

Charlie Trie's and Ng Lap Seng's Laundered Contributions to the DNC

Introduction

Former Little Rock, Arkansas, restaurateur Yah Lin “Charlie” Trie and Macau-based businessman Ng Lap Seng collaborated in a scheme to contribute hundreds of thousands of dollars in foreign funds to the DNC. Ng wired over one million dollars from accounts he maintains in Macau and Hong Kong to accounts maintained by or accessible to Trie in Little Rock and Washington, D.C. Although Trie held himself out as an international trader (and, in fact, actively sought to develop an international trading business he called Daihatsu International Trading Corporation), he was never successful. Trie’s bank records and tax returns reveal that he received little or no income from sources other than Ng Lap Seng.

Although he failed to establish a successful, income-generating international trading business, Trie, his wife and his businesses managed to contribute a total of \$220,000 to the DNC between 1994 and 1996. Trie and Ng also reimbursed the contributions made by a number of other DNC contributors who were recruited by Trie in order to further disguise the ultimate source of the contributions. As Trie earned little money through his own business activities, the Committee concludes that Trie used the foreign-source funds wired from Ng to make his (and his wife’s and businesses’) DNC contributions and to reimburse the conduit contributors. The Justice Department indicted Trie for these illegal activities on January 28, 1998.¹

¹ Indictment, *United States v. Yah Lin “Charlie” Trie & Yuan Pei “Antonio” Pan*, Criminal No. 98-0029 (D.D.C.), Jan. 28, 1998; *see also* Roberto Suro & Toni Locy, “Indictment Returned in Fund Probe; ‘Charlie’ Trie Charged With Funneling Foreign Money to Democrats,” *Washington Post*, Jan. 29, 1998, p. A1.

After the Committee prepared its report, Trie returned to the United States to surrender to FBI agents on February 3, 1998. He was subsequently arraigned in federal district court.

Trie's contributions purchased access for himself and Ng to the highest levels of our government. Documents produced by the White House and DNC reveal that both Trie and Ng attended DNC-sponsored events with President Clinton and made a number of visits to the White House. The Committee also concludes that Trie's contributions and fundraising purchased his otherwise unwarranted appointment in 1996 to the Commission on U.S.-Pacific Trade and Investment Policy.

While a review of subpoenaed records of Trie's businesses and bank accounts, interviews with individuals familiar with Trie and his businesses, and testimony of two conduit contributors have revealed much about the activities of Trie and Ng, but since the Committee's subpoena power "stops at the Pacific Ocean line," it is possible that this information merely scratches the surface and further details remain undiscovered.²

Moreover, virtually *all* key witnesses have been unavailable to Committee investigators. Trie himself fled the country and, in an interview with *NBC News* in June 1997, boasted that Congressional investigators would "never find me."³ Committee investigators traveling in Asia successfully reached Ng through a surprise call to his cellular phone, but Ng refused to meet with or answer the investigators' questions, and instead simply referred them to his attorney. A number of individuals with knowledge of Trie and Ng's activities have also asserted their Fifth Amendment right not to testify without immunity. For instance, Trie's Arkansas-based

² Testimony of Jerry Campana, July 29, 1997, p. 28.

³ See Leslie Wayne, "State Department Asks China to Help Find Former Fund-Raiser," *New York Times*, July 24, 1997, p. A21. The government of the People's Republic of China also prohibited Committee investigators traveling in Asia from entering the country to find Trie.

secretary/bookkeeper, Maria Mapili, who made handwritten explanatory notes on the statements of a bank account maintained by Trie's company, Daihatsu International Trading Corporation,⁴ asserted the Fifth Amendment and refused to decipher her notes for the Committee. On July 23, 1997, the Committee voted to immunize Keshi Zhan, Ng's Washington-based bookkeeper, and soon thereafter called her for deposition. However, because Zhan demonstrated an unwillingness to testify with any reasonable degree of candor (even with respect to the relatively noncontroversial issues on which she was questioned), the Committee elected to terminate her deposition and allow the Department of Justice to proceed with its investigation and possible criminal prosecution of Zhan.⁵

Finally, among the fifteen counts in the Justice Department's January 28, 1998 indictment of Trie was a count alleging that Trie obstructed the Committee's investigation by instructing unnamed individuals to "alter, destroy, mutilate, conceal and otherwise fail to produce documents responsive to a subpoena issued by the United States Senate Committee on Governmental Affairs."⁶ These allegations suggest that Trie's employees withheld documents responsive to the

⁴ See Maria Mapili's explanatory notes on Daihatsu International Trading Corporation's First Commercial Bank statements (Ex. 1); see also Memorandum of Interview of Charlotte Duncan, July 9, 1997, p. 1 ("Mapili would write where each deposit came from and what each payment was for.").

⁵ In order to avoid any conceivable "taint" on a future prosecution of Zhan, the Committee (1) terminated Zhan's deposition before questioning her about those subjects that would most likely be the subject of any possible future Department of Justice prosecution and (2) directed the court reporter not to even transcribe her testimony.

⁶ Indictment, *United States v. Yah Lin "Charlie" Trie & Yuan Pei "Antonio" Pan*, Criminal No. 98-0029 (D.D.C.), Jan. 28, 1998, p. 36.

Committee's February 13, 1997 subpoena to Daihatsu International Trading Corporation that could have furthered the Committee's investigation of Trie and Ng's activities.⁷

Background on Yah Lin "Charlie" Trie

Yah Lin "Charlie" Trie was born August 15, 1949, in Taiwan.⁸ Trie is a United States citizen.⁹ He is married to Wang Mei Trie and has one daughter.¹⁰

Trie immigrated to the United States, and in the late 1970's settled in Little Rock, Arkansas, where his older sister, Dailin Outlaw, ran a number of Chinese restaurants.¹¹ Trie worked with his sister until 1984, when she left Little Rock and turned over to Trie control of a restaurant she called (and Trie subsequently continued to call) Fu Lin.¹²

Fu Lin flourished during the latter half of the 1980's, when it became a popular gathering place for local political officials.¹³ Local patrons described Trie as a gracious host who befriended many important customers and assisted favored political candidates by hosting fundraisers at his restaurant.¹⁴

⁷ FBI agents acting at the direction of federal prosecutors investigating Trie's activities executed search warrants at Trie's Watergate office and Trie's home and office in Little Rock and discovered documents that had not previously been produced to the Committee.

⁸ See "Biographic Information" form submitted by Trie to the Immigration and Naturalization Service (Ex. 2).

⁹ See Trie's United States Passport (Ex. 3).

¹⁰ See "Bio-Data of Yah Lin Trie" (Ex. 4); Ex. 2.

¹¹ See Kevin Sack, "From Restaurateur to Intimate at the White House," *New York Times*, Jan. 27, 1997, p. A8.

¹² See Memorandum of Interview of Dewey Glasscock, July 1, 1997, p. 2.

¹³ See Memorandum of Interview of James Dailey, June 10, 1997, p. 1.

¹⁴ See Memorandum of Interview of Julia Hughes Jones, June 19, 1997, p. 2; Memorandum of Interview of Martha Shaffner, June 10, 1997, p. 1; Dailey interview, p. 4; Kevin Sack,

Among the politicians who frequented Fu Lin and became friends with Trie was then-governor Bill Clinton. Trie was a strong and vocal Clinton political supporter throughout the President's years as governor,¹⁵ and Trie was extremely proud when his friend Bill Clinton became President of the United States.¹⁶

By the early 1990's, Trie began to tire of the restaurant business and considered exploring international trading opportunities with China.¹⁷ Trie mentioned his ideas to Governor Clinton who told Trie that he thought that Trie's idea was a good one because China was evolving politically and would soon be expanding its markets.¹⁸ Clinton encouraged Trie to get in on the ground floor and develop a Chinese-American trading business.¹⁹ Trie then sold Fu Lin and focused exclusively on cultivating various trading opportunities.²⁰

Trie formalized his new Asian trading efforts by incorporating a company he called Daihatsu International Trading Corporation.²¹ In early November 1992, Trie received from newly elected President Bill Clinton a letter of congratulations and encouragement for Trie's new

"From Restaurateur to Intimate at the White House," *New York Times*, Jan. 27, 1997, p. A8.

¹⁵ See Trie's contributions to Clinton's 1982 Arkansas Governor's race and related correspondence (Ex. 5); Shaffner interview, p. 3; Dailey interview, p. 4.

¹⁶ See Shaffner interview, p. 3.

¹⁷ See Memorandum of Interview of Julia Hughes Jones, June 19, 1997, pp. 2-3 ; Memorandum of Interview of Jody Webb, June 20, 1997, p. 2.

¹⁸ See Webb interview, p. 2.

