



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20461

July 28, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Haley R. Barbour  
Barbour Griffith & Rogers  
1333 New Hampshire Avenue, N.W.  
Washington, D.C. 20036-1511

RE: MUR 4250

Dear Mr. Barbour:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena and order which requires you to provide certain information in connection with an investigation it is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.


Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena and order. However, you are required to submit the information within 30 days of your receipt of this subpoena and order. All answers to questions must be submitted under oath.

WEST "SEE" NO. 00

If you have any questions, please contact me at (202) 219-3690.

Sincerely,



Jose M. Rodriguez  
Attorney

Enclosure  
Subpoena and Order

00.04.395.1537

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 ) MUR 4250  
 )

**SUBPOENA TO PRODUCE DOCUMENTS**  
**ORDER TO SUBMIT WRITTEN ANSWERS**

TO: Haley R. Barbour, Esq.  
Barbour Griffith & Rogers  
1333 New Hampshire Avenue, N.W.  
Washington, D.C. 20036-1511

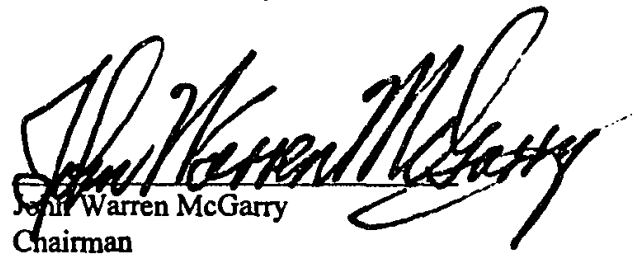
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

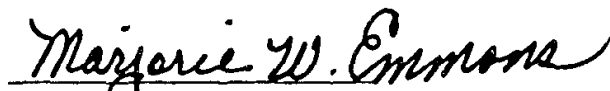
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WHEREFORE, the Chairman of the Federal Election Commission has hereunto  
set his hand in Washington, D.C. on this *5th*, day of *July*, 1997.

For the Commission,

  
John Warren McGarry  
Chairman

ATTEST:

  
Marjorie W. Emmons  
Secretary to the Commission

Attachments  
Document Requests and Interrogatories (5 pages)  
May 5, 1997 Time magazine news article (2 pages)

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## INSTRUCTIONS

In answering these interrogatories and requests for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information. If you have no responsive information to an interrogatory or document request. Affirmatively state such in response to the interrogatory or document request.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1993 to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

## **DEFINITIONS**

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named witness in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

The "RNC" shall mean the Republican National Committee, including all officers, employees, agents or attorneys thereof.

The "NPF" shall mean the National Policy Forum, including all officers, employees, agents or attorneys thereof.

"Signet Bank" shall include all branches, divisions, offices, officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean both sides of the original and all non-identical copies, including electronic copies and drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, calendars, appointment books, transcripts, vouchers, accounting statements, bank account statements, ledgers, checks, money orders, verifications of wire transfers, or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained. For all types of documentary records requested, if any of these records are maintained on any storage format for computerized information (e.g., hard drive, floppy disk, CD-ROM), provide copies of the records as maintained on that storage format in addition to hard (i.e., paper) copies.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document, all attachments, notes or other communications accompanying the document and the source of any handwritten notations.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the occupation or position of such person at the time of the involvement in the activity at issue, and all positions ever held with the NPF, the RNC, the NRSC or the NRCC. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"Describe" with respect to a communication shall mean state the subject of the communication and the date, location and duration of the communication. Identify all persons participating in the communication and state each person's substantive participation in the communication.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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**DOCUMENT REQUESTS AND INTERROGATORIES**

1. Separately for each loan made by the RNC to the NPF:
- a. Describe and produce all documents concerning, relating to, or referencing each loan, each disbursement of loan proceeds, and each repayment of loan balance, including all written correspondence;
  - b. Describe in detail the purpose and substance of all non-written communications concerning, relating to, or referencing each loan, each disbursement of loan proceeds, and each repayment of loan balance. For each communication, separately state the date of the communication, the time of the communication, the location where the communication occurred, and identify each person involved in the communication and describe in detail their substantive participation in the communication;
  - c. For each non-written communication described in response to question 1(c) above, identify and produce all documents concerning, relating to or referencing each such communication, including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the communication.
2. Concerning the October 1994 loan from Signet Bank to the NPF first referenced in the accompanying May 5, 1997 Time magazine news article:
- a. Describe and produce all documents concerning, relating to, or referencing the loan, the pledged security on the loan, the repayment of the loan and the seizure of security in satisfaction of the loan, including all written correspondence;
  - b. Describe in detail the purpose and substance of all non-written communications concerning, relating to, or referencing the loan, the pledged security on the loan, the repayment of the loan and the seizure of security in satisfaction of the loan. For each communication, separately state the date of the communication, the time of the communication, the location where the communication occurred, and identify each person involved in the communication and describe in detail their substantive participation in the communication;

