

## **Ted Sioeng, His Family, and His Business Interests**

### **Part I. Introduction**

Ted Sioeng, his family, and his business interests gave \$400,000 to the DNC during the 1996 election cycle. Through extensive analysis of bank records, the Committee has determined that at least half of this figure, or \$200,000, was made with money wired into the U.S. from accounts in Hong Kong. Where this money ultimately came from and why it was used for hefty political contributions are two questions the Committee cannot answer conclusively. The reason is that Sioeng and his family left the U.S. after the campaign finance scandal broke and, through their lawyers, indicated they are unwilling to talk. The one family member who remains in the United States, Sioeng's daughter Jessica Elnitiarta, was interviewed in June 1997 by Committee staff but, since then, has indicated she would assert the Fifth Amendment if compelled to testify.<sup>1</sup> However, the Committee developed documentary and circumstantial evidence as to the answers to the aforementioned questions. That evidence is discussed below.

In many senses, the story of Ted Sioeng is a microcosm of the Committee's investigation. Sioeng is a wealthy Belize citizen in his early fifties who, prior to the campaign finance scandal, spent brief periods in the United States. Sioeng controls a multinational business empire that appears to generate substantial income, though not much of it within this country. Sioeng has ties to the Government of China, but their full extent is unknown. Despite making modest political contributions in 1992, 1993, and 1994 in this country, Sioeng became a major player in 1995 through a series of large contributions made by him, his family, and his business interests to a

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<sup>1</sup> Letter from Steven R. Ross and Mark J. MacDougall to The Honorable Fred Thompson, September 17, 1997. (Ex. 1).

variety of candidates and political entities, but mostly to the DNC. The contributions earned Sioeng invitations to lavish fund-raisers attended by President Clinton or Vice President Gore. The contributions, in some cases, were made with foreign money.

Ted Sioeng became known to the Committee early in its investigation. The first press interest in Sioeng stemmed from his presence at DNC fund-raisers.<sup>2</sup> Since that time, the Committee has learned of Sioeng's connections to other key figures in its investigation, including Maria Hsia and John Huang, as well as his attendance at several DNC fund-raisers. In the year leading up to the 1996 elections, Sioeng attended four major DNC fund-raisers, each of which Huang had a hand in organizing. To each event, Sioeng brought family members and/or business associates.

Sioeng attended the February 19, 1996 Asian Pacific American Leadership Council fundraiser at the Hay-Adams Hotel in Washington, D.C. This was the first major DNC event organized by Huang. On April 29, 1996, Sioeng attended a fund-raising luncheon at the Hsi Lai Buddhist Temple in Los Angeles, California, where he sat next to Vice President Gore. On May 13, 1996, Sioeng attended a dinner for President Clinton at the Sheraton Carlton in Washington, D.C. where, again, he was seated at the head table. Two months later, on July 22, 1996, Sioeng and 48 friends and/or business associates attended a DNC fundraiser for President Clinton at the Century Plaza Hotel in Los Angeles. At dinner, Sioeng sat to President Clinton's immediate right. To the President's left was James Riady and his wife Aileen.

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<sup>2</sup> See, e.g., Richard T. Cooper, "How DNC Got Caught in a Donor Dilemma; Desire for Dollars to Boost Clinton's Reelection Bid Helped Fuel Democrats' Pursuit of an Emerging Money Source -- Asian Americans with Strong Overseas Ties," *Los Angeles Times*, December 23, 1996, p. A1.

The Committee's interest in Sioeng is not related solely to his attendance at DNC events. It stems also from Sioeng's relationships with Huang and Hsia, as well as the Chinese government, and it has been piqued by the evidence that some of Sioeng's political contributions were made with foreign money.

Sioeng's relationship to the Government of the People's Republic of China has been the subject of press speculation since early 1997.<sup>3</sup> Based on its own investigation, as discussed more fully elsewhere in the report,<sup>4</sup> the Committee has learned that Sioeng worked, and perhaps still works, on behalf of the Chinese government. Sioeng regularly communicated with PRC embassy and consular officials at various locations in the United States, and, before the campaign finance investigation broke, he traveled to Beijing frequently where he reported to and was briefed by Chinese communist party officials.

The Sioeng story is a microcosm because it is a tale of foreign money and, possibly, foreign influence. One familiar refrain encountered by the Committee during its efforts to uncover the Sioeng story was a series of obstacles separating investigators from the truth behind Sioeng's

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<sup>3</sup> See, e.g., Mark Hosenball, "On the Trail of a 'China Connection,'" *Newsweek*, March 10, 1997, p. 30 (noting Sioeng's "close" connections to the PRC consulate in Los Angeles); Daniel Klaidman and Mark Hosenball, "The Feds Explore a China-California Money Trail," *Newsweek*, April 28, 1997, p. 40 ("The Sioeng money transfer is the first 'verifiable, direct link to the People's Republic of China,' one investigator told *Newsweek*."); K. Connie Kang and David Rosenzweig, "Entrepreneur Formed Ties to China, then Politicians," *Los Angeles Times*, May 18, 1997, p. A1 (discussing Sioeng's business and political ties to China in context of allegations that he is "working as Beijing's political operative in the United States"); Daniel Klaidman, "Cracking a Chinese Code," *Newsweek*, June 9, 1997, p. 46 (citing information from "federal investigators" that Sioeng was chosen as the "West Coast Representative" in the U.S. by the Chinese communist party).

<sup>4</sup> See the chapter of this report entitled "The China Connection."

political activities. Most of what the Committee has learned about Sioeng derives from bank records the Committee subpoenaed, an interview with Sioeng's daughter, Jessica Elnitiarta, information provided to the Committee by Sioeng's attorneys, and references to Sioeng in other documents produced to the Committee. The investigation, though, has been hampered by the unavailability of witnesses and their unwillingness to speak to Committee staff. As noted, Sioeng and most of his family have left the country. Elnitiarta has remained behind but has asserted her Fifth Amendment privilege, as have the two Democratic fund-raisers, Huang and Hsia, with apparent ties to the family. Moreover, business associates of Sioeng generally proved unhelpful. Early in the investigation, Committee staff spoke to Sioeng's friend and business associate Kent La,<sup>5</sup> but he also would not appear voluntarily for a deposition. The Majority attempted to compel La's testimony, but the Minority objected to the subpoena. For months, Sioeng's attorneys held out the promise that Sioeng would agree to be interviewed at a location outside the United States. That promise was not kept.

The balance of this section is divided into two parts. Part II discusses Ted Sioeng, his family, and his business interests. Only those activities relevant to the Committee's investigation are discussed. Part III examines the major political contributions made by Sioeng, his family, and his business interests during the 1996 election cycle. Through an analysis of bank records produced to the Committee, an attempt is made to trace the origins of these various contributions.

One conclusion the Committee has drawn is that much of the money contributed by Sioeng and his family is traceable to foreign sources -- specifically, bank accounts in Hong Kong.

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<sup>5</sup> Memorandum of Interview of Kent La, May 14, 1997.

This is significant because such contributions are illegal.<sup>6</sup> Most of these contributions were to the DNC, which purported to investigate the same and concluded the contributions were legal and proper.<sup>7</sup>

## Part II. **Sioeng's Activities Here and Abroad**

### A. Sioeng and His Businesses

Ted Sioeng, originally from Indonesia, is a citizen of Belize who splits his time between Singapore and Hong Kong. Sioeng's daughter, Jessica Elnitiarta, is a permanent resident alien who came to the United States in 1986.<sup>8</sup> Most of her family (excluding her father) are now permanent resident aliens. Other family members once or currently in the United States are her sisters Lauren, and Sandra, her brothers Yopi and Yohan, and her mother.<sup>9</sup> The Sioeng/Elnitiarta family speaks Chinese (Mandarin and Cantonese), Bahasa, and some English.

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<sup>6</sup> See 2 U.S.C. § 441e.

