

Bachmann's Aide Hides \$10M Secret

Exclusive: When Rep. Michelle Bachmann landed Ed Rollins as her campaign manager, the move gave a shot of credibility to her presidential bid. Washington pundits adore Rollins and his blunt style, so much so that they have ignored the fact that he is still covering up an illegal \$10 million suitcase full of cash from Philippine dictator Ferdinand Marcos, Robert Parry reports.

By Robert Parry

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Veteran political strategist Ed Rollins brought a burst of positive media coverage to Rep. Michelle Bachmann when he signed on as campaign manager of her sometimes loopy presidential bid, but Rollins continues to hide a dark secret from one of his previous national campaigns.

For two decades, Rollins has withheld evidence about the identity of a top Filipino politician who admitted delivering an illegal \$10 million cash payment to Ronald Reagan's 1984 campaign from Philippine dictator Ferdinand Marcos.

Rollins, who ran Reagan's reelection campaign in 1984, mentioned the admission in his 1996 book, *Bare Knuckles and Back Rooms*, recounting how the Filipino casually asserted over drinks in 1991 that he had carried the money in a suitcase to a Republican lobbyist who was representing the Reagan campaign.

"I was the guy who gave the ten million from Marcos to your campaign," the Filipino told Rollins. "I was the guy who made the arrangements and delivered the cash personally. ... It was a personal gift from Marcos to Reagan."

In his book, Rollins described this stunning news with a light touch. The first thought that raced through his head, he wrote, was "Cash? Holy shit."

However, Rollins has refused since to divulge the name of either the Filipino politician or the Republican lobbyist. And it speaks volumes of the mood during the mid-1990s when Ronald Reagan's legacy was taking on mythic status that no one pressed Rollins for details of this crime.

Nor did anyone in the top ranks of the U.S. news media or law enforcement apparently expect that Rollins should take his evidence to authorities. That Rollins could drop this tidbit into his memoir, go mum on identifying the direct participants, and still remain a respected Washington insider says a lot, too, about the morality of America's political/media establishment.

In his memoir, Rollins tried to minimize the significance of the suitcase full

of cash by suggesting that the illegal contribution might never have reached the campaign or President Reagan. "I knew the lobbyist well and I had no doubt the money was now in some offshore bank," Rollins wrote.

But Rollins had no way to know for sure and it would have been a very risky move for the lobbyist to divert \$10 million in cash that Marcos was sending personally to Reagan, especially since the lobbyist would have to assume that Marcos had told Reagan that the money was on the way.

There also was a history to the allegations of Marcos-Reagan payoffs.

Dancing with Mrs. Marcos

The Marcos-Reagan relationship dated back at least to 1969 when President Richard Nixon assigned Reagan to represent the United States at the gala opening of Imelda Marcos's multi-million-dollar cultural center in Manila.

Reagan charmed the Philippine president and his wife, as the former Hollywood movie actor twirled Mrs. Marcos around the dance floor.

By 1980, Marcos had another reason to root for Reagan. Marcos was weary of President Jimmy Carter's nagging about human rights violations in the Philippines. Marcos also was unnerved by Carter's inability to protect another friendly despot, the Shah of Iran, who was overthrown in 1979 and forced into a humiliating exile.

If Reagan were to defeat Carter, Marcos could expect that the human rights lectures would stop and U.S. officials would look the other way when it came to Marcos's staggering corruption.

Carter's reelection campaign also was hobbled by his inability to free 52 American hostages then held by radicals in Iran, a year-long crisis that set in motion Reagan's landslide victory.

In the three decades since, some witnesses have claimed that Marcos put up the money to finance a covert Republican operation to contact Iranian officials behind Carter's back and bribe them into delaying release of the hostages until after the November 1980 election. As it turned out, the hostages were held through the presidential election and were only released after Ronald Reagan was sworn in on Jan. 20, 1981.