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- c. For each non-written communication described in response to question 2(b) above, identify and produce all documents concerning, relating to, or otherwise referencing each such communication, including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the communication.
3. Identify each person who provided any information used in the preparation of the responses to these questions and for each person identified, describe for which question the information was used.

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# THE G.O.P.'S OWN CHINA CONNECTION

A Hong Kong mogul rescued Republicans during two campaigns

By MICHAEL WEISSHOFF and  
MICHAEL DUFFY

**T**HE SENATE SUBPOENA OPENED with the word "Greeting" but there was nothing friendly about it. Coming from the Senate committee investigating the campaign fund-raising scandal it directed what's left of the Dole campaign to hand over all documents connected to a familiar list of 46 political donors and suitors. As the subpoena was faxed around Washington last week, it set off a minor panic among lobbyists and fund raisers worried about who might be called to testify. But their fretting was misplaced: the name of the G.O.P.'s most generous foreign benefactor wasn't even on the list.

For months snapshots of a Democratic White House desperately grubbing for campaign dollars have focused on Asian Americans with strong business ties to their native lands. Now Republicans tell TIME the G.O.P. has profited from an Asian money connection as well. Twice in two years Hong Kong businessman Ambrosius Tung Young bailed out the party at crucial mo-

ments, first freeing up as much as \$2 million in the final days before the G.O.P.'s 1994 sweep of Congress, then eating \$500,000 in bad debts, rescuing Republicans in the last weeks of the 1996 contest. The conduit for the money was a U.S. firm with little income and few assets, but quietly backed by an aviation-services and real estate-investment company controlled by Hong Kong and Taiwanese businessmen. The money passed through a Republican think tank that granted big donors more influence over party policy in return for more money. For Young, the arrangement also opened diplomatic doors. In Washington, Young met face to face with the lions of the G.O.P. just as they were taking over Congress. In Beijing a year later, he escorted G.O.P. chairman Haley Barbour in a meeting with Qian Qichen, Foreign Minister for the People's Republic of China.

The discovery of a financial channel running from Taiwan to Hong Kong to Republican national headquarters may well change the terms of Washington's latest

**PARTY ESCORT:** Ex-R.N.C. chair Barbour introduced his Asian patron to the powerful money mess. Until now Democrats have taken the hit for fund-raising excesses, providing grist for investigations by the Justice Department and 11 congressional committees and prompting calls for an independent counsel. But as Young's secret role shows, the lure of easy foreign money is bipartisan. Young's business depends in large part on Western access to Chinese markets and a secure Taiwan, objectives pushed by Republicans and the think tank he backed. That agenda, the Young case shows, has been successfully promoted by Asian interests who contributed big money to both major parties.

How a Chinese businessman came to prop up the G.O.P. is a story that began in 1993, right after Bill Clinton's election. Barbour had just taken over as G.O.P. chairman and created a think tank to generate new ideas. He called his group the National Policy Forum, and although its operations were two blocks and a few legal documents



removed from Republican headquarters it was just an extension of the party. Barbour was chairman of the forum. G.O.P. officials set its \$4 million annual budget and coordinated fund raising. The forum circulated 600,000 questionnaires to identify the hot-button issues that were later assembled into the Contract with America.

**T**HE FORUM HAD A HIDDEN PURPOSE: to tap into a new stream of cash from corporations. G.O.P. fund raisers discovered in 1992 that there was only so much soft money available—most donors had given all the money they could to campaigns. But because corporations set aside other tax-deductible money for research, Barbour's idea was to create a nonprofit think tank that could attract that cash.

Instead, the think tank started to cost the party money. Corporate sponsors turned out not to be very interested in the forum, so by the summer of 1994 it was heavily in debt. Labeled to the R.N.C. which had loaned the forum several million dollars to get started. With the pivotal midterm elections bearing down, the party needed money to attract voters to the polls with a bumper of TV ads.

