



What Clinton Knew

BY DAVID WILLMAN, ALAN C. MILLER AND GLENN F. BUNTING
DEC. 21, 1997 12 AM PT

TIMES STAFF WRITERS

WASHINGTON — President Clinton, who often has said he had no basis to suspect illegal foreign money was donated to his reelection effort, failed to heed warning signs at several stages that could have prompted him to stem the flow of offshore funds, records and interviews show.

From the outset of the 1996 campaign, a sequence of events signaled the problems that were emerging from the aggressive push by Clinton and the Democratic Party for new sources of donations.

The warning signs of improper foreign money grew sharper as election day approached, and many played out before the president's eyes. But Clinton did not publicly acknowledge any misgivings or take action.

An examination of the events shows that Clinton was closer to the indications of trouble than previously known.

The records and dozens of interviews portray Clinton as actively engaged in an effort to tap a new frontier of financial support: The politically emerging Asian American community.

At pivotal times, despite the hints of danger, Clinton celebrated the efforts of the party's two leading Asian American fund-raisers, John Huang and Yah Lin "Charlie" Trie. The pair would deliver most of the illegal or suspicious foreign money discovered so far.

Now, after a year of focusing on the actions of lower-level operatives and far-flung donors, government investigators are expected to turn increasingly in 1998 to a question that congressional hearings left unanswered:

What, if any, responsibility does Clinton bear for the largest known channeling of

What, if any, responsibility does Clinton bear for the largest known channelling of illegal foreign donations in a presidential campaign?

White House Press Secretary Mike McCurry said Clinton was not available for an interview on this subject. McCurry also declined a request to submit written questions to the president.

Lanny J. Davis, Clinton's spokesman on campaign finance matters, said, "The president had neither knowledge nor reason to suspect . . . that there was any problem in campaign fund-raising by the Democratic National Committee, including the possibility of illegal foreign contributions" prior to news accounts in fall 1996. Davis added that such concerns are apparent "only in hindsight."

An examination by The Times has found that:

* Clinton in late 1995 directed aides to hire Huang as a fund-raiser, according to individuals familiar with the matter. The president did so despite being cautioned that Huang was unseasoned and had no professional fund-raising experience, they said. Huang, it turned out, solicited more than half of the \$3 million that the Democratic Party later returned as illegal or suspect.

* Clinton continued to embrace Trie as a Democratic fund-raiser after the president learned, in April 1996, that Trie had given hundreds of thousands of dollars of suspicious money to Clinton's legal defense fund. Undeterred, Trie continued to bring in large sums to the Democratic National Committee.

"If we had known about the problems with [Trie] earlier, we could have done something," said Donald L. Fowler, the Democratic National Committee chairman at the time. "I wish that I had known that."

* Clinton was in repeated contact at fund-raising events with foreign business

people who could neither vote nor donate campaign money lawfully in the United States. So many visitors attended one event that the president took the extraordinary step of acknowledging the overseas participants.

* Clinton, unlike anyone at the DNC, was well acquainted with Huang and Trie before they became prominent fund-raisers. And in an interview with The Times in December 1996, the president cited the pair's cultural heritage while assessing their alleged misdeeds. "One thing we know is that the culture out of which they come doesn't draw the same bright lines between politics, government and business that we do," Clinton said.

* Clinton at one point became "uncomfortable" about providing White House photographs to another major donor, Johnny Chien Chuen Chung, who had brought six Chinese business associates to the Oval Office. Clinton expressed concern the photos might later prove embarrassing--but he did not slow Chung's continued six-figure campaign donations.

Should Clinton have suspected, as early as spring 1996, that foreign money was aiding his drive for reelection?

"It is not unfair to say there may have been a willful suspension of disbelief," said a presidential aide familiar with Clinton's thinking. "There may have been in the back of his mind here, 'Maybe we're taking a chance--but we'll get by.'"

DNC officials have acknowledged that they did not adequately screen large donations. At the same time, Clinton has sought to portray himself as a trusting, above-the-fray chief executive who relied on the party to ensure the legality of donations.

"The thing I'm angriest about," Clinton said in the interview last year, "was that the checking systems we put in place with the [first family's] legal defense fund and our campaign for president were not in place at the Democratic Party."

What Could We Have Done to Prevent This?