¹⁹ See *id.*

²⁰ See *id.*

²¹ See Daihatsu information summary (Ex. 6).

company.²² Daihatsu, however, never developed into a successful international trading operation. In one of Daihatsu's earliest business ventures, Trie sought to coordinate the Chinese manufacture of a unique wrench and the subsequent sale of that wrench to American chain stores such as Wal-Mart.²³ This venture ultimately proved unsuccessful, and Trie lost his investment -- the better part of the profits from the sale of Fu Lin.²⁴ Trie later pursued trading opportunities involving products as varied as safe deposit boxes and chickens, but few, if any, of these ventures ever developed into successful business deals.²⁵ Trie's most profitable export venture (selling cotton to a manufacturing plant in China) brought Trie a broker's commission of only \$30,000.²⁶

Trie also incurred "extraordinary" expenses promoting these ultimately unsuccessful international trading efforts.²⁷ For instance, on a number of occasions, Trie escorted delegations of Little Rock businesses and governmental officials to various cities in China in an effort to establish business ties that would benefit Daihatsu.²⁸ Those traveling with Trie on these trips explained to the Committee that Trie, who insisted on staying in expensive hotels and eating at the best restaurants, paid for all expenses associated with the trips except air fare.²⁹ Trie's expenses

²² Letter from Bill Clinton to Yah Lin "Charlie" Trie, November 10, 1992 (Ex. 7).

²³ See Memorandum of Interview of Lorin Fleming, May 30, 1997, p. 1.

²⁴ See *id.*, pp. 1-3; Glasscock interview, p. 3.

²⁵ See *id.*

²⁶ See Webb interview, p. 2.

²⁷ Testimony of Jerry Campana, July 29, 1997, p. 33.

²⁸ See, e.g., Letter from Julia Hughes Jones to Charlie Trie, October 12, 1992, thanking Trie for including her in the "Arkansas delegation" on a recent China trip (Ex. 8).

²⁹ See Jones interview, p. 2; Fleming interview, p. 1.

are reflected in his monthly credit card payments of often close to \$20,000.³⁰ Trie also routinely withdrew thousands of dollars -- in cash -- from his personal and business bank accounts.³¹

The combination of Trie's significant expenses and his inability to complete successful international trading deals meant that "Daihatsu made little or no money at any time."³² Daihatsu's corporate tax returns for 1992 through 1995 indicate that its gross income was never more than \$250,000, its net income was negligible, and Trie's income as president of the company was approximately \$30,000 per year.³³ The Committee also determined that "Trie and his wife had very little income from other sources."³⁴

In early 1994, Trie submitted an ultimately unsuccessful bid on behalf of himself and two partners to buy and refurbish the dilapidated Camelot Hotel in downtown Little Rock.³⁵ Trie's partners were Mana Han Xiao, owner of the Haili Restaurant in the Capitol Hotel in Beijing (and, one witness believed, a relative of Trie³⁶), and Ng Lap Seng.³⁷ None of the Little Rock residents interviewed by the Committee who were involved in the preparation of Trie's bid knew

³⁰ See Memorandum of Interview of Charlotte Duncan, July 9, 1997, p. 2; *see also, e.g.*, Daihatsu expense reports indicating substantial payments to a number of credit cards (Ex. 9).

³¹ Testimony of Jerry Campana, July 29, 1997, p. 34.

³² *Id.*, p. 12.

³³ See Daihatsu's tax returns, 1992-95 (Ex. 10); Duncan interview, p. 2.

³⁴ Testimony of Jerry Campana, July 29, 1997, p. 12.

³⁵ See Cover to "Rebirth of the Camelot -- A Proposed Four Star Hotel" submitted in the name of Daihatsu International by Trie and his partners (Ex. 11).

³⁶ See Webb interview, p. 3.

³⁷ See Ex. 11.

specifically how or why Ng became involved in the Camelot project.³⁸ The Committee has also been unable to uncover any evidence of prior business dealings between Trie and Ng or of when and how Trie and Ng first met.

In September 1994, Trie opened a branch office of Daihatsu in Washington, D.C., in a leased residential cooperative apartment at the Watergate.³⁹ Although Trie was advised that the Watergate rent was more than his business could afford, appearance was important to Trie and he believed a Watergate address gave him a certain stature as a businessman.⁴⁰ He used his Watergate venue to host delegations of visiting Chinese businessmen who gathered for receptions and parties with Trie's local friends and political contacts.⁴¹ Ng Lap Seng, Ng's bookkeeper Keshi Zhan, and former Lippo Group executive and Trie business associate Antonio Pan⁴² also used the Watergate Office while in Washington.⁴³

In addition to Daihatsu International Trading Corp., Trie was also responsible for the incorporation of additional businesses in Little Rock and Washington. In October 1994, Trie

³⁸ See Webb interview, p. 3.

³⁹ See Shaffner interview, p. 2; Lease Agreement for Watergate South apartment, August 15, 1994 (Ex. 12).

⁴⁰ See Shaffner interview, p. 2.

⁴¹ See Lena H. Sun, "Pacific Trade Commission Appointee Was Considered a White House 'Must'; Trie, a Longtime Democratic Fund-Raiser, Says He Didn't Seek Post," *Washington Post*, Dec. 18, 1996, p. A20; Memorandum of Interview of Charles Chiang, July 21, 1997, p. 2.

⁴² See Business Card identifying Antonio Pan as Senior Vice President of Tati Group -- China division of the Lippo Group (Ex. 13); Business Card identifying Antonio Pan as Chief Executive Officer of Daihatsu International Trading, Inc. (Ex. 14); Business Card identifying Antonio Pan as Executive Director of America-Asia Trade Center Inc. (Ex. 15); Deposition of David Mercer, May 14, 1997, pp. 20-21.

⁴³ See Memorandum of Interview of Sam Chang, July 11, 1997, pp. 2-3.

incorporated a company in Little Rock for Ng Lap Seng called San Kin Yip International Trading Corp.⁴⁴ Trie explained to the *Washington Post* that San Kin Yip International Trading Corp., which possessed the same mailing address as Daihatsu, was related to Ng's Macau-based real estate development and investment companies called the San Kin Yip Group.⁴⁵ The *Washington Post* also reported that San Kin Yip International Trading Corp. was created to "import textiles and other goods and export chemicals, machinery and advanced technology."⁴⁶ Subpoenaed San Kin Yip International Trading Corp.'s bank records, however, revealed "neither earnings nor any genuine business activity."⁴⁷

After relocating to Washington, D.C., Trie incorporated a second San Kin Yip entity called San Kin Yip (U.S.A.) Inc.⁴⁸ After reviewing San Kin Yip (U.S.A.) Inc.'s bank records, however, the Committee concluded that (like San Kin Yip's Little Rock branch) San Kin Yip (U.S.A.) Inc. neither made money nor engaged in any actual business activity.⁴⁹

Finally, Trie incorporated American Asia Trade Center in Washington in 1996, intending to purchase a building a few blocks from the White House that would house a Chinese restaurant

⁴⁴ See Letter from Daihatsu employee "Jennifer" to Ng employee "Miss Chen," Oct. 11, 1994 (Ex. 16).

⁴⁵ Lena H. Sun, "DNC Donor Admits 'Mistake'; Fund-Raiser's Own Company Contributed Foreign Generated Money," *Washington Post*, Dec. 7, 1996, p. A11.

⁴⁶ Lena H. Sun & Dan Morgan, "Asian Firm's First U.S. Ties Included DNC; Contribution Followed 10 Days in Arkansas," *Washington Post*, Dec. 1, 1996, p. A1.

⁴⁷ Testimony of Jerry Campana, July 29, 1997, pp. 11-12.

⁴⁸ See Chang interview, p. 1.

⁴⁹ Testimony of Jerry Campana, July 29, 1997, pp. 11-12.

on the first floor and offices of companies engaging in Asian trade on the remaining floors.⁵⁰ Trie, however, never actually bought the property and never opened the restaurant.⁵¹ Thus, American Asia Trade Center, like the two San Kin Yip entities incorporated by Trie, also never made money.⁵²

Background on Ng Lap Seng

In 1979, Ng Lap Seng (who is often referred to by the name “Mr. Wu,” the Mandarin pronunciation of his name) bribed a police officer on the Chinese border with the Portuguese enclave of Macau in 1979, and entered Macau with virtually no money to his name.⁵³ Today, Ng, who travels under a Portuguese passport,⁵⁴ is chairman of the Macau-based San Kin Yip Group, a commercial and residential development conglomerate.⁵⁵ Ng reported in the bid submission for the Camelot Hotel renovation project that his conglomerate’s annual gross sales are \$250 million.⁵⁶

Press reports have tied Ng to both the government of the People’s Republic of China and to criminal activity in Macau. According to the *Washington Post*, a directory of Chinese

⁵⁰ See Chang interview, p. 2.

