

Lon Nol's Brother Invested

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Brig. Gen. Lon Non, brother of former Cambodian head of state Lon Nol and a man who earned the equivalent of about \$200 a month, brought hundreds of thousands of dollars into the United States while he was here in 1973 and 1974 as an unpaid roving ambassador, according to his wife and associates.

Both his wife, who now lives in Silver Spring, and his associates say they do not know the origin of the money. But in diplomatic circles and among government officials of the former regime, Lon Non was considered to be corrupt. He chose to remain in Cambodia when the old regime fell this spring, and his fate is not known.

Although he held the position of brigadier general and was head of Cambodia's Third Army Division, for which he earned about \$100 a month, and also held occasional cabinet positions with about the same salary, his major influence came from his acknowledged title as "petit frere." That meant the "little brother" of Marshal Lon Nol, with all the powers that implied.

Born of humble origins, Lon Nom ascended from the rank of a junior army officer in 1970 to a position of reportedly unlimited power as his brother's unofficial adviser through most of the Cambodian War.

But because of his free-wheeling political style and the enemies he made, Lon Non was pressured by the American Embassy to leave Cambodia on April 30, 1973. He was given by his government the title of roving ambassador and came to the

United States. Here, he set up an import-export company in Maryland, bought two homes in Silver Spring, and deposited in bank accounts possibly "hundreds of thousands of dollars, according to his wife and associates.

While touring the United States as the roving ambassador, Lon Non was taken to various military installations throughout the country, escorted by American officials.

One American diplomat who was put on the Lon Non detail described his work as "baby-sitting" in order to keep the general out of trouble.

Another official said that the U.S. government had no knowledge of the business ventures of Lon Non, but he remembered that the general had been advised to hire a lawyer in case he did go into business.

Lon Non returned to Cambodia in 1974, apparently stripped of his former powers, according to his associates. Unlike his brother, Marshal Lon Nol, he chose to remain in Phnom Penh last April during the final hours of defeat and his wife said she now considers him "lost."

In separate interviews last week, Madame Lon Non and her husband's three Cambodian advisers in the United States described an intricate, semi official system that the general established here to conduct his affairs. Often disagreeing on pertinent aspects of the general's financial dealings, members of the group separately confirmed the value of his assets.

These assets include a corporation worth at least \$130,000, which expended \$60,

000 in 15 months to conduct \$2,000 worth of business.

Another asset is \$170,000 that Madame Lon Non says she brought into this country in 1973 from her husband's bank account in Paris. She said she almost lost that money, however, when French authorities at Orly Airport impounded a stuffed toy dog carried by one of the couple's children and found the cash inside.

The money was returned to Madame Lon Non "one or two months later" and she said she turned it all over to her husband in the United States. She refused to say why she had hidden the cash in the stuffed toy.

There are also understood to be two bank accounts: one in the Riggs National Bank for Lon Non's personal funds, another in the Maryland National Bank for Lon Non's corporate funds. Together, the accounts contain possibly "hundreds of thousands of dollars," according to those close to Lon Non.

By late 1973, the General had gathered his three advisers and his family in Silver Spring, dubbing the group the "Etat Major".

His business adviser was Peang Meth GaFour whose brother Peang Meth Gaffar, the press attache to the Washington embassy of the former Cambodian government, was the general's political advisor. Col. Tan Suor, a member of the general's Third Division, was given the title of military adviser. All were retained by the general but they refused to divulge their salaries.

Last week, Madame Lon Non, Peang Gaffar and Col. Tan Suor agreed to be interviewed together in her split-level home in Silver Spring.

Large Sums in



PEANG METH GAFFAR

... political adviser



LON NON

... considered "lost"

Dressed in traditional Cambodian attire, Madame Lon Non answered questions with the aid of an interpreter but often relied on Peang Gaffar for business details.

"Because my husband was here before, I don't worry about money," she said. "Yes, I still have control of the money."

Absent from this group was business adviser Peang Gafour who was interviewed later. A student who was brought over from Tokyo by the general, Peang Gafour entered into a partnership with Lon Non to head a corporation named the Societe Americano Khmer, Ltd. (S.A.K.) Peang Gafour is the only name on all the public records of the corporation and he is listed as the president, the chairman of the board of directors and the only listed member of the board and the sole agent, for the firm.

Peang Gafour said Lon Non

has full control of the corporation and all of its assets under a private contractual agreement.

An import-export firm licensed in Maryland in 1974, S.A.K. was established to trade, manufacture, and sell goods, to buy real estate, to borrow or raise money, and to do "all and anything necessary . . . in the accomplishment of the purposes of the corporation," according to the bylaws of S.A.K.

During the 15 months that he managed S.A.K., Peang Gafour said he imported only \$2,000 worth of brass trinkets from Phnom Penh. He put these goods in boutiques around the Washington metropolitan area but none have been purchased, he said.

During the same time, Gafour said he spent \$60,000 for marketing research, lawyer's fees, his own salary of \$600 a month, and other operating costs.

"We lost money, we didn't make money," Peang Gafour said in his Silver Spring home, which is owned by Lon Non.

When asked who invested in the corporation, Peang Gafour said it was Lon Non's money but he did not know how Lon Non obtained such a large sum.

"I'd like to know that, too . . . there were many speculations," he said, laughing at the word "speculation."

Lon Non reportedly amassed some \$7 million during the Cambodian war years, when his country's budget became more and more dependent on American aid, according to a 1974 Washington Post story. The figure of \$7 million came up repeatedly during a dozen interviews with top Cambodian officers, foreign and local business people, foreign diplomats and Cambodian politicians.

Those interviewed said they were convinced the American embassy knew that Lon Non was accomplished in the art of kickbacks, and selling valuable American aid, ammunition and medicine through the black market to the then-Cambodian rebels, and also in hoarding rice to sell on the black market when prices rose because of government losses on the battlefield.

After her arrival in the U.S. last April, one week before the old government was defeated, Madame Lon Non decided to liquidate the corporation, sell the home that Peang Gafour lives in, and end the official business association between herself and Peang Gafour, according to Peang Gafour who said he is now looking for a house and a job.

Silver Spring

When asked to estimate the worth of S.A.K., Ltd., whether it would be in the thousands or the hundreds of thousands, Madame Lon Non said:

"Yes, I do know that the corporation is worth hundreds of thousands of dollars."

In the separate interview, Peang Gafour disagreed with her estimate and said that the corporation was worth only \$130,000.

When he was asked where the "hundreds of thousands" might be, Peang Gafour answered that Lon Non had deposited his personal funds in the Riggs National Bank in the District of Columbia. Madame Lon Non claimed to have no knowledge of such an account.

Peang Gaffar, the brother of the business adviser and the press attache to the embassy, is now acting as Madame Lon Non's official spokesman. He said all the business affairs will be handed over to Madame Lon Non at the end of this month.

Like persons in older exile communities, these Cambodians interviewed have photographs of their hero—in this case Lon Non—in their homes. Madame Lon Non and her husband's associates said they believe Lon Non could have saved the government if he

had been allowed to rule. At the end of the interview, she and Peang Gaffar and Col. Ian Suor produced the last cable they had received from the general, two days before Phnom Penh's surrender.

"The situation is well under control," he had cabled. "The people are prepared to make the supreme sacrifice in the defense of liberty. . .cable me at this exact address. . .good year to all, Lon Non."