In politics as in business, it's a small world, as Clinton could attest.

By the time Clinton began his first term as governor of Arkansas in 1979, the rural state was forming ties with the Indonesia-based Lippo Group, an Asian investment conglomerate. Clinton already had befriended a billionaire scion of the conglomerate, James T. Riady, whose family was investing with leading bankers in Little Rock.

It was in the mid-1980s that then-Gov. Clinton met one of Riady's top executives, Huang, while on a trade mission to Taiwan.

Huang, now a Glendale resident, served on the board of Riady's Lippo Bank and became the family's senior U.S.-based representative. When Clinton sought the presidency in 1992, Huang raised money for the Democratic Party as a volunteer.

Following Clinton's victory in 1992, Riady hastened to fortify his relationship with the president-elect. He traveled to Little Rock to participate in an economic conference organized by Clinton. Riady and Huang contributed \$100,000 to help defray expenses related to Clinton's inauguration, and Riady was on hand when the new president took the oath of office.

When Clinton moved into 1600 Pennsylvania Ave., Riady and the president maintained their relationship. Riady made at least 20 visits to the White House from 1993 through 1995, records show. Riady also was provided with an exclusive White House mailing code so he could correspond directly with the president. Riady, his companies and his associates were generous donors during this period, giving more than \$840,000 to the DNC from 1992 through 1996.

Recently released White House videotapes further convey the exceptional treatment accorded Riady by the president and his aides. For instance, on June 24, 1994, Clinton, Riady and Huang are shown conferring in the Oval Office after other guests who attended the president's weekly radio address had left.

Clinton invited Riady, his wife and their children to remain. "Just sit everybody down, wherever you want 'em, James," Clinton said, gesturing toward a couch.

The next month, Clinton appointed Huang to an international trade position at the Commerce Department, where he remained for 17 months until moving to the DNC fund-raising post. Throughout Clinton's first term, Huang was a frequent White House visitor--showing up there more than 50 times, including at least nine occasions when he was in the president's company.

By mid-1995, unease about the president's ties to Riady and Lippo had begun to filter through the upper ranks of the administration.

White House aides became concerned that Huang may have "blurred the lines" between his government duties at the Commerce Department and his ties to his former employer, sources said. They said a White House attorney mentioned this to then-White House Deputy Chief of Staff Harold M. Ickes. Ickes has said he does not recall receiving such information.

Clinton's push for hiring Huang at the DNC came after a Riady business partner, Little Rock attorney C. Joseph Giroir Jr., had unsuccessfully lobbied party officials. Twice in mid-1995, Giroir, a former law partner of First Lady Hillary Rodham Clinton's, urged DNC Chairman Fowler to bring Huang aboard, according to Fowler.

When this effort did not succeed, Riady, Huang and Giroir took their case directly to the president.

Huang, joined by Riady and Giroir, made a personal pitch to Clinton on Sept. 13, 1995, during a 22-minute meeting in the Oval Office. With the reelection looming, Huang told the president that he felt he could be more helpful as a fund-raiser at the DNC.

Records show that after this session, Clinton had his senior staffers, including Ickes, who was overseeing the reelection effort, follow up.

Clinton then directed his aides to hire Huang. Clinton did so despite being cautioned, The Times has learned, that Huang was unfamiliar with the intricacies of national political fund-raising.

At a Nov. 8, 1995, Washington fund-raiser, DNC Finance Chairman Marvin S. Rosen said Clinton “asked what the status of John Huang was.” Rosen recalled to Senate Governmental Affairs Committee investigators that Clinton told him Huang came “highly recommended.”

Fowler, in an interview with The Times, said: “Marvin told me that the president wanted me to hire him [Huang].”

This contrasts with Clinton’s public statements suggesting that he played a more passive role.

Two months ago, Clinton told reporters regarding Huang: “I think I may have said to someone that he wanted to go to work for the DNC. . . . He said that to me, and I relayed that to someone.”

Clinton added, “It’s [raising campaign money] normally an onerous task. And so with anybody who volunteered, I would have referred virtually anybody’s name to the party.”

Huang started work at DNC headquarters on Dec. 4, 1995, with a title of finance vice chairman. The title gave him higher standing than any other party fund-raiser.

