

Trump accused of misusing charitable foundation

By JENNIFER PELTZ
Associated Press

NEW YORK — New York's attorney general sued President Donald Trump and his foundation Thursday, accusing him of illegally using the charity's money to settle disputes involving his business empire and to boost his political fortunes during his run for the White House.

The president called the case "ridiculous."

The lawsuit against Trump and the foundation directors — his children Don Jr., Eric and Ivanka — seeks \$2.8 million in restitution, additional unspecified penalties and the dissolution of the foundation, which Trump had already pledged to dismantle.

The attorney general's office detailed what it said

was a closely coordinated effort by Trump's campaign and the foundation to burnish his political image by giving out big grants of other's people money to veterans' organizations during the run-up to the Iowa caucuses, the first presidential nominating contest of 2016.

"The foundation's grants made Mr. Trump and the campaign look charitable and increased the candidate's profile to Republican primary voters and among important constituent groups," Democratic Attorney General Barbara Underwood's lawsuit said.

It accused the foundation of "improper and extensive political activity, repeated and willful self-dealing transactions, and failure to follow basic fiduciary obligations."



AP Photo/Evan Vucci, File

New York Attorney General sues the Trump Foundation, Thursday saying it engaged in a pattern of illegal self-dealing.

Underwood referred her findings to the IRS and the Federal Election Commission for possible further action. IRS and FEC representatives declined to comment.

The Trump Foundation's mission says its funds are to be used "exclusively for

charitable, religious, scientific, literary or educational purposes," according to the lawsuit.

In exchange for tax-exempt status, charities are required to follow rules that include a strict prohibition against involvement in political campaigns.

In tweets, Trump vowed: "I won't settle this case!"

He said former Attorney General Eric Schneiderman, who started the investigation, "never had the guts to bring this ridiculous case" before resigning last month after being accused of physically abusing women he dated. Schneiderman has denied the allegations.

Trump's foundation called the case "politics at its very worst," noting that Schneiderman, a Democrat, was a vocal Trump opponent. White House press secretary Sarah Huckabee Sanders, meanwhile, called Underwood "outrageously biased."

The 31-year-old foundation said that it has given more than \$19 million to charitable causes while keeping expenses mini-

mal, and that Trump and his companies have contributed more than \$8 million.

Underwood is a career government lawyer who was appointed after Schneiderman's resignation. She has said she doesn't intend to run for election.

Schneiderman began investigating the charity in 2016, after *The Washington Post* reported that the foundation's spending personally benefited the presidential candidate. Some of the expenditures uncovered by *The Post* were cited in the lawsuit.

In a handwritten note, Trump directed that \$100,000 in foundation money go to settle legal claims against Trump's Mar-a-Lago resort in Palm Beach, Florida, the lawsuit said.

Trump's halt of 'war games' could weaken defenses in Korea

By ROBERT BURNS
AP National Security Writer

WASHINGTON — President Donald Trump's decision to suspend major U.S. military exercises in South Korea could weaken allied defenses, depending on the length and scope of the hiatus. But the potential for diplomatic damage seems even greater.

The United States, South Korea and Japan were making a public display of solidarity Thursday over the outcome of Trump's summit with North Korea's Kim Jong Un. But analysts and former officials with experience in U.S.-Asia policy were shaken by Trump's failure to inform the Asian allies — or even the Pentagon — before mothballing the military maneuvers.

"Those exercises are critically important because they are deterrence," said Chuck Hagel, a former defense secretary in the Obama administration. He welcomed Trump's willingness to talk to Kim but worried that the president has underestimated the complications he has introduced for the Pentagon by suspending the military drills.

"You don't just shut them on and off like a water faucet," he said.

The exercises in question go well beyond routine training, which apparently is unaffected by Trump's decision. Large-scale exercises are done to ensure that evolving tactics, procedures and plans can be carried out smoothly and that U.S. and South Korean forces are in sync. They also are a means of showing allied solidarity, which is part of the psychology of deterring enemy attack.

The U.S. has stationed combat troops in South Korea since the Korean War ended in 1953 with an armistice and no peace treaty. The more than 28,000 U.S. forces serve as a military tripwire against North Korean aggression. The next major exercise with South Korea is known as Ulchi Freedom Guardian; last year's version was held for 11 days in August and involved about 17,500 U.S. troops.

The U.S. has insisted these kinds of drills are defensive measures to demonstrate U.S. and South Korean preparedness to respond promptly to any aggression by the North. But when Trump announced his decision to halt them, he characterized them as "provocative" and as "war games."

Watchdog calls Comey 'insubordinate,' not biased in Clinton probe

By ERIC TUCKER
and CHAD DAY
Associated Press

WASHINGTON — In a stinging rebuke, the Justice Department watchdog declared Thursday that former FBI Director James Comey was "insubordinate" in his handling of the Hillary Clinton email investigation in the explosive final months of the 2016 presidential campaign. But it also found there was no evidence that Comey's or the department's final conclusions were motivated by political bias toward either candidate.

President Donald Trump had looked to the much-anticipated report to provide a fresh line of attack against Comey and the FBI as Trump claims that a politically tainted bureau tried to undermine his campaign and, through the later Russia investigation, his presidency. He is likely to use the harsh assessment of Comey as validation for his decision to fire him, an act now central to special counsel Robert Mueller's investigation into whether the president sought to obstruct justice.

Clinton and her supporters, on the other hand, have long complained that she was the one whose election chances were torpedoed by Comey's investigation

announcements about her email practices, in the summer and then shortly before the election.

Yet the report's nuanced findings — that the FBI repeatedly erred, though not for politically improper reasons — complicated efforts by Republicans and Democrats alike to claim total vindication.

The conclusions were contained in a 500-page report that documents in painstaking detail one of the most consequential investigations in modern FBI history and reveals how the bureau, which for decades has endeavored to stand apart from politics, came to be entangled in the 2016 presidential election.

The report also underscores efforts by senior FBI and Justice Department leaders in the final stages of the presidential race to juggle developments in the Clinton investigation — she had used private email for government business while secretary of state — with a separate probe into potential coordination between the Trump campaign and Russia. The Russia investigation, though diverting bureau resources and attention away from the final stages of the Clinton probe, was unknown at the time to the American public.



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