

## **Marcos Chronology Report**

Reproduced below is a copy of Charlie Avila's Marcos Chronology Report detailing the former President's involvement in WW11 plunder. The report is available for download at [www.prsi.homepage.com](http://www.prsi.homepage.com)

There are a number of interesting points mentioned in this document - not least of which are the Marcos laundering connection to the Sultanate of Sabah.

### **BELIEVE IT OR NOT: THE FACTS, THE BACKGROUND AND PROCESS OF THE GREATEST LOOT IN HISTORY**

a chronology by **CHARLIE AVILA**

#### **February 1942**

Treasure talk in the Philippines dates back to World War II.

Most countries tried to hide their wealth when they realized that the enemy was about to attack. Spain shipped all of its gold reserves to Russia for safekeeping (guess who never saw their gold again?).

In the Philippines, while the Americans and Filipinos were holding off the Japanese at Bataan, President Quezon had twenty tons of the treasury's gold bullion and silver pesos loaded on the submarine USS *Trout* and taken to Australia. Another 350 tons of silver pesos, worth more than Php15 million (almost \$8 million), was dumped in the waters off southern Corregidor in May 1942 and several million dollars in paper currency were burned after the serial numbers were noted and radioed to Washington.

#### **August 1942**

During the middle part of 1942, the tide of battle began to turn. Japan was losing. Any planned movement of treasure back to Japan had to change - if only as a temporary measure. When the Japanese Imperial Army rolled victorious through Asia, it systematically pillaged each country, shipping raw materials to Japan to further the war effort.

What is little known is that the Japanese did not stop with raw materials. The plunder of each country they occupied was absolute, total. All banks, treasuries, and other depositories of wealth were looted. Even the bodies of the enemy dead were violated. Gold teeth were ripped out, fingers with rings cut off, museums, temples, churches were not spared, along with the temples of vice - gambling, prostitution, smuggling, opium, money lending.

A group of Japanese officers, assisted by a special engineer brigade, began burying treasure. They took months of excavation to build elaborate tunnel systems and complexes large enough to hold trucks and sometimes deep enough to be below the water table.

The Japanese built the first underwater tunnel from Kyushu, furthest south of the four major islands, to Honshu, the largest island, in 1942. They had the technology - no doubt about it.

Marcos believed in the treasure. After he became president, a large number of military were assigned full time to treasure hunt under the secret leadership of his most trusted Fabian Ver.

Progress reports to Marcos about various treasure site excavations were found in the palace after the EDSA insurrection. Aside from Ver, the team included Col. Mario Lachica, Gen. Santiago Barangan, Gen. Onofre Ramos, Col. Florentino Villacrusis, Col. Porfirio Gemoto, Gen. Ramon Cannu, Gen. Tomas Dumpit, Col. Orlando Dulay, Maj. Patricio Dumlao, Johnny Wilson and Venancio Duque.

## **1949 - 1950**

It can be said that Marcos came from a poor family and that he made his first million as a first-term congressman in 1949 and 1950 selling import licenses. He bought a Cadillac to celebrate his new status. Before then there was no outward indication of any wealth.

## **1954**

When Marcos courted Imelda in 1954 the story goes that he brought her to a bank vault and showed her stacks of hundred-dollar bills but no gold bars. He didn't open his first bank account abroad until 1967. But in 1988 and thereafter the Marcoses decided to talk like it was settled doctrine that he had began accumulating gold toward the end of the war.

One day Marcos explained to [Enrique Zobel de Ayala](http://www.nenepimentel.org/bluerib/zobel-depo.htm) [< http://www.nenepimentel.org/bluerib/zobel-depo.htm >](http://www.nenepimentel.org/bluerib/zobel-depo.htm) that he reminted gold bars in Hong Kong in 1946 and accumulated more through various treasure hunts but kept everything secret because other countries might have legal claims until 1985 because of the statute of limitations.

Which makes the whole story tragicomic, if true, in that 1985 was the beginning of the end - going all the way to the EDSA people's urban insurrection of 1986.

## **1967**

While Marcos was rather quick later in life to talk about his wealth as the result of treasure hunting, he was all the time loathe to talk about commissions and payoffs, confiscations and outright thievery. In the year 1967 Marcos received his first payoffs from the US government. After he committed troops to Vietnam, he began receiving quarterly checks of US\$200,000.00 each, delivered by the US Embassy, as per a secret agreement "between officials of Department of State and President Marcos that the Philippine Government could conceal the receipt of these payments from the Philippine public in its national defense budget."

## **July 07, 1967**

Papers found in Malacañang showed Marcos opened his first bank account abroad on this day when he deposited US\$215,000.00 in Chase Manhattan Bank in New York.

Not yet accustomed to hiding money, he used his own name.

The following year, 1968, he opened his first Swiss account.

### **March 21, 1968**

The Manila Times headline was "CAMP MASSACRES BARED", reporting the massacre of fourteen soldiers on Corregidor island, with another 40 missing, in a Marcos project code-named Jabida, whose aim was sabotage and insurgency in Sabah. The recruits were Filipino Muslims and the target was a Malaysian Muslim state. The recruits naturally rebelled and were therefore massacred. To Marcos, the natural resources of Sabah were the ultimate gold mine. He said as much so many times to mistress Dovie Beams. And he claimed to have the Special Power of Attorney on Sabah from the Sultanate of Jolo, traditional owners of what had now become a Malaysian state.

### **March 1968**

Walter Fessler, an official of Credit Suisse Bank in Zurich, came to Manila. He was brought to Malacanang. Forms were filled out and signatures appended. On his signature verification form, Marcos wrote out "William Saunders (pseudonym)," an alias he had used in his WWII days, and underneath that name he wrote "Ferdinand Marcos (real name)." Imelda did the same, choosing Jane Ryan as her pseudonym. Four bank accounts were opened. Four checks, totalling US\$950,000.00 were given for the deposit.

### **January 01, 1970**

Today Marcos announced to the nation that he was giving up all his worldly wealth. He now admitted he was rich. This was amazing. He never admitted anything. But then came the blockbuster. "You know how I made my pile? I discovered Yamashita's treasure."

The shabby excuse was universally judged exasperatingly unoriginal. But there it was. He said he was rich because of Yamashita's treasure and he was giving all that up for the Filipino nation in gratitude for their electing him to a second term - the only president ever to be reelected, he proclaimed.

### **February 13, 1970**

Manila did not believe the Marcos Foundation announcement. The demonstrations got worse. Protests turned violent. While the battle raged, Marcos and Imelda issued handwritten instructions to Markus Geel on this day to establish another foundation - one to be kept secret from the Filipino people - the Xandy Foundation in Vaduz, the capital city of Liechtenstein. This tiny state between Austria and Switzerland was famous for offering a unique form of corporate structure - the *anstalt* - a single-shareholder company protected by the world's tightest

corporate secrecy laws. The CIA and KGB hid their covert funds there. Even Swiss bankers who sometimes had the need to hide money used the *anstalten*.

The Saunders and Ryan accounts were closed and the money transferred to the Xandy Foundation account at Credit Suisse. This would be the first of many foundations set up in this manner with Swiss bankers and lawyers as directors to hide the identities of Marcos and Imelda.

### **August 26, 1970**

The Trinidad Foundation was set up in Vaduz.

### **January 27, 1971**

Roger Roxas < <http://www.state.hi.us/jud/20606.htm> > and his team of treasure hunters discovered a gold statuette of Buddha, almost three feet tall and too heavy to lift. On this day they borrowed a truck and brought the Buddha back to Roger's house at 47 Ledesma Street in Baguio. It was two in the morning.

When they finally got to weigh the statue they saw that it weighed 2,000 pounds.

A representative from the Treasure Hunters Association in Manila, Louie Mendoza, tested the Buddha and said it was 22-karat, about 92 percent pure gold. Another treasure hunter, First Lieutenant Ken Cheatham of the US Air Force at Clark, came with his friends to see the Buddha and took a lot of photos.

### **April 5, 1971**

At two thirty in the morning of this day, Holy Monday, Marcos' uncle, Judge Pio Marcos, authorized the search of Roger Roxas' house because Roger had allegedly violated a Central Bank regulation. The search became messy and violent. At the end of the day, the Buddha was gone.

Roger was picked up, blindfolded and driven to a secret location outside Manila. He thought it was a military camp in Pampanga. They tortured him until he signed a confession stating Marcos was not involved in the theft of the Buddha.

### **June 21, 1971**

The Azio Foundation was set up in Vaduz.

