



Written by [William F. Jasper](#) on December 6, 2011

## John Liu, Beijings Pick for NYC Mayor, Takes a Dive

Liu's latest blow came on December 5, when the Chinese Consolidated Benevolent Association (CCBA), which carries considerable clout and prestige in Chinatown, cancelled Liu's fundraising gala at the organization's headquarters in Lower Manhattan, reportedly due to concerns that the event could jeopardize the organization's tax-exempt status and embroil it in Liu's burgeoning fundraising problems. Those problems include the indictment and arrest last month of a major Liu fundraiser, [Xing Wu "Oliver" Pan](#), in an FBI sting, for allegedly soliciting illegal funds from a businessman to be funneled through several "straw donors," in order to avoid individual legal limits on campaign donations. To make matters worse, it appears that the illegal donations were structured to maximize the amount that Liu would receive in public matching funds — courtesy of taxpayers.



The invitations for the Liu CCBA fundraiser, scheduled for December 19, had gone out long ago and reservations had already been taken, so the cancellation two weeks before the event adds another negative to a string of negatives that is likely to swell the choir of those [calling for his resignation](#).

"I think John Liu is finished politically," a well-connected Chinatown source told *The New American*. "The Asian-American communities here and in California are his main bases for campaign donations, but that is now collapsing. No one is going to contribute to his campaign now that he's being exposed from so many different angles, especially since there are so many credible accusations of unethical and criminal activities regarding his fundraising. He looks more and more like a crook. And people are saying, 'I don't want to risk being involved with that.'"

Liu was very effective in playing the race card. "Liu has exploited the desire of Asian-Americans to elect 'one of our own' to high office," says the source, a member of the CCBA who requested anonymity. "In the past, Liu and his supporters have deflected exposure of his scandals by claiming that these are simply racist attempts by bigots to smear him because of his Chinese ethnic background. That excuse was effective for a while but it isn't working in our community any longer. Even if he isn't forced to resign or isn't removed through prosecution, I don't think he can get elected to public office again."

In addition to multiple charges of Liu's fundraisers making extensive use of illegal straw donors, Liu is also being scrutinized for his management of the city's \$120-billion pension funds and \$65-billion budget. Critics allege Liu has been exploiting his office to milk campaign contributions from investors and businesses that are seeking to do business with the city. The critics point, for example, to Liu's top political advisor and fundraiser, [Chung Seto](#), who has accompanied Liu at meetings with investment



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groups looking for pension-fund business, even though she is not a city official. Seto is a Democratic political operative who has previously served as executive director of the New York Democratic Committee and in various positions on the Clinton-Gore presidential campaigns. Liu also appointed [Chung Seto](#) to the Museum of Modern Art's board, giving her access to its wealthy trustees, patrons, and philanthropists, even though she has no qualifications for the post. That appointment has also become a source of scandal.

Yet another finance-related problem for Liu is his connection to [MF Global](#), the high-flying derivatives brokerage managed by Jon Corzine who had served as chairman and CEO of Goldman Sachs, as a high Treasury official under President Clinton, and as Democratic Governor of New Jersey. In October of this year, MF Global filed for bankruptcy, the eighth largest in U.S. history. In 2010, Liu hired Lawrence Schloss, a former MF Global director, to be his chief investment officer. Schloss, in turn, hired former MF Global CEO Kevin Davis. While MF Global was losing 90 percent of its value for shareholders because of risky gambles, Davis was cashing out with millions. In 2007, months before MF began to tank, Davis took home \$17.8 million in salary and bonuses.

Davis is now head of commodities in the NYC Comptroller's Bureau of Asset Management, which helps advise the city's five public pension funds. In defending his hiring of Davis, Schloss said he was "the best applicant for the job." According to Schloss, "Kevin will help devise a long-term commodities strategy for the pension funds in order to further optimize the investment portfolio."

