## **# NEW REPUBLIC**

## A Guide to Saudi Arabia's Influence in Washington

From propping up Trump hotels to donations from foreign agents.

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At this point, the evidence that Saudi Crown Prince Mohammed bin Salman knew about—and likely ordered—the death of journalist Jamal Khashoggi is compelling. After CIA Director Gina Haspel's presentation to Congress earlier this week, <u>Senator Bob Corker told reporters</u> that a jury would find the prince guilty "in thirty minutes." The only holdout is the president, who continues to stand by his statement that "we may never know all of the facts surrounding the murder of Mr. Jamal Khashoggi." His support for Saudi leadership remains unwavering, even in the face of opposition from media, Congress and his own intelligence agencies.

Indeed, between special counsel Robert Mueller's investigation's increasing focus on Gulf money, and Trump's repeated support for the Saudis and Emiratis in regional and international affairs, you'd be forgiven for thinking that perhaps it's these states—not Russia—who have undue influence over the president. While there is no suggestion so far of quid pro quo between the president and his friends in the Gulf, the shady connections built during and after the 2016 election have combined with a broader network of money, personal ties, and some genuine policy agreements to produce what is perhaps the most pro-Saudi administration in U.S. history.

The United States has long pursued a generally pro-Saudi policy in the Middle East, a legacy of the Cold War when the United States relied heavily on the Saudis to push back against Soviet influence. Saudi Arabia's geopolitical importance—and its position as the world's swing producer of oil—has often led U.S. policymakers to minimize criticism of Saudi Arabia. Even as fifteen of the nineteen 9/11 hijackers were shown to be Saudi citizens, for example, the George W. Bush administration pushed to maintain the close U.S.-Saudi relationship while privately criticizing Saudi support for religious extremism. The Trump administration, however, has taken the United States' selective vision on Saudi Arabia to new extremes.

In May 2018, *The New York Times* reported that the Mueller investigation into foreign influence in the 2016 election was looking at not just Russian, but possible Middle Eastern influence: Diplomats from the United Arab Emirates (UAE), it appeared, had facilitated meetings between Russian officials, mercenary-for-hire Erik Prince, and members of the Trump transition team. The lens quickly widened to include adviser to the Emirati government George Nader, a Lebanese-American businessman who helped to set up meetings at Trump Tower with an envoy for Saudi and Emirati leaders, and key officials including Steve Bannon and Jared Kushner.

In addition, the special counsel is apparently interested in Nader's work on behalf of Saudi and Emirati leaders, funneling at least \$2.5 million in Gulf money to Republican donor Elliott Broidy. Some of it appears to have been used for anti-Qatar lobbying following the blockade of that country in June 2017: A separate *New York Times* report in May 2018 pointed to two Washington, D.C., conferences featuring anti-Qatar views held by the Foundation for Defense of Democracies (FDD) and the Hudson Institute.

The special counsel is also investigating the emails of John Hannah, a senior counselor at FDD, former advisor to Dick Cheney, and Trump transition official for his ties to Nader and the Gulf States. During his time on the transition team, Hannah helped to arrange meeting—to discuss the potential for regime change in Iran—between Nader, disgraced former National Security Advisor Mike Flynn, and Saudi general Ahmad Assiri.

There is little suggestion of electoral collusion or quid pro quo (of the sort critics imagine with Russia) between the Gulf states and the Trump campaign. Though a meeting took place at which Nader informed Donald Trump Jr. that Mohammed bin Salman and Mohammed bin Zayed—de facto rulers of Saudi Arabia and the UAE respectively—were keen to see his father win the election, there's no evidence any help materialized.

Still, there is a clear pattern of efforts to buy influence, often covertly. There is also a well-documented web of money linking the Saudis and Emiratis to the administration, its close backers, and the Trump family. Some of it is legitimate business activity. Over the decades, Trump has undoubtedly made millions from rich Gulf real-estate speculators. During the campaign, he even pointed it out publicly. "Saudi Arabia, I get along with all of them," he <u>bragged</u> at a 2015 campaign rally. "They buy apartments from me. They spend \$40 million, \$50 million. Am I supposed to dislike them?"

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The Gulf states have been among the biggest spenders at Trump hotels and resorts since he was elected. In August of this year, the Trump hotel in New York finally reversed a two-year trend of falling revenues when Mohammed bin Salman's extensive entourage <u>paid</u> premium prices for a last-minute stay. The Saudi government has also been among the biggest spenders at Trump's <u>Washington</u>, <u>D.C.</u>, <u>hotel</u>, spending \$270,000 in 2016 alone.

Though the Trump Organization has promised that <u>all profits received from foreign</u> governments at these properties will be donated to the Treasury, <u>ethics experts dispute the methods</u> used for calculating these profits, suggesting that the president continues to profit from foreign spending. Several of Trump's most influential backers—such as Broidy or the investor <u>Tom Barrack</u>—also <u>profit handsomely</u> from business ties and interests in the Gulf States.

The secrecy surrounding Trump's financial affairs makes it difficult to know exactly how extensive these ties are. During the firestorm following Khashoggi's death, Trump tweeted that he had no financial interests in Saudi Arabia. As various journalists noted, the statement could be technically true—in other words, no investments physically located within the country's boundaries—while still misleading, given the Trump hotels' many Saudi customers. And as always, Trump's family members further complicate the picture. Over the last few years, for

example, the Kushner family's attempts to refinance or sell their disastrous New York real estate holdings included <u>a failed attempt</u> to secure funding from Qatar—a fact that's hard not to see as relevant when evaluating Kushner's unusual hostility toward Doha.