⁵¹ See *id.*

⁵² Testimony of Jerry Campana, July 29, 1997, pp. 11-12.

⁵³ See Lena H. Sun & John Pomfret, “The Curious Cast of Asian Donors; Some Sought Access to Clinton, Others’ Motives’ Remain Murky,” *Washington Post*, Jan. 27, 1997, p. A1.

⁵⁴ See Ng Lap Seng’s Portuguese Passport (Ex. 17).

⁵⁵ See Lena H. Sun & Dan Morgan, “Asian Firm’s First U.S. Ties Included DNC; Contribution Followed 10 Days in Arkansas,” *Washington Post*, Dec. 1, 1996, p. A1; see also Ng’s business card (Ex. 18).

⁵⁶ See Summary of Ng’s business activities included in Camelot Hotel submission (Ex. 19).

government officials and press reports identifies Ng as a member of the Chinese People’s Political Consultative Conference, an advisory board for the Chinese government and ruling Communist Party.⁵⁷ *Newsweek* also reported that Ng was convicted in Macau in 1991 for relabeling Chinese-made clothing in order to circumvent U.S. import quotas on Chinese products.⁵⁸

Trie’s Political Contributions

In spite of Trie’s lack of success as an international trader (and the significant expenses associated with his unsuccessful ventures), Trie, his family, and businesses still managed to contribute a total of \$220,000 to the DNC between 1994 and 1996.

The contributions are specifically identified in the following chart:

Date	Contributor	Amount
5/14/94	Charlie Trie	\$20,000 ⁵⁹
5/14/94	Charlie Trie	\$60,000 ⁶⁰
5/25/94	Wang Mei Trie	\$20,000 ⁶¹
6/21/94	Daihatsu	\$7,500 ⁶²

⁵⁷ Lena H. Sun & John Pomfret, “China Adviser’s Gift to DNC Under Review; After Audit, Party Will Return More Donations,” *Washington Post*, Feb. 25, 1997 p. A1.

⁵⁸ C. K. Binswanger, “Tracking ‘Mr. Wu’s’ Fortune,” *Newsweek*, Aug. 11, 1997 p. 6.

⁵⁹ \$20,000 check to “D.N.C.” drawn on First Commercial Bank account maintained by Yah Lin or Wang Mei Trie, May 14, 1994 (Ex. 20).

⁶⁰ \$60,000 check to “D.N.C.” drawn on First Commercial Bank account maintained by Yah Lin or Wang Mei Trie, May 14, 1994 (Ex. 21).

⁶¹ \$20,000 check to “D.N.C. (Non Federal)” drawn on First Commercial Bank account maintained by Yah Lin or Wang Mei Trie, May 25, 1994 (Ex. 22).

⁶² \$7,500 check to “D.N.C.” drawn on First Commercial Bank account maintained by Daihatsu International Trading Corp., June 21, 1994 (Ex. 23).

8/1/94	Yah Lin Trie	\$20,000 ⁶³
10/20/94	San Kin Yip	\$15,000 ⁶⁴
6/21/95	Daihatsu	\$50,000 ⁶⁵
2/29/96	Daihatsu	\$12,500 ⁶⁶
5/12/96	Yah Lin Trie	\$10,000 ⁶⁷
7/31/96	American Asia Trade Center	\$3,000 ⁶⁸
9/28/96	Yah Lin Trie	\$2,000 ⁶⁹
	TOTAL	\$220,000

⁶³ \$20,000 check to "D.N.C." drawn on First Commercial Bank account maintained by Yah Lin or Wang Mei Trie, August 1, 1994 (Ex. 24).

⁶⁴ \$15,000 check to "D.N.C." drawn on First Commercial Bank account maintained by San Kin Yip International Trading Co., Oct. 20, 1994 (Ex. 25).

⁶⁵ \$50,000 check to "D.N.C." drawn on First Commercial Bank account maintained by Daihatsu International Trading Corp., June 21, 1995 (Ex. 26).

⁶⁶ \$12,500 check to "Democratic National Committee" drawn on First Commercial Bank account maintained by Daihatsu International Trading Corp., Feb. 29, 1996 (Ex. 27).

⁶⁷ \$10,000 check to "D.N.C." drawn on First Commercial Bank account maintained by Yah Lin Trie or Wang Mei Trie, May 12, 1996 (Ex. 28).

⁶⁸ \$3,000 check to "D.N.C." drawn on Riggs National Bank account maintained by American Asia Trade Center, Inc., July 31, 1996 (Ex. 29).

⁶⁹ \$2,000 check to "Victory '96" drawn on Riggs National Bank account maintained by Yah Lin Trie, Sept. 28, 1996 (Ex. 30).

The DNC allocated the first \$20,000 in contributions made personally by both Trie and his wife in May 1994 to its “federal” or “hard money” account.⁷⁰ The DNC has since returned the entire \$220,000.⁷¹

The Source of Funds Used by Trie for His Contributions

Given the failure of Trie’s businesses to make money in an amount that could have permitted Trie to contribute \$220,000, the Committee concludes that Trie used “foreign-source money that he obtained primarily from [Ng Lap Seng]” to fund all of his DNC contributions.⁷²

Between 1994 and 1996, Trie and his businesses received a total of approximately \$1.5 million by wire transfer from foreign sources.⁷³ Trie received over \$1.1 million of this \$1.5 million from Ng Lap Seng.⁷⁴ Ng wired this money from accounts he maintained at branches of the

⁷⁰ See DNC Finance “Executive Summary” of Trie’s 1994 contributions identifying that Trie’s \$20,000 contribution in May 1994 was allocated to the DNC’s federal (*i.e.*, “hard money”) account, and that his \$60,000 May 1994 contribution was allocated to the DNC’s non-federal (*i.e.*, “soft money”) account (Ex. 31); DNC Finance “Executive Summary” of Wang Mei Trie’s contribution identifying that her \$20,000 contribution was also allocated to the DNC’s federal account (Ex. 32). See also Deposition of Joseph E. Sandler, Aug. 22, 1997, p. 16 (“Q: . . . [W]hat does the code F01 refer to? A: Federal account.”). Although Wang Mei Trie’s \$20,000 check expressly states that it is a contribution to the DNC’s “Non-Federal” account (Ex. 22), the DNC obtained her certification that she “inadvertently designated” her contribution and that it was her “intention that [the] contribution of \$20,000 was to be deposited into the DNC’s federal account.” See Letter from Neil Reiff to Wang Mei Trie, June 3, 1994 (Ex. 33).

⁷¹ See “Contributions Refunded 6/27/97” (Ex. 34).

⁷² Testimony of Jerry Campana, July 29, 1997, p. 36.

⁷³ See “Foreign Source Wire Transfers to Trie and Trie-related Entities” (Ex. 35).

⁷⁴ Jerry Campana (a FBI supervisory special agent on detail to the Committee for this investigation) testified on July 29, 1997 that Trie received \$905,000 in wire transfers from Ng. Testimony of Jerry Campana, July 29, 1997, pp. 12-13. Campana also noted, however, that “our records show an August 7, 1996, transfer of \$200,000 from the Bank of China, Macau from an account held in the name of a trading company with a name very

Bank of China in Hong Kong and Macau and an account with Hong Kong Shanghai Banking to three domestic accounts maintained by or accessible to Trie.⁷⁵ Trie then shuffled the money among a total of six domestic accounts, four of which ultimately served as the source of a contribution to the DNC.⁷⁶

Because Trie appears to have earned little or no money from his international trading businesses, the Committee has concluded generally that all of Trie's contributions were made with foreign funds received by wire transfer from Ng Lap Seng and other foreign sources. The following specific contributions to the DNC (a total of \$135,000), however, can be definitively traced to particular wire transfers of foreign funds.

Yah Lin and Wang Mei Trie's May 1994 Contributions Totaling \$100,000

similar to some of [Ng's] companies. However, because we were not able to definitively establish that this particular company was indeed controlled by [Ng], I have not included this transfer in the total" *Id.*, p. 13. Since then the Committee has confirmed that this company, Cia de Investimento e Fomento Predial Goodwill Lda, is associated with Ng. See Facsimile from Liz Wheelless to Theodore Kavowras attaching corporate information on Companhia de Investimento e Fomento Predial Goodwill, Limitada" (Ex. 36). This confirmation increases the total wired from Ng to Trie to \$1.105 million. See "Ng Lap Seng's Wire Transfers to Charlie Trie (1994-1996)" (Ex. 37).