### **August 21, 1971**

The bombing of opposition rally at Plaza Miranda: Roger Roxas was to be the main opposition exhibit in the anti-Marcos campaign to dramatize the gold-greed and tyrannical methods of the

President. The suspension of the writ of ***habeas corpus*** followed a month later - one of the elements forming the yearlong prelude to martial law.

### **September 24, 1971**

The Rosalys Foundation was set up in Vaduz.

### **October 1971**

Rosalys Foundation opened a bank account # 51960 at Swiss Bank Corporation. From this day to June 30, 1980, Berlin and Company would transfer US\$10.3 million into this account.

### **December 27, 1971**

The Charis Foundation was set up in Vaduz.

### **September 17-21, 1972**

The start of the U.S.-Marcos Martial Law Regime, following Philippine Supreme Court decisions against foreign (i.e. US) ownership of land and in the wake of certitude that Marcos would not be legally allowed to run for a third term, not even by the ongoing Constitutional Convention, which he had so polluted with bribes and illegal interventions.

The Philippine Communist Party and its so-called New People's Army were then a very small insignificant group.

The Muslim secessionist movement was quietly gaining ground.

The middle forces of Christian and Social Democrats were on the ascendancy in both organization and propaganda.

With US help, specifically Richard M. Nixon's, Marcos now mounted the only successful coup, so far, in Philippine history -the coup which political scientists referred to as the "auto-golpe" because it was a coup against himself.

The rest is history (of systematic plunder and systematic human rights violations).

### **1973**

The Central Bank's gold reserves dropped to 1,057,000 ounces. Governor Licaros claimed that 800,000 ounces (about 22.7 tons) were sold to obtain much needed dollars - which would have brought in \$28 million at the official price of \$35 an ounce.

The Philippine Central Bank was a powerful entity in the Philippines. It was equivalent to the Board of Governors of the Federal Reserve in the US plus most of the functions of the Federal Depositors Insurance Corporation and various state banking commissions. As governor, Licaros had complete discretion in the purchase and sale of gold; he answered to no one except to the President.

A confidential source said that the gold mentioned here was sold not at official but at market value which was at least double the official price.

Under the Marcos regime, a Mafia-like code of silence was strictly observed to hide illicit transactions involving people's money.

In the rare occasion when the public got to know some of the illegal dealings, no problem. the technocrats - men of integrity and brilliance - would employ a technique they had developed into a high art, namely, the technique of the cover-up. They would justify cover-up on the ground that transactions were "confidential". Graft and corruption operations are always confidential. Of course.

### **June 22, 1973**

Rayby Foundation was established in Vaduz.

### **May 2, 1973**

On this day Fabian Ver wrote Marcos regarding a group code-named Task Force Restoration that was set up to recover treasure at Fort Bonifacio and Fort Santiago.

### **September 1974**

Olof Jonsson, noted psychic, and a friend, Cary Calloway, flew to Manila accompanied by Norman Kirst, who had just met Jonsson and offered to sponsor the trip. The trip was on Marcos' invitation with a view to treasure hunting. Later, Kirst called Bob Curtis in Reno, Nevada and invited him to be part of the group. Curtis supposedly possessed a new technology for extracting more gold per ton of material.

The idea of Marcos was to launder gold bars by melting them down and reprocessing them in order to eliminate identifying marks and to refine their purity.

The team included Villacrusis, Amelito Mutuc, Cesar Leyran, Ben Valmores and Pol Giga and Mario Lachica.

They called themselves the LEBER GROUP. Effective January 1, 1975, Americans could legally buy and possess gold. Goldmarkets all over the world were already buzzing with increased activity.

## **December 1974**

Charis foundation was renamed Scolari. The purpose was not clear - perhaps to throw future investigators off their trail.

## **1974-1977**

Through these three years gold reserves stayed at exactly the same figure of 1,056,000 ounces - which would seem to be a statistical impossibility. They had never stayed at the same level before, even for two years running.

## **January 17, 1975**

A secret decree not made public until after the EDSA insurrection was signed by Marcos today stating that in the event he became incapacitated or died, power would be turned over to Imelda.

## **March 11, 1975**

Marcos invited Jonsson, Kirst, and Curtis for an overnight cruise on the presidential yacht. They went to Corregidor afterwards. Marcos had an office below which was a room that Ver took them to - about thirty square feet of gold bars stacked from floor to ceiling. They noticed the bars had what appeared to be Chinese markings.

## **March 1975 - July 1976**

Marcos' highway commissioner, Baltazar Aquino, went to Hong Kong at least ten times to collect "commissions" totaling \$4,539,786.60 owed to Marcos by Japanese suppliers of the Philippine highways ministry.

## **June 7, 1975**

In his own handwriting, Marcos amended the January 17th decree and clarified Imelda's role as chairperson of committee with presidential powers.

## **July 2-3, 1975**

Jack Anderson's *Washington Post* column mentioned that Marcos was looking for "buried World War II Japanese treasure in the Sierra Madre." Actually it was at a land site near Teresa, Rizal - at the foot of the Sierra Madre - that excavation began in mid-May of this year on orders of Fabian Ver following a map that showed a main tunnel about 300 yards long, fifty feet wide, and forty feet high with side tunnels at both ends of about 100 yards long - a site excavated for

the Japanese by several hundred American, Australian and Filipino prisoners of war who were then killed and buried with the treasure.

### **September 22, 1976**

On this day Marcos signed PD 1033, proposing 9 new amendments to the constitution, including the infamous Amendment 6 which would allow him to continue exercising his powers after martial law was lifted "whenever in my judgment...there exists a grave emergency or threat or imminence thereof.." - amendments which were all ratified the following month.

### **September 1976**

This month the Marcoses bought their first property in the U.S. - a condo in the exclusive Olympic Towers on Fifth Avenue in New York. Five months later they would also buy the three adjoining apartments, paying a total of \$4,000,000.00 for the four and using Antonio Florendo's company, Theaventures Limited in Hong Kong, as front for these purchases.

### **January 01, 1977**

On New Year's Eve, Licaros had a problem. Foreign creditors wanted enough international reserves to cover three or four months of import requirements but there was only enough to cover two months. Today, New Year's Day Licaros had a solution taken straight from the book, ***Alice in Wonderland***. There would be a new definition for the term "international reserves."

The term originally meant "all gold, foreign exchange assets of the Central Bank, and net foreign exchange holdings of the commercial banks." The new definition excluded the net foreign exchange holdings of the commercial banks because it had become an increasingly larger negative figure. Why? Because they were borrowing more and more dollars. Plus the new definition now included the Central Bank's borrowing as part of its foreign exchange assets.

Thus, with the stroke of a pen, the value of the reserves almost doubled, from \$844.7 million to \$1.525 billion, which was about 4.7 months of import requirements.

### **August 1977**

Marcos' friend Eulogio Balao was head of the Philippine Reparations Mission in Japan and collected the kickbacks there in yen, then used his diplomatic status to take the yen out of Japan, go to Hong Kong, and change it to US dollars at Berlin and Company, a foreign exchange dealer.

After Balao died in August 1977, Andres Genito, Jr., set up the Angenit Investment Corporation to receive the kickbacks and opened an account at Wing Lung Bank in Hong Kong. Berlin and Company transferred HK\$44,030,378.00 from its account in Hang Lung Bank to Wing Lung Bank.



### **October 13, 1977**

Today, after addressing the UN General Assembly, Imelda celebrated by going shopping and spending \$384,000 including \$50,000 for a platinum bracelet with rubies; \$50,000 for a diamond bracelet; and \$58,000 for a pin set with diamonds.

The day before, Vilma Bautista, one of her private secretaries, paid \$18,500 for a gold pendant with diamonds and emeralds; \$9,450 for a gold ring with diamonds and emeralds; and \$4,800 for a gold and diamond necklace.

### **October 27, 1977**

The Marcoses donated \$1.5 million to Tufts University in Boston, endowing a professorial chair in East Asian and Pacific Studies at the Fletcher School of Law and Diplomacy. The students and professors discovered this and forced the school to reject the donation. To save face, the Marcoses were allowed to finance several seminars and lectures.

### **November 2, 1977**

Still at her shopping spree, Imelda paid \$450,000 for a gold necklace and bracelet with emeralds, rubies, and diamonds; \$300,000 for a gold ring with emeralds and diamonds; and \$300,000 for a gold pendant with diamonds, rubies, and thirty-nine emeralds.

