

Paul Manafort's Wild and Lucrative Philippine Adventure



As Ferdinand Marcos used his fortune to cling to power, he found an ally in Trump's campaign chairman.

When Paul Manafort met Ferdinand Marcos in the 1980s, each had something the other wanted.

Marcos, then in his third decade as leader of the Philippines, had developed a reputation in Washington as a stalwart ally in the fight against communism. But he was facing rising concerns about rampant corruption, plundering of public resources and human rights violations under his increasingly despotic leadership, during which Amnesty International now estimates 34,000 people were tortured and 3,240 killed. Meanwhile, Marcos amassed a fortune estimated at \$10 billion, spending big on paintings by Pissarro and Manet, a fleet of private planes and helicopters and Mercedes-Benzes.

Manafort, then in his 30s, was a hotshot Republican operative who had made his name helping Gerald Ford and Ronald Reagan, and was pioneering a new form of international political consulting. The model, which allowed him to indulge his taste for the high-life, parlayed his clout with the emergent conservative ruling class into lucrative gigs representing foreign leaders looking to buff their reputations in Washington.

A Marcos front group would eventually hire Manafort to try to help him retain his grip on power, agreeing to pay Manafort's firm **\$950,000 a year** — one of the first big foreign gigs landed by the firm. But back then, during the Wild West days of the international political industry, there was more buzz in Washington and Manila about Manafort's proximity to Marcos during a period of epic spending to support a lavish lifestyle and to curry favor with influential Americans.

One example, according to documents, including some published here for the first time: Marcos earmarked huge sums of cash for Reagan's 1980 and 1984 campaigns — as much as \$57 million,

according to one claim made to Philippine investigators. There's no evidence that any cash ever made it into Reagan's coffers, which would have been illegal since U.S. election laws ban donations from foreigners. And, despite extensive government investigations on both sides of the Pacific into the freewheeling spending of the Marcos regime, there's never before been much serious inquiry of what ultimately happened to the cash intended for political contributions. The lack of a transparent paper trail — combined with the larger than life personas of Marcos and Manafort — spawned a swirl of theories.

In a phone interview this month, Manafort, now 67, acknowledged that for the better part of 30 years, he's been dealing with speculation that he accepted millions of dollars in Marcos's cash — either as a bonus or as a donation intended for Reagan.

"It was circulating way back when, when people were out to just pass rumors and things about me. It's old stuff that never had any legs anywhere," said Manafort. "It's totally fiction," he said, asserting that every penny he received from Marcos' allies was disclosed to the U.S. Justice Department in mandatory filings. "We'd have done everything by the book," he said, attributing persistent claims to the contrary to rivals and former colleagues on both sides of the aisle, and suggesting that some are reviving the talk now for political purposes.

After largely [disappearing from the U.S. political spotlight](#) for the past 20 years to build to a portfolio of foreign clients, Manafort [reemerged in late March](#) as a key adviser to Donald Trump's presidential campaign. He was quickly promoted to [chief strategist and chairman](#), and has been working to put his international affiliations behind him (when POLITICO asked him to describe his relationship with Marcos, he laughed and said, "I've got to go").

But Trump's broadsides against the corrupt political establishment — and his [increasing attacks](#) on the foreign cash raised by the charitable foundation of his Democratic rival Hillary Clinton — continue to bring attention to the often-secretive international work that became Manafort's lifeblood. [Recent stories](#) have called attention to Manafort's [huge paydays](#) through [arrangements](#) with controversial foreign leaders and businessmen, including Zaire President Mobutu Sese Seko, Russian businessman Oleg Deripaska, Ukrainian President Victor Yanukovich and France's Eduard Balladur, among others.

Yet those deals look like middle school civics classes next to Manafort's efforts to help Marcos maintain his grip on power, according to documents and interviews with more than 40 people who worked in U.S. and Philippine politics and law enforcement in the mid-1980s.

In October 1984, Philippine President Ferdinand E. Marcos and his wife Imelda (center), lead ceremonies marking the 40th anniversary of the landing of Allied Forces in Red Beach during WWII. | AP Photos

Manafort's Philippine adventure came at a time when international opinion was turning against Marcos' authoritarian regime. Yet, one of Manafort's business partners now says that Manafort neglected to inform him of the firm's contract with the dictator. That created some embarrassment and raised concerns about a style that several of his former associates portrayed as mercenary and envelope-pushing.

