

## **Rick Gates — and the lies he’s admitted telling — to take center stage at Manafort trial**

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Whom to believe — the accused liar, or the admitted one? A Virginia jury is expected to wrestle with that question this week, when it is scheduled to hear testimony from the former protege of Paul Manafort, President Trump’s former campaign chairman now facing trial on bank fraud and tax charges.

Rick Gates worked for years as Manafort’s right-hand man, managing his clients, his business, and his accounts. He also served as a senior Trump campaign aide and played a major role in planning the 2017 inauguration. This week, Gates begins a new role: star witness against his former boss and business partner.

The Manafort trial, which began last week, is the first public test of the work done by special counsel Robert S. Mueller III, who is tasked with uncovering any wrongdoing surrounding Russian interference in the 2016 presidential election and whether the president has obstructed justice. Though this case is not about Russia or possible election conspiracy, it has captured Trump’s attention. Since the trial began, Trump has denounced what he calls the unfair treatment of Manafort and called for the Mueller probe to be shut down immediately. Aides insisted the president’s comments were an opinion, not an order.

*[Prosecutors say Manafort’s wealth was fueled by lies to IRS and banks]*

Gates’s testimony against Manafort, which could happen as early as Monday, will do more than lay bare the end of a long relationship that made both men millions of dollars as political consultants. The prosecution’s theory is that, time after time, Manafort instructed Gates to lie, and many of those lies were crimes. If the jury agrees, Manafort, 69, could spend the rest of his life in prison.

Gates, 46, already is likely headed to prison. Under the terms of a plea deal struck earlier this year, he faces about five years behind bars. But a judge could give him less time if prosecutors decide he provided “substantial assistance” to the special counsel’s office.

Gates’s testimony “will certainly be the climax” of the Manafort trial, said Robert Mintz, a former federal prosecutor now at the McCarter & English law firm.

“Rick Gates is a double-edged sword,” said Mintz. “He had access to much if not all of the business dealings that form the substance of the charges, but that also gives the defense the opportunity to try to convince jurors that he manipulated the evidence to protect his own skin and to paint Manafort as the fall guy. The defense will go after him with a vengeance.”

*[Gates becomes central figure in Mueller probe]*

Gates spent the bulk of his career working in Manafort's shadow, beginning as a research assistant in the 1990s. He left Manafort's firm for a time to work for companies in the lottery and gaming business, but the two reunited in 2006 when Manafort began doing political consulting work for Viktor Yanukovich, an ambitious politician in Ukraine whose election as president in 2004 had been overturned because of widespread electoral fraud.

When Yanukovich became president in 2010, that work became incredibly lucrative, and the two men made tens of millions of dollars from the client dubbed Manafort's "golden goose" by one of their colleagues.

Investigators, however, say the pair not only made millions, they hid much of that money in foreign bank accounts, and did not report those accounts to the IRS. Manafort is accused of hiding roughly \$15 million from the IRS in such accounts, with the help of Gates, who handled much of the paperwork.

Prosecutors plan to use Gates to explain what Manafort knew and what he instructed others to do over years of the alleged fraud. Assistant U.S. Attorney Uzo Asonye told jurors in his opening statement that the case boils down to "one simple issue: Paul Manafort lied."

To prove Manafort is a liar, prosecutors will rely in part on Gates — someone with a long track record of lying. Even when Gates met with prosecutors in February to try to win a plea deal, he lied. To get an agreement, Gates had to admit that lie.

His plea documents count at least five specific falsehoods he told authorities: that he was told by Manafort that a meeting about Ukraine was not about Ukraine; that he did not lobby U.S. officials about Ukraine; that he did not recall lobbying meetings about Ukraine; that he had served merely as "a means of introduction" for others to talk to U.S. officials about Ukraine; that their firm did not retain emails longer than 30 days.

And those were just Gates's lies to the government. Gates's plea deal documents also note that he made "false and misleading representations to a law firm" working for Mercury Public Affairs, which was one of the firms engaged in the work for Ukraine. The same court documents note that Gates "with Manafort's knowledge and agreement, repeatedly misled Manafort's accountants, including by not disclosing Manafort's overseas accounts and the income."

Gates will carry the weight of those lies with him to the witness stand, and defense lawyers have made clear their strategy is to blame Gates for any crimes that may have occurred.

To set the scene for Gates's testimony, prosecutors last week called accountants, bookkeepers, and salesmen to the witness stand to recount Manafort's expensive tastes — he spent more than \$1 million on clothes, more than \$2 million on home entertainment systems, and millions more on luxury homes — and his insistence to tax preparers that he did not have foreign bank accounts.

For Mueller's team, the strategy is to show that Gates's version of events is supported by documents and other witnesses, and that this version of events contradicts Manafort's claims of innocence.

When the accountant and bookkeeper were called as witnesses, the defense sought to show they often received their information from Gates, not Manafort. But that strategy was undercut more than once, as witnesses insisted Manafort was clearly in charge and aware of what they were doing.

Manafort's bookkeeper, Heather Washkuhn, conceded Gates "handled a lot of the business affairs," but said Manafort was a detail-oriented boss who approved "every penny" spent.

Manafort's defense lawyer Thomas Zehnle told the jury that his client "placed his trust in the wrong person," and while Manafort may have made mistakes on his tax forms, he never intended to deceive anyone.

Rick Gates did intend to do so, the lawyer said, charging Gates was the one who prevented accountants and bookkeepers from sharing critical information.

"Rick Gates had his hand in the cookie jar, and he couldn't take the risk that his boss might find out," Zehnle said.

When Gates pleaded guilty earlier this year, Manafort said he had "hoped and expected my business colleague would have had the strength to continue to battle to prove our innocence." Now, the two will battle each other in court.