⁷⁵ See "Flow of Funds from Ng Lap Seng Among Accounts Associated with Charlie Trie" (Ex. 38). Although Trie does not maintain signature authority over San Kin Yip's First Commercial Bank account (an account identified in the center column of Ex. 38), Trie's secretary/bookkeeper, Maria Mapili, does possess such authority. See Testimony of Jerry Campana, July 29, 1997, pp. 30-31. It is also clear that Trie understood that he possessed authority over the funds in the account, regardless of his technical lack of authority to sign checks drawn on the account. When questions arose as to the source of San Kin Yip's \$15,000 contribution to the DNC, Trie told the *Washington Post* that he was uncertain whether he, his wife or his secretary was responsible for signing San Kin Yip's check to the DNC. Lena H. Sun, "DNC Donor Admits 'Mistake'; Fund-Raiser's Own Company Contributed Foreign-Generated Money," *Washington Post*, Dec. 7, 1996, p. A11.

⁷⁶ See Ex. 38.

On May 6, 1994, a Hong Kong-based company (in this case, apparently not affiliated with Ng Lap Seng) named Lucky Port Investments, Limited, wired \$100,000 to an account maintained by Trie and his wife at First Commercial Bank in Little Rock.⁷⁷ LippoBank Los Angeles served as an intermediary for the transaction.⁷⁸

Prior to receipt of the \$100,000 from Lucky Port, the balance in Trie's First Commercial account was only \$3,759.⁷⁹ In the weeks following receipt of the wire transfer from Lucky Port Investments, Trie and his wife contributed a total of \$100,000 to the DNC. Trie wrote checks of \$60,000 and \$20,000 on May 14,⁸⁰ and his wife, Wang Mei Trie, wrote a \$20,000 check on May 25.⁸¹

⁷⁷ See Confirmation of the wire transfer of \$100,000 from Lucky Port Investments Ltd.'s account at the Hong Kong Chinese Bank Ltd. to Yah Lin Trie's account at First Commercial Bank in Little Rock, May 6, 1994 (Ex. 39).

⁷⁸ See "Advice of Transfer of Funds" confirming transfer of \$99,985 from Lippo Bank, Los Angeles to Yah Lin Trie's account at First Commercial Bank in Little Rock, May 6, 1994 (Ex. 40).

⁷⁹ See May 24, 1994 bank statement for account maintained by Yah Lin Trie or Wang Mei Trie indicating an account balance on May 4, 1996 (prior to the \$100,000 wire transfer) of \$3,759.64 (Ex. 41); *see also* June 23, 1994 bank statement for the same account (Ex. 42). While these bank statements reveal that approximately \$8,500 was deposited into the account *after* the May 6, 1994 wire transfer from Lucky Port Investments, but *before* Trie's three contribution checks had cleared, this \$8,500 was insufficient to cover any of the three contribution checks. Trie and his wife therefore could not have made their \$100,000 in contributions without receipt of the wire transfer from Lucky Port Investments.

⁸⁰ Ex's 20 & 21.

⁸¹ Ex. 22.

As Lucky Port is based in Hong Kong and not independently incorporated in the United States,⁸² the Committee has discovered only that it maintains a telephone number in Hong Kong⁸³ and that former Lippo Group executive and Trie business associate Antonio Pan served as a director of the company at the time that the wire transfer was made.⁸⁴

Yah Lin Trie's August 1, 1994 Contribution of \$20,000

On August 1, 1994, Trie wrote another \$20,000 check to the DNC.⁸⁵ The ultimate source of this contribution was a \$100,000 wire transfer on July 26, 1994 from an account maintained at the Bank of China, Macau branch, by Ng Lap Seng to Daihatsu International Trading Corp.'s account at First Commercial Bank in Little Rock.⁸⁶ The balance in Daihatsu's account at the time it received the wire transfer was only \$472.⁸⁷ One day after Ng wired the money to Daihatsu, Wang Mei Trie wrote a \$25,500 check on Daihatsu's account to Yah Lin Trie.⁸⁸ Before the deposit of the \$25,500 check, the balance in Trie's account was only \$414.⁸⁹ Trie deposited the

⁸² See Testimony of Jerry Campane, July 29, 1997, p. 39.

⁸³ See Facsimile from Phillip Layton to Liz Wheelless, July 28, 1997 (Ex. 43).

⁸⁴ See "Notice of change of directors . . ." submitted to the Hong Kong Registrar of Companies, Oct. 4, 1993 (Ex. 44).

⁸⁵ Ex. 24.

⁸⁶ See "Advice of Transfer of Funds" confirming a \$99,985 wire transfer from Ng Lap Seng's account at the Bank of China, Macau branch, to Daihatsu's account at First Commercial Bank in Little Rock (Ex. 45).

⁸⁷ See July 29, 1994 bank statement for account maintained by Daihatsu International Trading Corp. indicating a balance in the account on July 25, 1994 (prior to receipt of the \$99,985 wire transfer) of \$472.03 (Ex. 46).

⁸⁸ See \$25,500 check to "Yah Lin Trie" drawn on First Commercial Bank account maintained by Daihatsu International Trading Corp., July 27, 1994 (Ex. 47).

⁸⁹ See Aug. 24, 1994 bank statement for account maintained by Yah Lin Trie indicating a "beginning balance as of 7-26-94" (prior to receipt of the \$25,500 check from Daihatsu)

check into his First Commercial account and, four days later, on August 1, 1994, made his \$20,000 contribution to the DNC.

San Kin Yip International Trading Corporation's October 21, 1994 Contribution of \$15,000

On October 11, 1994, Trie had an account opened at First Commercial Bank in Little Rock in the name of San Kin Yip International Trading Corp.⁹⁰ The account was opened with a \$500 deposit.⁹¹ On October 20, 1994, Ng Lap Seng wired \$100,000 from his Bank of China, Macau branch, account into the newly opened San Kin Yip account in Little Rock.⁹² One day later, on October 21, 1994, a \$15,000 check with an unidentifiable signature was written from San Kin Yip to the DNC.⁹³ Trie himself has admitted to the press that this contribution was made with Ng's funds wired from abroad.⁹⁴

Trie's Fundraising

of \$414.64 (Ex. 48).

⁹⁰ Ex. 16.

⁹¹ *See id.*; *see also* Oct. 31, 1994 bank statement for account maintained by San Kin Yip International Trading Co. indicating a "beginning balance as of 10-10-94" of ".00" and a \$500 deposit on October 11, 1994 (Ex. 49).

⁹² *See* confirmation of \$99,985 wire transfer from Ng Lap Seng's Bank of China, Macau Branch account to San Kin Yip International Trading Corp.'s First Commercial Bank account, Oct. 20, 1994 (Ex. 50).

⁹³ Ex. 25.

⁹⁴ *See* Lena H. Sun & John Pomfret, "The Curious Cast of Asian Donors; Some Sought Access to Clinton, Others' Motives' Remain Murky," *Washington Post*, Jan. 27, 1997, p. A1.

Trie was also involved in raising funds for the party.⁹⁵

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significant change in tactics. Where Trie relied on Ng's wire transfers to make his own
were solicited. These third parties simply served as alternate conduits for the flow of Ng's

The Committee received the only first-hand account of these tactics from two women,
Ng's bookkeeper, Keshi Zhan. Further conduit contributors, including Zhan, have been identified

Yue Chu and Xiping Wang each emigrated from China in the past ten years⁹⁷

i.e., green-card holders) in the United States.⁹⁸

Ming Chen, who manages a Beijing restaurant that is owned by Ng Lap Seng.⁹⁹

⁹⁵ Trie was also responsible for the solicitation of almost \$700,000 in illegal contributions to the Presidential Legal Expense Trust ("PLET"). *See* the section of this report on Trie's

⁹⁶ *See*

⁹⁷

Yue Chu testimony, p. 150; Xiping Wang testimony, p. 150.

Yue Chu testimony, pp. 126-28.

close personal friend of Zhan.¹⁰⁰ Xiping Wang is married to Zhengwei Cheng, a cousin of Ming Chen.¹⁰¹

Yue Chu testified that on November 14, 1995, Zhan came to her home and asked Yue Chu for a \$3,000 loan.¹⁰² Yue Chu agreed without either asking for or receiving any explanation for Zhan's request.¹⁰³ Zhan then directed Yue Chu to make out a \$2,000 check to the DSCC and a \$1,000 check to Zhan.¹⁰⁴ Yue Chu testified that she did not know what DSCC stood for.¹⁰⁵

Yue Chu further testified that Zhan immediately reimbursed her by providing her with a \$3,000 check payable to her husband, Ming Chen, drawn on a Riggs National Bank account maintained jointly by Ng Lap Seng and Charlie Trie.¹⁰⁶ Zhan possessed signature authority over the joint Ng/Trie account.¹⁰⁷ The memo line on the check states "consulting." Yue Chu testified that she does not speak or read English and therefore did not understand the notation.¹⁰⁸

Yue Chu further testified that in February 1996 her husband, Ming Chen, told her that his boss, Ng Lap Seng, requested a \$25,000 loan so that he could buy a ticket and "pass the gate" to

¹⁰⁰ *Id.*, p. 128.