POLITICO found that Manafort worked more closely than previously known with Marcos and his wife, Imelda, in Manila, where Manafort and his associates advised the couple on electoral strategy, and in Washington, where they worked to retain goodwill by tamping down concerns about the Marcos regime's human rights record, theft of public resources, and ultimately their perpetration of a massive vote-rigging effort to try to stay in power in the Philippines' 1986 presidential election.

In the run-up to that election, aides to Marcos's leading opponent Corazon Aquino invoked Manafort's role with the dictator "to vilify Marcos" with the intelligentsia, said Teddy Locsin, a prominent

Philippine journalist and operative who worked for Aquino on that campaign. While Aquino also had help from Westerners — the prominent international consulting firm Sawyer Miller [accepted \\$15,000](#) from her campaign, which appears to have been mostly expense reimbursements — her team found Manafort an appealing target. In the words of Locsin, who was later elected to Congress, “Manafort's name was like Voldemort today.”

Manafort's international consulting career grew out of turmoil on Reagan's 1980 campaign. A trio of young operatives had been working together in Reagan's political shop — Manafort as convention director, Charlie Black as field director and Roger Stone as director of the Southern operation — until Black found himself out of a job when the campaign shuffled its hierarchy after the New Hampshire primary. So he started a political consulting firm, which Manafort and Stone joined in short order. The firm quickly began working for Reagan's campaign, as well as the Republican National Committee and a handful of GOP congressional candidates.

After Reagan won, the firm built a steady, if unspectacular, business representing Republicans from Northeastern moderates like Gov. Tom Kean of New Jersey to southern conservatives like Sens. Jesse Helms of North Carolina and Paula Hawkins of Florida.

But it wasn't until after Reagan's 1984 reelection, on which the firm's founding partners worked extensively, that the swaggering 30-somethings really began making their mark on Washington's hidebound consulting world and, in the process, making their fortunes. They split their enterprise into two distinct firms — one dedicated to domestic Republican political consulting lobbying and the other to lobbying and international political work — and added a new high-profile partner for each. Lee Atwater, the legendary GOP operative who served as Reagan's deputy campaign manager in 1984, joined the political firm, while Peter Kelly, the finance chair of the Democratic National Committee, joined the lobbying side, which became known as Black, Manafort, Stone and Kelly.

K Street veterans grumbled about the breach in the tradition of lobbying shops identifying exclusively with one party or the other. But Black, Manafort, Stone and Kelly — headquartered with Black, Manafort, Stone and Atwater in a brick building overlooking the Potomac River in the historic Washington suburb of Alexandria, Virginia — quickly redefined the influence industry.

It began vacuuming up clients attracted by its growing stable of well-connected Republican and Democratic lobbyists lured to the firm by gaudy salaries from prominent congressional or executive branch posts. The firm's partners were [boasting of \\$450,000 annual salaries](#) (not including bonuses for bringing in new clients) by 1986, though Black at the time protested that those figures were exaggerated.

Major contracts included Bethlehem Steel, the investment bank Salomon Brothers and the cigarette industry trade group The Tobacco Institute — not to mention Trump. The billionaire real estate developer paid the firm to [fight the expansion of Indian casinos](#) that could compete with his Atlantic City gambling business, and to [change the flightpath](#) of planes at West Palm Beach International Airport, which he said disturbed guests at his newly purchased Mar-a-Lago club.

It was on the international stage, however, that the firm found some of its most lucrative work, landing contracts representing the Bahamas, the Dominican Republic, Portugal and an anticommunist rebel group in Angola, among others. In 1986, the two firms — Black, Manafort, Stone and Kelly, and Black, Manafort, Stone and Atwater — combined with Manafort personally to collect \$2.4 million from international clients, according to [filings with the Justice Department](#) under the Foreign Agent Registration Act.

Paul Manafort, Roger Stone and Lee Atwater, young Republicans political operatives, pose for a Washington Post photograph in 1985. | Getty Images

Black, Manafort, Stone and Kelly's pitch to win the business from the ruling party of the Bahamas, which at the time was being accused of ties to drug trafficking, spelled out the approach of its principals. The firm's relationships with State Department officials could be "utilized to upgrade a backchannel relationship in the economic and foreign policy spheres," according to a portion of the pitch [published by TIME magazine](#) in 1986.

One of the firm's associates, Riva Levinson, who worked under Manafort on the Philippines account, recalled that he was not impressed when she informed him that she had to believe in what she was doing. Manafort predicted that "will be my downfall in this business," she recalled [in her memoir](#), published this month. She wrote that a running joke inside the firm was that its work was "like playing one big game of Stratego: building armies and scheming to take over the world. That is exactly what it feels like working with Manafort. In fact, at times, that is exactly what is going on."