Though the Democrats were eager to cultivate the Asian American community for major donations, party officials were not well-equipped to check the new contributors Huang would solicit. Federal law allowed both national political parties to accept donations of unlimited size; the law imposed strict limits on money given to the Clinton-Gore reelection campaign.

Davis, the White House spokesman, said that presidential aides didn’t know whether Clinton was cautioned about hiring Huang. Davis said he was unable to question Clinton directly.

“We have no knowledge of anybody within the White House raising concerns about Mr. Huang, Davis said. “He certainly seemed to be in a good position--based on his background and activity in the Asian American community and his prior involvement in supporting the Democratic Party--to be of assistance to the DNC, especially to tap into the growing Asian American community and its financial resources.”

It was nearly a full year before election day when Clinton received word that Huang, with Riady’s help, was beginning to deliver.

On Dec. 15, 1995, less than two weeks after Huang joined the DNC, Clinton hosted a White House coffee for backers that included an Indonesian-born landscape architect living in Springfield, Va.

Arief Wiriadinata approached the president in the Roosevelt Room. In a scene captured on a White House videotape, the diminutive, crew-cut Wiriadinata extended his hand and delivered a succinct message to the president: “James Riady sent me.”

Clinton responded, “Yes. I’m glad to see you. Thank you for being here.”

Huang had actually engineered the invitation. Wiriadinata and his wife ultimately contributed \$450,000 to the DNC--most of it following their return to Indonesia shortly after the Oval Office coffee. Citing questions about the Wiriadinatas’ U.S. tax status, the DNC has refunded all of their donations.

Trie Was Establishing Profile in Little Rock

Meanwhile in Little Rock, Trie also was establishing a profile as a financial backer of the new president. Trie, who had run a popular Chinese restaurant near the state capitol that was frequented by Gov. Clinton, formed an international trading business in 1992 as Clinton ran for president.

One week after Clinton's election that November, the president-elect wrote Trie a letter wishing him well in his new venture overseas.

Trie paid a visit to the White House three months after the president's inauguration. Nancy Hernreich, the manager of the Office of the President, remembered the session well.

"It seemed to be kind of touching," Hernreich told Senate investigators. "The president certainly considered Charlie Trie a longtime friend of his."

Trie further endeared himself when he contributed \$100,000 in mid-1994 to the DNC's annual gala, on behalf of himself and a relative. Clinton was informed of the donation by an aide, according to an internal White House document.

When he attended a birthday fund-raiser for Clinton at Ft. Washington Park in Maryland in August 1994, Trie was identified by the DNC as "FOB/Managing Trustee": a "Friend of Bill" and a major donor.

In November 1995, Trie and several business associates from Asia mingled with Clinton at an African-American Leadership Forum fund-raiser in Washington. Among those Trie introduced to the president was business partner Ng Lap Seng, a gambling-resort entrepreneur from Macao, a tiny Portuguese enclave southwest of Hong Kong.

Trie, of course, was already well known to Clinton. But a White House-produced videotape of the Nov. 8, 1995, event shows that Trie's efforts also were recognized by then-Commerce Secretary Ronald H. Brown, the former DNC chairman who remained a trusted Clinton political advisor.

"This is part of the Trie team," a gesturing Brown told Clinton. The president nodded in acknowledgment, "Part of the Trie team."

The embracing of Trie's foreign associates--captured for prospective distribution to the businessmen by a White House photographer--would be valuable, Brown suggested.

"Sends a big message," a beaming Brown confided to Clinton. "Helps us everywhere."

Did this episode inform Clinton, explicitly, that foreign money could flow to his reelection effort?

The president has said repeatedly that he had no way to know that illegal contributions were being made to the DNC.

Yet several aides who have advised the president said they believe that Clinton was, at a minimum, convinced that warm ties with wealthy Asians overseas could beget contributions from friends or relatives residing in the United States.

"The president is very sophisticated about knowing that if you offend one person . . . it can come back to hurt you in very unintended ways," said one aide.

By early 1996, Trie had become well known to senior White House and Democratic officials. He had donated \$177,500 to the DNC in 1994 and 1995 and visited the White House 31 times. Clinton also had decided to appoint him to a presidential advisory commission on Pacific trade.

But, five months after Clinton was introduced to the "Trie team," the president

received word of serious problems with his friend's fund-raising on another front.

