The Curious Cast of Asian Donors

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In 1979, a poor but enterprising young man slipped a small amount of money to a Chinese police officer and stole across the border to neighboring Macao, then a seedy tourist backwater with a few low-rise casinos striving feebly for Las Vegas glitz.

With few belongings and the equivalent of $12 in his pocket, Ng Lap Seng began selling bales of cheap cloth to the teeming garment factories then sprouting across the region, eventually earning millions -- a literal rags-to-riches story. Sixteen years later, Ng was touring the White House, starting with an elevator ride with Hillary Rodham Clinton.

Ng is one of an extraordinary cast of characters now at the center of a growing controversy over the Democratic Party's fund-raising efforts among Asians and Asian Americans. The unlikely group, a half-dozen donors, includes an elegant Taiwanese merchandising mystic with her own line of designer clothes; a gospel-singing South Korean who wanted, among other things, to be accompanied on the saxophone by President Clinton; a California deal-maker and self-proclaimed great-grandnephew of Mohandas K. Gandhi whom relatives denounce as a sham; and a striking Thai businesswoman whose wealthy in-laws helped develop one of Thailand's most popular brands of whiskey.

What all have in common is big contributions to the Democratic Party or to Clinton's legal defense fund and connections to John Huang, the Taiwanese American banker who served as the Democratic National Committee's chief fund-raiser in the Asian American community. Asian and Asian American donors have become the focus of the campaign fund-raising controversy because Huang targeted them specifically to raise millions of dollars during the 1996 campaign and because some of the money came from people and companies overseas. Federal election law prohibits foreign contributions.

Contributions have been returned because they were illegal or inappropriate. Some are under scrutiny by a Justice Department task force.

In some instances, what enticed these donors to open their checkbooks was the chance to rub elbows with the president. In others, donors apparently wanted something more -- access to the U.S. market, an American partner to help manufacture outdoor TV screens, or a U.S. government bank to help finance a video store franchise in Bangkok. In the end, the deals collapsed.

The laws governing political contributions in Asia, as in other areas of the world, are far looser than in the United States. In many places overseas, direct, personal gifts to politicians and government officials are a routine part of doing business.

"This is a cultural question," said Young Chung, a South Korean businessman whose company was linked to an illegal $250,000 contribution that has since been returned by the Democratic National Committee. "In Korea and other Asian countries, we donate money to political parties without conditions, but we expect favors later. But instead of getting favors, we just got trouble."

John Lee is a case in point. In his mid-forties, the South Korean businessman had a taste for designer clothes and Rolls-Royces and boasted of powerful connections in his homeland. Lee liked to be addressed as "doctor" and penned his master's thesis on sin and guilt. As chairman of Cheong Am America Inc., Lee donated $250,000 at a fund-raising dinner organized by Huang last April at Washington's Sheraton Carlton Hotel. What he sought in return was face time with Clinton and a U.S. partner for a manufacturing plant in California. Lee apparently thought the president could help.

The trouble was that Lee's company, Cheong Am, the U.S. subsidiary of a South Korean firm that billed itself as a leading Korean maker of outdoor electronic display boards, had yet to earn any revenue in the United States. As a result, Lee's contribution was prohibited under federal law.

A Cheong Am spokesman told the Los Angeles Times last fall that Lee's interest in Clinton was purely personal. Lee, the spokesman said, played the piano and was a gospel singer in South Korea. He wanted Clinton to back him up on the saxophone.

In a telephone interview from Seoul, Lee's business associate, Chung, said the start-up capital for Lee's U.S. operation came from his South Korea-based firm, Ateck Ltd. "We were astonished," Chung said. "He didn't use this money for our business. He gave it away. We are very, very angry with him."

It is not clear what other donors expected in return for their political contributions. Exactly what transpired remains murky.