Peter Kelly, the Democratic partner in the firm, said Manafort was attracted to trappings of wealth and cultivated an aura of an international jet-setter. He would disappear for days or even weeks without telling people at the firm where he was going or what he was doing and would return to submit expenses including Concorde flights to Paris and bills for stays in a suite at the extravagant Hotel de Crillon, according to Kelly and other former employees at the firm.

According to interviews and property records, Manafort drove a top-of-line Mercedes sedan and has purchased, built or rented pricey estates in the Mount Vernon neighborhood of Alexandria, Virginia; Palm Beach, Florida and the Hamptons, as well a horse farm in Virginia and a condo in Manhattan's Trump Tower, where his new boss' campaign headquarters are located. Several former colleagues and associates recall Manafort boasting about paying to relocate the swimming pool outside the home he built in Mount Vernon because he didn't like the shade/sun balance, but a former Manafort neighbor told POLITICO it was because the pool was causing problems with the home's foundation as it settled.

Manafort has told associates that he's not drawing a salary from Trump's campaign, and there don't appear to be any payments to him in the campaign's [Federal Election Commission filings](#), leading multiple operatives in and around Trump's campaign to speculate that Manafort is positioning himself to receive a cut from ad buys, polling or other contract work. Manafort rejected that speculation. "No, no, no, no. I'm a volunteer. I'm at a point in my life where I can volunteer my time," he told POLITICO.

Kelly, in an interview, said Manafort's driving motivation always seemed to be "to be in the middle of the action. He loved the action. I think that's what gets him off more than anything. At a certain point, money becomes irrelevant."

Manafort brushed aside questions that he misled his partners, suggesting that politics was motivating the criticism from Kelly, who was a top adviser to Bill Clinton's presidential campaigns. "Peter Kelly was the only Democrat in the firm at that time, so guess what? He has a vested interest in helping Hillary right now," said Manafort. "That's all. He's playing a game."

But Kelly wasn't the only former colleague who expressed misgivings about Manafort's behavior to POLITICO. And Kelly said Manafort sometimes failed to alert the firm of what he was up to, accepting gigs with authoritarian regimes with which some other firm officials felt uncomfortable.

"Paul did a lot of vile things that weren't appropriate for a firm like ours. We represented 11 Fortune 500 companies, so we didn't need them worrying about some deals he was making in Paris," Kelly said. "There was so much of his business that we didn't know about."

That included Manafort's courtship of — and contract with — Marcos, according to Kelly, who said he had to abruptly resign from an election observation mission in the country after learning that his firm was working for Marcos.

It's unclear when precisely Manafort first began working with Marcos, but multiple Black Manafort officials said the relationship started before 1985. Manafort himself said he had "no idea" when he first connected with Marcos, but emphasized that he followed all disclosure rules.

The Philippine strongman was in dire need of help in Washington after the 1983 assassination of opposition leader Benigno "Ninoy" Aquino, Jr., who was Corazon Aquino's husband. Marcos started taking heat from Congress and even the administration, despite the deep ties he and his wife had cultivated to Ronald and Nancy Reagan, whom the Marcoses had befriended as far back as 1969, when the Reagans attended a Manila gala marking the opening of a lavish cultural center. Ronald Reagan reportedly twirled Imelda Marcos around the dance floor at the gala. The couples remained close, and Philippine investigators later found records indicating that Imelda Marcos gave then-first lady Nancy Reagan a \$60,000 "[tube emerald necklace](#)," which Reagan would have been barred from keeping and which the White House said she never received.

"There were congressional hearings at least once a month on the Philippines, and there was talk of withholding aid," said John F. Maisto, an American diplomat who served as the State Department's director of Philippine affairs during Marcos decline and fall. "Hell, I was on the Hill arguing for the State Department that we should withhold military and even economic assistance from the Philippines in order to pressure them to put the regime back on a democratic path. And what the regime needed back then was people on the Hill arguing the opposite," he said. "Manafort was a logical choice. He was close to Reagan, and also to his allies in Congress."

In October 1985, Reagan [dispatched his closest friend](#) and ally in the Senate, Nevada's Paul Laxalt, to Manila to advise Marcos that the U.S. was tiring of his abuses and would pull its support if he didn't clean up his act.