### **April 06, 1978**

Tonight at a predetermined time almost every street corner in Metro Manila overflowed with people beating on cans, pots and frying pans, shouting the name of Ninoy Aquino's party. "LABAN! LABAN! LABAN!" Massive popular protest was more than matched by massive voter fraud. Imelda won by a landslide. Ninoy who clearly topped the election did not make it in the counting - coming quite behind the least known of Imelda's party.

### **April 17, 1978**

Today Marcos signed PD 602 ordering all gold producers to sell to the Central Bank. In September he inaugurated the new Central Bank Gold Refinery and Mint in Quezon City.

### **June 1978**

Steve Psinakis conducts his own investigation into the Marcos treasure hunts. The results are printed in a twenty-four part series in the ***Philippine News*** beginning this month, June 1978. Photos and documents added to the articles' credibility.

The year before, on October 1977, Psinakis masterminded the dramatic escape of his brother-in-law Eugenio Lopez Jr. and Sergio Osmena III. They broke out of a prison in Manila and flew to Hong Kong on a private aircraft. From there they were flown to the U.S. and granted political asylum.

## **July 1978**

After a trip to Russia, Imelda arrived in New York and immediately warmed up for a shopping spree. She started with paying \$193,320 for antiques, including \$12,000 for a Ming Period side table; \$24,000 for a pair of Georgian mahogany Gainsborough armchairs; \$6,240 for a Sheraton double-sided writing desk; \$11,600 for a George II wood side table with marble top - all in the name of the Philippine consulate to dodge New York sales tax.

That was merely for starters.

A week later she spent \$2,181,000.00 in one day! This included \$1,150,000 for a platinum and emerald bracelet with diamonds from Bulgari; \$330,000 for a necklace with a ruby, diamonds, and emeralds; \$300,000 for a ring with heart-shaped emeralds; \$78,000 for 18-carat gold ear clips with diamonds; \$300,000 for a pendant with canary diamonds, rubies and emeralds on a gold chain.

After New York, she dropped by Hong Kong where a Cartier representative admitted it was this Filipina, Imelda, who had put together the world's largest collection of gems - in 1978.

## **August 1978**

In Vaduz during this month the names kept changing. The Azio Foundation was renamed Verso, Scolari was renamed Valamo, and Xandy was renamed Wintrop.

## **November 11, 1978**

Baltazar Aquino collected the kickbacks from public highways funds ranging from 10 to 15%. On this day, \$407,322.07 was credited to his account by Berlin and Company.

## **February 1979**

Imelda was named chairman of the cabinet committee, composed of all ministries, to launch the BLISS (Bagong Lipunan Sites and Services) program, an ambitious attempt to centralize control of all economic and social development. She assumed responsibility for the "11 needs of Man" codified in her ministry's mufti-year Human Settlements Plan, 1978-2000. By 1986, the number of Filipinos living below the poverty line doubled from 18 million in 1965 to 35 million. And the ecological balance of the country had degraded from 75 % to 27% forest cover remaining - with 39 million acres of forest falling victim to rampant logging. This was BLISS.

## **May 1979**

The Marcos couple celebrated their twenty-fifth wedding anniversary in a party that cost \$5,000,000.00 There was a silver carriage drawn by eight white horses.

## **November 21, 1979**

Two representatives of Standard Chartered Hong Kong Trustee, Ltd. - P.A.L. Vine and Lai Wai Hung visited Malacanang palace. A trust agreement was drawn up. Vine returned to Manila on December 5, 1980, and met with Rolando Gapud, Marcos' chief financial advisor and Gapud's erstwhile boss, Jose Y. Campos, one of Marcos' close friends. Two trust accounts - a dollar account and a peso account - were opened at Security Bank and Trust Company (SBTC). Campos was signatory for Marcos. These two accounts were owned by the trust in Hong Kong, which was owned and controlled by Marcos and Imelda.

Afterward, ten other trust accounts were opened at SBTC 7700,7710,7720, etc. and a deed of trust was executed between Standard Chartered and Security Bank for each account.

For example, the deed of trust for account 7730 was between Beneficio Investment ,Inc., a Panamanian Corporation, and SBTC. That account owned Beneficio Investment, whose bearer shares were held by Standard Chartered for Marcos and Imelda.

Aside from the Hong Kong accounts, other accounts were opened in Switzerland: in Credit Suisse, Banque Paribas, Lombard Odier et Cie, Swiss Bank Corporation, Swiss Volksbank, Finanz AG, Trade Development Bank and Bank Hoffman.

Accounts were opened at Barclays in London.

Also at offshore banks in Cayman Islands and New Hebrides.

In the US they had eighty-three accounts in nine banks, including Lloyds Bank and California Overseas Bank in Los Angeles, Redwood Bank in San Francisco, and Irving Trust, Citibank, Chase Manhattan, Chemical Bank, and Manufacturers Hanover in New York.

The money just kept pouring in.

Lucio Tan paid Marcos Php100 million a year. According to Gapud, Tan "belongs to the group that could get presidential decrees and letters of instruction from Mr. Marcos for their joint benefit." Marcos demanded 60 percent of the shares of Lucio Tan's holding company, Shareholdings Inc. which owned Fortune Tobacco, Asia Brewery, Allied bank, and Foremost Farms.

What applied to Tan was also true of the other cronies like Silverio of Delta Motors. About Php 10,000,000 in cash were deposited weekly in the SBTC accounts and then wire transferred to accounts in Hong Kong and from there to Swiss bank accounts controlled by the foundations.

As chief financial advisor, Gapud acquired hundreds of millions of dollars of shares in a multitude of companies - shares endorsed in blank by the original owner making them bearer certificates and allowing Marcos to avoid direct involvement but assuring him secret controlling interest in almost every industry in the nation - banking, insurance, mining, shipping, oil, sugar, coconut, manufacturing, construction, etc.

### **November 23, 1978**

A house was purchased at 4 Capshire Drive in Cherry Hill, New Jersey (actually near to Philadelphia where Bongbong was taking courses at that time) for use by servants and Bongbong's security detachment.

The Marcoses did not neglect their annual real estate purchase. During this year and next year, 1979, they purchased two properties - one at 3850 Princeton Pike, Princeton - a 13-acre estate for use by daughter Imee as she attended Princeton. The other was a house at 19 Pendleton Drive in Cherry Hill for use of Bongbong and under the name of Tristan Beplat, erstwhile head of the American Chamber of Commerce in the Philippines.

### **April 1979**

In two days in New York this month, Imelda spent \$280,000 for a necklace set with emeralds and diamonds; \$18,500 for a yellow gold evening bag with one round cut diamond; \$8,975.20 for 20-carat gold ear clips with twenty-four baguette diamonds; \$8,438.10 for 18-carat gold ear clips with fifty-two tapered baguette diamonds; and \$12,056.50 for 20 carat gold ear clips with diamonds.

### **January 1980**

Gold reserves were on a steady annual rise from 1978 to date, gradually increasing to 1,900,000 ounces, or an average of 8 metric tons a year, which was about the equivalent of local production. The price of gold reached an all-time high of \$875 an ounce this month.

Despite this, four chambers of commerce - the European, American, Japanese, and Australian - submitted a position paper under the guise of finding ways to attract new foreign investment. Red tape, corruption, and a flawed infrastructure were delicately criticized. The message: it had not been easy doing business in the Philippines.

This was decidedly a different tune from the one they sang to Marcos when the latter first abolished democracy in the land. Things looked rosy then but gradually the foreign business community realized even they were not playing on a level field.

### **April 1980**

Marcos attended the American Newspaper Publishers Association (ANPA) convention. Manglapus' Movement for a Free Philippines (MFP) had a field day - exposing the true Philippine situation. Under such pressure, the White House deliberately snubbed Marcos.

## **June 1980**

For \$1,577,000.00 in New York Imelda buys Webster Hotel on West 45th Street. She rewards Gen. Romeo Gatan as a limited partner. Gatan arrested Ninoy at the beginning of Martial Law.

## **November 24, 1983**

On this day a man named Jose Cruz-Cruzal was arrested when he arrived at Seattle-Tacoma International Airport from Manila. They found a plastic bag he was about to conceal in the small of his back. It contained documents that stated that Marcos wanted to borrow billions of dollars from banks through an American, Frank B. Higdon, living in Virginia. The collateral was "floors of gold" stored underneath a bank in Manila.