Michael H. Cardozo, the executive director of the trust fund created to defray the Clintons' legal bills, had discovered a problem: Trie had delivered \$460,000 of suspect contributions, much of it from sources abroad. Some of the money orders were numbered sequentially and made out in the same handwriting, even though the donors lived in different states.

Cardozo laid out his concerns on April 4, 1996, at a meeting in the residence quarters of the White House with Hillary Clinton and Ickes, the deputy chief of staff. Cardozo said the defense fund would continue to scrutinize Trie's contributions.

The president was informed within days of Cardozo's concerns, according to White House sources.

On May 9, 1996, Cardozo was back at the White House, this time with more definitive information that much of the money Trie raised came from disciples of a Taiwan-based Buddhist sect. Moreover, Trie had come back with an additional \$179,000, which was rejected on the spot. Cardozo met with Ickes, White House Counsel Jack Quinn, Deputy Counsel Bruce R. Lindsey, who is the president's closest aide, and three other administration officials.

But neither the president nor his closest aides did anything to alert DNC officials about the problems with Trie's fund-raising.

Said Fowler, the former DNC chairman: "No one raised the flag. If they had, we would have done something."

Only four days after Cardozo's May 9 meeting to alert the Clintons about Trie's shady fund-raising, Trie sat next to Clinton at the head table of a \$5,000-a-head dinner at the Sheraton Carlton Hotel in Washington. Trie co-chaired the event. At the outset, Clinton took special note of their friendship.

"Soon it will be 20 years since I had my first meal with Charlie Trie," the president said. "At the time, neither one of us could afford the ticket to this dinner."

Nor was Trie's role in helping organize the event, which raised \$600,000, lost on Clinton. After the dinner, the president handwrote on an internal White House document:

"Shd do Tys [thank yous] to Asians who did most on last nights dinner--esp these 2 + Mr + Mrs. John Huang." Clinton drew a left-handed check mark by Trie's name, designating him for one of the thank-you notes.

Clinton was made aware in June 1996 that the president's legal defense fund would return--without public notice--all of the Trie money.

But Trie, undeterred, kept delivering money--including at least \$110,000 that he committed to raise for an August 1996 event celebrating the president's 50th birthday.

Asked why Clinton did nothing to stem Trie's fund-raising, White House spokesman Davis said:

"It is likely that the president knew that Mr. Trie was a contributor to the Democratic Party. . . . But we have no information in support of the president's knowledge that Mr. Trie was engaging in significant Democratic Party fund-raising."

Referring to Trie's campaign role, Clinton told USA Today last August: "I had no reason to believe that he didn't know what the law was and wouldn't follow it."

Ickes, the day-to-day link between the White House and the campaign, has told Senate investigators that he "never connected" Trie with raising money for the DNC until his name surfaced in news accounts in October 1996. Ickes then contacted a

senior party official.

The DNC this year returned \$645,000 in donations contributed or solicited by Trie. Trie's attorney, Reid Weingarten, declined to comment. Trie has fled to Asia, beyond the reach of U.S. law enforcement.

Feb. 19, 1996, would be a watershed for the president and his new handpicked fundraiser, John Huang.

Under the soft lights of Washington's elegant Hay-Adams Hotel, Huang proved that he could deliver a new growth portfolio of contributors.

As Clinton prepared to address more than 75 guests on hand, the event already ranked as an unqualified financial success: \$1.1 million in donations flowed to the coffers of the DNC, much more than the party had ever raised from the Asian American community in one shot.

"I am virtually overwhelmed by this event tonight," Clinton said. "I have known John Huang a very long time. . . . And when he told me this event was going to unfold as it has tonight, I wasn't quite sure I believed him. But he has never told me anything that didn't come to pass, and all of you have made it possible."

Among those in the ballroom that night were a number of prominent business people from Asia. The president appeared to take note of this when he addressed the participants.

"It was quite a wonderful thing for me to come here on what we in the United States now call Presidents Day and have people say, 'Happy New Year and Happy Presidents Day,' at the same time," Clinton said. "Surely that is a good omen."

(Both Presidents Day and the Chinese New Year, the "Year of the Rat," fell on Feb. 19, 1996.)