<sup>7</sup> DNC spokeswoman Amy Weiss Tobe was reported as saying the party decided not to return the Sioeng family contributions because Jessica Elnitiarta is a legal permanent resident of the United States and that Sioeng himself had not contributed to the DNC. Paul Jacobs and Dan Morain, "State Treasurer Sends Back Campaign Contributions that May Have Originated in China," *Los Angeles Times*, April 23, 1997, p. A3.

<sup>8</sup> Unless otherwise indicated, the information contained in Part II of this discussion derives from an interview of Jessica Elnitiarta conducted by the Committee on June 19, 1997. See Memorandum of Interview of Jessica Elnitiarta, Sept. 18, 1997.

<sup>9</sup> The Committee has learned that all of Sioeng's family has left the country except Jessica and possibly Yopi. The others have gone to Hong Kong. Parenthetically, the family uses Elnitiarta, not Sioeng, as its surname. Elnitiarta is the mother's maiden name.

Through the marriage of his daughter, Ted Sioeng's family is related to the Tanuwidjajas, a family with substantial business interests in Indonesia.<sup>10</sup> Sioeng's daughter, Laureen, married Subandi Tanuwidjaja, son of Susanto Tanuwidjaja, in March 1996. Subandi has been identified as "an Indonesian menswear manufacturer."<sup>11</sup> John Huang, a self-professed friend of the Tanuwidjaja family, asked the White House for a letter congratulating Laureen and Subandi on the occasion of their marriage.<sup>12</sup> Huang may have become acquainted with the Tanuwidjaja's when he worked with Susanto Tanuwidjaja at the Lippo Bank's San Francisco office.<sup>13</sup>

Sioeng's business empire is centered in Asia. Most of the businesses are in greater China, Macao, and Cambodia. The family has owned or currently owns several businesses in the PRC, including a beer factory, a rebuilt machinery factory, and a portion of a hotel (in the Yunnan province). Currently, the family's main business is a cigarette manufacturing and distribution operation in Singapore, which is run by Chinois, a partnership between Sioeng, Hong Kong businessman Bruce Ceung, and several companies. Chinois manufactures and distributes Red Pagoda Mountain ("Hong Ta Shen") cigarettes. It holds manufacturing and distribution rights granted by the PRC government, and is obligated to purchase raw materials for the cigarettes from a government factory in Yu Xi, located in the Yunnan province.

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<sup>10</sup> Although the Committee knows little about the Tanuwidjaja's business holdings, here or elsewhere, FEC records indicate that Subandi Tanuwidjaja is an architect in Diamond Bar, CA and Suryanti is a writer/producer in La Habra Heights, California.

<sup>11</sup> George Archibald, "Democrats Disclose Big Contributors," *Washington Times*, October 30, 1996, p. A13.

<sup>12</sup> Facsimile from John Huang to Anne Edder, March 6, 1996. (Ex. 2).

<sup>13</sup> See Deposition of Diane Poon, April 30, 1997, p. 25.

The family has a growing U.S. business presence presided over by Jessica Elnitiarta. The family holdings and interests include:

- International Daily News, a Chinese language daily in Los Angeles. The paper is discussed in more detail in the section that follows;
- Metropolitan Hotel, a hotel and restaurant in Los Angeles;
- Pacific Motel, a modest establishment in the Los Angeles area;
- Panda Estates, a real estate firm that owns Doheny Estates, comprised of luxury rental townhouses in Beverly Hills. The family purchased Doheny in 1993 in a foreclosure sale, and completed construction on the townhouses in 1995;
- Panda Industries, an import export business;
- Loh Sun International, a company that distributes Red Pagoda Mountain cigarettes in the United States. Jessica Elnitiarta told the Committee that the family does not “control” Loh Sun, but simply does business with it. However, in a brief phone interview conducted in May 1997, Loh Sun’s president and registered agent, Kent La, indicated that Jessica Elnitiarta is his supervisor;<sup>14</sup> and
- Grand National Bank, located in Alhambra, California. Jessica, Sandra, and Laureen Elnitiarta are investors in the bank and own approximately 19 percent of its outstanding stock. Jessica first purchased Grand National Bank stock in 1992 and owns 100,000 shares. Laureen and Sandra each own 45,000 shares, which they purchased in November

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<sup>14</sup> The Committee staff’s telephone interview with Kent La took place on May 13, 1997. During the interview, La indicated Jessica Elnitiarta is his boss.

1995. It appears that most of the family's business and personal accounts are held at the Grand National Bank.

Sioeng provides the working capital for all of his U.S. businesses, which receive regular cash infusions through transfers of funds from overseas accounts. Jessica told the Committee that the sources of Sioeng's funds are his businesses abroad. The cash infusions typically originate in Hong Kong, where funds are wired to the Grand National Bank account of Sioeng's sister, Yanti Ardi. The money is then distributed to various business or family accounts as necessary. Jessica, who holds power of attorney for Yanti Ardi's account, controls distribution of the money. Sioeng regularly provides such funds, although Panda Estates and Metropolitan Hotel have generated a non-trivial amount of cash flow.

B. International Daily News

In October 1995, Sioeng and his family contracted to purchase the International Daily News, a Chinese-language newspaper in Los Angeles. They paid between \$3 and \$4 million for the paper, making payments over the next several months. The purchase was consummated on July 1, 1996.

The paper was paid for largely through checks written on one of Yanti Ardi's accounts at the Grand National Bank. Between October 1995 and July 1996, some \$2,590,000 was transferred from Ardi's account to the International Daily News and C. International Publications, the company that owns the paper itself. Almost all of the purchase money appears to derive from businesses located in Hong Kong. These businesses, Victory Trading Company, Pristine Investments Limited, and R T Enterprises Limited, also funded some of the Sioeng family's political contributions, as is discussed below.



It is not entirely clear why the Sioeng family purchased the paper. Jessica recounted that buying the paper was Sioeng's idea (in consultation with Jessica, who ended up overseeing it). Sioeng had been a significant advertiser for the paper and was close to the former owner (Chen), who started lobbying Sioeng to buy it back in 1993. According to Jessica, Sioeng purchased the paper because (i) it would enhance the family's standing in the local community, (ii) it was cheap, and (iii) there were tax advantages to assuming the paper's debt.

Another explanation is that Sioeng purchased the paper with the approval of or otherwise to please the Chinese government. Prior to its purchase, the International Daily News was a pro-Taiwan publication. According to *Newsweek*, "Now the paper is breathlessly pro-Beijing."<sup>15</sup> *Newsweek* goes on to report from its sources that Sioeng's purchase of the paper may have been encouraged or even bankrolled by the PRC.<sup>16</sup> In any event, since the purchase, the paper has consistently lost money and is subsidized by Sioeng with funds from overseas.

In a June 1996 letter to Sioeng, President Clinton praised the International Daily News for "faithfully report[ing] both local and international issues" and for being "part of the lasting heritage of the Chinese-American community."<sup>17</sup> John Huang arranged for the letter at Jessica's request.

The Committee has learned that the Sioeng family owns the International Daily News through a series of companies. The newspaper is owned by Chen International Publications

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<sup>15</sup> Daniel Klaidman and Mark Hosenball, "Connecting the Dots," *Newsweek*, April 28, 1997, p. 40.

<sup>16</sup> *Id.*

<sup>17</sup> Letter from President Clinton to Ted Sioeng, June 20, 1996. (Ex. 3).

(U.S.A.), Inc., a California company in turn owned by Sioeng’s Group, Inc. Sioeng’s Group, Inc. was described by Sioeng’s attorneys as a holding company owned by Jessica Elnitiarta, her four siblings, and their mother. Jessica holds the largest share and is the sole director and officer of the company. Jessica also serves as the Secretary and CFO of Chen International. Sioeng Fei Man is the newspaper’s general manager.