¹⁰¹ Xiping Wang testimony, pp. 140-41.

¹⁰² Yue Chu testimony, p. 131.

¹⁰³ *Id.*, p. 132.

¹⁰⁴ *Id.*, pp. 131-32; *see* \$2,000 check to "DSCC" drawn on Ming Chen and Yue F. Chu's Chevy Chase Bank account, Nov. 14, 1995 (Ex. 52); \$1,000 check to Keshi Zhan drawn on Ming Chen and Yue F. Chu's Chevy Chase Bank account, Nov. 14, 1995 (Ex. 53).

¹⁰⁵ Yue Chu testimony, p. 132.

¹⁰⁶ *Id.*, pp. 132-33; *see* \$3,000 check to "Ming Chen" drawn on Ng Lap Seng and Charlie Trie's Riggs National Bank account, Nov. 14, 1995 (Ex. 54).

¹⁰⁷ *See* "Power of Attorney (Durable)," Dec. 20, 1994 (Ex. 55).

¹⁰⁸ Yue Chu testimony, p. 133.

a political function.¹⁰⁹ Yue Chu testified that she understood the “gate” to be the gate to the White House.¹¹⁰ Because Yue Chu and Ming Chen possessed only a combined total of \$20,000 in their two bank accounts at that time, they decided to provide the \$20,000 and to call on Ming Chen’s cousin, Zhengwei Cheng, for the remaining \$5,000.¹¹¹

On February 19, 1996, Zhan again came to Yue Chu to collect Yue Chu’s portion of the funds requested by Ng. Zhan directed Yue Chu to sign a check from each of Yue Chu’s two accounts, and Zhan then filled in the payee and the amounts (\$12,500 and \$7,500).¹¹² Yue Chu testified that she did not pay any attention to the payee -- the DNC -- designated by Zhan.¹¹³ Zhan then provided Yue Chu with two checks written on the account maintained jointly by Ng and Trie.¹¹⁴ Yue Chu testified that the DNC reimbursed her for her \$20,000 contribution.¹¹⁵ She has not, however, returned the \$20,000 to Ng Lap Seng.¹¹⁶

Yue Chu’s husband, Ming Chen, then went to his cousin’s (Zhengwei Cheng’s) house and asked for a \$5,000 loan from Xiping Wang, his cousin’s wife.¹¹⁷ Xiping Wang testified that Ming

¹⁰⁹ *Id.*, pp. 133-34.

¹¹⁰ *Id.*, p. 134.

¹¹¹ *Id.*, p. 135; *see* \$12,500 check to “DNC” from Yuefang Chu’s Bank-Fund Staff Federal Credit Union account, Feb. 19, 1996 (Ex. 56); \$7,500 check to “DNC” from Ming Chen & Yue F. Chu’s Chevy Chase Bank account, Feb. 19, 1996 (Ex. 57).

¹¹² Yue Chu testimony, pp. 135-36.

¹¹³ *Id.*, p. 137.

¹¹⁴ *Id.*, pp. 138-40; *see* \$12,500 and \$7,500 checks to “Ming Chen” drawn on Ng Lap Seng and Charlie Trie’s Riggs National Bank account, Feb. 19, 1996 (Ex. 58).

¹¹⁵ Yue Chu testimony, p. 140.

¹¹⁶ *Id.*, p. 148.

¹¹⁷ Xiping Wang testimony, pp. 140-41.

Chen explained that he needed the money in order to help his boss (Ng Lap Seng) “pass a gate” to the White House.¹¹⁸ Xiping Wang complied and wrote a \$5,000 check to the DNC.¹¹⁹ At the time that she wrote the check, however, her account did not contain sufficient funds to cover the amount of the check.¹²⁰ Her husband therefore called Ming Chen the next day, and asked Ming Chen for reimbursement.¹²¹ Xiping Wang testified that Ming Chen personally deposited a \$5,000 check drawn on Trie and Ng’s joint account (and signed by Zhan) into their bank account.¹²² Xiping Wang testified that she has not been reimbursed by the DNC for her contribution.¹²³

The bank records for Trie and Ng’s joint Riggs account indicates that Zhan could not have reimbursed Yue Chu and Xiping Wang without funds provided by wire transfer from Ng. On February 14, 1996, five days before Yue Chu and Xiping Wang made their contributions to the DNC, Ng wired \$150,000 from an account maintained in the name of San Kin Yip Holdings Co. Ltd. at the Bank of China, Hong Kong branch, to the Riggs National Bank account maintained

¹¹⁸ *Id.*, p. 141.

¹¹⁹ *Id.*; see \$5,000 check to “DNC” drawn on Zhengwei Cheng’s and Xiping Wang’s Bank-Fund Staff Federal Credit Union account, Feb. 19, 1996 (Ex. 59).

¹²⁰ Xiping Wang testimony, p. 142.

¹²¹ *Id.*

¹²² *Id.*; see \$5,000 check to “Zhengwei Cheng” drawn on Ng Lap Seng and Charlie Trie’s Riggs National Bank account, Feb. 19, 1996 (Ex. 58).

¹²³ Xiping Wang testimony, p. 148.

jointly by Ng and Trie.¹²⁴ The balance in that account prior to the wire transfer was \$10,459.55, significantly less than the \$25,000 in reimbursed contributions.¹²⁵

Yue Chu testified to the Committee that she had no knowledge of the overseas source of the funds used to reimburse her for her contributions.¹²⁶ Xiping Wang testified that she knew “even less.”¹²⁷

Yue Chu also testified to a third reimbursed contribution, this one for \$1,000 to the “Gephardt Congress Committee” on June 15, 1996.¹²⁸ She testified that on that day, Zhan came to her house and asked for a \$1,000 loan.¹²⁹ Again, Zhan did not tell Yue Chu the purpose of the loan.¹³⁰ Yue Chu wrote the check as directed by Zhan and immediately received a \$1,000 reimbursement, this time from Zhan’s own account.¹³¹ Yue Chu testified that the Gephardt Congress Committee returned her contribution in March 1997, but that she had not yet repaid Zhan.¹³²

¹²⁴ See confirmation of \$149,985 wire transfer from San Kin Yip Holdings Co. Ltd.’s Bank of China, Hong Kong branch, account to Ng Lap Seng and Charlie Trie’s Riggs National Bank account, Feb. 14, 1996 (Ex. 60).

¹²⁵ See March 5, 1996 bank statement for account maintained by Ng Lap Seng and Charlie Trie indicating a balance on Feb. 13, 1996 (prior to receipt of the \$149,985 wire transfer) of \$10,459.55 (Ex. 61).

¹²⁶ Yue Chu testimony, p. 145.

¹²⁷ Xiping Wang testimony, p. 145.

¹²⁸ See \$1,000 check to “Gephardt Congress Committee” drawn on Ming Chen and Yue F. Chu’s Chevy Chase Bank account, June 15, 1996 (Ex. 62).

¹²⁹ Yue Chu testimony, pp. 148-49.

¹³⁰ *Id.*, p. 149.

¹³¹ *Id.*; see \$1,000 check to “Chen Ming” drawn on Keshi Zhan’s Bank-Fund Staff Federal Credit Union account, June 15, 1996 (Ex. 63).

¹³² Yue Chu testimony, p. 150.

On July 23, 1997, the Committee voted to immunize Zhan, the bookkeeper for Ng Lap Seng who possessed signature authority over the account maintained jointly by Ng and Trie.¹³³ As discussed above, Zhan used this authority to sign checks on Ng and Trie's account reimbursing Yue Chu and Xiping Wang for their contributions to the DNC and Representative Gephardt's campaign committee.

Pursuant to the use immunity provided by the Committee's July 23, 1997 vote and a July 30, 1997 order of Chief Judge Norma Holloway Johnson of the United States District Court for the District of Columbia,¹³⁴ Zhan appeared for deposition on August 14 and 15, 1997. However, in spite of her immunity (and contrary to the proffer on which the Committee's decision to immunize her was based), Zhan proved from the beginning of her deposition to be an entirely uncooperative witness. The Committee therefore decided to terminate her deposition before reaching several critical areas of inquiry.¹³⁵ The Department of Justice was notified of the Committee's decision.

The following information about Zhan's conduit contribution is derived entirely from bank records independently obtained by the Committee pursuant to subpoenas directed to the banks at which the relevant accounts are maintained.