## **June 27, 1984**

After the international reserves scandal died down, Marcos issued PD 1937, eliminating the ten-year limit on the amortization of losses at the Central Bank. Before this decree, the CB had to write off one-tenth of its losses every year. Now they could be amortized "over a period at a rate which shall be based on the adequacy of the Central Bank's profits." In other words, forever.

When Marcos signed this decree, the CB losses were fast approaching Php 100 billion or more than four times the amount known to be missing from the international reserves. Now one-tenth of these losses would no longer have to be written off annually. Incredibly, they were listed as assets!!

Sec.43 (d) of this PD read: "The Monetary Board may, whenever it deems it advisable, exclude from the computation of the annual profits and losses of any given fiscal year all or part of the extraordinary expenses incurred during the year." Only the CB knew what it considered "extraordinary" and could be excluded from public view and scrutiny. Could these be the expenditures incurred by Marcos and Imelda for the May 14, 1984 Batasan elections? Could these be the source funds for the hidden wealth stashed abroad?

Indeed, the question must be asked - what items of expenditures have been eliminated from the CB 1984 and 1985 profit and loss statements that utilized this particular seemingly innocuous section?

## **May 14, 1984**

"Election" day: eleven people from Langoni, Negros Occidental were picked up hours after the voting, marched through the village with their hands bound, brought to PC HQ where, according to eyewitness, they were beaten and kicked and nine of them taken to a nearby field where they were all shot dead while the fate of the other two arrested is still unknown. The bodies of the dead still bore marks of torture.

The American Committee for Human Rights sent a mission to the Philippines. Their report noted: "It was the overall impression of the mission that one-third to one-half of all individuals arrested by the military are subject to torture, as defined by the United Nations Declaration on Torture."

The TFDP (Task Force Detainees of the Philippines) documented in detailed records 5,531 cases of torture, 2,537 cases of summary execution, 783 cases of disappearances, and 92,607 arrests under martial law.

Former US Ambassador Stephen Bosworth testified that in a conversation with Marcos, the latter said: "I'm aware there is torture and everything happens, but that is part of the interrogation process and these people are communists."

### **January 10, 1984**

Jose "Jobo" Fernandez, head of Far East Bank, is summoned by Marcos to the palace and given Laya's old job - Governor of the Central Bank.

### **August 1984**

The IMF said the Central Bank had overstated its reserves by \$264 million in 1981, \$823 million in 1982, and \$1.2 billion in 1983. Gross reserves had fallen \$1.4 billion between June and December 1983. This means the CB now had no usable reserves. It could no longer pay its foreign debt. Bobby Ongpin reported an estimated \$2 billion had flown the country in 1984 and \$1 billion the year before.

What was the role of the IMF resident representative who, since 1970, had been keeping regular office hours in the CB? The CB paid for the residential mansion of the IMF resident rep and furnished him with a car with uniformed driver. Was the IMF resident rep, who was regularly furnished papers and reports of personnel of departments and offices wittingly or unwittingly a party or accessory to the "falsification" of international reserves?

### **February 08, 1985**

On this day, the Sandiganbayan sentenced two municipal treasury employees to prison terms of sixty-four and twenty-six years respectively for malversing a few hundred pesos.

According to income tax returns, the Marcoses had a net worth of US\$7,000 when they became the First Couple in 1965. How many billion dollars were they worth when they had to flee abroad?

That is why the **Guinness Book of Records** named him the world's greatest thief based on what they could trace.

### **June 1985**

World media, in particular ***San Jose Mercury News, Far Eastern Economic Review, New York Times, Wall Street Journal, the Nation***, aided no doubt by the opposition in exile intensified the expose of the "hidden billions" and the draining of the Philippines.

### **August 1985**

While Marcos battled the hidden wealth scandal, a gold deal was being offered in Israel. Oliver North was trying to find ways to fund the Contras of Nicaragua. The Israelis had 40 metric tons of gold for sale for \$465 million, with a possible 20 more tons if the first deal went through. The commission would net \$5 million for the Contras. Fabian Ver knew the Israelis, had befriended them when they used him to sign fake end-user certificates for arms shipments destined for Iran. When the buyers found out the seller was Ver, they approached him directly to cut out the Israeli middlemen.

### **October 1985**

An Interpol cable stated that three suspicious shipments - one of gold and two of silver -had been made by the Central Bank. Speculation was that the Marcos family was diverting the precious metals to Switzerland to put them in their personal accounts. A bill of lading from one shipment showed that 244 silver bars, weighing 8,202 kilograms, were received by First United Transport on October 11, 1985, and moved to the docks escorted by the Presidential Security Command (Ver).

### **November 01, 1985**

Dr. Potenciano Baccay's body was found in the back of his own van with twenty stab wounds. His crime was to have revealed to the ***Pittsburgh Press*** the public state secret that Marcos had indeed had two kidney transplants. Two days after the murder Marcos was provoked to show how healthy he was by calling for a snap election to be held February 7, 1986 against Imelda's warning of the dangers of such a move: "You're not in the best of health...The people are angry...A campaign could turn treacherous."

### **December 1985**

Illegal use of aid funds as being the norm and not the exception is exemplified by the following: the Central Bank wired the Federal Reserve Bank in New York to pay \$15 million to First Chicago International, for account of Lombard, for redemption of US dollar Treasury Notes. The Fed wired back on December 20 that there was only \$6 million in the account. Then \$45 million earmarked for USAID projects in the Philippines was released by the US part of which was used to redeem the Notes.

### **1985**



By year-end, Imelda's Metro Manila Commission had managed to accumulate debts of Php 1.99 billion (which included \$100 million in foreign loans) in its ten years of existence. Imelda had accomplished nothing and left the people embittered and even more disillusioned.

The insurgents' ranks grew by twenty percent a year.

Meritorious officers in the armed forces experienced low moral due to Marcos' penchant for promoting friends over more deserving officers.

### **November 1985**

Sen. Edward Kennedy, citing numerous reports of corruption at the highest levels of the Philippine government, asked the US General Accounting Office to investigate economic and military assistance programs to that country. Report? \$92.5 million of non-project ESF aid could not be accounted for and the team could not state that \$227 million in ESF funds were not misused. For instance, the National Electrification Administration padded a \$1.45 million disaster relief fund for the rehabilitation of typhoon-wrecked power lines. They had submitted false vouchers amounting to \$108,441.00.

### **December 03, 1985 - February 19, 1986**

During this time, just before the Edsa uprising, there were twenty wire transfers totaling \$94 million to three Swiss banks - Banque Hoffman, Societe de Banque Suisse, and Union de Banque Suisse; one Swiss company - Transammonia AG; five foreign banks in Zurich and Geneva; and the Commerzbank in Luxembourg.

Where did these monies come from? From the gold accounts abroad? The Central Bank has refused to answer this question. In fact all Central Bank bosses have attempted to bury the Central Bank losses along with the past by restructuring the old debt.

How much was actually stolen and written off under the Special Accounts? And how much gold, if any, did Marcos steal from the international reserves?

Is there any doubt that he looted the Central Bank? Well, then, where is the final tally of the loot?

When Jobo bills were issued they were meant to complement the operations of the Binondo Central Bank that had been organized by Marcos and Ongpin to secure dollars to shore up official reserves. Ongpin assured the big dollar traders that they would find attractive use for the Philippine pesos despite the deteriorating conditions of the country because the Jobo bills were simply too attractive, with incredibly high interest rates.

Absent money-laundering legislation it was not difficult for hot cash from all over to enter the Philippine financial system. Jobo's Far East Bank, Philamlife, and AIG meanwhile made a killing brokering the initial placement entry phases of these hot monies into the Philippine financial system.



The short-term nature of the Jobo bills made an ideal cover for the layering phase of the money laundering process. "Heavy soaping", i.e. maturation of bills, reinvestment, and transformation into other financial instruments like dollars TTs (services provided by Far East Bank) was gladly facilitated.

And all of this, naturally, was done at someone's expense - at the expense of Juan de la Cruz who must now bear on his shoulder the heavy cross or intertemporal burden of future taxes as the huge bankruptcy losses of the old CB is amortized into the economy flows.

### **February 16, 1986**

In Fe's records of monies paid out during Marcos' last campaign, one unusually large item was authorized by "FL" (First Lady) and paid to Assemblyman Arturo Pacificador on this day. A few days later, two carloads of men drove into San Jose, the provincial capital of Antique. Evelio Javier, head of Aquino's campaign, was watching the votes being counted when the men opened fire and killed Evelio after he was still able to run through town but finally got cornered in a public toilet where he was gunned down in front of shocked townspeople. Pacificador was later convicted of the murder.