In addition to purchasing the paper, Sioeng, it appears, supplements its operations with cash infusions. While it is not clear whether the International Daily News generates a substantial cash flow for Sioeng, it is apparent he has supplemented its income and that he has done so with money transferred from Hong Kong accounts.

C. Sioeng’s Political Contributions

Since 1992, but starting in earnest during the 1996 election cycle, Sioeng and his family have become prolific political contributors. The Committee has been able to determine that Sioeng, his family, and his business interests have made the following contributions to political candidates, parties, and affiliated non-profit entities:<sup>18</sup>

<u>Date</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
3/23/92	Sioeng San Wong <sup>19</sup>	Friends of Bonnie Wai	\$ 500
5/12/92	Sioeng San Wong	A. Yung Hsiang Wu	\$10,000
6/20/92	Sioeng San Wong	Alfred Y. Wu	\$ 1,500
6/20/92	Sioeng San Wong	Yung Hsiang Wu	\$ 5,000
3/25/93	Jessica Elnitiarta	Mike Woo for Mayor	\$ 1,000
5/27/93	Jessica Elnitiarta	Mike Woo for Mayor	\$ 1,000
6/4/93	Sioeng San Wong	Michael Woo for Mayor	\$ 2,500
9/11/93	Jessica Elnitiarta	California Republican Party	\$ 2,000
1/26/94	Sioeng San Wong	Friends to Elect Sam Kiang	\$ 1,000

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<sup>18</sup> There may be other contributions about which the Committee is unaware.

<sup>19</sup> Sioeng San Wong is another version of the name “Ted Sioeng.”

4/16/94	Sioeng San Wong	Friends of Michael Woo	\$ 1,000
9/28/94	Jessica Elnitiarta	Matt Fong for Treasurer	\$ 2,000
3/11/95	Sioeng San Wong	Friends of Norman Hsu	\$ 7,500
3/25/95	Sioeng San Wong	Comm. to Elect Miu Mey Chang	\$ 1,500
4/20/95	Sioeng San Wong	Matt Fong for State Treasurer	\$ 20,000
4/28/95	Sioeng San Wong	Matt Fong	\$ 30,000
7/18/95	Panda Industries, Inc.	National Policy Forum	\$ 50,000
12/14/95	Panda Estates Investment	Matt Fong for State Treasurer	\$ 50,000
2/15/96	Su/Sa/La Elnitiarta <sup>20</sup>	Dr. Daniel Wong	\$ 5,000
2/19/96	Jessica Elnitiarta	Democratic National Committee	\$100,000
7/12/96	Panda Estates Investment	Democratic National Committee	\$100,000
7/29/96	Panda Estates Investment	Democratic National Committee	\$ 50,000
7/29/96	Loh Sun International	Democratic National Committee	\$ 50,000
7/29/96	Su/Sa/La Elnitiarta	Gary Locke for Governor	\$ 1,100
7/29/96	Jessica Elnitiarta	Gary Locke for Governor	\$ 1,100
9/9/96	Subandi Tanuwidjaja	Democratic National Committee	\$ 60,000
9/16/96	Suryanti Tanuwidjaja	Democratic National Committee	\$ 20,000
9/19/96	Subandi Tanuwidjaja	Democratic National Committee	\$ 20,000
		Total:	<u>\$593,700</u>

While Sioeng made an impressive number of contributions throughout the 1994 and 1996 election cycles, the table above shows that Sioeng's largesse became far more prolific starting in 1995. John Huang's influence clearly had something to do with this. But whatever other influences motivated Sioeng largely are unknown.

1. *Contributions to the DNC*

John Huang solicited all of the family's contributions to the DNC. In total, Sioeng's family and business interests contributed \$400,000 to the DNC in 1995 and 1996. Most of this was given in connection with specific fund-raising events to which Sioeng, his family, and business associates were invited. These events provided Sioeng an opportunity to impress his guests and to meet President Clinton or Vice President Gore. The family put great value on such

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<sup>20</sup> These checks were written on an account held jointly in the names of Sundari, Sandra, and Lauren Elnitiarta.

meetings and on having their pictures taken with political leaders. Jessica considered the family's attendance at such events a way to honor her father.

A member of the Chinese-American community in Los Angeles first introduced Huang to the Sioeng family in 1995. According to Jessica, Huang is not a close family friend, but instead a prominent person in the Chinese-American community whom they came to know reasonably well. Regardless, it is clear Huang was treated by Sioeng's family with familiarity and respect. For example, in correspondence relating to the Sheraton Carlton fund-raiser Huang helped organize, Jessica referred to him as "Uncle Huang."<sup>21</sup>

Huang first mentioned political fund-raising to Jessica in January 1996, when he indicated that he could arrange for the family to meet President Clinton at a fund-raiser in Washington in February. This turned out to be a February 19, 1996 fund-raiser at the Hay Adams Hotel. After some back and forth among the family and with Huang, it was agreed that eight people -- family and business partners<sup>22</sup> -- would attend, including Sioeng, who flew in from the Far East for the event. Jessica Elnitiarta paid \$100,000 (figured at \$12,500 per attendee, in accordance with the "price" of the event described by Huang in advance) by personal check. Her sister delivered the check to Huang at the event, making sure of the correct amount with Huang before filling it in. All eight attendees had their picture taken with President Clinton. Because the family decided to attend so late, however, they had poor seats for the dinner, a matter that caused Huang to apologize afterwards. Jessica told the Committee that the source of the contributions was

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<sup>21</sup> Memorandum from Jessica to Uncle Huang, undated. (Ex. 4).

<sup>22</sup> The attendees were: Sioeng; Sandra Elnitiarta and husband; Yopi Elnitiarta; Jimmy Tsang, a business partner, and his wife; Lie Kwee Kei, a Hong Kong business partner; and Bruce Cueng, the Chinois partner.

revenue from Panda Estates. By analyzing relevant bank records, the Committee determined that Jessica's statement is incorrect, and that the \$100,000 came from an account in Hong Kong.<sup>23</sup>

Huang next contacted Jessica to see if the family would like to attend the April 29, 1996 Hsi Lai Temple fund-raiser. He made it clear that he would "comp" the family's attendance as a way to make up for their poor seats at the Hay Adams event in February. Jessica explained that one of her sisters is Buddhist and was very excited at the prospect of meeting the Venerable Master of the Temple; for the family, this was of equal importance to meeting Vice President Gore. Sioeng again flew from the Far East, and the family brought five attendees to the event.<sup>24</sup> Huang made sure that Sioeng sat next to Vice President Gore, which the family considered a huge honor. The family paid nothing to attend.

Huang later called in May 1996 about another event where the family could see President Clinton. He explained that it would be a small dinner in Washington, and asked whether the family would like to participate. Jessica communicated this to Sioeng, who was very excited, viewing it as a good opportunity to impress some of his business partners from overseas. They accepted, and in this case, Jessica sent Huang a list of invitees in advance. The dinner was held on May 13, 1996, at the Sheraton Carlton in Washington. The family's attendees were:

- Ted Sioeng;
- Chio Ho Cheong, President, Ang-Du International Corporation Ltd.;

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<sup>23</sup> See discussion below on Jessica's \$100,000 contribution to the DNC of February 19, 1996.

<sup>24</sup> Sioeng and wife, Jessica Elnitiarta, Lauren Elnitiarta, and Sioeng Fei Man, general manager of the International Daily News.

- Guo Zhong Jian, Deputy General Manager, China Construction Bank, Hong Kong Branch;
- Lin Fu Qiang, Managing Director, Everbrite Asia Limited, Hong Kong;
- Chan Elsie Y.Z., Managing Director, Ang-Du International Corporation Ltd.;
- Kent La, President, Loh Sun International; and
- He Jian Shan.<sup>25</sup>

It appears Sioeng met and spoke to President Clinton at the Sheraton Carlton event. By letter dated May 28, 1996, the President thanked Sioeng for attending the fund-raiser and, more generally, “for being there when you are asked to help.”<sup>26</sup> President Clinton noted that he had “enjoyed having the chance to talk” with Sioeng, and expressed hope that Sioeng would “continue to share [his] advice and insight.”<sup>27</sup>

Jessica told the Committee she knew that she would need to pay for the May dinner, but Huang did not push her. He invited -- begged actually, as Jessica recalls -- the family to attend an additional event in July at the Century Plaza Hotel in Los Angeles. The event, which was larger than the previous dinners, was held on July 22, 1996, and Huang indicated that he was having difficulty finding people to attend. He encouraged Jessica to bring as many people as she would

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<sup>25</sup> Ex. 4.

