



Jared Kushner's Private Equity Firm Receives a \$2 Billion Investment from a Fund Led by the Saudi Crown Prince

Former U.S. President Donald Trump's son-in-law Jared Kushner has drawn fresh criticism following revelations that his private equity firm secured a \$2 billion investment from a fund led by Saudi Crown Prince Mohammed bin Salman last summer. The news has heightened already existing concerns regarding Kushner's use of his government position to further business interests under the Trump administration. While serving as senior adviser to Trump, the nature of Kushner's relationship with Saudi authorities was described as troubling, with some observers indicating that the business dealings of Kushner and Trump had a notable influence on the administration's foreign policy decisions with Saudi Arabia. Trump officials regularly shielded bin Salman and others from justifiable condemnation for their involvement in the Khashoggi murder and the destructive war in Yemen, despite bipartisan rebuke over both. The Saudi crown prince is reported to have overruled and moved forward with the financing of Kushner's firm, even in the face of objections from entities tied to the investment fund.

The Public Investment Fund (PIF), a Saudi government investment fund led by Crown Prince Mohammed bin Salman, usually practices intense due diligence when investing in new firms. They often take the findings into account when deciding on the terms of their investments, if they decide to even invest at all. However, this does not seem to have been the case with Kushner's newly formed investment fund, Affinity Partners. The panel that screens investments cited multiple concerns. They objected regarding the inexperience of the firm's management, the fact that the Saudi PIF would be responsible for the bulk of the investment and risk, the excessive terms of the proposed asset management fee, and the public relations risks that stem from Kushner's prior role as an official in the Trump administration. Thus, they concluded that the firm's operations were "unsatisfactory in all aspects."

Despite all of these issues, the full board of the PIF overruled the objections and invested \$2 billion into the firm. This is in stark contrast to the treatment of Steve Mnuchin's private equity fund, Liberty Strategic Capital. Even though he had significantly more experience in the investment world, including time with the industry giant Goldman Sachs and time as the Secretary of the Treasury under Trump, Mnuchin was allotted a much smaller investment at much less favorable terms. This disparity has raised concerns that the preferential Kushner treatment is either a result of previous policies that shielded bin Salman from international criticism over multiple human rights violations or to solidify bin Salman's friendly relationship with the Trump family. It is also worth noting that Jared Kushner helped broker a \$110 billion weapons sale while he served in the administration. As a result, the latest development this week just adds to the long line of concern about conflicts of interest for the Trump family.

Saudi Crown Prince Mohammed bin Salman's enablers attempted to justify the move by claiming that they had partially mitigated risks by only allowing Kushner's firm to draw \$500 million of the \$2 billion commitment before "having a qualified investment team in place, on-boarding core operational professionals, and constructing the investment committee."

Ultimately, the increasing number of conflicts of interest in the Trump family raises legitimate and warranted questions about Donald Trump's ability to remain impartial if he were to run for public office again. The stronghold Trump has over the Republican Party may also lead to other public officials proposing beneficial policies to Saudi Arabia, despite their repressive behavior and abhorrent human rights record.