### **February 25, 1986**

Marcos fled the Philippines leaving behind a foreign debt of \$27 billion and a bureaucracy gone mad. "Cash advances" for the elections from the national treasury amounted to Php3.12 billion (\$150 million). The Central Bank printed millions of peso bills, many with the same serial number. Sixty million pesos in newly printed bills were found in a vehicle owned by Imelda's brother Bejo in the Port Area of Manila, and another Php 100 million aboard the MV *Legaspi* also owned by Bejo Romualdez.

How massive and humungus a loot Marcos took can be deduced from the known losses he left behind.

The known losses he left at the Central Bank included \$1.2 billion in missing reserves and \$6 billion in the Special Accounts.

Imelda charged off most of her spending sprees to the PNB or Philippine National Bank which creatively wrote off her debts as "unresponded transfers".

Ver also used PNB funds to finance his "intelligence" operations.

The known losses at the PNB amounted to Php72.1 billion

At the DBP, the losses Marcos left behind totaled Php85 billion; at the Philguarantee, it was Php6.2 billion ; and at the NIDC or National Investment and Development Corporation (NDC) - the losses amounted to Php 2.8 billion.

These losses were primarily due to cronyism - giving loans to cronies that had little or no collateral, whose corporations were undercapitalized, whose loan proceeds were not used for

the avowed purpose, and where the practice of corporate layering was common, i.e. using two or more companies with the same incorporators and officers, whereby one company which gives the loan owns the company which obtains the loan, or similar arrangements. The cronies enjoyed their closeness to Marcos. With him they formed a Grand Coalition. They participated in the exercise of dictatorship. But Marcos owned them. The wealth of the cronies belonged to him.

Because of the free rides taken by Imelda, Marcos and the cronies, the Philippine Airlines was in debt by \$13.8 billion.

The conservative Grand Total for losses Marcos left behind (and therefore the kind of loot he grabbed and hid) amounted to \$17.1 billion.

The Central Bank, the PNB, and other financial institutions badly need an audit. The special review (not regular audit because there seems not to have been any - there are no records anyway) did not uncover Imelda's spending - her name never appeared - and Ver's intelligence fund.

The review gave no hint of theft or missing money, only "downward adjustments" and "proposed adjustments" to "deficiencies" and "shortages of money".

## **February 26, 1986**

A few hours after the Marcos party landed in Honolulu, their luggage arrived - 300 crates on board a C-141 cargo jet. It took twenty-five customs officers five hours to tag the bags and identify the contents. The process was videotaped because of all the money and jewelry found inside.

There were 278 crates of jewelry and art worth an estimated US\$5 million. Twenty-two crates contained more than Php27.7 million in newly minted currency, mostly hundred-peso denominations worth approximately US\$1,270,000.00 (It was illegal for anyone to depart the Philippines carrying more than Php500 in cash. )

There were other certificates of deposit from Philippine banks worth about US\$1 million, five handguns, 154 videotapes, seventeen cassette tapes, and 2,068 pages of documents - all of which were impounded by Customs. The Marcos party was allowed to keep only US\$300,000.00 in gold and \$150,000.00 in bearer bonds that they brought in with their personal luggage because they declared them and broke no US customs laws.

There were 24 one-kilo gold bars fitted into a \$17,000 hand-tooled Gucci briefcase with a solid gold buckle and a plaque on it that read, "To Ferdinand Marcos, from Imelda, on the Occasion of our 24th Wedding Anniversary."

## **February 1986**

When Marcos departed the Philippines, the losses in the three Central Bank accounts surpassed Php 122 billion (more than \$6 billion). The big bulk of losses was attributed to the RIR account mainly due to two items: forward cover and swap contracts. Forward cover referred

to foreign exchange provided by the CB at a fixed exchange rate to importers of essential commodities. Swap contracts referred to CB's receiving foreign exchange from banks in exchange for pesos at the prevailing rate with a promise to deliver the foreign exchange back to them at an agreed future date.

There was no mention of losses due to CB transactions in gold or foreign exchange.

### **February 28, 1986**

On this day, Jim Burke, security expert from the US Embassy, was tapping on the wooden paneling in Imelda's abandoned Malacanang bedroom when he heard a hollow sound. It was the walk-in vault. Inside were thirty-five suitcases secured with locks and tape. They contained a treasure trove of documents about Swiss bank accounts, New York real estate, foundations in Vaduz, and some notepaper on which Marcos had practiced his William Saunders signature. They also contained jewelry valued at some US\$10.5 million.

### **March 16, 1986**

Did Marcos steal any gold from the CB? The CB always refused to comment. Why?

Today the LA Times reported that 6.325 metric tons of gold was unaccounted for in the Central Bank. Between 1978, the year Marcos ordered all gold producers to sell only to the CB, and end 1984, the Bureau of Mines reported that 124,234 pounds of gold were refined.

But the CB reported receiving only 110,319 pounds during this same period. That left a difference of 13,915 pounds (6.325 metric tons).

### **March 1986**

Jokingly referring to themselves as the Office of National Revenge, a vigilante team led by Charlie Avila and Linggoy Alcuaz received a tip in the morning that Marcos' daughter Imee had kept a private office in the suburb of Mandaluyong at 82 Edsa. They obtained a search warrant, then rushed to Camp Crame to pick up some soldiers. After devising a plan, they boarded four cars and drove to the premises, arriving around midnight. The soldiers scaled a fence and sealed off the area. Avila, Alcuaz, and their men moved in and found documents in cardboard boxes, desks, and filing cabinets. Gunfire could be heard outside but it didn't deter the search. The documents revealed the names of offshore companies and overseas investments of Marcos and his cronies - a late link in the paper trail that had been started abroad by the teams of Avila, Steve Psinakis, Sonny Alvarez, Raul Daza, Boni Gillego, and Raul Manglapus.

### **March 09, 1986**

A Greek-American, Demetrios Roumeliotes, was stopped at the Manila International Airport before he could leave with eight large envelopes stuffed with jewelry that he admitted belonged to Imelda - valued at US\$4.7 million.

### **March 15, 1986**

Ernie Maceda, Minister of Natural Resources, revealed today that some 7 to 14 tons of Philippine gold are sold to the Binondo Central Bank annually and then smuggled to Sabah, Malaysia - this gold being part of some 20 tons produced by 200,000 panners all over the country. Maceda's query was whether part of the gold they produced was siphoned to the "invisible gold hoard of Ms. Imelda R. Marcos."

"We deliver to the Central Bank," the miners said. "If it happened (the siphoning), it happened in the Central Bank."

### **March 17, 1986**

The Archdiocese of San Francisco in California announced that they had uncovered a gold deal involving 5,000 tons of gold bullion allegedly connected to the government of deposed president Marcos.

### **March 19, 1986**

Michael de Guzman flew into Honolulu and talked to Irwin Ver who brought him to Marcos, Imelda and Bongbong. Calls were made to Zurich - to Ernst Scheller of Credit Suisse. Marcos prepared two letters of authority. Mike was their last hope to withdraw the moneys from the Swiss banks. Marcos had tried to on March 21 but was prevented because of the freeze order of the Swiss authorities. So on March 24th Mike de Guzman tried his luck. No luck. He tried it again May 7th. Still the banks refused because of the freeze order. Mike knew it was time to go back home - to the new Philippine government. He offered to help them get the Marcos deposits in return for a fee. Supporting Mike was Ibrahim Dagher, a Lebanese businessman. They had identified one account for \$213 million and eleven foundations that held a total of \$4.5 billion in deposits in nine different banks with an additional \$3 billion in precious metals and securities on deposit - or a tentative total of \$7.5 billion. Operation Big Bird had commenced with Mike de Guzman, Col. Joe Almonte and Charlie Avila operating.

In the end, however, Big Bird would not - could not - fly because the government had strong doubts about the integrity of de Guzman, understandably, despite the guarantees built in to the operation to prevent any treachery.

### **April 1986**

Julie Amargo, having obtained a duplicate copy of the KLM cargo airway bill of 9 September 1983 asked the PCGG to investigate and pinpoint the persons behind the shipment.

In response the CB published, 2 months later, an article about "locations swaps" done to "beef up liquidity at a time when the CB was having difficulty meeting its foreign exchange payments."

The article was an exercise in obfuscation. It spoke of a total of 30 shipments for location swaps between 1981 December 21 and 1986 July 30 wherein a total of 6,081 bars were shipped out. Of course, the majority of the shipments, 27/30, occurred during the Marcos regime.