<sup>26</sup> Letter from Bill Clinton to Ted Sioeng, May 28, 1996. (Ex. 5).

<sup>27</sup> *Id.* Note that Sioeng is not a citizen or legal permanent resident of the United States and, therefore, he cannot legally contribute to the DNC or any other national political parties.

like. Sioeng flew in for this event, bringing one business associate (Lam Kwok Man, from Hong Kong), and the family came with approximately 48 local friends. Jessica Elnitiarta made a \$100,000 contribution to the DNC (from the account of Panda Estates) on July 12, 1996 to cover the seats for the May fund-raiser, figuring the price at \$12,500 per seat. Later, on July 29, 1996, Jessica wrote an additional \$50,000 check -- also on the Panda Estates account -- to the DNC to cover the July Century City event. Jessica considered the price-per-head for the Century City event significantly less than that for the Sheraton Carlton fund-raiser in May.

Jessica disclaimed any involvement in several other contributions. One was a Loh Sun International contribution of \$50,000 to the DNC on July 29, 1996 (the same day as the Century City fund-raiser and the \$50,000 contribution from Panda Estates to the DNC). Jessica stated that she knew nothing about this until she read about it in the papers. Jessica's seeming attempt to distance the Sioeng family from Loh Sun is belied by the obvious financial relationship between them. As described below, a wire transfer to Loh Sun from R T Enterprises -- one of the businesses that often wired funds from Hong Kong to Sioeng family accounts in the United States -- may have funded some or all of Loh Sun's \$50,000 contribution to the DNC. In addition, a check signed by Kent La, Loh Sun's president, was deposited into Sioeng's account and may have been used to fund Panda Industries' 1995 contribution to the National Policy Forum, also discussed in more detail below. Moreover, in December 1995 and January 1996, Jessica wrote two checks to Kent La totaling \$58,000.<sup>28</sup> In the memo line of these checks is written, "Hong ta Shan," the brand of cigarettes Loh Sun distributes.

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<sup>28</sup> See December 1995 check to Kent La from Jessica Elnitiarta for \$50,000 (Ex. 6).

Other contributions Jessica disclaimed knowledge of were made by the Tanuwidjajas, her family's in-laws, who wrote three checks totaling \$100,000 to the DNC in 1996. Jessica claimed to know nothing about these contributions. However, the Tanuwidjaja family attended at least one fund-raiser with Jessica, and two of the three Tanuwidjaja contributions were solicited by John Huang.<sup>29</sup>

Huang called later in 1996 about other events in Chicago and San Francisco, but by that time Jessica had lost interest in the process. She felt she had adequately honored her father and did not need to participate further.<sup>30</sup>

## 2. *Contributions to Matt Fong*

Sioeng and Panda Estates made three contributions to Matt Fong in 1995, totaling \$100,000. At the time, Fong was running for Treasurer of the State of California. Sioeng contributed a total of \$50,000 in April 1995. Later, in December 1995, Jessica Elnitiarta contributed \$50,000 more through Panda Estates.

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<sup>29</sup> Curiously, DNC check-tracking forms indicate that Huang attributed three Sioeng-related checks to a small, July 30, 1996 dinner at the Jefferson Hotel attended by President Clinton. A July 29, 1996 Panda Estates Investment check for \$50,000 (Ex. 7), a September 9, 1996 Subandi Tanuwidjaja check for \$60,000 (Ex. 8), and a July 29, 1996 Loh Sun International check for \$50,000, (Ex. 9), are all listed by Huang as connected to the July 30, 1996 dinner. Among the intimate dinner's attendees were President Clinton, Huang, DNC Chairman Donald Fowler, James Riady, Taiwanese businessmen Eugene T.C. Wu and James L.S. Lin of the Shin Kong Group, and Sen Jong "Ken" Hsui, a Taiwanese-American businessman who is president of Prince Motors. *See* Alan C. Miller and David Rosenzweig, "Clinton Dinner Gives Probes Some Questions to Chew On," *Los Angeles Times*, February 7, 1997, p. A1. No one from the Sioeng or Tanuwidjaja families attended the dinner.

<sup>30</sup> Jessica told the Committee she has spoken only once to Huang since the campaign finance story broke in October 1996, and then only in passing at a community event.



According to Jessica, the contributions were the result of some intense fund-raising appeals from Fong personally, and others on his behalf. Faye Huang (a local activist not related to John Huang) participated in a fund-raiser the Sioeng family held for a local candidate (Julia Wu) at the Metropolitan Hotel in 1994. Faye Huang subsequently approached the family for contributions on behalf of Fong. She courted both Sioeng and Jessica aggressively, and Sioeng eventually made his contributions in April 1995. The checks were filled out in part by Faye Huang.

On April 22, 1997, after press stories had appeared linking Sioeng to the campaign finance scandal, Fong returned the contributions from Sioeng and Panda Estates. Fong had requested that Sioeng and Jessica verify that the contributions were not from foreign sources.<sup>31</sup> When Sioeng and his daughter failed to respond within a 24-hour deadline, Fong returned the contributions, stating, “I want absolutely no cloud, no suspicion, no doubt about my campaign conduct or my performance in public office.”<sup>32</sup>

By letter dated May 27, 1997, attorneys for Jessica and Panda Estates responded to Fong.<sup>33</sup> The letter criticizes “Mr. Fong and his campaign [for joining] in the shameful rhetoric directed at Asian-Americans.”<sup>34</sup> It states further that Jessica relied “upon the direct

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<sup>31</sup> See Paul Jacobs and Dan Morain, “Fong Returns \$100,000 in Gifts,” *Los Angeles Times*, April 23, 1997, p. A3.

<sup>32</sup> *Id.*

<sup>33</sup> Letter from Mark J. MacDougall and Steven R. Ross to William R. Turner, May 27, 1997. (Ex.10). The letter indicates that it was sent after Fong’s deadline because “Ms. Elnitiarta was traveling at the time [Fong’s] letter arrived.”

<sup>34</sup> *Id.*

representations made by the Fong campaign . . . that Panda Estates could properly contribute to Mr. Fong's campaign."<sup>35</sup> Although the letter notes that Panda Estates operated the Doheny Estates condominium complex in Beverly Hills, it does not represent -- let alone prove -- that the source of the Panda Estates contribution to Fong was its domestically-generated income. In fact, the Committee has determined that at least a portion of one Sioeng contribution to Fong was made with foreign money.

3. *Contribution to the National Policy Forum*

On July 18, 1995, Panda Industries made a \$50,000 contribution to the National Policy Forum (NPF). Exactly how this came about is uncertain, though it appears Sioeng's acquaintance with the NPF began with Matt Fong. Perhaps in gratitude for Sioeng's earlier contributions, Fong arranged in June 1995 for Sioeng to have his picture taken with Speaker Gingrich in Washington, DC. Later, Fong sent a letter in support of a Los Angeles badminton tournament Sioeng underwrote, and arranged for Gingrich to send a similar letter.

Around the same time, Sioeng and Elnitiarta took steps to host a fall 1995 fund-raiser featuring Speaker Gingrich at their Los Angeles hotel. They thought such an event would add to the hotel's prestige. The fund-raiser ended up occurring at another Los Angeles hotel, but Sioeng and family members nevertheless attended the event. The July 18, 1995 contribution of \$50,000 to the NPF was solicited by a fund-raiser named Steve Kinney. Elnitiarta characterized it as a gesture of gratitude for the photo with the Speaker and also an attempt (unsuccessful, as it turns out) to persuade people to hold the fund-raiser at the family hotel.