Documentary evidence of a Marcos-to-Reagan payoff in 1980 first surfaced after Marcos was ousted by a popular revolution in March 1986.

As Marcos's fall neared, Reagan arranged for the dictator to be flown to safety in Hawaii. After Marcos left the Philippines, his opponents ransacked government

files and found a Feb. 17, 1986, letter signed by a senior Marcos aide, Victor Nituda.

In the letter, Nituda told Marcos that Reagan's emissary, Sen. Paul Laxalt, R-Nevada, was demanding that sensitive files, including ones listing the 1980 transactions, be turned over before Marcos could go to Hawaii.

Nituda's letter specifically cited accounts set up for Reagan and his 1980 campaign manager William J. Casey, who became Reagan's CIA director in 1981. Laxalt had served as Reagan's campaign chairman in 1980.

Laxalt "expects all documents checklisted during his last visit or the deal [for a Hawaiian exile] is off," Nituda wrote. The first two documents listed were "1980-SEC-014: Funds to Casey" and "1980-SEC-015: Reagan Funds Not Used."

In a follow-up letter three days later, Nituda added, "we urgently need to fly the last batch [of documents] to Clark [Air Force base] soonest. [National security adviser William] Clark and [Reagan chief of staff Michael] Deaver are not happy with what we've sent them so far."

Nituda wrote that Laxalt wanted files from 1984, too, including papers on bank loans and Marcos's "donations to Gen. [John] Singlaub" who then was raising secret funds for the Nicaraguan Contra rebels, including money from Marcos.

For years, Laxalt's spokesmen have denied that the senator had any discussions with Marcos about the information referenced in the Nituda letter. In an interview in 1996, Deaver also told me that he had no idea what Nituda was writing about.

Supporting Evidence

But there was evidence supporting the Nituda account. During his Hawaiian exile, Marcos said he gave Reagan \$4 million in 1980 and \$8 million in 1984, in an admission to Republican lawyer Richard Hirschfeld, who secretly tape-recorded the conversation.

Hirschfeld turned part of the tape over to Congress. But the core allegations that President Reagan had received illegal pay-offs from a foreign dictator were never seriously explored. Marcos died in exile in 1989.

Though making no reference to this history, the Rollins book added further corroboration that Marcos did make large payments to Reagan.

Rollins wrote that he asked Laxalt about the \$10 million payment when the two men were alone at cabins they owned in Front Royal, Virginia.

“Paul absorbed the story with increasing interest,” Rollins wrote, then quoting Laxalt as declaring: “Christ, now it all makes sense. When I was over there cutting off Marcos’s nuts, he gave me a hard time. ‘How can you do this?’ he kept saying to me. ‘I gave Reagan ten million dollars. How can he do this to me?’ I didn’t know what the hell he was talking about. Now I get it.”

Though clearly self-serving and quite likely disingenuous, Laxalt’s comment confirmed that he and Marcos discussed the alleged payoffs to Reagan. That contradicted the earlier denials from Laxalt’s aides that the topic never arose.

But it seems more likely that Laxalt, who was one of Reagan’s closest advisers, knew exactly what Marcos meant. (Laxalt, who retired from the Senate in 1987, is now 88 years old.)

Hirschfeld also dangled hints that he possessed bank records showing where many of the Marcos accounts were located and documenting how much money went to Reagan and to other Republicans.

Yet, when I spoke with Hirschfeld years later when he was living in Charlottesville, Virginia, he refused to release any documentary evidence voluntarily.

In the mid-1990s, when Rollins’s book was published, Reagan was well on his way to becoming an untouchable political icon, honored repeatedly by the Republican-controlled Congress with his name attached to scores of federal edifices, including National Airport in Washington, D.C.

There was no appetite to revisit unresolved mysteries of the 1980s, especially ones that might put the beloved Reagan in a negative light.