Laxalt, who had chaired Reagan's presidential campaigns and remained a key confidant, suggested that Marcos hire Manafort to help address Marcos's grievances that he was being unfavorably depicted in the U.S. press, according to Stanley Karnow's 1989 book "In Our Image: America's Empire in the Philippines."

U.S. Senator Paul Laxalt (R-NV) talks with reporters at the Manila Airport, Oct. 17, 1985 at the end of a four-day visit to the Philippines on a mission from President Ronald Reagan. | AP Photos

Not long after the meeting, Laxalt [explained to TIME](#): "Everybody needs a Washington representative to protect their hind sides, even foreign governments." As a result he said "the constituency for [lobbyists representing foreign governments] is the entire free-world economy."

Manafort sought and received approval from the Reagan White House before accepting the work, according to Raymond Bonner's 1988 book "Waltzing with a Dictator; The Marcoses and the Making of American Policy." Manafort's firm signed its contract to represent Marcos with a front group called The Chamber of Philippine Manufacturers, Exporters & Tourism Associations, in November 1985, according to the firm's [foreign agent filings](#) with the Justice Department. The Philippine official who executed the contract was a key Marcos' ally named Ronaldo "Ronny" Zamora, who would resurface later as a key player in the mystery of the missing millions.

According to Bonner's book, the month before the contract was officially executed, first lady Imelda Marcos personally delivered the first \$60,000 of what was intended to be a \$950,000 contract during a visit to New York to address the United Nations General Assembly (where she ironically decried "injustice, intolerance, greed and [dominance by the strong](#)").

Shortly after her speech, her husband, in a dramatic effort to prove he was not anti-democratic, announced in an appearance on ABC's "This Week with David Brinkley," that he would call for a snap election with more than one year left in his term.

Manafort revved into high gear, laying the groundwork for the Philippine foreign minister, Pacifico Castro, to visit the United States for three days to try to meet with U.S. officials, according to Justice Department documents and news accounts. He made plans for three prominent American conservative journalists—Robert Novak, John McLaughlin, and Fred Barnes—to visit the Philippines, according to Bonner's book. And he worked to seed the idea in Washington conservative circles that Aquino, Marcos's leading rival in the impending election, was soft on communism and would not be a reliable U.S. ally, according to the book.

Then, as the election approached, Black, Manafort, Stone and Kelly stepped up its lobbying contacts of influential congressional and State Department officials, according to the firm's [foreign agent filings](#) with the Justice Department. A young Manafort protégé named Matthew C. Freedman played a particularly key role with the Marcoses as they fought to protect their power and fortune, according to multiple former colleagues.

Freedman, then 30, had joined Black Manafort as an associate after stints at the State Department and the U.S. Agency for International Development. He was assigned to the Marcos account in the months before the election, and, according to the firm's [Justice Department filings](#), he set about lobbying officials at his former agency (U.S. AID) about foreign aid to the Marcos regime and the election.

The firm also helped the Reagan administration put together its election observation delegation, vetoing some names submitted by the State Department and adding other names seen as more acceptable, according to Bonner's book.

Manafort and Freedman spent the weeks before the election in Manila advising Marcos on public relations and electoral strategy, according to published reports and interviews with three people working on the election in the Philippines. Manafort privately urged Marcos to administer the elections in a way that would appear credible to American observers: "What we've tried to do is make it more of a Chicago-style election and not Mexico's," [Manafort told TIME](#) around the elections.

His efforts apparently fell on deaf ears. There was widespread fraud and violence on Election Day and during the vote-counting, which independent international observers attributed mostly to Marcos' supporters. The state election commission received a [litany of complaints](#), including "threats and coercion" against voters, shootings in polling places, falsified ballots and theft of ballot boxes.

Many members of the U.S. delegation wanted to issue a harsh statement condemning the election. But some conservative members of the delegation argued against that, and the final statement instead highlighted the enthusiasm of the voters, only briefly mentioning "disturbing reports" of fraud and "serious charges ... made in regard to the tabulation system."

While the state election commission called the election for Marcos, an independent international watchdog named Aquino the victor. A tense three-week standoff ensued during which Marcos barricaded himself in the presidential palace while Aquino's supporters waged peaceful protests, and the world watched, fearing bloodshed.

In Washington, Black Manafort's associates repeatedly lobbied Laxalt's office about the possibility of putting out a statement on the election, DOJ filings show, presumably supporting Marcos's claim that it was legitimate.

Even as the State Department reported to the White House that Marcos's allies had been responsible for widespread fraud, Marcos and his allies with help from Manafort's firm worked to perpetuate the idea that there was fraud on both sides, but that Marcos had prevailed, according to interviews with U.S. diplomats. That was the White House's line initially, even as international support increasingly mounted behind Aquino.