One of the foreign guests, seated with Clinton at the head table, was Ted Sioeng, an Indonesian businessman with close ties to the People's Republic of China whose family publishes a pro-Beijing, Chinese-language newspaper in Monterey Park. Sioeng, who does not speak English, also sat next to Clinton at subsequent Huang-orchestrated events in Washington and Los Angeles. Sioeng flew in from Asia for each event.

Veteran fund-raisers say a place at the president's side is a badge of honor reserved--in advance, with Clinton's knowledge--for the major underwriters of the event or someone whose generosity is being recognized.

"That is the prized seat," a Clinton advisor said. "Why would you give it to a guy who can't write a check at a DNC fund-raiser?"

Sioeng, a distinctive man with long, bushy sideburns, is not a legal resident of the United States and therefore is not eligible to make political contributions. His daughter, a well-established businesswoman in Los Angeles and a legal resident, made donations herself and on behalf of her companies totaling \$250,000. She is a friend of Huang's.

Sioeng, who investigators suspect may be an agent of China, has been overseas since the fund-raising controversy broke and has not cooperated with the various inquiries. His attorney said Sioeng is not a Chinese agent and has done nothing wrong.

In addition to Sioeng, Trie's business partner from Macao, Ng Lap Seng, was present at the Hay-Adams event. Trie himself sat next to Clinton, on the other side from Sioeng.

Sioeng and Ng Lap Seng were by no means the only newcomers to Democratic fund-raising in the room that night.

“John Huang was bringing in new money and new people who had never been brought in before,” said Rep. Robert T. Matsui (D-Sacramento), a former DNC deputy chairman, looking back on last year’s campaign. “That was the key to his success. That is why many Democrats were so impressed with him.”

As spring 1996 unfolded, Huang continued to work his magic--using the aura of the presidency at every step--with more newfound sources of eye-opening largess.

On April 8, 1996, he arranged for Clinton to meet John K.H. Lee, a South Korean businessman, and his associates at a Washington hotel prior to the president attending a fund-raiser there. Clinton spent a few moments with Lee; the president wished him well in his efforts to establish an electronics manufacturing plant in Southern California, posed for a picture and moved on.

Lee, who does not speak English, donated \$250,000 that evening from his company, Cheong Am America. After questions were raised, the money was returned by the DNC that September because it had come from Cheong Am’s Korean parent company.

Huang’s second big event was May 13, 1996, at the Sheraton Carlton Hotel in Washington.

Some of those who attended were again struck by the number of non-English speakers. Among the more than 50 guests present was an Indonesian contingent, brought by Giroir, Riady’s U.S. partner. This included Lippo executives.

Before the evening was over, Huang and Trie arranged a session in an adjoining room for a select few of the international visitors.

Yogesh K. Gandhi, an Orinda, Calif., entrepreneur and the great grandnephew of Mohandas K. Gandhi, was eager for a presidential audience. Gandhi wanted to create an opportunity for a business associate--a Japanese spiritualist named Hogen Fukunaga--to be photographed presenting a Gandhi peace award to Clinton.

After being rebuffed by officials at the White House, Gandhi worked through Trie and Huang to bring Fukunaga and his Japanese partner to Washington for a private ceremony. A smiling Clinton received a life-size bust of Mohandas Gandhi from Fukunaga. That night Gandhi donated \$325,000, which the DNC returned one day after Clinton’s reelection, amid suspicion that the money came from Japan.

It was at this event, shortly after receiving the Gandhi bust, that Clinton saluted the DNC’s guests from abroad.

“I say to the Asian American community here--and to those who come from other countries to be with us here tonight--the United States is very grateful for the people who have come from the Asian Pacific region, who have made our country their home.”

The prominence of foreign-language speakers, coupled with the president’s comment, *disconcerted some supporters who attended the event.*

“I have to tell you, I said something to the effect of ‘Jesus, I hope people are checking this one out,’” said one Democratic official. “It was peculiar. There were a lot of people who didn’t speak English or spoke very, very poor English.”

White House spokesman Davis said there was no reason for the president to suspect that foreigners attending fund-raisers were campaign contributors, rather than guests of legal donors.

“Hindsight is 20-20,” Davis said, “But in the world of political fund-raising, then and now, it is not uncommon for a naturalized citizen who is involved in the political process to invite colleagues from their native country who are not American citizens to attend political events.”

