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A BEE EXCLUSIVE

Feds tracing Hmong money

Investigators submit documents detailing funds for alleged plot

By Todd Milbourn, Bee Staff Writer

Gen. Vang Pao has never been shy about raising money to fight the communists in Laos.

Since the Hmong leader arrived in the United States 30 years ago, he has asked refugees in the Central Valley and elsewhere to give to Neo Hom, an informal network of activists dedicated to helping resistance fighters in Laos.

Now, according to hundreds of pages of documents filed in Sacramento federal court, investigators allege Vang tried to tap Neo Hom -- and its deep connections to Hmong clan leaders -- to deliver the \$28 million he and an aging band of ex-military men allegedly sought to help them topple the Laos government.

Vang, 77, and 10 other men are charged in Sacramento with conspiring to violate the federal Neutrality Act by planning to overthrow the government of a nation at peace with the United States.

Investigators are examining stacks of financial records to determine if Neo Hom members used Central Valley humanitarian agencies and a Fresno flower shop to funnel money for the plot. They are also following leads that Neo Hom members tried to raise funds from Vietnam War veterans, including those who served with the CIA-funded airline, Air America.

"This is a very complicated case," said Graham Barlowe, the top agent in the Sacramento office of the Bureau of Alcohol, Tobacco, Firearms and Explosives. "It's going to take some time."

Investigative documents make dozens of references to Neo Hom -- often referred to as "the resistance" -- as the organization behind the plot.

Vang, who remains hospitalized in Sacramento, established Neo Hom after U.S. forces -- which enlisted Hmong in a guerrilla war against communists -- left Southeast Asia in the mid-1970s. The network sought to help Hmong who

retreated to remote Laotian jungles and mountains to escape the communists.

Vang told a public audience in 1987 that Neo Hom wanted "to mobilize all Laotian people, inside as well as outside of Laos, to overthrow the puppet regime imposed on the Laotian people."

To fund the cause, Neo Hom representatives would go door-to-door to Hmong households in the United States and ask for small cash donations, said Philip Smith, a former Vang confidant and Washington director of the Lao Veterans of America.

Often, collectors would tell refugees that contributions could buy them a good job -- a judgeship or a police post -- after Vang returned to rule Laos.

But over time, dreams of a triumphant return to Laos faded. A new generation of Hmong, born and raised in the United States, began to question where donations were going.

"You just assumed that they were going for food, supplies, shelter, maybe guns, things that would help our people who were struggling to survive," said Ilene Her, director of the Council on Asian-Pacific Minnesotans.

Nhia Her, a junior at California State University, Sacramento, said many families in Sacramento, including his, were routinely asked for cash donations of \$20 to \$200. He said many felt obliged to give to influential community elders.

"But we don't know how much money they've raised or where they have spent it," Nhia Her said.

Such doubts have led to investigations.

In 1990, Kao Thao, Vang Pao's son-in-law, pleaded guilty to embezzling \$70,000 from Lao Family Community, a Fresno-based nonprofit group that investigators said had ties to Neo Hom, court records show.

Later that year, the California Department of Social Services issued a scathing report on Neo Hom and affiliated nonprofits that ran taxpayer-funded welfare programs for Hmong refugees.

The agency said charity officials in Southern California had threatened to cut off welfare benefits to refugees who didn't contribute to Neo Hom, accusations the charities denied.

More recently, Vang's fundraising has come under fire in Minnesota, which is home to more than 42,000 Hmong. The Minnesota attorney general ordered the closure of the Vang Pao Foundation in 2005 after executives, including Vang Pao's son, Cha Vang, failed to explain the fate of \$500,000 in funds, according to

court records.

The California branch of the Vang Pao Foundation also faced accountability problems. It closed in 2004 after failing to provide a list of its board of directors, state records show.

Smith and Ilene Her said the scrutiny limited Neo Hom's ability to raise money. So did Vang's controversial call in 2003 for peaceful relations with the Lao government, even as that government -- according to Amnesty International -- continued terrorizing Hmong in the jungles.

The setbacks haven't deterred Neo Hom, prosecutors said. Like pipelines that funnel money home for other immigrant groups, Neo Hom relies largely on cash donations and leaves few written records.

Investigators suspect Neo Hom sought to raise money for the alleged plot through a Fresno-based nonprofit called United Hmong International. Three defendants in the case -- Lo Thao, Chue Lo and Seng Vue -- hold leadership posts in the group. Calls to the charity were not returned.

Founded in 1997, UHI has a stated mission to "promote Hmong culture." But after trailing the group's leaders to a Vietnam veterans rally in Washington, D.C., investigators reported that UHI's "mission is partly, if not mainly, to achieve the 'Target Subjects' goal -- the violent overthrow of the Lao government."