Black Manafort reported receiving its final payment on record from the Chamber — [\\$258,000 including reimbursements](#) for all manner of pricey meals and travel — on February 24, 1986, according to the firm's [filings](#) with the Justice Department, bringing its total recorded payments for the account to \$508,000.

At 3 a.m. the next morning, Manila time, an increasingly desperate Marcos reached Laxalt by phone on the Hill, proposing a power-sharing coalition with Aquino, and trying to suss out whether Reagan really wanted him to step down. Laxalt said he'd check with the president, and, when the Nevada senator phoned the presidential palace in Manila two hours later without a definitive answer, Marcos, exhausted and frail, asked Laxalt for his personal advice. "Cut and cut cleanly. [The time has come](#)," Laxalt famously answered, leading to a long silence on the other end of the line, and prompting Laxalt to ask whether Marcos was still there. "I am so very, very disappointed," Marcos answered, according to Laxalt's account of the dramatic calls.

While Marcos, in a symbolic act of defiance later that day, had the oath of office administered for another term, within hours he had left the palace and fled the country under U.S. protection.

A young protester slashes at an oil painting of Ferdinand Marcos as looters storm the presidential palace in Manila, February 1986. | AP Photos

Manafort had left the Philippines before that historic final day. But Freedman remained behind, holed up in the presidential palace with the Marcoses, from which he remained in regular contact by phone with Manafort, according to multiple former colleagues who had spoken to Manafort and Freedman about the situation. At one point, Imelda Marcos asked to talk to Manafort, so Freedman gave her the phone and she thanked Manafort profusely for his services, according to the former colleagues.

Freedman joined the Marcoses and their entourage in Hawaii, and assisted them for several weeks as they located accommodations, according to a lawyer who worked with the Marcoses. The lawyer said that Freedman so endeared himself to Imelda Marcos that she expressed a desire to give him as a wedding present an iconic Manhattan office building that the Marcoses had [secretly purchased in 1981](#) with the help of a Saudi arms dealer and others.

Freedman did not respond to questions about his time with the Marcoses, or why he continued to work for the Marcoses after his firm reported the relationship was over. Later, Freedman reportedly taunted a consultant at Sawyer Miller, which had worked for free for the victorious Aquino. According to James Harding's 2008 book "Alpha Dogs: The Americans Who Turned Political Spin into a Global Business," Freedman told the Sawyer Miller consultant "We lost, but we got paid."

When Marcos arrived in Hawaii, U.S. customs officials seized thousands of pages of financial documents that detailed his stashing and spending of an enormous fortune plundered from the people of the Philippines. Among them: a one-page ledger obtained by POLITICO from a lawyer who sued the Marcos estate. The document, [published here](#) for the first time, appears to detail Marcos' intended

donations to U.S. political campaigns in 1980 and 1982, including \$50,000 each to the competing 1980 campaigns of Reagan and the Democratic incumbent President Jimmy Carter. That cash, as well as \$75,000 in donations slated for congressional and local candidates between 1979 and 1982, was to have come from a San Francisco-based company that was linked to a Philippine intelligence fund, the ledger suggests. POLITICO was unable to reach the Marcos associate who administered the company, an American citizen who donated tens of thousands of dollars to U.S. campaigns that he claimed came from his own funds.

Another document — a letter from to Marcos from a senior aide that was obtained when his opponents ransacked his files — seems to refer to accounts set up for Reagan and his 1980 campaign manager, the late William J. Casey. The letter catalogues other documents, including "1980-SEC-014: Funds to Casey" and "1980-SEC-015: Reagan Funds Not Used," according to [a 1996 report](#) by The Associated Press former investigative reporter Robert Parry.

A third document — a whistle-blower letter from a group of anonymous bankers — alleged that the dictator planned to donate \$7 million to Reagan's 1980 campaign, \$50 million to his 1984 reelection bid and \$10 million to "various candidates" in the 1982 congressional midterm elections, according to contemporary media accounts. The letter was delivered to the Philippine commission that investigated Marcos' plunder of public resources, the Presidential Commission on Good Government, by a former banker named Antonio Gatmaitan in the days after Marcos stepped down.

In an interview, Gatmaitan stood by the claims in the letter, and questioned the degree to which they were investigated by the PCGG, which itself has been the target of [corruption allegations](#), even as it's recovered an estimated \$3.6 billion in Marcos' assets.

