clause”. It essentially forbids a president from receiving anything of value from “any King, Prince or foreign state” without congressional approval — no small issue for a business executive with holdings from Ireland and Scotland to Panama and the Philippines that could benefit materially from policies in those places.

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Other potential difficulties can be found closer to home. The Trump Organization, for example, now operates a hotel in the government-owned Old Post Office Building in Washington. As president, Mr Trump would appoint the head of the Federal General Services Administration, which manages the property in the nation’s capital.

Mr Trump’s reputation as a man of the people could be put at risk by his oversight of the NLRB. Because of squabbles in recent years between Mr Obama and the Republican-controlled Senate, only three of the five seats on the board have been filled, two by Democrats and one by a Republican.

Catherine Fisk, a law professor at the University of California, Irvine, said she expects Mr Trump will be able to quickly win Senate approval for two new members of the NLRB, giving Republicans control of the agency.

Although the NLRB is unlikely to revisit findings of fact, she said “clever lawyers” might be able to come up with a potential challenge to the NLRB’s ruling requiring the Trump International Hotel to negotiate with the [Culinary Workers Union \(http://next.ft.com/content/e3642eb0-a65e-11e6-8898-79a99e2a4de6\)](http://next.ft.com/content/e3642eb0-a65e-11e6-8898-79a99e2a4de6) in Las Vegas. In the meantime, the Trump Organization — which did not respond to requests for comment — has appealed the ruling to the US Court of Appeals in Washington.

“Everyone expects that many of the decisions of the last eight years will be reversed,” Ms Fisk said. “It certainly raises the risk that the president is going to govern not in the interest of the electorate, but in his own interest.”

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