

Trump University fraud allegations raise questions over his suitability as US president

Posted by Joan Russow
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□ [David Millward](#) □

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It was billed as the chance to become the new Donald Trump, the opportunity to follow in the mogul's footsteps and make a fortune in property.

According to one estimate, 7,000 students thought this was a good idea and signed up for a course at "Trump University" where, they hoped to learn the investment secrets of "the most celebrated entrepreneur on earth".

Now, however, the university is no more - and in a class legal action, a number of students are alleging the whole thing was a fraud and demanding their money back and damages in three separate court cases.

With Mr Trump having pitched his presidential bid on his stellar business record, the litigation over Trump University may not only cost him financially [but is certain to be seized on by opponents in the months ahead.](#)

The message from Mr Trump's opponents is a simple one. If this is how he operated one of his businesses, can he be trusted to run the country?

It is already a theme which has featured in attack ads, such as one produced by American Future Fund, a conservative group in which disgruntled former students spoke of their experience.

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“I am a single mum. Based on the fact it was Donald Trump, I signed up. I made a huge mistake trusting him,” said Sherri Simpson. “America, do not make the same mistake that I did with Donald Trump. I got hurt badly and I would hate to see this country get hurt by Donald Trump.”

Within days of the Mr Trump becoming the party's presumptive nominee last week, a court in San Diego, California held a case conference in one of [the cases brought against him by one batch of disgruntled students.](#)

The judge ruled it will go to trial on November 28, after the presidential election.

One of the California cases is even alleging that Trump University broke racketeering laws.

On the other side of the country, Eric Schneiderman, New York's Attorney General, is pursuing a case in which he is seeking \$40 million on behalf of around 5,000 students at “Trump University”.

The allegations in the court papers are damning. [The New York case](#) alleges that the three-day seminar – which cost students \$1,495 (£1,036) – was a “bait and switch scheme” , a sales pitch to persuade them to join more expensive courses, in some cases costing as much as \$35,000.

According to the New York court papers, cheques were written to Mr Trump personally and that he made up to \$5 million in profit.

The property experts who were described as being “handpicked’ by Donald Trump, were nothing of the sort according to the court papers.

“Not a single one was “handpicked” by Donald Trump. Many came to Trump University from jobs having little to do with real estate investments, and some came to Trump University shortly after their real estate investing caused them to go into bankruptcy.”

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Some had worked as motivational speakers with other companies or had even been sales representatives.

They deployed these skills to persuade students to dig deep into their pockets and where necessary persuade credit card companies to increase their credit limits.

“Trump University even provided handouts with scripted talking points for students to use in their phone calls with credit card companies, explicitly encouraging people to falsify their current income,” the court papers allege.

During the three-day seminar hints were dropped that he “often drops by” or that there may be a “surprise” or even a “special guest speaker”.

The nearest students came to having their picture taken with Mr Trump was being snapped with a life-size model.

Some of the students are now counting the cost. “Some students took on upwards of \$20,000 in credit card debt, often at the suggestion of Trump University speakers, that they are still paying off.

“One student lost her life savings, and another had to downsize from a house to a studio apartment, as a result of their investments in the costly mentorship programmes.”

Mr Trump has vigorously defended his courses, insisting that they were a great success.

He insisted that he did handpick some of the instructors and that the overwhelming majority of students were happy.

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Speaking a few months ago on Fox News Sunday, he said: “Ninety-eight percent of the people that took the courses, 98 percent approved the courses, they thought they were terrific.”