That has many people, especially union pension officials very concerned. In 2008, Davis was named as a defendant, along with MF Global, in a [suit](#) brought by public pension funds over a rogue commodity trade that lost more than \$140 million. Davis left the firm shortly after MF Global agreed to pay the plaintiffs \$90 million.

### **Reds In (and Under) the Beds**

Although the major media have focused almost exclusively on Liu's financial problems, indiscretions, and corruption, they have almost totally ignored even more troubling indicators concerning his ties to Communist China, Communist North Korea, and the Chinese organized crime gangs involved in smuggling people from the People's Republic of China (PRC) into the United States. As we have [reported previously](#), Liu hired his longtime friend and political crony John Choe, to join him first on his city council staff and then at the comptroller's office. Choe is a notorious and avid [supporter](#) of North Korea's Kim Jong-il, "Supreme Leader" (and top psychopath) of what is arguably the most totalitarian regime on the planet today.

Then there are Liu's ties to the previously mentioned fundraiser Xing Wu "Oliver" Pan. In addition to his purported shady campaign dealings, Pan is closely associated with several organizations closely tied to the Communist Party of China (CPC) that claim to represent immigrants in America from Fujian (also spelled Fukien) Province, on the southeast coast of the People's Republic of China.

Over the past two decades Beijing has sent a flood of Fujianese — both legally and illegally — to the United States, in an effort to negate the anti-communist influence of the earlier waves of Chinese immigrants. The illegals are smuggled here by the infamously brutal Snakehead gangs of Fujian. Once here, many become indentured slaves and must work for years to pay off their smugglers. They are kept in line by the strong-arm tactics of New York's Fuk Ching gang, as well as by the fear that if they step out of line their families back in Fujian will suffer for it. The Fuk Ching gang operates through and with the Fukien American Association (FAA) and the United Fujianese of America Association (UFAA), both of which are hardline supporters of the Communist Party of China and the policies of the PRC.



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According to the [Epoch Times](#), Oliver Pan is executive vice chairman of both the FAA and UFAA. As such, his fundraising amongst the Fijianese community takes on the trappings of a criminal shakedown.

A 2007 report by the U.S. Justice Department's National Institute of Justice, entitled *Chinese Transnational Organized Crime: The Fuk Ching* by James O. Finckenauer, Ph.D., [reported](#):

One of the structural characteristics that makes Chinese organized crime different from other forms is the relationship between some of the street gangs and certain adult organizations. The latter are called tongs. The Fuk Ching, for example, are affiliated with the Fukien American Association. The Fukien American Association — as with other tongs and their relationships with gangs — provide[s] the Fuk Ching with a physical place to gather and hang out. They allow the gang to operate on their (the tong's) territory, thus legitimizing them with the community. They also provide criminal opportunities (such as protecting gambling operations), as well as supplying money and guns. The Fuk Ching originally emerged in New York in the mid-1980s, and as with other gangs, their main criminal activity in Chinatown was extortion. They were founded by a collection of young men (youth in their late teens and early twenties) from Fujian province in China — many if not all of whom had criminal records in China. Fuk Ching recruitment today continues to be among Fujianese teenagers.

John Liu's connections to these criminal elements and agents of a hostile foreign power should be the focus of considerable investigation by the New York media and the proper authorities in the federal government. It is very unlikely that that will ever happen at the *New York Times*, which has been reliably pro-communist for the better part of a century and reliably pro-Beijing, even when criticizing the "excesses" of that communist regime.

Although the *Times* had previously supported and promoted Liu, it has switched to exposing Liu's campaign finance woes. Our Chinatown source suspects that the *Times*' reversal in this case has more to do with the paper's intent to support another mayoral candidate. "Much of Liu's baggage was known by the *Times* back when they were treating him favorably," says the source. "It looks like now they have decided on promoting another candidate and Liu would be standing in the way, so they finally began to expose him with regard to several areas, but they still haven't touched his dangerous CPC ties."

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