Investigators contend Neo Hom also enlisted a Fresno flower shop owned by Chong Vang, one of Vang Pao's sons. Chong Vang has not been charged in the plot.

Investigators say that from Jan. 1, 2006, to March 2, 2007, \$151,132 was deposited into a flower shop bank account, with some of the checks made out to "Neo Hom" or "V.P." -- Vang Pao's nickname.

Agents then documented wire transfers from that account to a man in Thailand believed to be involved in the planned coup. They identify the recipient as Nao Leng Vang, an Oroville man formerly known as Thai Vang, who, authorities say, has served as spokesman for Vang Pao and worked for him in Thailand. The documents say Nao Leng Vang, who has not been charged in the alleged conspiracy, was involved in a shootout in 2000 on the Mekong River. Thai officials reported finding "weapons, currency and documents concerning the Hmong resistance" on Nao Leng Vang and 11 others with him.

Calls to the flower shop were not returned.

Another money source referenced in court documents is a claim by alleged plotters to have tapped donors connected to Air America, the legendary CIA-funded airline that moved supplies and personnel during the Vietnam War.

In taped conversations with an undercover ATF agent, Harrison Jack, a former Army Ranger and Woodland-based contractor, said his Hmong contacts had raised "a lot" of money from Air America. He didn't say how much.

John Wiren, a former pilot who lives in Arkansas and is president of the Air America Association, said while Air America veterans sympathize with the Hmong, he is unaware of financial support for them from individual members.

"Occasionally Vang Pao has put out feelers for donations, but we never had any idea it was for anything of this nature," Wiren said. "As much as we'd like to see the communists leave and the refugees get out, we are a social organization and haven't been involved."

The undercover agent also recorded Jack saying that, while he hadn't taken money from the CIA, he believed "the agency was standing by and ready to roll."

"I understood his statement to mean that the CIA was preparing to assist the Hmong insurgency once the takeover of Laos had begun," the agent wrote. CIA officials did not reply to a call for comment on Friday.

In a separate e-mail to friends and business associates obtained by The Bee, Jack outlined plans to raise \$200,000 from an air show in Fresno later this year. Jack wrote that the donations would help "Freedom Fighters" in Laos.

No matter how donations arrived, they were appreciated, according to the court documents. Defendant Lo Cha Thao advised money collectors to keep track of addresses so they could send thank-you notes.

Despite all the fundraising efforts, the documents suggest the plotters did n't have immediate access to the \$28 million they budgeted for rifles, mines, tanks, a mercenary army and missiles big enough to blow jets out of the sky.

In the June 4 raids, investigators seized about \$146,000 in cash and what they suspect to be four gold bars from the Fresno home of Chong Vang.

Rick Condin, a Woodland security consultant, told The Bee that Jack had asked him several times in April and May about creating a "Hmong security company." Condin said he told Jack some of the equipment he wanted would cost from \$500,000 to \$1 million.

"I didn't think he had the money," Condin said. "That's why I didn't go any farther with it."

Smith and Ilene Her said they don't doubt the commitment of the alleged conspirators, former military men who've been talking about a glorious return to Laos for decades. Still, they're not sure the group could have come up with

enough money to defeat a foreign military, even one that the CIA calls "small, poorly funded and ineffectively resourced."

But Barlowe, the ATF investigator, maintained that the plot was not idle chatter.

"We wouldn't go after a group that only had the wishes but not the means," he said.

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Caption:
Gen. Vang Pao

Harrison Jack

Sacramento Bee

Following the money

Investigators are conducting interviews and reviewing thousands of documents trying to determine how the alleged \$28 million plot to topple the Lao government could have been financed. Here's a look at several of the alleged conspirators and their financial connections.

Gen. Vang Pao - Cultivated the vast fundraising network Neo Hom, which investigators say orchestrated the plot. Over the past 30 years, Neo Hom collected small cash donations for Hmong trapped in the jungles of Laos, but has also come under investigation for failing to account for funds.

Chong Vang - Son of Vang Pao, who investigators say routed contributions for the plot through his Fresno floral shop to a bank account in Thailand. Chong Vang has not been charged in the alleged plot.

Lo Thao - President of United Hmong International, a Fresno-based charity, that investigators say was raising money for the plot. At least two other defendants – Seng Vue and Chue Lo - held prominent roles at the charity.

Harrison Jack - Founded a nonprofit called Hmong Emergency Relief Organization in late 2006. The charity planned to host an air show in Fresno in September that Jack estimated would have raised more than \$200,000 for "Freedom Fighters" in Laos.

Youa True Vang - Founder of Hmong International New Year, which puts on an annual festival attracting more than 20,000. Investigators seized financial records from the charity's office in Fresno.

Lo Cha Thao - Stated in taped conversations that money collectors should keep the addresses of contributors so they could be sent thank-you letters later.

Source: Bee research

Memo:

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