Enter Ambrosius Tung Young, a Hong Kong tycoon. In 1984 his U.S. firm, Young Bros. Development-USA, started to guarantee loans to the forum. Exact details of this arrangement remain a mystery. A top R.N.C. official said a Houston businessman named Fred Volcansek, who worked on trade issues under former President Bush, knew Young and informed the forum's president of Young's interest in helping Young lived in Hong Kong, but his sons had become U.S. citizens and dabbled in G.O.P. politics.

Even then Barbour knew the political risks of the proposed loan arrangement. Although Young was willing and legally able, the R.N.C. chief wanted to avoid any criticism of using overseas cash to pay for political activity—even policy research. Barbour received general assurances that Young Bros. Development-USA was a domestic firm. On that basis he had the company put up \$2.2 million in certificates of deposit—funds transferred earlier from the parent company in Hong Kong—as collateral for a loan from Signet Bank.

But if Barbour was looking to be bailed out by an American business, it's not clear that Young Bros. Development-USA was either American or a business. It turns out that the company's only U.S. asset is a

Georgetown apartment, and its only revenue is its rental income from that property, officials said. As for its pedigree, incorporation records in Florida list only two officers, onetime G.O.P. chairman Richard Richards and Benton Becker, who was President Ford's counsel. And the firm's actual owner? According to Becker, the principal stockholder is Young Bros. Development of Hong Kong Records in the British colony list Young as managing director and several others from Taiwan and Hong Kong as investors.

Whatever the country of origin, the loan guarantee was a political godsend. With much of its proceeds sent immediately to the R.N.C., the loan provided last-minute cash for tight House races. In November, Republicans took control of Congress for the first time in 40 years. Not long after, Barbour personally escorted Young around

charitable when describing the Democrats' foreign fund raising last fall. Two weeks before the election, Barbour criticized the Clinton White House for trying to "cover up this well-organized scheme of foreign contributions and influence peddling."

Yet with everyone scrounging for money in those last frantic weeks, no one was asking a lot of questions. Which is why the beneficiaries don't know much about their donor's background. Raised in Taiwan, Young joined the Taiwan navy as a supply officer, studied engineering in England and returned to Taipei, where he started an aerospace consulting firm. He later moved to Hong Kong, where he keeps a picture of himself with Ronald Reagan hanging on his office wall. Young served as the Asian agent for several aviation companies, including Pratt & Whitney and, more informally, British Aerospace.

THE G.O.P.'S ASIAN MONEY WHEEL



Washington, introducing him to Bob Dole and House Speaker Newt Gingrich. Young returned the hospitality in August 1995, as host at a dinner for a visiting Barbour on his posh yacht, the *Ambrosius*.

But by mid-1996 the forum was strapped again. The last thing the party wanted that summer was to bail out a think tank just when the campaigns for Congress were heating up. So Barbour decided that the forum would simply stop repaying the Signet loan. He tried instead to get Young Bros. to foot the bill. Through its lawyers, the company refused.

And then Signet called in the loan. At first Barbour refused to pay the \$1 million balance due. When the Youngs' lawyers threatened a lawsuit, the forum paid up \$500,000, but that still left an angry Young with a \$500,000 loss—sparing the R.N.C. from having to dip into campaign funds to pay off the rest of the debt.

Barbour told TIME last week that the guarantee and settlement were "perfectly legal and totally appropriate." He was less

Over the years he has had a financial interest in preserving American trade links to China, the world's largest customer of commercial aircraft, and in maintaining a militarily strong Taiwan. In 1992 Taiwan bought 150 F-16s, all powered by Pratt & Whitney engines.

Young, who is said to be in his 60s, is extremely private by the standards of Hong Kong tycoons. He has an office in Taipei and sits on the board of an aerospace company close to the ruling Nationalist government. He is known as "the man to see" if you want to get a hearing in Asian aerospace circles. Little else about him is publicly available—at least not yet. Last Friday, Haley Barbour received a new subpoena, this one asking for all records relating to the National Policy Forum. With Washington's investigations widening to include Republican backers, the well-guarded anonymity of Ambrosius Tung Young may be coming to an end. —With reporting by Sandra Burton/Hong Kong and Donald Shapiro, Taipei

PHOTO: GREG GAYNE