Take Suma Ching Hai. The self-styled Taiwanese "supreme master" claims to be the living reincarnation of Buddha and Jesus Christ. She

also hawks paintings, jewelry, a Supreme Master Cookbook (listed in the "Elevation of the Soul" catalogue on an Internet Web site), and personal items such as her used Volvo and old socks. Operating from her headquarters in Taiwan, she has organized what one expert describes as one of the fastest-growing religious cults, claiming 100,000 believers in the United States and millions worldwide.

The supreme master has said she felt sorry for the president, and that's why she urged followers to contribute to his legal defense fund. How did she find out about Clinton's legal woes? In a prayer meeting with a disciple, Charles Yah Lin Trie, a Little Rock restaurateur and longtime friend of the president who, like Huang, is now under investigation.

Like Ching Hai, Yogesh K. Gandhi also wanted to reach out to the president.

Gandhi heads a California foundation named after Indian leader Mohandas Gandhi, whom he claims as a great-granduncle. Gandhi wanted to give the president a peace award last year. "The award consists of a life-size bust of Mahatma Gandhi and $100,000 in cash," he said in his letter to the White House. He was turned down, but a month later, Gandhi turned up at a DNC fund-raiser -- bust in hand -- and contributed $325,000, which was later returned. Gandhi later testified in court that he had no U.S. assets and was living off his brother's credit card. At the dinner, Gandhi repeated his plea to present the award. DNC officials saw no harm in it, and in a hastily arranged ceremony, a smiling Clinton accepted the bust.

For Pauline Kanchanalak, another DNC donor whose contributions are now the subject of Justice Department scrutiny, rubbing elbows with the president has been part of her successful career in Washington as a business executive and Democratic Party activist.

Kanchanalak's $253,000 in contributions were returned by the DNC last year after she said they came from her mother-in-law. Uniformly described by associates as bright and politically savvy, Kanchanalak has used her connections to top politicians on both sides of the Pacific to put together international trade deals.

It was Kanchanalak who sought out a longtime Clinton aide now at the Export-Import Bank to push an unusual $6.5 million deal last year for a client. The aide, Maria Haley, supported the project, first reported in the New York Times, despite resistance from bank staff. Kanchanalak's client was a wealthy Thai family seeking financing for a Blockbuster video franchise in Bangkok.

She married into a prominent Thai family with interests in jewelry and real estate. Her husband's grandfather also helped develop Mekong, a popular Thai whiskey. The $253,000 in contributions

came from her wealthy mother-in-law, Praitun Kanchanalak, a longtime permanent legal resident, she said.

Pauline Kanchanalak earned graduate degrees from the University of Pittsburgh and Stanford, and in the mid-1980s worked as the Washington correspondent for Thailand's largest English daily newspaper, the Bangkok Post. She wrote about trade sanctions and farm legislation -- and in the process became close to House and Senate staff members.

"She knows how things work," said an American in Bangkok who has known the woman and her husband for years. While she and her husband, Jeb, own a home in McLean, he spends most of his time in Bangkok, and she travels back and forth.

Associates say her star began to rise when Kasem Kasemsri became Bangkok's envoy to Washington and gave her a job as an assistant. In the early 1990s, when Thai government officials wanted to create a private U.S.-Thailand Business Council, they turned to Kanchanalak for help. Kasemsri became the head of the Thailand counterpart.

Despite opposition from rival groups who argued it was a waste of resources, Kanchanalak secured an unusual White House endorsement for the council. Clinton and Thai Prime Minister Chuan Leekpai attended the council's inaugural ceremony in 1994 at the White House.

Kanchanalak has had regular access to the White House, which recommended her for a spot on a trade policy advisory committee that requires a security clearance and U.S. citizenship. Kanchanalak is a legal resident and never sent in her application.

Last June, Kanchanalak's friend, John Huang, arranged for her to attend a White House coffee with Clinton, the same day she and her sister-in-law, Duangnet G. Kronenberg, contributed $135,000 to the party. Kanchanalak also invited three top officials of a huge Sino-Thai conglomerate, Charoen Pokphand Group, or CP, and two executives of the U.S.-Thailand Business Council as her guests. It's not known what business relationship Kanchanalak was trying to cultivate with the Thai conglomerate, one of Asia's most successful business empires.