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<sup>35</sup> *Id.*

Although discussed in detail elsewhere in the report,<sup>36</sup> some brief background information on the NPF is warranted. The NPF was an independent 501(c)(4) organization created by Haley Barbour to serve as a grass roots organization for the Republican exchange of ideas. It had no PAC, donated no money, and did not advocate the election or defeat of any candidate. It was not legally prohibited from accepting foreign money.

### **Part III. Analysis of Sioeng/Elnitiarta/Tanuwidjaja Political Contributions Made with Foreign Money: 1995-96**

Ted Sioeng, Jessica Elnitiarta, the family's businesses, and their in-laws, the Tanuwidjajas, made a number of significant political contributions in 1995 and 1996. In total, the Sioeng family and businesses spent over half a million dollars on the 1996 elections.

The Committee has examined bank records relevant to most of family's large political contributions and discovered a recurring pattern: wire transfers from Hong Kong companies to Sioeng & Co. accounts in the United States. Five companies -- Pristine Investments Limited, R T Enterprises Limited, Dragon Union Limited, Mansion House Securities, and Victory Trading Company -- believed to be based in Hong Kong, are the apparent source of funding for many of the Sioeng family's activities in this country. In 1995 and 1996, these companies transferred millions of dollars from Hong Kong banks into U.S. accounts held by Sioeng's sister, Yanti Ardi.<sup>37</sup> Jessica Elnitiarta, who held a durable power of attorney over Ardi's account,<sup>38</sup> distributed

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<sup>36</sup> See the section of this report on the National Policy Forum. See also *infra* note 84.

<sup>37</sup> The account in Ardi's name was not the only one used as a conduit for foreign funds. On November 13, 1995, the Sioeng family set up another such account at the Grand National Bank, this one in the name of Nanny Nitiarta, an Indonesian citizen of unknown relation to the family. Like Ardi's account, Nanny's appears to have been used to shift money from overseas to various Sioeng-family accounts and business interests. For example, on November 5, 1996, Nanny's account was credited with a \$700,000 wire transfer from a

money from the account to other Sioeng family accounts and directly to Sioeng- related businesses and interests. Funds from Ardi's account eventually were used to make political contributions, to purchase and subsidize the International Daily News, and to fund other activities in this country.

Jessica's use of Yanti Ardi's U.S. bank account as a holding pen for funds wired in from Hong Kong raises questions about the origins of the Sioeng family's money as well as its intended use in the United States. As noted, the Committee has discovered that millions of dollars were wired into the U.S. from Hong Kong bank accounts held in the names of foreign firms. Because of the Committee's inability to compel production of bank records located outside U.S. borders, the Committee cannot determine the source of the dollars wired into Sioeng family accounts in this country.

The Committee's analysis of Sioeng family bank records reveals that at least \$200,000 in contributions to the DNC derived from foreign sources. In addition, some \$16,000 in

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Hong Kong account held by R T Enterprises Limited. (Ex. 11). A day later, Jessica wrote a check on Nanny's account for \$140,000 to the International Daily News. (Ex. 12). The check was reversed because Jessica did not have signature authority over the account (Ex. 13) (though she had signed other checks and authorized other transfers that were not reversed). On November 8, 1996, \$700,000 was transferred from Nanny's account to Yanti's. (Ex. 14). Jessica remedied the signature problem by executing a durable power of attorney over Nanny's account on November 20, 1996. (Ex. 15). Nanny's account was closed on March 14, 1997.

<sup>38</sup> Grand National Bank Durable Power of Attorney to Jessica G. Elnitiarta, December 20, 1995. (Ex. 16).

contributions to Matt Fong are linked to foreign money. The Majority staff has determined that the following contributions derive in whole or in part from foreign funds:<sup>39</sup>

<u>Account Name</u>	<u>Donee</u>	<u>Check Date</u>	<u>Check Amount</u>
Panda Estates Investment	Matt Fong	12/14/95	\$ 50,000
Jessica Elnitiarta	DNC	2/19/96	\$100,000
Panda Estates Investment	DNC	7/12/96	\$ 50,000
Subandi Tanuwidjaja	DNC	9/9/96	\$ 60,000
Subandi Tanuwidjaja	DNC	9/19/96	\$ 20,000

Only the Fong contribution has been returned. The DNC has refused steadfastly to give back any of the Sioeng family contributions.

The sections that follow discuss in detail the Sioeng family contributions listed on Exhibit 17. The discussion largely revolves around bank records produced to the Committee pursuant to subpoenas. The records support the conclusions drawn above; namely, that a substantial portion of the Sioeng family contributions were made with foreign money.

A. DNC Contributions

1.

2/19/96	Jessica Elnitiarta	\$100,000
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On February 19, 1996, Jessica Elnitiarta wrote a check for \$100,000 to the DNC.<sup>40</sup> A DNC check tracking form indicates the contribution related to a dinner held on the same date at

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<sup>39</sup> See chart listing the largest Sioeng family contributions (Ex. 17).

<sup>40</sup> \$100,000 check from Jessica G. Elnitiarta to the DNC, Feb. 19, 1996. (Ex. 18).

the Hay Adams hotel.<sup>41</sup> Although the \$100,000 check is dated February 19, 1996, it was not paid until February 26, 1996.<sup>42</sup>

As of February 19, 1996, Elnitiarta's account carried a balance of less than \$10,000.<sup>43</sup> However, on February 22, 1996, Elnitiarta transferred \$200,000 to her account from Yanti Ardi's.<sup>44</sup> Days later, half of this money was used to satisfy the check Elnitiarta wrote to the DNC on February 19, 1996. The source of funds in Yanti Ardi's account at that time appears to be a \$518,433.56 wire transfer from an account maintained at the Hong Kong branch of the Dutch ING Bank by a company called Pristine Investments, Ltd.<sup>45</sup> The wire transfer took place on February 12, 1996. Prior to the transfer, Ardi's account carried a balance of less than \$3,000.<sup>46</sup> There were no additional deposits into Ardi's account between February 12 and 22, 1997.

In short, bank records indicate that Jessica Elnitiarta's February 19, 1996 contribution of \$100,000 to the DNC was made with substantially all foreign funds.

2.

7/12/96	Panda Estates (family business)	\$100,000
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<sup>41</sup> DNC Check Tracking Form for Jessica G. Elnitiarta (Ex. 19).

<sup>42</sup> Grand National Bank account statement for account number 210473306, Feb. 1-29, 1996. (Ex. 20).

<sup>43</sup> *Id.*

<sup>44</sup> Grand National Bank Funds Transfer Authorization, Feb. 22, 1996. (Ex. 21).

<sup>45</sup> Grand National Bank Miscellaneous Credit form, Feb. 12, 1996. (Ex. 22).

<sup>46</sup> Grand National Bank account statement for account number 240417614, Feb. 1-29, 1996. (Ex. 23).

Panda Estates Investment Inc. contributed \$100,000 to the DNC on July 12, 1996 from an account the report will refer to as "Panda 801."<sup>47</sup> At the time, the Panda account had a negative balance of \$598.55.<sup>48</sup> The check to the DNC was paid on July 25, 1996, leaving the Panda account with a negative balance of \$100,124.75.<sup>49</sup> On July 26, 1996, \$100,000 was transferred from a second Panda account ("Panda 814") to Panda 801,<sup>50</sup> bringing the balance of Panda 801 to negative \$2,351.29.<sup>51</sup> Hence, the Panda 814 account was the source of the contribution from Panda 801.