But the article was not clear on how much were the actual sales aside from the September 9, 1983 shipment. And the press, not the CB, reported the shipment.

To add to the confusion, the CB, when asked, admitted there were other gold shipments during the Marcos regime in addition to the location swaps but CB could not provide further information.

### **April 1986**

An Australian broker in Sydney said that T.C.B. Andrew Tan had offered to sell 2,000 tons of gold just before Marcos' downfall. Tan had told the broker the gold was part of the spoils of war taken by the Japanese in WWII. The gold talks continued.

### **June 05, 1986**

A U.S. judge ordered Customs to release Marcos' money, jewelry, and belongings. Then a timely government appeal prevented the implementation of the order. The Marcoses were being charged by the Attorney General in New York of violations of the RICO (Racketeering Influenced Corrupt Organizations) statute. The Philippine government followed suit by filing several civil cases in the U.S. Subpoenas began to arrive. Ver decided to leave, flying out of the country on a fake passport. And quietly Marcos put out the word. Find another safe haven. He wasn't welcome anywhere unfortunately. There was nowhere to go. He became a target for con men who made a lot of promises and asked for a lot of money.

### **July 1986**

Marcos admitted to lawyers that four Philippine government agencies - National Intelligence Security Authority (NISA), Intelligence Section of the Armed Forces of the Philippines (ISAFP), and the National Bureau of Investigation (NBI) targeted oppositionists in exile and other anti-Marcos organizations for intelligence and counter-intelligence operations through military attaches in the Philippine embassy and their consulates.

Also, using the Freedom of Information Act, lawyers obtained 400 pages of documents from US intelligence agencies related to US-Philippine intelligence dealings. They showed the CIA, FBI, and US government officials had knowledge of Ver's intelligence activities in the US and extended him full cooperation.

### **August 12, 1986**

The global freeze on the Marcos loot was not totally effective. P.A.L.Vine who managed Marcos' two trust accounts at Standard Chartered Hong Kong Trustee LTD. Received instructions from Marcos and remitted \$708,000 to the law firm of Anderson, Hibey, Manheim and Blair, Marcos

Attorneys' in Washington DC. How much more Marcos was able to move after the freeze may never be known.

## **August 28, 1986**

An NBI informant posing as a buyer saw ninety 75-kilogram gold bars in an apartment building in Quezon City owned by Jonathan de la Cruz, an aide of Bongbong Marcos. That's about 6.76 metric tons or almost the same amount of gold missing and written of in the **L.A. Times** March 16th issue.

And here is a longer list of questions:

In 1973 reserves dropped from 1,857,000 ounces (52.75 metric tons) to 1,057,000 ounces. The CB claimed 800,000 ounces were sold. Assuming an annual production of 30 metric tons, what about the gold produced that year?

From 1974-1977, gold reserves stayed at exactly the same figure of 1,056,000 ounces. Again, what about the four years of production totaling approximately 120 metric tons?

Gold reserves began another steady annual rise in 1978. From then until 1980 they gradually increased to 1,900,000 ounces, or an average of about 8 metric tons a year. What about the other 22 metric tons annually totaling 66 tons?

In 1981, reserves took a dip, to 1,650,000 ounces, a drop of 7.1 metric tons, which was sold. But another 30 metric tons should have been produced.

Reserves rose by 6.1 metric tons in 1982, to 1,866,000 ounces. That left 23.9 metric tons unaccounted for.

In 1983 they dropped to 289,000 ounces, a decrease of 44.8 metric tons from the year before, which was sold. What about the 30 metric tons produced?

In 1984 they rose to 786,000 ounces, an increase of 14.1 metric tons. That left 15.9 metric tons unaccounted for.

In 1985 they rose to 1,478,000 ounces, an increase of 19.7 metric tons. That left 10.3 metric tons unaccounted for.

Marcos departed in February 1986.

Is it true that Marcos propagated the Yamashita myth to hide the fact that he looted the Central Bank, that its gold bars were melted down and recast in odd-size bars to make them look old (how does gold look old, anyway?).

Marcos claimed that he "received the surrender of Gen. Yamashita" after a battle with his guerrilla outfit. History has recorded that Yamashita surrendered to Lt. Co. Aubrey Smith Kenworthy and that there was no battle. Yamashita's peaceful surrender had been arranged at least two weeks before the event.

In one entry in Marcos' diary he noted, "I often wonder what I will be remembered for in history. Scholar? Military hero...?" In a supreme irony, he did achieve what he so vainly sought - lasting fame - but not in the way he envisioned:

The largest human rights case in history - 10,000 victims.

***Guinness Book of Records*** - the world's greatest thief.

The largest monetary award in history - \$22 billion.

### **September 30, 1986**

Questioned by Philippine and US lawyers about his hidden wealth, Marcos took the Fifth Amendment 197 times. Imelda followed suit - 200 times.

### **July 09, 1987**

Congressman Solarz exposes Marcos' many plans to organize a loyalist army and take Cory Aquino hostage and in any other way return to power. Marcos assured would-be financiers for his prospective adventures that he had \$500 million in bank accounts in Switzerland and \$14 billion in gold secretly buried in several different places in the Philippines which could be used as collateral. When asked about the gold, Marcos would always become vague.

At first he implied he got the gold from the Central Bank through collusion with a former governor now deceased. He said, " It is my money but it, I borrowed it from these people who were buy, who were buying the gold..."

### **November 1987**

Sen. Nene Pimentel exposed the way the Central Bank "cooked the books". It used a double-entry accounting system, with the losses in the Special Accounts reflected as assets in the CB's monthly statement of its condition. He said this ran counter to accepted accounting principles.

Pimentel also wanted to know why Jobo allowed the overprinting of paper money, including the printing of peso bills with the same serial number, which led to massive overspending during the snap elections.

No one knew exactly how much had been printed. Nonetheless Jobo and the CB were not saying.

Under the CB Charter, as governor he was in charge of the gold. He could sell it at any price, at any time, to any buyer, and no one could question him, not even members of Congress.



Fernandez was also criticized for not divesting himself of his shares in the Far East Bank which he was required to do by law. It was no secret that since he became governor the overall position of Far East Bank had risen dramatically.

### **March 1988**

In meetings with presidential uncle Komong Sumulong and presidential cousin Ding Tanjuatco, Marcos presented a proposal. If he and his family were allowed to go home, he would give \$15 billion to the Philippine government: five billion for infrastructure, another five to reduce the country's foreign debt and \$5 billion to Aquino's family for the suffering they endured. Tanjuatco was amused no end at Marcos' studied ability to talk to him like he was an old acquaintance - which he certainly was not.

### **July 11, 1988**

Marcos confided to Allen Weinstein of the Center for Democracy that he would prove his sincerity by immediately transferring the Swiss bank accounts under dispute to the Philippine government. When this became public Marcos denied he ever made the offer.

### **December 08, 1988**

Marcos was asking Enzo (Zobel) for a loan of \$250-million. Enzo said he didn't have that kind of money but asked how the loan would be repaid if he could arrange it. Marcos asked his nurse, Teresita Gallego, to fetch a folder - an inch and a half thick and full of deposit certificates for gold stored in various banks all over the world - Switzerland, Monaco, the Vatican, the Bahamas, and other places. Zobel knew Marcos had been flying gold out of the country since martial law began and there were no more checks on any of his actions. As a pilot in the air force reserve, Enzo had a lot of friends that flew and talked about flying C-130 aircraft loaded with gold to Zurich.

### **1988**

Nandeng Pedrosa, son of the former finance secretary, was in Taipei as a consultant when he met Robert Kerkez who was trying to negotiate a deal involving a gold certificate for 50 metric tons of gold. In Manila, the PCGG invited a retired colonel and two foreigners for questioning. They were allegedly engaged in trading huge volumes of gold bars believed to be part of Marcos' gold hoard. Kerkez was one of the foreigners. The other was Ibrahim Dagher.

### **1989**

Sen. Maceda asked the senate to conduct an inquiry to determine how much gold was bought and produced by the CB in the last ten years, how much gold was sold, at what price, and what persons were involved in the transactions.



## **December 1989**

An American jury found the Marcos estate liable for \$15 million in the killing of anti-Marcos activists Gene Viernes and Silme Domingo. Manglapus, Psinakis, Gillego and other erstwhile exile oppositionists testified at the trial.