"I don't believe that they took it seriously, because Marcos was gone already by that time," he said. "That's typical here. Once the principals are gone, the stories die."

Richard Roger T. Amurao, the acting chairman of the PCGG, said he couldn't find the letter from the anonymous bankers, nor any records suggesting that the commission investigated its charges or other evidence that Marcos intended to donate to U.S. campaigns.

"Somehow our agency ... did not look into the matter you were referring," he wrote in an email to POLITICO. He declined an interview request, pointing out that his term expires at the end of this month, when the incoming presidential administration gets to appoint new commissioners. "Our time now is consumed by the transition work we need to hand over to the incoming administration," he wrote.

But Philippine observers wonder whether the PCGG and its hunt for Marcos' loot [will survive](#), given the fading memories of the Marcos clan's plunder and their [resurgence as a political power](#). Ferdinand Marcos, Jr., who goes by the nickname "Bongbong," is a senator who narrowly lost a bid for vice president in last month's elections, while his sister Imee Marcos is a governor and their mother, Imelda Marcos, serves as a member of Congress.

On this side of the Pacific, it doesn't appear their late patriarch's attempted donations to Reagan were investigated any more rigorously. It's unclear whether U.S. authorities ever obtained or looked into Gatmaitan's letter. And the U.S. Justice Department declined to investigate the ledger detailing donations made between 1979 and 1982. That's because, by the time U.S. Customs officials obtained the ledger in 1986, the three-year statute of limitations for prosecuting federal election law violations had passed. When word of Marcos' planned donations first broke in 1986, Reagan's White House press secretary Larry Speakes denied any knowledge of the effort.

It's also unclear whether the full bounty of documents have been accounted for, or whether there are other documents detailing how Marcos spent his cash.

Marcos had worked to try to prevent documents and assets from being released to American and Philippine authorities, [hiring a Washington law firm](#) with deep connections to Manafort and the White House to block the seizure of key possessions that the Marcos' entourage brought with them to Hawaii. (In addition to the documents, the Marcoses arrived at the Air Force base Hickam Field outside of Honolulu with 27 million freshly printed Philippine pesos, 67 racks of clothes, 413 pieces of jewelry and 24 gold bricks, among other items valued at a total of \$15 million).

The law firm, Anderson, Hibey, Nauheim & Blair, also represented Black, Manafort, Stone and Kelly, and Manafort personally, according to a lawyer who worked with it. The firm worked closely with the Black Manafort associate Freedman in the early days of the Marcoses' Hawaiian exile. Richard Hibey, the partner at the firm who worked mostly closely with the Marcoses, is currently representing Manafort in a case brought by the Russian aluminum magnate Oleg Deripaska, who [accuses Manafort](#) and a partner of accepting \$19 million in investment cash, then disappearing and failing to account for it.

Hibey did not respond to requests for comment.

Most of the investigations by U.S. and Philippine authorities appear to have paid little attention to charges that some of the cash was intended for illegal political contributions in the U.S.

A U.S. congressional subcommittee chaired by the late New York Rep. Stephen Solarz devoted significant attention to tracking Marcos' ill-gotten gains. But it doesn't appear to have delved deeply into the donation allegations.

Stanley Roth, who served as staff director of Solarz's subcommittee, said "there was an allegation that we were never able to prove" related to political contribution Marcos intended to make. But he stressed that the subcommittee's investigative work centered on the [hundreds of thousands of dollars](#) in New York real estate deals linked to the Marcoses. "The driving force was not politics or campaign contributions. It was the guy looting the Philippines," said Roth, adding that he doesn't remember Manafort's name being raised at all during the investigation.

Marcos, who had struggled noticeably during the snap election with health problems related to [diabetes and lupus](#), declined precipitously while in exile and died in 1989.

But the mystery surrounding the earmarked donations got new life a couple years later. In the run-up to the Philippines' next presidential election, the veteran GOP strategist Ed Rollins traveled to Manila as part of a delegation from the internal consulting firm Sawyer Miller colleagues to help Aquino's party in the 1992 presidential election.

Rollins and a couple other Western consultants working on the race attended a Manila dinner party with assorted Philippine politicians from Aquino's party. Among those in attendance was Ronny Zamora, the former Marcos lawyer who had signed the contract with Black Manafort years earlier. According to multiple sources, Zamora had been among a group of Marcos confidants who helped the dictator move and invest the billions that he plundered from the public trough, with some of the so-called "Marcos cronies" becoming quite wealthy themselves.