The sources of the funds for Panda 814's \$100,000 transfer to Panda 801 appear to be (1) rental income received by Panda Estates and (2) a \$60,000 transfer from Yanti Ardi's U.S. account. On July 25, 1996, Panda 814 carried a balance of approximately \$50,000,<sup>52</sup> or not enough to cover a \$100,000 transfer. On July 26, 1996, a \$60,000 check from Yanti Ardi was deposited in Panda 814 -- a check whose source appears to be funds received by wire transfer from a bank in Hong Kong.<sup>53</sup> On June 28, 1996, Yanti Ardi's U.S. account was credited with

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<sup>47</sup> \$100,000 check from Panda Estates Investment, Inc. to DNC, July 12, 1996. (Ex. 24).

<sup>48</sup> Grand National Bank account statement for account number 200739801, June 29 - July 31, 1996. (Ex. 25).

<sup>49</sup> *Id.*

<sup>50</sup> Grand National Bank Customer Authorization for Funds Transfer, July 26, 1996. (Ex. 26).

<sup>51</sup> Ex. 25.

<sup>52</sup> Grand National Bank account statement for account number 200739814, June 29 - July 31, 1996. (Ex. 27).

<sup>53</sup> \$60,000 check from Yanti Ardi to Panda Estates Investment, Inc., July 26, 1996. (Ex. 28).

\$1,652,479.98, which had been transferred by R. T. Enterprises Ltd. from the ING bank in Hong Kong.<sup>54</sup> On June 27, 1996, Ardi's account balance was under \$5,000.<sup>55</sup> After the large R. T. Enterprises transfer, there were no additional deposits into Ardi's account until after the July 26, 1996 \$60,000 transfer to Panda 814.<sup>56</sup>

In short, at least \$50,000 of Panda Estate's \$100,000 July 12, 1996 contribution to the DNC can be traced to foreign money.<sup>57</sup>

3.

9/9/96	Subandi Tanuwidjaja	\$60,000
9/19/96	Subandi Tanuwidjaja	\$20,000

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<sup>54</sup> Grand National Bank Miscellaneous Credit form, June 28, 1996. (Ex. 29).

<sup>55</sup> Grand National Bank account statement for account number 240417614, June 1-28, 1996. (Ex. 30).

<sup>56</sup> Grand National Bank account statement for account number 240417614, June 29 - July 31, 1996. (Ex. 31).

<sup>57</sup> Panda Estates Investment Inc. contributed \$50,000 to the DNC by check dated July 29, 1996 and drawn on the Panda 801 account. (Ex. 7). At the time the check was written, the Panda 801 account carried a negative balance. (Ex. 25). The check was not paid until August 6, 1996, the same day two wire transfers totaling \$50,000 were deposited into the Panda 801 account. Grand National Bank Account statement for account number 200739801, Aug. 1-Aug. 30, 1996 (Ex. 32). One transfer, in the amount of \$40,000, came from the Panda 814 account. Grand National Bank Funds Transfer Authorization, Aug. 6, 1996 (Ex. 33). The other transfer, this for \$10,000, came from Code 3 U.S.A. Grand National Bank account statement for account number 200739814, Aug. 6, 1996 (Ex. 34), which the Committee understands to be a gun shop run by Elnitiarta's husband.

The \$40,000 from Panda 814 was funded by a number of small deposits, which appear to be rental payments made to Panda Estates. Grand National Bank account statement for account number 200739814 (Ex. 35). The Committee does not know the source of the \$10,000 wired from Code 3. Hence, from the documents reviewed by the Committee, the July 29, 1996 Panda Estates contribution cannot be traced to foreign money.



The Tanuwidjaja's contributed \$100,000 to the DNC through three checks dated in September 1996.<sup>58</sup> Contributions dated September 9 and 19, 1996 and totaling \$80,000 were from Subandi Tanuwidjaja, son of Susanto Tanuwidjaja, and the man who married Ted Sioeng's daughter, Laureen. A contribution of \$20,000 dated September 16, 1996 was made by Suryanti.

The September 9 and 19 contributions from Subandi appear to be covered by a \$100,000 check from Susanto dated September 6, 1996,<sup>59</sup> and a \$20,000 wire transfer on September 18, 1996 from Dragon Union Ltd.'s account at the Hua Chiao Commercial Bank Ltd. in Hong Kong.<sup>60</sup> It is clear from markings known as "imad" characters on the lower left of the wire transfer report that the funds were, in fact, transferred from Hua Chiao's Hong Kong branch.<sup>61</sup>

On September 8, 1996, Subandi's account carried a balance of less than \$5,000.<sup>62</sup> On September 9, 1996, the \$100,000 check from Susanto was deposited into Subandi's account.<sup>63</sup> On the same day, Subandi wired \$38,000 to a bank in Singapore,<sup>64</sup> leaving a balance of \$66,049.99, or enough to cover Subandi's \$60,000 check to the DNC, also dated September 9,

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<sup>58</sup> \$60,000 check from Subandi Tanuwidjaja to the DNC, Sept. 9, 1996. (Ex. 8). \$20,000 check from Subandi Tanuwidjaja to the DNC, Sept. 19, 1996 and \$20,000 check from Suryanti Tanuwidjaja to the DNC, Sept. 16, 1996. (Ex. 36).

<sup>59</sup> \$100,000 check from Susanto Tanuwidjaja to Subandi Tanuwidjaja, Sept. 6, 1996. (Ex. 37).

<sup>60</sup> Reprint of Incoming Wire Traffic, Sept. 18, 1996. (Ex. 38).

<sup>61</sup> *Id.*

<sup>62</sup> Western State Bank account statements for account number 033100-153947, Aug.-Oct. 1996. (Ex. 39).

<sup>63</sup> *Id.*

<sup>64</sup> Memorandum and report of outgoing wire traffic from Subandi Tanuwidjaja to Western State Bank, Sept. 9, 1996. (Ex. 40).

1996.<sup>65</sup> On September 18, 1996, Subandi's account was credited with the \$20,000 wired by Dragon Union Ltd, increasing the balance to \$86,039.99.<sup>66</sup> Thereafter, the two DNC checks were cashed; the \$60,000 check on September 27 and the \$20,000 check on October 4, 1996.<sup>67</sup>

The \$100,000 check from Susanto to Subandi can be traced in large part to a foreign source. Susanto's account carried a balance of less than \$3,000<sup>68</sup> when it was credited with a wire transfer in the amount of \$99,985 from an account maintained by Subandi in Jakarta, Indonesia.<sup>69</sup> Again, it is clear from the "imad" characters on the left side of the wire transfer report that the funds were transferred from Subandi's United City Bank account in Jakarta.<sup>70</sup> There were only two other deposits into Susanto's account between August 22 and September 9, 1996 -- one for \$20,000 on August 30 and one for \$10,000 on September 3, 1996.<sup>71</sup> These two deposits, however, appear connected to debits in similar amounts.<sup>72</sup>

In any event, it is clear that Subandi's \$80,000 in contributions to the DNC derived mostly -- if not entirely -- from foreign funds.

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<sup>65</sup> Ex. 39.

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> Western State Bank account statements for account number 033200-055538, Aug.-Oct. 1996. (Ex. 41).

<sup>69</sup> Report of incoming wire traffic, August 22, 1996. (Ex. 42).

<sup>70</sup> *Id.*

<sup>71</sup> Ex. 41.

<sup>72</sup> *Id.*

The Majority staff has obtained corporate records for Dragon Union Ltd. in Hong Kong and have attached them as an exhibit.<sup>73</sup> The records show that Subandi Tanuwidjaja's links to the company; he was made a director of Dragon Union on January 27, 1997. Subandi's connection to Dragon Union would tend to suggest he may have been aware that foreign money was being used to make contributions to the DNC.<sup>74</sup>

B. Matt Fong Contribution

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<sup>73</sup> The Companies Ordinance of Dragon Union Limited, Dec. 11, 1996 (Ex. 43).

