

Marcos N.y. Holdings \$316 Million

April 10, 1986 | By Douglas Frantz, Chicago Tribune.

WASHINGTON — Former Philippine President Ferdinand Marcos and his wife owned four commercial buildings in New York City worth \$316 million through a web of offshore corporations designed to hide their ownership and evade taxes, two businessmen who represented the couple told Congress Wednesday.

The testimony of brothers Joseph and Ralph Bernstein was a detailed primer on how they hid millions of dollars for the deposed president by men with firsthand knowledge of the transactions.

Also made public was a handwritten trust agreement in which Joseph Bernstein said he was acting as a trustee for Ferdinand Marcos in the purchase of one skyscraper. The document did not have Marcos' signature.

Marcos has denied owning property in the U.S.

But the Bernsteins detailed the Marcoses' financial holdings during more than two hours of testimony before a House subcommittee investigating the couple's "hidden wealth" in the U.S. They said the Marcoses owned the Crown Building on Manhattan's Fifth Avenue, the Herald Center shopping complex, a building on Madison Avenue and another on Wall Street.

They also provided a new chapter in the growing legend surrounding Imelda Marcos, wife of the former president, with tales about a midnight limousine ride to

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see one of the buildings and about her waving a Swiss bank statement for \$120 million around at a restaurant.

When first called before the subcommittee last December, the brothers refused to acknowledge that they knew the couple. Their testimony Wednesday came after they were cited for contempt of Congress and faced jail.

Rep. Stephen Solarz (D., N.Y.), chairman of the subcommittee, said the Bernsteins had bared the ``financial manipulations`` employed by Marcos and his wife, who he said ``operated in a netherworld of corporate camouflage and financial intrigue, where compliant cronies kept a conspiracy of silence.``

The Bernsteins, who grew up in the Philippines but now live in New York, described dealings with the Marcos family that they said began in the fall of 1981 after they met the son of Glyceria Tantoco, a prominent Philippine businesswoman and confidante of Imelda Marcos, in a bar at the Plaza Hotel.

Joseph Bernstein, an attorney, said his New York law firm established a corporation in the Netherlands Antilles, a haven for offshore companies, at the request of Tantoco. He said the company was used in the purchase of the Crown Building, an ornate Fifth Avenue skyscraper. The price was \$51 million and the building is now appraised at \$101 million, Bernstein said.

The transaction was further concealed through three separate holding companies in Panama, which each held one-third interest in the building through anonymous bearer shares, said Bernstein. The Panamanian companies enabled the owners to avoid paying some New York state property taxes, said Bernstein, who said similar arrangements were made for the purchase of three other buildings.

Bernstein said he assumed Tantoco represented a group of investors in the purchase.

Most of the financing for the purchase was provided by a Swiss bank represented by Rogers Wells, a New York law firm in which former Secretary of State William Rogers is a partner and William Casey, director of the Central Intelligence Agency, is a former partner.

Peter Williams, a partner at the firm, said in an affidavit released by the subcommittee that he met with Marcos in October, 1981, and with Mrs. Marcos two weeks later to discuss renovation of the Crown Building.

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Bernstein said that in November, 1981, two months after the purchase was completed, Tantoco invited him to the Waldorf-Astoria Hotel to meet the

principal, or owner, of the Crown Building.

Bernstein said he and his brother were introduced to Imelda Marcos, who asked them to represent her in an attempt to buy another property in New York and invited them to the Philippines.

After that meeting, Bernstein said, he met with Mrs. Marcos many times over the next three years. One meeting was at a dinner party at her New York town house around Christmas, 1982, when he was negotiating the purchase of an office building at 40 Wall St. for Mrs. Marcos.

About midnight, he said, he and his brother piled into a limousine with Mrs. Marcos and Tantoco and drove to Wall Street. He said Mrs. Marcos stood on a plaza across from 40 Wall St. and stared up at the building for 10 or 15 minutes before she said, "I'm kind of proud of it."

Bernstein also recalled a dinner party in a restaurant at which Mrs. Marcos discussed her wealth and got out a statement from a Swiss bank and waved it at the guests. Bernstein said the account appeared to contain \$120 million.

He said the dealings he and his brother had with Marcos himself were limited to three meetings in the spring of 1982 in the Philippines. He said they had gone to the Philippines at the invitation of Mrs. Marcos and first met the president after being taken by a government helicopter to a party at a resort near Manila.

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