Bob Rich, the deputy chief of mission at the U.S. Embassy in Manila, said Zamora "was one of the cronies who we felt was handling some of the money, but it wasn't an official position." Rich later accompanied the Marcoses during their exile in Hawaii, overseeing the logistics around their accommodations and the two planeloads of possessions they brought with them. He said the U.S. had a tough time tracking the flow of cash around Marcos and his cronies, explaining "we didn't always know where the money was coming from."

Like most Marcos cronies, Zamora did not face legal charges and later reemerged in Philippine politics backing other parties — in Zamora's case, Aquino's.

At the dinner, Zamora boasted that he provided \$10 million in cash from Marcos to Manafort to donate to Reagan's campaign, two attendees told POLITICO.

In demonstrations on February 2, 1986, anti-Marcos protesters carry a box containing the caricatured heads of President Ronald Reagan and Ferdinand Marcos. The sign on the box reads "Seal of the Dictator of the Philippines." | AP Photos

In Rollins' 1996 memoir, he recounts the conversation that followed, without naming either Zamora or Manafort, referring to them only as "a prominent member of the Philippine congress" and a "well-known Washington power lobbyist who was involved in the campaign," respectively.

"I delivered the suitcase with the cash personally to him, and helped get it out the country," the Philippine congressman boasted, according to Rollins' book, "Bare Knuckles and Backrooms; My Life in American Politics." The congressman continued, telling Rollins that the lobbyist had indicated "he would give it to you for the campaign. It was a personal gift from Marcos to Reagan."

Rollins in the book recalls being "stunned" by the story. "Not in a state of total disbelief, though, because I knew the lobbyist well and I had no doubt the money was now in some offshore bank," Rollins wrote, bemoaning "I ran the campaign for \$75,000 a year, and this guy got \$10 million in cash."

Rollins, who is now running a super PAC supporting Trump, said in an interview with POLITICO that, as soon as he got back to Washington, he asked Bay Buchanan, who served as treasurer of all three of Reagan's presidential campaigns, whether there was any chance that foreign money had made its way into the campaign's coffers. "Absolutely not," Rollins recalls her saying. (Buchanan says she doesn't recall this conversation).

Later, according to Rollins' book, he shared the story with Laxalt, a close friend. Laxalt immediately responded "Christ, now it all makes sense," according to Rollins' book, which quotes Laxalt's recollection of his October 1985 meeting with Marcos at which he recommended the dictator hire Manafort, but also passed along Reagan's message of the importance of reform.

"When I was over there cutting off Marcos' nuts, he gave me a hard time. 'How can you do this?' he kept saying to me. 'I gave Reagan \$10 million. How can he do this to me?'" Laxalt said, according to Rollins's book. "I didn't know what the hell he was talking about. Now I get it."

Two GOP operatives told POLITICO that when Rollins' book came out in 1996, he told them that the lobbyist in question was Manafort. Some Republicans familiar with the book attributed the passage in the book to tension between Rollins and Manafort, who were both considered contenders for the position of Reagan's reelection campaign manager, which Rollins ultimately got. Rollins dismissed the idea that he has any bad blood with Manafort. (The two men are ostensibly on the same team now, though Manafort's allies have tried to [steer donors away from Rollins'](#) super PAC, and to a new super PAC run by a former associate at Black, Manafort, Stone and Kelly.)

The operatives who discussed the Manila dinner anecdote with Rollins said he told them he had withheld Manafort's name from his book out of concern for then-U.S. Sen. Bob Dole, who was the GOP nominee for president and for whom Manafort was working at the time.

Rollins would not confirm or deny those conversations, but he told POLITICO that when the book came out, "every reporter in the world" chased the story. "Several had come to me and said, 'I know it was Manafort.' And I said 'I'm not confirming it.'"

Manafort called the story “totally fiction,” asserting “there never was any \$10 million. ... He made it up.”

Charlie Black, Manafort's lobbying partner, said of the book: “I don't know where Ed would have gotten that,” adding “I'm pretty confident Paul wasn't involved in any of that. Paul is a lawyer, so he would have known it was illegal. Plus, he has more integrity than that.” And he said “\$10 million was a lot of money in those days and if it had happened, I don't think we would have seen hide nor hair of Paul again.”

In fact, Black said he and Manafort discussed the book when it came out, since it seemed obvious to informed readers that Manafort was the undisclosed lobbyist. But Black said “Paul didn't sound like he was losing any sleep over it.”