Davis added: "It does not necessarily follow that an individual sitting at the head table is either a contributor or a fund-raiser."

In July 1996, Huang organized two more events starring Clinton.

On July 22, Clinton was featured at a glittering dinner at the Century Plaza hotel in Los Angeles. At a table adorned with red roses and white lilies, the president was seated between Sioeng and James Riady, neither of them U.S. citizens.

The dinner raised eyebrows among some Southern California Asian Americans: They later said they could not recall seeing so many people from the People's Republic of China at such an event. This included a contingent brought by Sioeng.

Anthony Ching, an international lawyer from Los Angeles who paid \$5,000 to attend a VIP reception and have his picture taken with Clinton before the dinner, said he was struck by the dozen or so Chinese in the room. "They stood out," he said. "They were speaking Mandarin, and they were off to themselves."

Clinton, standing that night before a gigantic rendering of an American flag, once again touted Huang, this time for "his aggressive efforts to help our cause." This event raised \$700,000.

Clinton's personal praise of Huang at these fund-raisers reinforced a message, according to DNC Chairman Fowler.

"It was a laying of his hands on John's head," Fowler said. "The president was saying, 'He's my friend; he's a good guy.' He was creating a connection. It was a way of indirectly soliciting the guests."

On July 30, Huang scored with another event starring the president--this time raising \$500,000 over sea bass and saffron potato mousseline at Washington's Jefferson Hotel.

Again, Riady was in from Indonesia to be at the president's side. But this time most of the principals present with Clinton were foreigners. And most of the donations came in the names of individuals who were thousands of miles away at the time, according to internal DNC records.

Clinton dined in a private room at the Jefferson with Riady, two Taiwanese businessmen and a Taiwanese American entrepreneur, who was a legal donor and gave \$150,000 to the party. Other members of the businessmen's families and senior DNC officials were also present. Donations may be made only by U.S. citizens or legal residents.

DNC Finance Director Richard Sullivan told Senate investigators that party finance chief Rosen was concerned enough after this dinner that he "ordered" him not to "give John any more events with the president" because "the dinner wasn't what we thought it was going to be."

Sullivan said this was because it produced mainly large, unrestricted "soft money," used in general party-building activities, instead of the "hard" campaign dollars that were at a premium. But he also acknowledged concern "with the possible perception of a small dinner with one or two foreign nationals there."

Did Clinton himself ever grow uneasy with Huang, Trie or the campaign supporters with whom they were matching him? Privately, one political advisor recalls that the president told him he was uncomfortable at one of Huang's events because so few people there spoke English.

But the president has acknowledged no such discomfort publicly.

"It is obvious we didn't have a policy to try to take tainted money," Clinton told USA Today last August. "Until I see some evidence to the contrary, I'm going to believe that this happened because the DNC simply was not minding the store."

The DNC has returned more than \$1.6 million raised by Huang. His lawyer, Ty Cobb, denied that Huang knowingly engaged in any illegal fund-raising. Still in Glendale, Huang refused to testify before Senate investigators without immunity for possible election-law violations.

White House Trappings Used to Reward Donors

One signature of Clinton's reelection fund-raising was his willingness to use the trappings of the White House to woo and reward donors, including Asian American supporters.

This led to several instances in which Clinton's newfound supporters brought business contacts from overseas into fund-raising-related meetings with the president. On Feb. 6, 1996, Trie escorted Wang Jun, the head of a Chinese government conglomerate and military-owned arms company, to a White House coffee for DNC donors and supporters.

One day after Wang's visit was disclosed, in December 1996, Clinton said at a news conference that it was "clearly inappropriate" for the Chinese executive to have visited the White House. He criticized the porous system for approving White House visitors and instructed aides to correct it.

On June 18, 1996, Huang arranged for Pauline Kanchanalak--a Thai American businesswoman and a major Democratic donor--to bring five business associates to a White House coffee with Clinton. The coffee included three executives of a Thai company that is one of the largest outside investors in China; an interpreter accompanied them. None of the executives were eligible to financially support or even vote for the president.

Clinton clearly was familiar with Kanchanalak: He was recorded on videotape smiling and greeting her with: "Hello, Pauline. . . . Thanks for coming."