## **1990**

Joey Cuisia took over from Jobo as CB governor, on Jobo Fernandez' recommendation (affinity group of Far East Bank, AIG, Philamlife etc.). During hearings conducted by the Senate Committee on Banks he refused to answer Senators Romulo and Saguisag how much the country owed its top thirty lenders. On further questioning, he admitted that not even the president (Cory), much less the cabinet, was informed about certain details of the foreign debt. The finding by a government-commissioned UN study that the Central Bank was bankrupt had been kept from the president by NEDA and the Dept. of Finance. It was disgruntled employees at NEDA that leaked the information to the press.

## **March 27, 1990**

Another gold deal surfaced. Threatened with a hold order from the PCGG that would not allow him to leave the country, British national Geoffrey Greenlees admitted he was arranging a purchase of gold and produced a three-page Memorandum which called for Preliminary purchase Agreement involving not 2,000 metric tons but "1000 m/t rolling over up to 190000 M/T (AU). He said the deal was initiated in Manila when a lady, Margaret Tucker, introduced him to a Filipino attorney, Victor Santos, who represented the sellers. The name Margaret Tucker grabbed the government's full attention. That was the alias used in Europe by Edna Camcam, girlfriend of Fabian Ver.

## **December 21, 1990**

The Swiss Federal Tribunal (i.e. Supreme Court) affirmed the sequestration request of 7. All bank accounts identified as belonging to Marcos or Imelda remained frozen. With accumulated interest, the account originally identified by Operation Big Bird now amounted to a total of \$356 million.

## **May 1991**

PCGG's David Castro announced that 325 metric tons of gold valued at \$3.5 billion, which had been smuggled out of the Philippines by Marcos, had been found in Switzerland. The bars bore the Central Bank of the Philippines hallmark and were kept in the storage vault of a bonded warehouse managed by Union Bank at the J.M.Kloten airport near Zurich.

The gold was in vault number 88-RW-RP and the account number was G-72570367-d-UBS.

Later Castro produced documents showing the serial numbers of gold bars which were released by the Central Bank's minting plant for shipment in 1983 and 1984. These bars were not part of the Central Bank's official inventory. He showed a copy of the receipt for the bars signed by Tomas Rodriguez, operations manager of Tamaraw Security Agency. Tamaraw was owned by Ver. Castro also said he had interviewed one of the pilots who flew the bars to Switzerland after Ninoy was murdered in 1983.

#### **November 04, 1991**

Today, a Sunday, the circus came to town. The Swiss Federal Tribunal had ruled the year before that the Philippine government must comply with the European Convention on Human Rights, especially due process. There had to be a lawsuit filed within one year. Thus, the solicitor general's office filed all sorts of cases against Imelda and the government had to allow her to return to answer the charges.

"I come home penniless," she tearfully said on arrival. She then repaired to her suite at the Philippine Plaza Hotel which cost \$2,000 a day and rented sixty rooms for her entourage - American lawyers, American security guards and American PR firms.

#### **December 1991**

The Central Bank had accumulated losses of Php324 billion in the Special Accounts.

#### **June 26, 1992**

Imelda and Bongbong on the one hand and PCGG's Castro on the other hand, after a 12-hour marathon session, signed a main agreement and two sub-agreements on the Marcos wealth and the government's prosecution of the Marcos estate - agreements that were rejected by Gunigundo a few days later after the latter took over the PCGG from Castro.

#### **September 1992**

Marcos was found guilty of violating the human rights of 10,000 victims. The ruling occurred just after a judge found Imee Marcos-Manotoc guilty of the torture and murder of Archimedes Trajano, a 21 year old engineering student at Mapua who had the temerity to ask Imee after a speech she gave whether the Kabataang Barangay (a national youth group) "must be headed by the president's daughter?"

#### **November 30, 1992**

The [Central Bank](http://prsi.homepage.com/cb.html) < <http://prsi.homepage.com/cb.html> > losses were Php561 billion and climbing. Cuisia asked that the CB be restructured. Sen. Romulo asked to see the 1983 audit of the international reserves. He couldn't get a copy. It was "restricted".

### January 05, 1993

Imelda didn't show up for the scheduled signing of a new PCGG agreement. She kept vacillating on the terms and conditions - demanding she be allowed to travel abroad for thirty-three days to confer with bank officials in Switzerland, Austria, Hong Kong and Morocco to work out the transfer of the frozen funds.

Actually she was hoping a guy she had authorized, J.T.Calderon, would be able to move the funds just as the order was lifted, before the government had a chance to transfer them to Manila.

When the government discovered the authority, all negotiations with Imelda were halted and her requests for travel suspended.

### June 14, 1993

R.A.7653 created the Bangko Sentral ng Pilipinas (BSP). The old CB became the CB-Board of Liquidators in order to wind up its affairs. The new BSP assumed only Php280.8 billion of the old CB's total liabilities of Php612 billion.

As part of its "cleansing the books", BSP wrote off its recorded investment of \$7.0 million in **Triad Asia Limited**. This was placed as time deposit in 1985, was allegedly transferred to National Commercial Bank of Jeddah but remained unconfirmed by the latter since 1986. The BSP's loss in International Reserves in this investment was \$8,640,243.69.

### August 10, 1993

Georges Philippe, a Swiss lawyer of Imelda, wrote today a confidential letter to the Marcoses' old Swiss lawyer, Bruno de Preux, who handled almost all of the Marcos family's hidden accounts in Switzerland. Philippe requested de Preux for the status of:

A \$750 million account with United Mizrahi Bank in Zurich;

Various currency and gold deposits at the Union Bank of Switzerland, at Kloten airport and at Credit Suisse;

A \$356 million account (now in escrow and worth almost \$600 million) which was being claimed by the PCGG.

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### **1994**

The human rights jury awarded the victims \$1.2 billion in exemplary damages, then \$766.4 million in compensatory damages a year after that, for a total of \$1.964 billion. Two days after, another \$7.3 million was awarded to twenty-one Filipinos in a separate lawsuit.

### **1995**

The US Supreme Court upheld the \$1.2 billion judgment.

### **March 29, 1995**

The Swiss Parliament passed a law (an amendment to a previous act) that removed the need for a final judgment of criminal conviction of the accused (such as the Marcoses ) in the case of

criminally acquired assets which could now therefore be returned to claimants (such as the Philippine government) by Swiss court order.

### **August 14, 1995**

The PCGG, through Chair Magtanggol Gunigundo, and the PNB, through trust officer Jose V. Ferro, entered into a so-called 'escrow agreement' in anticipation of a possible order by Zurich District Attorney Peter Cosandey to transfer the Marcos Swiss deposits to be held in escrow in the Philippines. This transfer was now deemed possible on account of the March 29, 1995 Swiss Parliament act.

The escrow agreement, however, appeared irregular in the view of former PCGG Chair Jovito R. Salonga in that there was no actual deposit of funds, stock or personal property. Without an escrow deposit in an escrow account to be held by the depositor in the PNB, there can be no escrow agreement to talk about, Salonga opined. In fact, the so-called escrow agreement stated in Section 1: "Certain funds (the Escrow Funds) will be delivered and deposited in accordance with an order by Examining Magistrate Peter Cosandey...into an account of the Escrow Agent." This made the agreement, at best, a pre-escrow agreement similar to a pre-incorporation agreement entered into in anticipation of a future delivery and deposit of escrow funds which did not exist in August 1995.

Salonga emphasized that the escrow was irregular because, supposedly made by the PCGG, the latter was not in control or possession of the Marcos Swiss deposits at the time of the Agreement as it still is not in control or possession of the said funds up to today. This is legally absurd, Salonga said: to make a claimant, not in control of the funds, the source of the escrow deposit.

### **July 1996**

In part because of the torture of Roger Roxas, \$22 billion was awarded to his Golden Budha Corporation.

### **December 10, 1997**

The Swiss Supreme Court promulgated a landmark decision that took into account the March 1995 Swiss Parliament act and the fact that new criminal cases had been filed against Imelda Marcos. The court held that there was no need for any criminal proceeding; that a civil or administrative proceeding would suffice, and the Marcos Swiss deposits which had been "criminally acquired" can be returned to the Philippines in deference to the final judgment of the Philippine court as to the ownership of these deposits.

The Swiss court also announced that the interest and reputation of Switzerland was at stake if it would become a haven for money launderers laundering money obtained by crime. Therefore, in the case of the Marcos deposits, because "the illegal source of the assets in this case cannot be doubted" the Swiss court ordered that the money be returned to the Philippines to be held in escrow account in the PNB to await the judgment of the Sandiganbayan in the forfeiture case.