¹³³ Eric Schmitt, "In a Rebuff to Justice Dept., Senate Inquiry Immunizes 5," *New York Times*, July 24, 1997, p. A1.

¹³⁴ Order of Chief United States District Judge Norma Holloway Johnson in case captioned *Senate Committee on Governmental Affairs*, Misc. No. 97-226 (D.D.C.), July 30, 1997 (Ex. 64).

¹³⁵ In order to avoid any possible taint on a possible future criminal prosecution of Zhan, the Committee also directed the court reporter *not* to prepare a transcript of her deposition.

On February 19, 1996, Zhan not only collected contribution checks from Yue Chu and Xiping Wang, she also wrote a \$12,500 check on her own account,¹³⁶ and reimbursed herself with a check drawn on Ng and Trie's joint Riggs account.¹³⁷ Zhan's bank statement for February 1996 indicates that she possessed sufficient personal funds to make the \$12,500 contribution without reimbursement.¹³⁸ However, in light of the identical Yue Chu and Xiping Wang transactions on the same day, the Committee concludes that this is another example of the laundering of Ng's foreign funds to make a contribution to the DNC.¹³⁹

Manlin Fong, a sister of Trie, also made a DNC contribution after receiving funds originating from one of Ng's overseas bank accounts. On August 15, 1996, Fong received \$10,000 by wire transfer from a Riggs National Bank account maintained by San Kin Yip International Trading Company.¹⁴⁰ Prior to receipt of the wire transfer, Fong's account had a

¹³⁶ See \$12,500 check to "DNC" drawn on Zhan's Bank-Fund Staff Federal Credit Union account, Feb. 19, 1996 (Ex. 65).

¹³⁷ See \$12,500 check to "Keshi Zhan" drawn on Ng Lap Seng and Charlie Trie's Riggs National Bank account, Feb. 19, 1996 (Ex. 66).

¹³⁸ See Feb. 29, 1996 bank statement for account maintained by Keshi Zhan indicating a balance on Feb. 16, 1996 (prior to receipt of the \$12,500 check) of \$15,229.82 (Ex. 67).

¹³⁹ Testimony of Jerry Campana, July 29, 1997, pp. 17-18; *see also id.*, p. 72 ("Senator Smith: Does that sound like money laundering to you? Mr. Campana: That is what we call in the business a slam-dunk, Senator.").

¹⁴⁰ See confirmation of \$10,000 wire transfer from San Kin Yip International Trading Corporation's Riggs National Bank account to Manlin Fong's Travis Federal Credit Union account, Aug. 15, 1996 (Ex. 68).

balance of almost \$5,379. Fong used the check to make a \$10,000 contribution to the DNC in the name of the "Birthday Victory Fund."

The ultimate source of the funds used by San Kin Yip for its wire transfer to Fong was a \$200,000 wire transfer on August 7, 1996, from the Bank of China, Macau branch account of Cia

Ng's joint account at Riggs National Bank. The balance in Trie and Ng's joint account prior to the wire transfer was only \$1,118. \$90,000 was then transferred, in two installments, from Trie and Ng's account to San Kin Yip's account. The balance in San Kin Yip's account before

¹⁴¹ Aug. 31, 1996 bank statement for account maintained by Manlin Fong indicating a

See \$10,000 check to "Birthday Victory Fund" drawn on Manlin Fong's Travis Federal Credit Union account, August 15, 1996 (Ex. 70). Fong testified to this and another conduit contribution in an October 5, 1997 hearing before the House Government Reform

Contributions to Democrats," *Wall Street Journal*

DNC contribution, \$12,500 on February 18, 1996 (Ex. 71), was reimbursed by Amerasia Bank cashier's checks (Ex. 72) purchased in cash by former Lippo Group executive and

source of the cash used by Pan for the purchase of the cashier's checks.

¹⁴³ *See*

Goodwill Lda's Bank of China, Macau branch, account to Ng Lap Seng and Charlie Trie's
see also discussion of the

Predial Goodwill Lda and Ng Lap Seng, *supra*

See Sept. 5, 1996 bank statement for account maintained by Ng Lap Seng and Charlie Trie indicating a balance on Aug. 5, 1996 (prior to receipt of the \$200,000 wire) of \$1,118.32 (Ex. 75).

¹⁴⁵ confirmation of \$40,000 transfer from Ng and Trie's Riggs National Bank account to

1996 (Ex. 76); confirmation of \$50,000 transfer from Ng and Trie's Riggs National Bank account to San Kin Yip International Trading Corporation's Riggs National Bank account,
see also Aug. 31, 1996 bank statement for account maintained by

the deposit of \$90,000 was only \$1,029,¹⁴⁶ obviously insufficient to cover the \$10,000 wire transfer to Fong.

Attempts to Convert Political Connections to Personal Gain

According to the Little Rock residents interviewed by the Committee, Trie's contributions and fundraising were motivated by his expectation that important political connections would ultimately prove of financial benefit.¹⁴⁷

Trie's efforts appear to have established at least the important political connections that he sought. White House WAVES records indicate that Trie visited the White House at least twenty-two times from the period 1993 to 1996¹⁴⁸ and that Ng Lap Seng also visited the White House ten times between 1994 and 1996.¹⁴⁹

San Kin Yip International Trading Corporation indicating deposits of \$40,000 on Aug. 7, 1996 and \$50,000 on Aug. 15, 1996 (Ex. 78).

¹⁴⁶ Ex. 78.

¹⁴⁷ See Webb interview, p. 1; Shaffner interview, p. 2.

¹⁴⁸ See White House WAVES records for Charlie Trie's White House visits, 1993-1996 (Ex. 79).

¹⁴⁹ See White House WAVES records for Ng Lap Seng's White House visits, 1994-1996 (Ex. 80). Although the Committee requested White House WAVES records for Ng on May 21, 1997, the White House delayed production of this information until the afternoon of July 29, 1997, after the completion of testimony relating to the Ng-funded DNC contributions made by Trie. See section of this Report on the uncooperative and manipulative tactics adopted by the White House in its production of documents to the Committee.

Trie contributions and fundraising made him a DNC Managing Trustee¹⁵⁰ and member of the DNC's National Finance Board of Directors,¹⁵¹ and afforded him VIP treatment at DNC events.¹⁵² His contributions also purchased admission to a number of fundraising events attended by President Clinton. His May 1994 contribution of \$100,000, for instance, purchased two tables at a June 1994 DNC dinner and fundraiser at the Mayflower Hotel in Washington.¹⁵³ Ng Lap Seng and a number of Chinese and Taiwanese businessmen and their spouses attended the event as Trie's guests.¹⁵⁴ Trie also co-chaired a Presidential Birthday Celebration at the Sumner Wells Estate in August 1994,¹⁵⁵ and attended a February 1996 presidential fundraiser at the Hay-Adams Hotel in Washington.¹⁵⁶ Finally, Trie and Ng organized an October 18, 1995 reception for former Commerce Secretary Ron Brown and several prominent Asian businessmen at the Shangri-La Hotel in Hong Kong.¹⁵⁷

¹⁵⁰ See Letter from Ari Swiller to Charlie Trie welcoming Trie to the DNC's Trustee Program, June 30, 1994 (Ex. 81).

¹⁵¹ See Letter from Terry McAuliffe to Yah Lin Trie inviting Trie to become a member of the National Finance Board of Directors, September 21, 1994 (Ex. 82).

¹⁵² See Memorandum from David Mercer to John O'Hanlon summarizing requests from VIPs such as Yah Lin Trie, June 18, 1994 (Ex. 83).

¹⁵³ See Memorandum from Charlie Trie/Jody Webb to David Mercer identifying Trie's invitees to next day's dinner, June 21, 1994 (Ex. 84).

¹⁵⁴ See *id.*

¹⁵⁵ See Letter from Bill Clinton to Yah Lin "Charlie" Trie, October 3, 1994 (Ex. 85).

¹⁵⁶ See Letter from Vanessa Weaver to Yah Lin Trie, February 21, 1996 (Ex. 86).

¹⁵⁷ See, e.g., Memorandum of Interview of Edmund Ho, July 27, 1997, p. 2. Press reports have suggested that Trie solicited contributions for the DNC at the reception. See, e.g., Kevin Sack, "From Restaurateur to Intimate at the White House," *New York Times*, Jan. 4, 1997, p. A8. The Committee, however, interviewed several of the individuals who attended the reception, and none reported that they had been solicited for a contribution. The event simply offered Trie and Ng an opportunity to demonstrate to prominent Asian

After establishing political connections through contributions and fundraising, Trie sought to convert those connections to personal gain.¹⁵⁸ Trie sought to use his political connections to secure financing for a real estate development project planned by Ng in Macau. The Committee also believes that Trie's efforts led to his otherwise unwarranted appointment by the President to the Commission on United States-Pacific Trade and Investment Policy.

