

Steve Bannon arrested on fraud charges involving border wall fundraising scheme

By Kevin Reed
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The former adviser to President Trump and extreme right-wing nationalist Steve Bannon was arrested on Thursday and charged with two counts of conspiracy for defrauding donors of a private fundraising scheme called “We Build the Wall.”

The indictment against Bannon and three others—Brian Kolfage, Andrew Badolato and Timothy Shea—was unsealed by Acting US Attorney for the Southern District of New York Andrew Strauss.

A press release accompanying the indictment said that all four men had been arrested and quoted Strauss saying, “the defendants defrauded hundreds of thousands of donors, capitalizing on their interest in funding a border wall to raise millions of dollars, under the false pretense that all of that money would be spent on construction.”

The scheme began in December 2018 when the defendants set up an online crowdfunding site ultimately called “We Build the Wall” to raise private money in support of President Donald Trump’s anti-immigrant campaign to build a wall along the southern US border.

The campaign raised \$25 million with Kolfage, a veteran of the US Air Force who lost both legs and his right hand in Iraq in 2004, as the public face of the organization. On the website and in social media posts and email messages, the organization made repeated public statements to donors that 100 percent of the money would be given to the US government for the wall project.

However, as explained in the indictment, “those representations were false” and “the defendants collectively received hundreds of thousands of dollars in donor funds from We Build the Wall, which they used in a manner inconsistent with the organizations public representations.”

Kolfage was secretly paid \$350,000—\$100,000 up front and \$20,000 per month thereafter—for things such as, “home renovations, payment towards a boat, a luxury SUV, a golf cart, jewelry, cosmetic surgery, personal tax payments and credit card debt.”

Bannon, according to the indictment, through a nonprofit organization under his control, received “over \$1,000,000 from We Build the Wall, which Bannon used, among other things, to secretly pay Kolfage and to cover hundreds of thousands of dollars in Bannon’s personal expenses.”

The indictment explains the method by which the donor money was transferred to the individuals. It says that the men “devised a scheme to route the payments from We Build the Wall to Kolfage indirectly through Non-Profit-1 and a shell company” and “by using fake invoices and sham ‘vendor’ arrangements,” they attempted to ensure that the “pay arrangement remain ‘confidential’ and kept on a ‘need to know’ basis.”

The indictment also explains that the defendants, once they learned from a financial institution that “We Build the Wall” might be under federal investigation, took steps to conceal their fraudulent scheme, including removing from their website the promise that Kolfage would not receive any salary for his work with the organization.

Bannon, Kolfage, Badolato and Shea were each charged with one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering, each of which carries a maximum penalty of 20 years in prison.

New reports published late Thursday said that Bannon appeared before a Manhattan court and pled not guilty to the charges against him before being released on \$5 million bail secured with \$1.75 million in assets. The Associated Press reported, “When he

emerged from the courthouse, Bannon tore off his mask, smiled and waved to news cameras. As he went to a waiting vehicle, he shouted, ‘This entire fiasco is to stop people who want to build the wall.’”

Bannon—the former investment banker, entertainment industry producer and executive chairman of the fascistic Breitbart News—served as chief executive of Donald Trump’s presidential campaign and chief strategist and senior counselor for President Trump for the first seven months of the administration.

As a founding member of the board of Breitbart News, Brannon was a principal force in proclaiming the site “the platform of the alt-right” and using it to promote anti-immigrant, racist, American nationalist, white supremacist, neo-Nazi and fascist views.

Bannon brought all of this to the Trump election campaign and presidency and, along with the fascist White House adviser Stephen Miller, was responsible for the adoption of extreme nationalist anti-immigration policies in months immediately following the inauguration in January 2017. Bannon and Miller, for example, were central to the creation of the Muslim travel ban (Executive Order 13769), which restricted travel to the US by people from seven countries.

Bannon left the White House less than a week after the fascist rampage in Charlottesville, Virginia, in which counter-protester Heather Heyer was killed by a self-proclaimed Hitler admirer who drove his car into a crowd. It has been reported that Trump’s statement that there were “very fine people on both sides” was suggested by Bannon.

Donald Trump’s border wall project was a central theme of his 2016 election campaign, and he included a proposal in the wall plans to allow private money to support it. The Kolfage/Bannon campaign initially said that the millions raised in their crowdfunding initiative would go to the government. Then they shifted to privately building a portion of the wall in Sunland Park, New Mexico and near McAllen International Airport in Mission, Texas.

Clearly aware of the pending indictments against “We Build the Wall,” Trump tweeted last month that he “disagreed with doing this very small (tiny) section of wall, in a tricky area, by a private group which raised money by ads.” He also claimed, “It was only done to make me look bad.”

The website for “We Build the Wall” is still up and features a photo of Kolfage with the following quote next to it: “If you are sick and tired of watching politicians in both parties obstructing President Trump's plan to build a wall on our southern border, then you have come to the right place. We The People are coming together to build segments of border wall on private property and the best part is, we’re going to do it for a fraction of what it costs the government.”

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