And again, the money flowed. One day after the coffee, Kanchanalak gave \$85,000 and a business partner, who was not at the coffee, contributed \$50,000.

Overall, Kanchanalak donated \$253,500 to the DNC from 1994 through 1996, all of which was refunded after questions arose about the source of the money. She returned to Thailand after the controversy erupted last fall.

Sullivan, the DNC finance director, said in his Senate testimony that he expressed concern to Huang about the inclusion in the coffee of noncitizens who were not legal donors, but that Huang had been "adamant" they attend.

Clinton himself became suspicious on one occasion of a high-profile Asian American contributor, and he shared his discomfort with White House aides.

Johnny Chung, the opportunistic Torrance entrepreneur, had become a DNC donor at Clinton's 1994 birthday fund-raiser. Chung, after meeting Hillary Clinton in Little Rock during the 1992 campaign, began giving large sums and became a frequent visitor to the White House, particularly the Office of the First Lady.

Four months after squiring a Chinese beer maker to meet Clinton at a White House Christmas party, Chung brought six prospective business clients to the Oval Office for some time with Clinton following his weekly radio address on March 11, 1995.

After welcoming Chung with a hug, Clinton greeted each of the Chinese executives as the gregarious Chung introduced them. A videotape of the event shows the president appearing increasingly uncomfortable. Then the businessmen had their pictures snapped with Clinton.

But the president expressed reservations to aides about releasing the photographs to Chung and his guests.

“On this particular day I just had an instinct that maybe, whatever the rules were, that, you know, that we didn’t maybe know enough about these folks to know whether there should be a picture there,” Clinton said last March at a news conference

Hernreich, Clinton’s office manager, told Senate investigators that Clinton admonished her after the radio address. Hernreich recalled that the president told her, “ ‘You shouldn’t have done that,’ or ‘We shouldn’t have done that.’ ” These were, she added, “inappropriate foreign people.”

In the aftermath, National Security Council aide Robert L. Suettinger wrote about Chung: “My impression is that he’s a hustler, and appears to be involved in setting up some kind of consulting operation that will thrive by bringing Chinese entrepreneurs into town for exposure to high-level U.S. officials.”

Nonetheless, Clinton did nothing to curb Chung’s contributions or White House access.

A month later, Chung gave \$125,000 to the DNC to dine with the president at the Pacific Palisades home of filmmaker Steven Spielberg.

All told, the Taiwanese American Chung delivered a total of \$366,000 to the DNC--including \$235,000 after the 1995 radio address--and visited the White House about 50 times, nearly half of those following the controversial visit.

Davis, the White House spokesman, said Clinton was concerned about Chung’s guests and the appropriateness of distributing the photographs. But, Davis added, “It does not follow from that, unless you have the genius of hindsight, that Mr. Chung, as an American citizen, was going to engage in illegal fund-raising, if he did at all.”

The DNC later returned all of Chung’s money, saying that auditors could not verify Chung’s claim that the funds came from him. Chung maintains that he did nothing wrong and has refused to testify without immunity before congressional or federal investigators.

And now, more than a year after Clinton’s reelection, a question lingers:

What did the president know--and when did he know it?

One advisor to Clinton summarized what he believed was the president’s mind-set toward the flow of questionable donations:

“We didn’t look under the covers,” the advisor recalled. “ . . . If it looked good on its face, let’s take it. And let’s not poke that skin too hard. Take the money and run.”

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Charlie Trie: Questions arose early about his fund-raising. But President Clinton continued to embrace him.

BACKGROUND

Ever since 1994, when President Clinton or the Democrats needed money, they could reach out to Yah Lin “Charlie” Trie, a Little Rock restaurateur. The reliance on Trie didn’t slacken in 1996 after he gave apparently laundered money to Clinton’s legal defense fund. How Trie maintained his standing with the President and the party remains a question.

1.) August 1994: Charlie Trie provides \$100,000 for a Democratic fund-raiser and is recognized as a party “FOB/Managing Trustee.”

2.) Nov. 8, 1995: President Clinton and Commerce Secretary Ronald H. Brown attend a Democratic fund-raiser in Washington with Trie and a group from Asia. Brown tells Clinton this is “part of the Trie team” and that a photo with the group “sends a big

Clinton this is 'part of the TIE team' and that a photo with the group 'sends a big message--helps us everywhere."