On April 22, 1996, President Clinton announced the appointment of sixteen individuals to the newly created Commission on the United States-Pacific Trade and Investment Policy ("the Commission").¹⁵⁹ Among the sixteen individuals was Charlie Trie.¹⁶⁰ Several circumstances surrounding Trie's appointment to and involvement with the Commission, however, indicate that Trie's political contributions and fundraising were critical factors in the Administration's decision.¹⁶¹ As discussed below, after Trie expressed his interest in joining the Commission, even

business associates an intimate level of access to the Clinton Administration.

¹⁵⁸ To the extent that the political connections established through Trie's contributions and fundraising motivated Ng to continue his financial support of Trie, this would appear to be Trie's most successful conversion of political access to personal financial gain. *Cf.* Hearing Transcript, July 29, 1997, pp. 88-89 ("Senator Bennett: . . . I think Mr. Wu got what he paid for here. He was not particularly interested in making money in Little Rock. He was interested in establishing his own credentials or the credentials of his man in the United States, if Mr. Trie would be so characterized, as having very high-level contacts. It has been my personal experience that this is very valuable. It can open a lot of doors in a lot of places in ways that American business people simply do not understand because we do not do business that way in the United States. I can understand why Mr. Wu was willing to put that much money into Mr. Trie's hands, and I can clearly understand why Mr. Wu was perfectly willing to allow Mr. Trie to use that money to make a series of political contributions in order to keep the invitations to the White House open.").

¹⁵⁹ *See* List of Commission Appointees, April 22, 1996 (Ex. 87).

¹⁶⁰ *Id.*

¹⁶¹ At the time of Trie's appointment to the Commission, he had contributed a total of \$205,000 to the DNC. (Trie contributed an additional \$15,000 to the DNC between his

the existence of an already full slate of candidates, a disqualifying financial interest in the business of the Commission, and (according to several Commission members interviewed by Committee investigators) a lack of substantive merit did not prevent Trie from participating.

The 15-member Commission on United States-Pacific Trade and Investment Policy was created on June 21, 1995, when President Clinton issued Executive Order 12964¹⁶² and fulfilled a promise made to Senator Jeff Bingaman who insisted on the formation of the Commission in return for his support of the creation of the World Trade Organization.¹⁶³ The purpose of the Commission was to prepare a report that would advise the President “on the steps the United States should take to achieve a significant opening of Japan, China and other Asian and Pacific markets to U.S. business.”¹⁶⁴

In the months following the creation of the Commission, the White House selected a group of chief executives, academics and Asian specialists to fill the fifteen available slots.¹⁶⁵

appointment to the Commission and the November 1996 federal elections.) *See supra*, footnotes 59-69 and accompanying chart. The announcement of Trie’s appointment to the Commission also fell only one month after Trie delivered his first installment of contributions (a delivery totaling \$460,000) to the Presidential Legal Expense Trust (“PLET”). The Committee believes that Trie’s successful solicitation of contributions for the PLET may also have played a prominent role in Trie’s appointment to the Commission. *See* section of this Report on Trie’s involvement as a fundraiser for the PLET.

¹⁶² 31 Weekly Comp. Pres. Doc. 1095.

¹⁶³ *Id.*; *see also* Memorandum of Interview of Clyde Prestowitz, Jr., June 13, 1997, p. 1. Prestowitz, president of Washington’s Economic Strategy Institute, told the Committee that he recommended to Senator Bingaman the idea of insisting on the creation of the Commission in return for his vote in favor of the Uruguay Round GATT agreement.

¹⁶⁴ Executive Order 12964, Section 2, 31 Weekly Comp. Pres. Doc. 1095.

¹⁶⁵ Glenn F. Bunting, “White House Helped Boost Trie onto Asia Trade Panel; Donations: Clinton Friend Won New Spot with a Padded Resume. Subject of Fund-raising Inquiry

Trie's name, however, was not included among the individuals initially considered for appointment.¹⁶⁶ Rather, Trie's name was added in the fall of 1995 only after he expressed an interest in participating, and only after White House officials made it clear that Trie's selection was a priority.¹⁶⁷ Trie's appointment also carried with it the endorsement of the DNC,¹⁶⁸ to which Trie and his businesses had contributed \$192,500 in 1994 and 1995.¹⁶⁹

In order to accommodate the White House's interest in the inclusion of Trie without eliminating any of the fifteen individuals originally selected for appointment to the Commission, the President issued Executive Order 12987 on January 31, 1996, expanding the membership of the Commission to "up to 20."¹⁷⁰

After completion of a preliminary background check on each of the individuals considered for appointment to the Commission,¹⁷¹ the appointees were asked to submit a financial disclosure

Now in China," *Los Angeles Times*, July 20, 1997, p. A1.

¹⁶⁶ *Id.*; see also Memorandum from Ira S. Shapiro to Mickey Kantor, January 20, 1995 (Ex. 88).

¹⁶⁷ *Id.*; see also Memorandum from Phyllis Jones to Mickey Kantor attaching list of appointees to the Commission, November 21, 1995 (Ex. 89).

¹⁶⁸ See Electronic Mail Message from Phyllis Jones to Jennifer Hillman, September 21, 1995 (Ex. 90).

¹⁶⁹ Trie and his businesses contributed an additional \$27,500 to the DNC in 1996. See *supra*, footnotes 66-69 and accompanying chart.

¹⁷⁰ 32 Weekly Comp. Pres. Doc. 134.

¹⁷¹ See Memorandum from Winston Allen to Marvin Krislov requesting a preliminary background investigation of Trie, December 15, 1995 (Ex. 91). The FBI's investigation of Trie (a "name check" of criminal and intelligence databases) did not uncover any information to cause the White House to reconsider Trie's appointment. See Memorandum from Marvin Krislov to Bob Nash announcing completion of Trie's background investigation, February 5, 1996 (Ex. 92).

report in order to identify potential conflicts with the Commission's work.¹⁷² Trie's financial disclosure report revealed that he received a total annual salary of \$97,500 from his Little Rock-based international trading company, Daihatsu International Trading, and from Ng Lap Seng's San Kin Yip International.¹⁷³ Trie also reported ownership of \$22,000 worth of stock in Walmart.¹⁷⁴ Officials of the United States Trade Representative's office who reviewed Trie's disclosure report found that Trie's position on the Commission could have a "direct and predictable effect" on his interests in Daihatsu, San Kin Yip, and Walmart and that he thus possessed "a disqualifying financial interest."¹⁷⁵

U.S. Trade Representative Charlene Barshefsky, however, possessed the authority to waive Trie's conflict upon a finding that the "need for [Trie's] services outweigh[ed] the potential for a conflict of interest created by the financial interest involved."¹⁷⁶ USTR officials therefore drafted a waiver memo for Barshefsky's signature stating that Trie "possesse[d] special expertise vital to the work of the Commission," and that his participation was "essential to the United States."¹⁷⁷

¹⁷² See Confidential Financial Disclosure Report of Yah Lin Trie, March 11, 1996 (Ex. 93). USTR Assistant General Counsel Barbara Fredericks noted Trie's failure to sign the report and promised to correct the deficiency. See Letter from Barbara Fredericks to Laura Sherman, April 17, 1996 (Ex. 94). A signed version of the report, however, has not been produced to the Committee.

¹⁷³ *Id.*; see the discussion of these companies above.

¹⁷⁴ *Id.*

¹⁷⁵ See Letter from Laura Sherman to Charlene Barshefsky, May 9, 1996 (Ex. 95); see also 18 U.S.C. § 208(a) (prohibiting Government employees from rendering advice with respect to issues in which they have a financial interest).

¹⁷⁶ 18 U.S.C. § 208(b)(3).

¹⁷⁷ Ex. 95.

Although Barshefsky refused to sign the memo waiving Trie's conflict, Trie was ultimately permitted to participate as a member of the Commission without a waiver (or other resolution of the potential conflict).¹⁷⁸ According to the *Los Angeles Times*, a USTR official explained that the paperwork on Trie simply "fell through the cracks."¹⁷⁹

Trie attended most of the early Commission meetings and traveled with Commission members on a member-funded, 10-day trip to Asia in September 1996.¹⁸⁰ While Commission members acknowledged that Trie's contacts in and familiarity with many of the Asian cities they visited made him a valuable addition to their fact-finding trip,¹⁸¹ most were far less complimentary of Trie's substantive input to the work of the Commission.¹⁸² Trie submitted a report to the

¹⁷⁸ Glenn F. Bunting, "White House Helped Boost Trie onto Asia Trade Panel; Donations: Clinton Friend Won New Spot with a Padded Resume. Subject of Fund-raising Inquiry Now in China," *Los Angeles Times*, July 20, 1997 p. A1.

