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A judge just handed Trump a major loss in the DC attorney general's lawsuit over inauguration funds as the case heads to trial

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- A judge reinstated the Trump Organization as a defendant in a lawsuit over the potential misuse of inauguration funds.
- The DC Attorney General alleges the organization wrongly took nonprofit funds from Trump's 2017 inauguration.
- A judge ruled the AG brought enough evidence to keep the company as a defendant.

A Washington, DC judge reinstated the Trump Organization as a defendant in a lawsuit brought by the district's attorney general over whether former President Donald Trump misused funds for his 2017 inauguration — reversing an earlier decision and handing a major loss to Trump as the case heads to trial.

DC Attorney General Karl A. Racine filed the civil lawsuit in January 2020. He accused the Trump Organization, the Trump International Hotel in DC, and Trump's 2017 presidential inaugural committee, which is a tax-exempt nonprofit, of using tax-free funds to improperly pay the Trump Organization and members of the Trump family.

President Donald Trump and first lady Melania Trump walk on the South Lawn of the White House in Washington, Saturday, Dec. 5, 2020, before boarding Marine One for a short trip to Andrews Air Force Base, Md. Trump is en route to Georgia for a rally for U.S. Senate candidates David Perdue and Kelly Loeffler. AP Photo/Patrick Semansky

In November, DC Superior Court Judge José M. López [cleaved the Trump Organization off the case](#), ruling that Racine's office didn't bring enough evidence to establish the company may have broken the law.

Racine filed a motion for reconsideration later that month. On December 31, the case was transferred to a different judge, Yvonne Williams, [who ruled Wednesday night](#) that the Trump Organization should remain in the case after all.

She pointed out in her ruling that Gentry Beach, a man who the attorney general's office says was acting on behalf of the Trump Organization, appeared to conflate the company and the inaugural committee when booking a block of hotel rooms.

"The contract involved a large block of rooms booked for people affiliated with the Trump Organization at the Loews Madison Hotel during the week of the 2017 Inauguration," Williams wrote. "Mr. Beach signed the contract on behalf of the Trump Organization and listed Lindsay Santoro, Mr. Donald Trump Jr.'s personal assistant, as the point of contact for the rooms."

Lawyers for the Trump Organization argued that the attorney general's office failed to collect any testimony from Beach. But Williams wrote that López erroneously ruled in their favor without first considering whether Racine should be able to issue a subpoena to depose Beach.

Racine celebrated the new ruling Wednesday night.

"Big news: The judge added the Trump Org in NY back into our lawsuit against the Presidential Inaugural Committee," [he wrote on Twitter](#). "Our lawsuit is moving forward fully intact & full steam ahead. We sued the inaugural committee for misusing funds to enrich the Trump family. Now we're going to trial."

The case is now headed to trial. Stephanie Winston Wolkoff, former First Lady Melania Trump's former close friend, said Monday night that [she would be "the lead witness" in the case](#).

Wolkoff joined the inauguration committee to help plan it before joining Melania Trump's office in the White House. She left in 2018 following reports that she misused inauguration funds herself, and later [published a tell-all book](#) in 2020 that burned bridges with the former first lady.

Williams wrote in her new ruling that she would hold a conference on Thursday to address discovery motions, at which point she may set a trial date.

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