3.) Feb. 19, 1996: Trie sits next to Clinton at a Democratic fund-raiser at the Hay-Adams Hotel in Washington. Attendees contributed or raised at least \$12,500 each.

4.) April 1996: Michael Cardozo, the head of Clinton's legal defense fund, notifies First Lady Hillary Rodham Clinton about suspicious nature of \$639,000 in checks delivered by Trie.

5.) May 9, 1996: Cardozo briefs top White House officials that Trie donations appear to be laundered

6.) May 13, 1996: Four days later, Clinton sits with Trie at a Democratic Party fund-raiser at the Sheraton Carlton Hotel. He fondly hails Trie from the podium and welcomes the many visitors present from overseas.

7.) June 26, 1996: Clinton legal defense trust quietly returns all of its Trie money, much of which came from members of a Buddhist sect in Taiwan. President Clinton says later he was aware of the trust fund action and agreed with it.

8.) Aug. 18, 1996: Trie pitches in to raise more than \$112,500 for Clinton's birthday fund-raiser at Radio City Music Hall and is invited to attend private reception with Clinton for the biggest donors.

9.) December 1996: After Clinton's reelection, new disclosures of illegal foreign donations focuses attention on Trie, who later flees to Asia. Clinton says he had no inkling of any illegal donations.

10.) February 1997: DNC announces that it will return \$645,000 in funds donated and solicited by Trie.

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Warning Signs

BACKGROUND

In late 1995, President Clinton prodded his top aides to get Commerce Department official John Huang hired at the Democratic National Committee. Huang, a protege of Indonesian financier James Riady, came "highly recommended" for the job, Clinton said. Once Huang began to organize major campaign events, signs of foreign money began to proliferate--many right before the president's eyes.

*

Clinton is cautioned that John Huang has no professional fund-raising experience but directs aides to get him a fund-raising post at the DNC anyway

*

Clinton is told by Arief Wiriadinata, an Indonesian landscape architect, at a White House coffee: "James Riady sent me." Wiriadinata and his wife contribute \$450,000 to the Democrats, mailing many of their checks from Indonesia.

*

Clinton is seated with Ted Sioeng, an Indonesian entrepreneur, at an Asian American fund-raiser that brings in a record \$1.1 million. Sioeng speaks little English. He is later identified by federal investigators as a suspected Chinese agent and leaves the country.

*

Clinton, at Huang's behest, meets John K. H. Lee, the head of a subsidiary of a South

Clinton, at Huang's behest, meets with K.H. Lee, the head of a subsidiary of a South Korean electronics company. Lee, who doesn't speak English gets his picture taken with Clinton and gives \$250,000 in company funds.

*

Clinton hosts a White House coffee with three Thai business executives who are associates of Thai American businesswoman Pauline Kanchaniak. She and an associate donate \$135,000.

*

Clinton attends a large fund-raiser at the Century Plaza Hotel and, a week later, an intimate fund-raising dinner at Washington's Jefferson Hotel, that includes numerous visitors from China and Taiwan. At the Century Plaza, Clinton lauds Huang for "his aggressive efforts to help our cause.

Sources: Democratic National Committee, Presidential Legal Expense Trust and Federal Election Commission documents,

House Communications Agency videotapes and interviews; Researched by JANET LUNDBLAD/Los Angeles Times

*

Times researchers Robin Cochran in Washington, Janet Lundblad in Los Angeles and staff writers Ronald Brownstein in Washington and K. Connie Kang in Los Angeles contributed to this story.



David Willman

 Twitter

David Willman is a former investigative reporter for the Los Angeles Times.

Los Angeles Times

A **California Times** Publication

[Subscribe for unlimited access](#)

Follow Us



[eNewspaper](#)

[Coupons](#)

[Find/Post Jobs](#)

[Place an Ad](#)

[Media Kit: Why the L. A. Times?](#)

[Bestcovery](#)

[Crossword](#)

[Sudoku](#)

[Obituaries](#)

[Recipes](#)

[L.A. Times Store](#)

[Wine Club](#)

[About/Contact](#)

[For the Record](#)

[L.A. Times Careers](#)

[Manage Subscription](#)

[Reprints and Permissions](#)

[Site Map](#)