Most Americans have never heard of CP, but the conglomerate is considered the single largest foreign investor in China, with an estimated $2 billion committed, and has holdings across Asia in a variety of things from chickens to motorcycles.

Participants said they discussed China policy and whether Clinton would visit Bangkok after the November APEC summit in Manila. (He did, becoming the first U.S. president to do so since Richard M. Nixon, 27 years earlier.) Afterward, CP's two top executives, Sumet

Jiaravanon and his brother, Dhanin Chearavanont, posed for pictures with Clinton.

A CP executive in Hong Kong dismissed speculation that the company was interested in influencing U.S.-China policy. But the Thai executives were certain to be impressed by being photographed with the president.

"We want to be seen with the leader of the free world. We do value that. As a conversation piece, as a sign of our power, a photograph like that is very important," said B. Tony Asvaintra, executive vice president for CP operations in Hong Kong.

"How many Asians have the chance to have coffee with the Clintons? . . . To be seen and have coffee with the president is a sign that we have arrived. Not everyone can do that."

Ng Lap Seng agrees. The former peasant owns real estate in Texas, restaurants in Hong Kong, and the 19-floor Fortuna Hotel in Macao, known as much for its prostitutes working the lobby as for its floor show of whip-wielding, leather-clad dancers upstairs. One of Ng's business partners is Wang Jun, the chairman of one of China's largest financial conglomerates, who also heads one of the country's leading arms firms. Wang attended a DNC-sponsored coffee with Clinton at the White House in February last year. Clinton has since called the meeting "clearly inappropriate."

During two interviews and one meeting over dim sum, Ng, a stocky man who looks younger than his 49 years, barked incessantly into a portable telephone, switching from his native Cantonese to heavily accented Mandarin. Only his hands -- rough, sunburned and strong -- testify to the years he spent toiling in the rice paddies. Like many of the region's newly rich, Ng has allowed the nails on his pinkies to grow.

During a lengthy interview in the Fortuna's coffee shop, as scantily clad women approached hotel customers nearby, Ng scribbled his name on a chit for $3,200 -- the dinner bill for a group of Chinese government officials he was hosting in Macao.

Ng said he hooked up with Charles Trie several years ago and that it was Trie who introduced him to the world of American politics. In 1994, the two men sought unsuccessfully to renovate a hotel in Little Rock. Later that year, Ng's Little Rock firm, San Kin Yip Inc., gave $15,000 to the DNC -- just 10 days after the company was incorporated.

The Macao developer said he believed that giving money to Clinton and the Democrats would buy him access to the U.S. market, a market he has longed to crack for years.

"I don't just want to speculate on property and stocks, I want to do international trade," he said.

Trie said the San Kin Yip donation was illegal because the money came from abroad. That $15,000 is the subject of a DNC audit. Ng said much of the money donated separately to the DNC by Trie's firm, Daihatsu International Trading Inc., could also have been generated abroad from Ng's operations. If true, an additional $70,000 could be illegal.

Trie "is a very good man, but he just doesn't know business that well," Ng said. "He's a wonderful guy who has trouble with numbers. I had to help him out."

Trie had close ties to Clinton, who used to frequent Trie's Chinese restaurant in Little Rock. Through Trie, the Macao businessman journeyed to Washington in September 1995 and toured the White House with several other prominent Asians. There the group was escorted up an elevator by the first lady. Ng declined to elaborate on specifics.

A senior White House official said Secret Service records do not show any visits by Ng, "under any of his names in either August, September or October of 1995."

Almost every one of Ng's business partners in China is a government official. Access to them is often purchased with donations of cash. In looking to do business in America, Ng took his understanding of money and politics in China and projected it onto the United States.

"I know America is different from China," he said. "But I think in some ways, the two places are very similar. Money is very important to both."

Pomfret reported from Hong Kong, Macao and Bangkok. Sun reported from Washington.

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