¹⁷⁹ *Id.*

¹⁸⁰ See Memorandum of Interview of Dr. Meredith Woo-Cummings, June 25, 1997, pp. 1-2.

¹⁸¹ See, e.g., Prestowitz interview, p. 2.

¹⁸² See Woo-Cummings interview, p. 1 (Trie was "clearly [in] 'over his head' on the Commission"); Memorandum of Interview of Bruce Stokes, June 30, 1997, p. 2 ("Trie did not contribute very much to the Commission's efforts."); Memorandum of Interview of Jason S. Berman, p. 2 ("Trie was not involved in any way in drafting the final report.").

Commission containing his own recommendations¹⁸³ that members dismissed as superficial, grammatically deficient, and generally unhelpful.¹⁸⁴

Trie's active participation on the Commission ended in late 1996 when his name surfaced in connection with campaign fundraising improprieties.¹⁸⁵ After Trie fled the United States for China, he sent a letter to the Commission apologizing for the impact of the scandal on the Commission's work and expressly stating that he would no longer be participating in Commission activities.¹⁸⁶ However, in spite of the well-publicized allegations about Trie's fundraising improprieties and his withdrawal from participation on the Commission, the Administration never formally revoked Trie's appointment, and he remained a member until the Commission submitted its final report in April 1997.

Finally, Trie sought to use his DNC contributions to benefit Ng financially. In a letter to Ng dated June 4, 1995, Trie expressly stated his belief that his involvement in the DNC could "assist in the development and success" of a real estate development project planned by Ng in

¹⁸³ See "Recommendations for what we can do in U.S.-Asia Trade Policy Formulation," August 1, 1996 (Ex. 96). As the face of Trie's report reflects, the report was actually drafted by Chu Lei, not by Trie himself. Chu Lei is an American citizen currently residing in Taiwan. In addition to assisting Trie with his report to the Commission, Chu also introduced Trie to Master Suma Ching Hai, the leader of the Buddhist sect that was the source of the almost \$700,000 in contributions that Trie brought to the PLET. See Memorandum of Interview of Chu Lei, July 8, 1997, pp. 1-2; see also section of this Report on Trie's involvement as a fundraiser for the PLET.

¹⁸⁴ See, e.g., Woo-Cummings interview, p. 2 (describing Trie's report as "completely incomprehensible").

¹⁸⁵ See Glenn F. Bunting, "White House Helped Boost Trie onto Asia Trade Panel; Donations: Clinton Friend Won New Spot with a Padded Resume. Subject of Fundraising Inquiry Now in China," *Los Angeles Times*, July 20, 1997 p. A1.

¹⁸⁶ See *id.*

Macau.¹⁸⁷ Trie's DNC contacts, in fact, worked precisely as Trie envisioned. DNC Deputy Finance Chairman David Mercer and Department of Commerce employee Jude Kearney introduced Trie to Ernest Green of Lehman Brothers,¹⁸⁸ and Trie later discussed with Green Lehman Brothers' interest in financing a development project planned by Ng in Macau.¹⁸⁹ In early 1995, Mercer again sought to assist Trie with further potential investment banking connections.¹⁹⁰ While Trie's lack of business success indicates that he was ultimately unable to use these connections to his financial advantage, he did try.

Need for an Independent Counsel

Three individuals have now been indicted on charges based wholly or in part on their dealings with this Committee or from evidence revealed by this Committee. At least two of these individuals, Yah Lin "Charlie" Trie and Maria Hsia, have close ties to covered persons under the Independent Counsel Act. As noted above, Trie contributed \$220,000 to the DNC and reimbursed the contributions of other contributors Trie recruited to disguise the original source of the contributions, and he did the same with respect to the Presidential Legal Expense Trust. Trie visited the White House twenty-two times. Trie also attended numerous fundraisers at which the

¹⁸⁷ See Letter from Yah Lin "Charlie" Trie to Ng Lap Seng, June 4, 1995 (Ex. 97).

¹⁸⁸ See Deposition of Ernest Green, June 18, 1997, pp. 11-13.

¹⁸⁹ See *id.*, pp. 17-18.

¹⁹⁰ See Memorandum from David Mercer to Charlie Trie, January 30, 1995 (Ex. 98). Mercer testified that he provided this sort of personal assistance to Trie because Trie was a DNC "supporter," and that to be an effective fundraiser for the DNC, he always sought to be "responsive" to supporters. Deposition of David Mercer, May 14, 1997, pp. 23-24. Mercer also testified that he attended social events with Trie, including a party at Trie's Watergate apartment celebrating the opening of the 1996 Olympics. *Id.*, pp. 43, 45.

President or Vice President were present, access purchased through his sizeable contributions and used to further his personal business. This access seeking formed one of the bases for the Justice Department's indictment of Trie on conspiracy charges.

Maria Hsia was a personal friend and political supporter and fundraiser for the Vice President since 1988. Hsia was instrumental in inviting then-Senator Gore on a trip to Taiwan through the partial auspices of the Fo Kuang Shan Order. Hsia raised tens of thousands of dollars for Gore's 1990 Senate reelection campaign. Hsia also used the "tally" system to direct DNC funds to Gore's Senate reelection campaign. After Gore became Vice President, Hsia laundered funds through Hsi Lai Temple monastics to arrange for Vice President Gore's chief of staff to meet with the head of China Resources. In 1996, Hsia was a prominent arranger of the DNC fundraiser that Vice President Gore attended at the Hsi Lai Temple. The Justice Department's indictment lists as part of Hsia's conspiracy to defraud the Federal Election Commission Hsia's money laundering at that event, as well as other events attended by Vice President Gore or President Clinton.

Both Hsia and Trie have close relationships with the Chinese government and/or intelligence agencies, according to the United States intelligence or investigative agencies.

Based upon the record before this Committee, we can only assume that many more indictments will be forthcoming. These indictments of people with close ties to the Administration illuminate an inherent problem that the Justice Department has in trying to pursue these cases -- a problem that has come into fruition. These cases present an inherent conflict of interest and an appearance of a conflict of interest that the Department of Justice cannot escape.

In these cases, the Justice Department will be faced with the following considerations, considerations that are present in all federal criminal prosecutions;

-- deciding whether to enter into plea bargaining negotiations and whether to accept a plea bargain;

-- deciding whether the defendant is cooperating fully and fulfilling the plea bargain, and specifically, deciding whether the defendant is telling all that he or she knows;

-- deciding whether to grant immunity and, if so, deciding whether or not the defendant is telling all that he or she knows pursuant to that immunity agreement.

In any such case, when the citizens of this country have returned an indictment, it is the prosecutor's obligation to be fair to the defendant but to be tough in representing the public interest. For example, in any such case where any deal has been struck, the prosecutor must ask the defendant tough questions and use appropriate prosecutorial resources to determine whether the defendant is cooperating fully. If the defendant's superior or close associate is the subject of accusations or well-placed suspicions, the prosecutor must be aggressive in determining whether or not the defendant has any information about such an individual. And the prosecutor cannot usually accept a simple denial without further inquiry. Should the individual about whom the defendant may have information be a public official, the above process is even more important. This is true whether the public official in question is a mayor, a governor, a member of Congress or the President. That fact forms the basis for the existence of a "public integrity section" in the Justice Department.

The problem in these cases is that the Attorney General works for the President. This is the very kind of situation that is addressed in the “political conflict” provision of the Independent Counsel Act. 28 U.S.C. § 591(c)(1). As the public sees these defendants processed and sees any deals worked out by the Justice Department and the defendants, the Justice Department will bear a very heavy burden in convincing the American people that the decisions the Department made were appropriate and fully protective of the interest of justice.

For this reason, an independent counsel should be appointed to remove the Department of Justice from this clear “political conflict of interest” which burdens the Justice Department and for which Congress provided a solution.

Conclusion

As a result of generous contributions and successful fundraising, Charlie Trie established himself as a key player in the DNC’s finance operation, opened the doors of the White House for himself and Ng Lap Seng, and secured for himself an appointment to the Commission on U.S.-Pacific Trade and Investment Policy.¹⁹¹ The Committee has concluded, however, that Trie’s unsuccessful international trading business could not support the contributions that allowed him the access that he obtained. Rather, Trie relied on a continuous stream of illegal funds that he received by wire transfer from Ng Lap Seng’s bank accounts in Hong Kong and Macau. The source of Ng’s funds and what he or those behind him hoped to gain through Trie remain unknown.

¹⁹¹ See section of this Report on Trie’s involvement as a fundraiser for the PLET.