<sup>74</sup> Two other large Sioeng-family contributions to the DNC bear mention, although it the Committee has not been able to determine whether or not they were made with foreign money. By check dated September 16, 1996, (Ex. 36), Suryanti Tanuwidjaja contributed \$20,000 to the DNC. Suryanti's contribution to the DNC was not paid until September 30, 1996. Bank of America statement of Suryanti Tanuwidjaja, Oct. 30, 1996 (Ex. 44). On September 18, 1996, Suryanti's savings account was credited with a \$20,000 wire transfer from Dragon Union Ltd.'s account at the Hua Chiao Commercial Bank Ltd. in Hong Kong. Funds Transfer History, Sept. 18, 1996 (Ex. 45). On the same day, Suryanti transferred \$24,000 from her savings to her checking account at Bank of America. Bank of America statement of Suryanti Tanuwidjaja, Sept. 27, 1996 (Ex. 46).

Although the timing appears suspicious, the Committee has not been able to identify conclusively the \$20,000 wire transfer from Dragon Union as the source of Suryanti's contribution to the DNC in the same amount. There were sufficient additional funds in Suryanti's savings account to cover the \$24,000 transfer to checking. (*Id.*). Likewise, there were sufficient additional funds in Suryanti's checking account to cover the DNC check on September 30, 1996, the day it was paid. (Ex. 44).

Loh Sun International, Inc. contributed \$50,000 to the DNC by check dated July 29, 1996 and signed by Kent La. (Ex. 9). The check was not paid until August 5, 1996, at which point the Loh Sun account carried a balance of more than \$250,000. Union Pacific Bank Records for Loh Suh International, Aug. 30, 1996 (Ex. 47). On July 24, 1996, the Loh Sun account was credited with \$97,555, which had been wired by R T Enterprises Limited from an account at a Hong Kong branch of the Dutch ING Bank. Union Pacific Bank records for Loh Suh International, Inc., July 31, 1996 (Ex. 48). Although this was the largest deposit made into Loh Sun's account in 1996 and the only one that, on its face, clearly was made with foreign funds, the Committee was unable to determine whether the money wired to Loh Sun by R T Enterprises was used to make the DNC contribution. There was simply too much other money in Loh Sun's account.

12/14/95

Panda Estates (family business)

\$50,000

The Committee has determined that one of three Sioeng-family contributions to Matt Fong was made, in part, with foreign money. Fong returned all of the contributions in April 1997.

Panda Estates Investment Inc. contributed \$50,000 to Matt Fong for State Treasurer on December 14, 1995.<sup>75</sup> The check was signed by Jessica Elnitiarta and paid on December 18, 1995.<sup>76</sup> The balance in Panda Estates' account at that time was only \$7,000, and the check to the Matt Fong (and one other check) left Panda with a negative balance of \$43,888.55.<sup>77</sup>

On December 19, 1995, \$50,000 was transferred to the Panda account from one of Yanti Ardi's Grand National Bank accounts.<sup>78</sup> On December 11, 1995, Ardi's account was credited with a wire transfer of \$150,000 from a Hong Kong account maintained by Pristine Investments Limited.<sup>79</sup> At the time, Ardi's account carried a balance of approximately \$34,000,<sup>80</sup> which, in turn, was the remainder of a \$562,500 deposit into Ardi's account on November 15, 1995.<sup>81</sup> The

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<sup>75</sup> \$50,000 Grand National Bank check from Panda Estates Investment Inc. to Matt Fong for State Treasurer, Dec. 14, 1995. (Ex. 49).

<sup>76</sup> Grand National Bank account statement for account number 200739801, Dec. 1 - 29, 1995. (Ex. 50).

<sup>77</sup> *Id.*

<sup>78</sup> Grand National Bank Customer Authorization for Funds Transfer, Dec. 19, 1995. (Ex. 51).

<sup>79</sup> Grand National Bank Miscellaneous Credit form, Dec. 11, 1995. (Ex. 52).

<sup>80</sup> Grand National Bank account statement for account number 240979814, Dec. 1 - 29, 1995. (Ex. 53).

<sup>81</sup> Grand National Bank account statement for account number 240979814, November 13 - 30, 1995. (Ex. 54).

\$562,500 deposit was from a check written on an account held in the name of Sandra and Laureen Elnitiarta,<sup>82</sup> an account the Committee does not have records for.

In sum, the records reviewed by Committee staff show that at least \$16,000 of the \$50,000 contribution from Panda Estates to Matt Fong derived from a foreign source.<sup>83</sup>

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<sup>82</sup> \$562,500 Grand National Bank check from Sandra and Laureen Elnitiarta to Yanti Ardi, November 15, 1995. (Ex. 55). Laureen Elnitiarta's signature appears on the check.

<sup>83</sup> The Committee examined two other Sioeng-family contributions to Fong that cannot be traced to foreign sources from the information at hand. Sioeng San Wong (a.k.a. Ted Sioeng) contributed \$20,000 to Matt Fong by check dated April 20, 1995. Check 671 to Matt Fong for State Treasurer from Sioeng San Wong, Apr. 20, 1995 (Ex. 56). The check was paid on April 27, 1995. Grand National Bank account statement for Sioeng San Wong, Apr. 1-Apr. 28, 1995 (Ex. 57). Two days earlier, Sioeng's account carried a balance of near zero. It appears that the Fong check was covered by a \$30,000 transfer on April 26, 1995 from Sundari and Laureen Elnitiarta. Statement of Transfer, Apr. 26, 1995 (Ex. 58). Referred to as a "loan advance," the \$30,000 transfer represented the only funds in Sioeng's account at the time his check to Matt Fong was paid. (Ex. 57). The Committee does not know the source of the \$30,000 transferred from Sundari and Laureen to Sioeng.

Sioeng San Wong wrote another check to Matt Fong -- this one for \$30,000 -- on April 28, 1995. Grand National Bank check from Sioeng San Wong to Matt Fong for State Treasurer for \$30,000, Apr. 28, 1995 (Ex. 59). This check was paid on May 2, 1995. Grand National Bank account statement of Sioeng San Wong, Apr. 29-May 31, 1995 (Ex. 60). At the time, Sioeng's account still had roughly \$10,000 left from Sundari and Laureen's loan advance and an additional \$30,000 from a check written on the account of a Glenville A. Stuart. Grand National Bank check from Glenville Stuart to Sioeng San Wong for \$30,000, Apr. 28, 1995 (Ex. 61). The check was deposited on April 28, 1995. (Ex. 57).

Committee staff spoke to Mr. Stuart about the \$30,000 check on November 3, 1997. Stuart, who said he has known Ted Sioeng for ten years, claimed the check was written in partial satisfaction of a loan Ted Sioeng had extended to him. Stuart said no one gave him the money to give to Sioeng and that he does not recall Sioeng asking him for it. He said that Jessica Elnitiarta, however, may have asked him for the money. Stuart declined to discuss what line of business he is in.

Committee staff asked Stuart about Sioeng and his family more generally. Stuart characterized Sioeng as a kind, good-hearted, and generous man with lots of friends from

C. Other Contributions and Questionable Transactions<sup>84</sup>

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all over the world. Sioeng, who Stuart knows as “Sioeng San Wong,” is frightened now, according to Stuart, who has not seen Sioeng in quite some time. Stuart also knows Jessica Elnitiarta, who he said handles the Sioeng family businesses in this country.

<sup>84</sup> Note that the Committee could not determine whether Panda Industries’ \$50,000 contribution to the National Policy Forum (NPF) was made with domestic or foreign money. The Committee’s analysis follows.

Panda Industries, Inc. contributed \$50,000 to the NPF. Grand National Bank check from Panda Industries signed by Jessica Elnitiarta (Ex. 62). The check was paid on Aug. 3, 1995. Grand National Bank statement of Panda Industries, Account number 240539301, Aug. 1-Aug. 31, 1995. (Ex. 63).