As columnist Neal H Cruz accurately put it: "What the PCGG and the PNB should have done, after the receipt of the [Swiss court] landmark decision, was to make sure that: (1) there was a genuine escrow agreement with the funds which the Swiss Supreme Court made available to the Philippines on December 10, 1997; (2) between the Swiss government or its duly authorized representative, on the one hand, (not the PCGG) and the PNB, on the other, inasmuch as the PCGG, a claimant, could not possibly qualify as a depositor of the escrow funds it did not possess, much less control."

Why did this not happen? The reason, according to Salonga, was that the parties to the irregular escrow agreement were hoping that a previous (December 1993) compromise deal between them and the Marcoses - hatched in secrecy and born of false hopes - would be considered valid.

### **December 09, 1998**

The Philippine Supreme Court held that the "compromise settlement" between the PCGG and the Marcoses was illegal and void. The court held that the stipulation to drop the pending criminal cases against the Marcoses was an encroachment on judicial power; that the PCGG had no authority to compromise with the Marcoses, the principals in the ill-gotten wealth cases; and that the PCGG had no competence under the Constitution to grant tax exemption to the Marcos family.

The Marcoses filed a motion for reconsideration with the Supreme Court.

### **May 20, 1999**

The Philippine Supreme Court denied with finality the Marcoses' motion for reconsideration of the December 9, 1998 ruling against the PCGG compromise agreement.

Meanwhile, the new Estrada administration tried to forge a compromise settlement with the Marcoses on the Marcos Swiss deposits supposedly held in escrow in the PNB as the target. All sorts of excuses were invented but to no avail because of the Supreme Court's final decision.

### **July 16, 1999**

In a seven-page pre-trial brief, the PCGG at long last asked the Sandiganbayan to confiscate the ill-gotten wealth of Bobby Ongpin, the estates of Marcos and Ver, and that of the operators of the Binondo Central Bank who "engaged in the buying of millions of US dollars and bringing the same out of the country for deposit in foreign banks, thereby obtaining millions of dollars for themselves and for Marcos to the grave damage and prejudice of the Filipino people." The PCGG asked the court to let the BCB operators pay Php51 billion in moral damages for defrauding the Filipino people.

Other defendants include Edna Camcam, Ver's mistress, and Vinnie James Yu of the Philippine Associated Smelting and Refining Corp. (Pasar) which entered into a joint venture with the HK-based Triad Asia Ltd where millions of dollars were remitted to the damage and prejudice of the government and the Filipino people.

Some \$5 to \$8 million exchanged hands daily at the BCB, with some \$5 million salted away in private jets or regular commercial flights with military escorts, and where, on many occasions, gold bullion was part of the precious cargo.

In an earlier confession, Bobby Ongpin said that dollars unsold by the Binondo Central Bank were sold to PASAR which in turn sold the excess dollars to the Central Bank. He did not explain why the dollars took the roundabout route that presumably gave PASAR huge profits. Or was this in exchange for the acquisition (by whom?) of the gold and silver side-produced by the PASAR copper smelting plants?

In any case the Chinese Central Bankers were allowed a spread or profit of 20 centavos per dollar traded and Ongpin said that before BCB's cessation, the participants earned hundreds of millions of pesos in profits. However, he emphasized, he committed no illegal acts. He swears that his scheme added \$400 million to the CB foreign exchange reserves and the Filipino people should all be grateful to him for it. For now, anyway, the PCGG does not think so.

Bobby Ongpin, as former minister of Trade and Industry and Chairman of the Board of Directors of National Development Company (NDC) and Vinnie James Yu, as former Assistant General Manager of NDC and Treasurer of the Philippine Associated Smelting and Refining Corporation (PASAR), taking advantage of their positions and in unlawful collaboration with Ferdinand and Imelda Marcos, entered into a joint venture known as Triad Asia Limited with Triad Holding Corporation, to which the government was obligated to contribute US\$500,000 as equity, but Ongpin and Yu actually remitted to Triad Asia Limited, using NDC and PASAR resources, an aggregate of US\$10,640,000.

Is Triad Asia Limited in anyway connected with the notorious Triads of Hong Kong?

Triads were originally created as secret societies and brotherhoods. The purpose of these societies was to overthrow the unpopular ruler. During the 18th and 19th centuries, there were many new secret Chinese societies founded, but they were not concerned as much in overthrowing the ruler as in terrorizing and robbing the citizens. During the first half of the 20th century, the Triads took root in Hong Kong. These were plain criminal organizations and after the political crackdown in 1956 the Triads became much less structured. The triads spread quickly throughout the Chinese community in Hong Kong. They soon controlled the streets by prostitution, gambling, etc. as they gained more power and made more connections, the Hong Kong Triads grew very strong and could now start with such things as extortion. A lot of people in the police force were also bribed; Chinese as well as English. As time went by new ways of making money appeared, mainly drug trafficking, selling copies of luxury goods and selling private software. The modern Hong Kong Triads just want to make money out of their criminal activities.

Today (as before), the main criminal activities are extortion, drug-handling, loan-sharking credit and card-fraud and video piracy.

And for now, in fact, activist investigators started looking at the origins and nature of Belle Resources Corporation which had been awarded the right to conduct electronic gambling (Bingo!) nationwide and the allegation that this was all BCB money returning home to grow.

**July 17, 1999**



Following the Supreme Court doctrine, the Sandiganbayan now also denied a motion for the government to enter into a partial compromise settlement of \$150 million with human rights victims which, it was hoped by the Estrada administration, would pave the way for the bigger compromise settlement on the balance of the Marcos deposits. As expected, a motion for reconsideration was filed by the parties involved.

### **August 10, 1999**

Senator Aquilino "Nene" Pimentel, Chairman of the Senate Blue Ribbon Committee, opened the probe today into the \$13.2 billion "I. Arenetta" account and the Marcos gold hoard even as in faraway Switzerland another investigation was about to start - concerning the alleged conspiracy and money laundering activities of Swiss officials in connection with the secret Marcos cash and gold accounts.

### **October 1999**

The Sandiganbayan threw out with finality the motion for reconsideration on a proposed partial compromise settlement of Marcos moneys in favor of human rights victims.

At the same time, the Senate Blue Ribbon Committee discovered that what had been assumed to be true and indisputable, viz. the \$590 million (now \$602 million) held in escrow in the PNB - is false. The simple truth pointed out by Salonga now became clear: the PCGG, a claimant without any escrow deposit, could not and cannot legally enter into an escrow agreement with the PNB.

Realizing there was no way out, President Estrada also declared with alleged finality that "there is no, and there will not be, any out-of-court settlement with the Marcos family." The "ball" is now in the solo court of the Sandiganbayan which should finish and decide the forfeiture suit pending before it since 1991!!!!

Or are they waiting for a future forum of constitutional amendments - the only valid forum above settled Supreme Court doctrines? Is the "Concord" or the "Cha-cha" which was never in the mind of Estrada during the campaign for the presidency (in fact he was ostensibly against it) not an inspiration coming from the side of the Marcoses to make the necessary corrections of who or what agency can enter into compromise settlements with them, etc.? Is it any wonder the administration is insisting we believe their claim that their idea of constitution-amending is purely focused on "economic" provisions - ostensibly about allowing foreigners to own land but really to include provisions, first of all, on the most significant economic area in the country, viz. the Marcos loot??

### **October 27, 1999**

Industrialist Enrique Zobel showed investigating senators Pimentel and Flavier of the Blue Ribbon Committee a copy of a US treasury deposit certificate worth \$161 million which he said belonged to Marcos. Zobel estimated the Marcos wealth to be worth around \$100 billion, including \$35 billion worth of gold certificates which the late dictator had showed him in October 1988. The two senators had gone to Hawaii to depose Zobel as a third party who possessed "information, documents and other related papers and instruments" on the still-hidden assets of the late strongman.



On the "thick folder" containing gold deposit certificates in places all over the world amounting to more than \$35 billion based on the prevailing market price of \$400 per ounce, Zobel said: "I felt they were authentic. There was no question about that. I scanned through the certificates. I was openly interested in the number of ounces and the location, and the locations were all over the world."

One commentator present at this testimony remarked: "Enzo did his duty by the Filipino people the best way he knows how. That his blue eyes come with a Batangas accent and humor to match just about sums up the worth of this man's Filipinoness. The worth of his testimony is however a little more difficult to establish."

**2000**

Where have all the moneys gone? Long time passing. Where have all the treasures gone? Long time ago.

**ends**