To the U.S. news media, it didn’t seem to matter much that Reagan might have been taking secret payoffs from a foreign despot or that the dictator’s money might have been used to influence the outcomes of the 1980 and 1984 elections. [Consortiumnews.com was the only news outlets that provided any detailed coverage of Rollins’s limited admissions.]

BCCI Mystery

Yet, an investigation of the Marcos money might have shed light on another perplexing mystery from the 1980s: the curious relationship between the U.S. government and the corrupt Bank of Credit and Commerce International.

On Jan. 22, 1981, two days after Reagan’s Inauguration and Iran’s curiously timed release of the U.S. hostages, Marcos and some of his cronies co-founded a Hong Kong bank in partnership with New York financier John Shaheen.

Shaheen was one of William Casey's closest friends, a relationship that dated back to their days together as spies in the World War II-era Office of Strategic Services.

Called the Hong Kong Deposit and Guaranty, the bank was capitalized with \$20 million supplied by Princess Ashraf, the Shah of Iran's strong-willed twin sister who shared Marcos's intense hatred of President Carter. Ashraf also had appealed to leading Republicans in 1979 to help get her brother into the United States for cancer treatment, the event that triggered the seizing of the 52 American hostages on Nov. 4, 1979.

The Hong Kong bank attracted onto its board leading BCCI figures, including Abu Dhabi's Ghanim al-Mazrouie and Saudi diplomat Hassan Yassin, the cousin of Iran-Contra figure and Saudi financier Adnan Khashoggi. At first, Middle East petrodollars flowed into the bank.

However, by 1983, Hong Kong Deposit and Guaranty had been plundered by insiders. It collapsed with reported losses of more than \$100 million. The money was never recovered, but Shaheen associates claimed that prior to the bank's failure, substantial amounts were funneled to Marcos, who reportedly was pulling the strings behind the scenes.

The Hong Kong bank might have been a missing link in the intelligence mysteries of the 1980s, connecting the early Reagan-Iran deals with key BCCI players. It also could explain how Marcos was repaid for his alleged 1980 largesse and why he would be even more generous in 1984. [For details on this so-called October Surprise mystery, see Robert Parry's *Secrecy & Privilege*.]

When these facts about secret money flows surfaced in the 1990s, one might have expected that there would have been a clamor about the alleged payoffs to Reagan, especially once they were partially confirmed by Rollins. In a normal world, it would seem to make sense that Rollins be put under oath before government investigators and compelled to identify both the Filipino with the suitcase and the Republican lobbyist who supposedly received it.

And, if the government didn't act, surely the U.S. news media would. To this day, Rollins regularly appears on political talk shows, such as Wolf Blitzer's "Situation Room" and "Hardball" with Chris Matthews. It's hard to imagine any more "hardball" political strategy than taking millions of dollars in illicit donations from a notorious dictator to influence a U.S. presidential election, but Rollins is never pressed to expand on his book's disclosures.

The remarkable admissions are simply swept under the rug. But that does not stop Rollins from adding "gravitas" to Bachmann's presidential bid by becoming her

campaign manager.

Soon after Rollins signed on, leading Washington pundits began detecting previously unknown political qualities about Bachmann. She was praised for a better-than-expected debate performance and for her composure on the stump. She is now regarded as a top-tier Republican contender for the presidency and Rollins's stock is rising with her.

[For more on these topics, see Robert Parry's *Secrecy & Privilege* and *Neck Deep*, now available in a two-book set for the discount price of only \$19. For details, [click here.](#)]

Robert Parry broke many of the Iran-Contra stories in the 1980s for the Associated Press and Newsweek. His latest book, *Neck Deep: The Disastrous Presidency of George W. Bush*, was written with two of his sons, Sam and Nat, and can be ordered at neckdeepbook.com. His two previous books, *Secrecy & Privilege: The Rise of the Bush Dynasty from Watergate to Iraq* and *Lost History: Contras, Cocaine, the Press & 'Project Truth'* are also available there.