As for Zamora, who returned to the Philippine congress after being term-limited out in 2010, he rejected Rollins' account. “I certainly didn't do anything like that,” he proclaimed, when reached by phone this month. He asserted he'd never met Manafort and added “I'm not even sure that I had that dinner” with Rollins.

Zamora said he and Marcos “never even talked about donating to any presidential campaign.” Pointing out that Marcos also was a lawyer (he boasted of receiving a near-perfect score of 98.8 percent on his bar exam, though that was later disputed), Zamora said Marcos “was careful about complying with election laws, especially American election laws, because you are even more strict than we are.”

Besides, Zamora added with bemusement, “How do you carry \$10 million in cash? You know, not to sound too familiar with United States currency, but your currency is a little difficult to carry in cash.” Off the top of his head, he calculated that \$10 million in \$100 bills must weigh “a couple hundred pounds.” (The precise weight is 220 pounds, according to a [U.S. Treasury estimate](#).)

Zamora did acknowledge signing a contract with Manafort's firm on behalf of The Chamber of Philippine Manufacturers, Exporters & Tourism Associations. But he said he only did so at the request of Marcos's late brother-in-law Benjamin Trinidad Romualdez. “He was the one who asked me to sign for the group of the president,” said Zamora, professing ignorance to Black Manafort's work or anything about the contract beyond the fact that he signed it.

“That's all that I did, which of course, under American law is more than enough ... to get you liable if something comes up,” he said. “But you know after that, remember, we had lost. We were all kicked out, and I never heard anything about this until – well, until now.”

Rollins, who was close with Laxalt, told POLITICO that the two discussed Manafort's work with Marcos and the mystery of the campaign-donation-that-wasn't for years afterward, but that Laxalt “never wanted to get involved in that because of his own relationships there.”

Laxalt is 93 and in declining health, but his daughter Michelle Laxalt, who worked for Reagan during his campaigns and in his administration on foreign policy issues, says her father occasionally speculated about what happened to Marcos' campaign cash.

“The rumor about the case of the missing Manila millions was clearly a part of the chatter I was intrigued to listen to Ed and dad most closely to,” she told POLITICO, adding that she also “had heard rumblings in certain circles” beyond her father and Rollins. She stressed, though, that she never heard Manafort's name in connection with that chatter, and didn't think her father had either, though that conflicts with the recollection of Rollins.

It's theoretically possible that Marcos' money could have made its way into an independent group supporting Reagan's campaign, said Reagan's treasurer Buchanan. But she added that there was never any evidence of any outside group spending big money supporting Reagan.

And she stressed that there was absolutely no way that any foreign money made it by her staff, and into the campaign, itself.

"Watergate made a very strong impression on me," said Buchanan, whose older brother Pat Buchanan worked for Richard Nixon during the Watergate break-in scandal, which also involved illegal campaign contributions. Pat Buchanan was [untarnished](#) by the scandal, but his sister said the experience made her doubly diligent about adhering to campaign finance rules.

"I made copies of every single check that was deposited in our account, because we took matching funds in the primary, so we had a 100 percent federal audit. And, in the general, we took the money from the federal government, so we didn't raise any money at all," she said, referring to a [now-obsolete system](#) that provided taxpayer money for presidential campaigns that agreed to spending restrictions.

Even if Reagan's campaign had wanted to accept a huge lump sum payment from a foreign leader, it would have been immediately flagged as illegal by the Federal Election Commission, which enforces campaign finance laws. And it would have required a massive amount of clerical chicanery to funnel \$10 million into a campaign in a manner that evaded detection, since the individual campaign contribution limit for individuals in 1984 was \$1,000 — meaning the cash would have had to have been divided into individual donations from at least 10,000 different so-called straw donors.

"First of all, it would have been illegal," Buchanan said. "And second, by 1984, it wouldn't have been necessary, because he was the incumbent president, and we didn't have any trouble raising money."

By that point, though, Marcos's political future was almost entirely dependent on keeping Reagan in the White House and on his side, especially after his Democratic general election opponent, Walter Mondale, came out against Marcos during the 1984 campaign.

So an under-the-table financial contribution might have made sense to him, said the American diplomat Maisto.

"Politically speaking, that's the way Marcos thought back then. He had all the money in the world, and he knew the American political system functioned on contributions, not unlike the Philippine oligarchy," said Maisto. "He thought that his ace in the hole was Ronald Reagan, and he didn't want Reagan to leave the White House, so it makes that he would do whatever he could to ensure that Ronald Reagan was reelected."

Noah Weiland contributed to this report.