Because of multiple deposits into and withdrawals from the Panda Industries account during the relevant time frame, the Committee has been unable to pinpoint one particular source -- domestic or foreign -- for Panda’s contribution to the NPF. That said, there are two potential sources of funds for the \$50,000 contribution. On July 17, 1995, Panda Industries deposited a \$50,000 check written the same day on Sioeng San Wong’s account. Grand National Bank check from Sioeng San Wong to Panda Industries, Inc. for \$50,000 (Ex. 64). Prior to this deposit, the Panda Industries account carried a balance of roughly \$1,300. Grand National Bank statement of Panda Industries, Inc. account number 240539301, July 1-July 31, 1995 (Ex. 65). Also on July 17, 1995, \$70,000 was deposited into Sioeng San Wong’s account. The \$70,000 derived from a check written on Vinh B. La’s account at the United Pacific Bank. United Pacific Bank check written by Vinh B. La to Cash, July 17, 1995 (Ex. 66). This \$70,000 appears to be the source of Sioeng’s \$50,000 transfer to Panda Industries as, save for the \$70,000, Sioeng’s account carried a balance of less than \$5,000. Grand National Bank statement for Sioeng San Wong, account 210459806, July 1-July 31, 1995 (Ex. 67).

It is difficult to trace the source of the \$70,000 transferred from Vinh La’s account. On the day the check was paid (July 18, 1995), La’s account carried a balance of \$101,326.93. United Pacific Bank Statement of Vinh Binh La, account 001-017438, July 25, 1995 (Ex. 68). Half of this amount is attributable to a July 14, 1995 deposit of \$50,000 withdrawn from a savings account maintained by Loh Sun International at the United Pacific Bank. United Pacific Bank deposit slip for account of La Vinh Binh, July 14, 1995 (Ex. 69). The savings withdrawal request was signed by Kent La, who later signed a contribution check from Loh Sun to the DNC. *Id.*

The source of the \$50,000 withdrawal from Loh Sun’s United Pacific Bank savings account appears to be a transfer from a Loh Sun checking account maintained at the same bank. Loh Sun’s savings account was opened with a deposit of a \$200,000 check, dated

- PRC Consulate in Los Angeles - two \$20,000 checks, both dated November 15, 1996 and consecutively numbered, were written on Jessica Elnitiarta's account to the PRC Consulate General in Los Angeles.<sup>85</sup> The checks were deposited by the Consulate in its "Education Section" account; an account that appears to have been opened with Elnitiarta's money.<sup>86</sup> The purpose behind these checks -- and why two were written instead of one -- is not known.

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January 4, 1995, written on Loh Sun's checking account. United Pacific Bank statement of Loh Sun International, Inc. account 001-409204, Jan. 31, 1995 (Ex. 70). An examination of the quarterly statements for Loh Sun's savings account from the time it was opened until the \$50,000, July 1-July 31, 1995 withdrawal was made on July 14, 1995 reveals that the withdrawal derived from the \$200,000 deposited on January 4, 1995. United Pacific Bank statement of Loh Sun International, Inc., account 001-720-806, Mar. 31, 1995 (Ex. 71). There were no other significant deposits made into the account during this time period. *Id.* The Committee does not know the source of the \$200,000 transferred from Loh Sun's checking account.

The second potential source of Panda Industries' contribution to the NPF was an \$80,000 telephone transfer into the Panda Industries' account. The transfer was made on July 24, 1995 and increased the balance in the account to \$124,877.52. (Ex. 65). The Committee has learned that the telephone transfer was requested by Jessica Elnitiarta and made from another account maintained in the name of Panda Industries ("PI 314"). Customer Authorization for Funds Transfer, July 24, 1995 (Ex. 72). However, the Committee could not determine with the information at hand the source of the \$80,000 transferred from PI 314.

In sum, the Committee cannot determine whether any portion of Panda Industries' \$50,000 contribution to the NPF derived from a foreign source.

<sup>85</sup> Two \$20,000 checks from Jessica G. Elnitiarta to the Consulate General of the PRC (Education Section), November 15, 1996. Grand National Bank check number 442 & 443 from Jessica G. Elnitiarta to Consulate General of the PRC (education section) for \$20,000, Nov. 15, 1996 (Ex. 73).

<sup>86</sup> Bank of China account statement for account number 5011-0600059-000, December 31, 1996. (Ex. 74). The two \$20,000 checks were credited to the L.A. Consulate's Education Section account as a \$4,000 and a \$36,000 deposit. A Bank of China representative could not explain why the two checks were credited in that way.

- Overseas Chinese Friendship Association - a \$10,000 check was written on Sioeng San Wong's account to the "O.C. Chinese Friendship Ass." on April 15, 1995.<sup>87</sup> The memo line the check indicates that it was meant as a donation. The Committee could not determine the nature of the donation. The check may have been intended for an organization called the Overseas Chinese Friendship Association. The association was set up at the direction of the PRC's Communist Party apparatus, specifically, the National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), and was meant to forge and strengthen ties between the United Front Work Department of the CPPCC Central Committee and overseas Chinese in this country and elsewhere.<sup>88</sup>
- Dr. Daniel Wong - a \$5,000 check was written to Wong on the account of Sundari, Sandra, and Laureen Elnitiarta on February 15, 1996.<sup>89</sup> Wong is a Republican who ran for the California State Assembly.
- Norman Hsu - a \$7,500 check was written on Sioeng San Wong's account to Friends of Norman Hsu on March 11, 1995.<sup>90</sup> Hsu is a former president of the Chinese-American Association.

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<sup>87</sup> \$10,000 Grand National Bank check from Sioeng San Wong to the O.C. Chinese Friendship Ass., April 15, 1995. (Ex. 75).

<sup>88</sup> BBC Summary of World Broadcasts, January 20, 1995.

<sup>89</sup> \$5,000 Grand National Bank check from Sundari, Sandra, and Laureen Elnitiarta to Dr. Daniel Wong, February 15, 1996. (Ex. 76).

<sup>90</sup> \$7,500 Grand National Bank check from Sioeng San Wong to Friends of Norman Hsu, March 11, 1995. (Ex. 77).



- PRC Consulate in Los Angeles to Hollywood Metropolitan Hotel - a \$3,000 check, dated March 22, 1996, was written on the PRC Consulate's account at the Bank of China, Los Angeles branch to the Hollywood Metropolitan Hotel, a business owned and operated by the Sioeng family.<sup>91</sup> Three days later, the check was deposited into a Grand National Bank account maintained by Panda Hotel Investment, Inc.<sup>92</sup> Nothing on the check itself or told to the Committee by Jessica helps explain the instrument's purpose.

#### Part IV. **Conclusion**

The story of Ted Sioeng and his family is a fascinating glimpse at how quickly an individual or family -- even one with markedly limited U.S.-based income and with the vast majority of its wealth overseas -- can become an influential figure with a political party or in an election. In Sioeng's case, some \$400,000 in contributions to the DNC in 1995 and 1996 earned him remarkable access to the President and Vice President of the United States, and not just for him, but for his family and friends as well.

The Sioeng story, though, has only been partially told by the Committee. Still to be answered are many questions, among them the following:

- Was money sent by Sioeng from Hong Kong to the United States for the express purpose of making political contributions;
- What was the ultimate source of the funds Sioeng wired from Hong Kong to accounts in this country;

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<sup>91</sup> \$3,000 Bank of China check from the Consulate General of the People's Republic of China to the Hollywood Metropolitan Hotel, March 22, 1996. (Ex. 78).

<sup>92</sup> *Id.*

- What was the nature of Sioeng's relationship with the Government of China; and
- Why did Sioeng and his family decide to start making large political contributions during the 1996 election cycle.

It is clear that Sioeng and his family became major Democratic donors during the 1996 election cycle and that they did so with money wired from overseas. The questions above take the analysis to a new level -- one that focuses less on the Sioeng family's contributions and more on their motives for making them. Until the questions are answered, Sioeng, like Charlie Trie, John Huang, Maria Hsia, and others, will remain a mysterious figure who was embraced all-too eagerly by a money-hungry DNC.