To be sure, money is not the only thing that ties the Trump administration so closely to the Gulf states. As with any administration, personality plays a role. The Saudis gave Trump the <u>red-carpet treatment</u> during his trip to Riyadh last year, a key element in winning over the mercurial president. Kushner, the president's son-in-law, has reportedly <u>built a friendship</u> with Mohammed bin Salman.

Moreover, there is some genuine policy affinity between the two sides. From Michael Flynn to John Bolton, the Trump administration has been replete with the kind of <u>Iran hawks</u> that delight policymakers in the Gulf. Meanwhile, the administration's notoriously pro-Israel and pro-Likud stance has been helpful as the Gulf states try to build a <u>stronger regional partnership</u> with Israel against Iran.

It remains to be seen whether Mueller's investigation will untangle the web of money tying the Trump administration to Saudi Arabia and the United Arab Emirates. But the network has clearly produced dividends: an administration that is almost reflexively supportive of every key Saudi foreign policy priority.

Take Iran, where Trump has withdrawn the United States from the <u>Joint Comprehensive Plan of Action</u>, re-imposed sanctions and cracked down on U.S. allies in Europe and Asia. His decision to end the nuclear deal was opposed by other U.S. allies, China, Russia, most arms-control and regional specialists, and even his own secretary of defense and secretary of state; it was, however, supported by Saudi and Emirati leaders, who oppose Iran's regional influence, and were willing to fill the gap by <u>boosting</u> their own production in response to sanctions on Iranian oil.

The president also idiosyncratically backed Saudi interests during the Gulf Cooperation Council crisis which broke out in 2017. As Saudi Arabia and the UAE blockaded Qatar, Trump tweeted his strong support. Again, administration officials like Defense Secretary James Mattis—likely mindful of the thousands of U.S. troops currently stationed inside Qatar—opposed the blockade, and sought to mediate an end to the crisis. Secretary of State Rex Tillerson even intervened to try to prevent a Saudi invasion of Qatar. Leaked emails later suggested that for his trouble, both the Emiratis and the Saudis used their influence with the president (and with Kushner) to have him fired.

The administration has displayed unwavering support for the Saudi-led war in Yemen, an ongoing humanitarian disaster. It continues to arm and aid the Saudi-led coalition, despite repeated reports of Saudi war crimes. Even the recent decision to <u>end refueling support</u> for the campaign came only after sustained congressional and public pressure, and the threat of a congressional rebuke on the topic. Indeed, the administration has actively worked with congressional leadership to shut down bills that would end U.S. support for the conflict.

<u>Arms sales</u> are another area where the Gulf States have benefitted during the Trump administration. Though the president himself likes to portray such sales as <u>vital</u> to the United States economy, the actual financial and job-related benefits are small. Instead, these sales are <u>hugely beneficial to the Saudi government</u>, allowing them access advanced weapons and to

replenish armament stocks. Recent reports suggest that Kushner even pushed to <u>inflate the reported value of arms sales</u> to the Kingdom in order to further bolster the partnership.

Perhaps the most striking indication of the administration's excessive willingness to bend to Saudi interests is in its refusal to criticize the murder of Khashoggi, a *Washington Post* columnist and U.S. resident killed in the Saudi consulate in Istanbul. In any other administration, this action would have drawn clear condemnation and policy response. In the Trump era, the administration has displayed <u>skepticism</u>towards its own intelligence agencies, while maintaining its support for Saudi leaders.

To what extent were any of these decisions the direct result of money and influence from the Gulf States? It's impossible to say. For starters, we may never know the extent of the financial ties between Saudi Arabia, the UAE, and Trump's businesses, family and donors. Though Mueller's report may eventually clarify some of these questions, much of it lies outside the expected scope of the investigation. It's unclear whether other lawsuits—such as one <u>targeting Trump's businesses as violating the emoluments clause of the constitution</u>—will be successful in subpoening records on this question.

More importantly, though, it's difficult to distinguish influence during the Trump administration from general attempts by these states to <u>buy policymaking influence</u>here in D.C. As a recent report from the <u>Center for International Policy</u> (CIP) illustrated, Saudi lobbying in Washington has grown exponentially in recent years, costing \$27.3 million in 2017 alone. In addition to the money that goes to traditional lobbyists, Saudi funding goes to <u>think tanks</u>, universities and other institutions which can influence U.S. foreign policy.

Despite rules on foreign election funding, at least some of that money even goes to politicians: The CIP report suggests that more than one-third of the congressmen contacted by lobbying firms like the Glover Park Group or DLA Piper on behalf of Saudi Arabia later received a campaign contribution from a registered foreign agent at the firm—in other words, a U.S. citizen, but one paid by a foreign government. As the report notes, "while it's true that foreign nationals are prohibited from making contributions to political campaigns, there's a simple work-around, one the Saudis obviously made use of big time ... just hire a local lobbyist to do it for them."

The presence of this foreign money sloshing around in Washington raises serious concerns for the independence of U.S. foreign policy. Even in the absence of a clear quid pro quo, the Trump family benefits financially from its ties to the Gulf states. <u>Adam Schiff</u>, incoming chair of the House Intelligence Committee, has promised to probe these ties, though it's likely impossible to tell the extent to which money—rather than personal factors or policy agreement—is driving Trump's foreign policy decisions.

No one, however, can deny that money plays a role. Even as Mueller finishes his work, therefore, one thing is already clear: It's not just Russian meddling in U.S. foreign policy that we should be concerned about.

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