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SUBJECT The Murder of Henry Liu

DIANE SAWYER: Five months ago there was a murder in a quiet suburb of San Francisco, a murder that would send shock waves halfway around the world, from Washington to Taiwan. The murdered man was a 51-year-old American of Chinese descent named Henry Liu, a journalist, a constant critic of the government on Taiwan, the author of a criticial biography of its President. But there are signs that Henry Liu was also a man playing with fire.

LT. TOM REESE: The date was October the 15th, 1984. The murder occurred sometime 9:15, we figure, 9:10, 9:15 in the morning.

SAWYER: Lieutenant Tom Reese (?) is Chief of Detectives in Daly City, California, the middle-class suburb south of San Francisco where Henry Liu lived on this quiet cul-de-sac overlooking the Pacific Ocean.

As Henry Liu walked to his garage to load some boxes into his car, the gunmen were lying in wait. There was a struggle. They opened fire. Henry Liu was shot at close range three times, twice in the abdomen, once between the eyes.

When Lieutenant Reese and his detectives arrived at the scene, there was little to go on. But when they started asking questions, the answers brought a surprise.

LI. REESE: Early on in the investigation people were telling us that he was killed for his writings, it was a politically motivated killing.

SAWYER: A political killing in Daly City? At this

point, Henry Liu's family and friends told police stories that most of us find hard to believe: that these things could happen to Americans in America. They said that a foreign power, the government on Taiwan, had tentacles that reach across the ocean into their neighborhoods. They said Chinese-Americans are watched by agents for Taiwan, literally thousands of agents, who create fear and intimidation.

We were told that some people in the community had begun wearing bulletproof vests and carrying guns since the death of Henry Liu.

There are 800,000 Americans of Chinese descent in the United States. Henry Liu was one of them. He came to the U.S. from Taiwan 17 years ago. His critical reports about his old government circulated freely among overseas Chinese, but they were banned in Taiwan. This didn't seem to bother Henry Liu.

Henry Liu's wife, Helen.

Was he afraid? Did he worry?

HELEN LIU: No, not at all. He always felt [unintel-ligible] that in America they wouldn't do anything to him here.

SAWYER: His friends say Henry Liu saw himself as a kind of Woodward and Bernstein, as he attacked the government on Taiwan, and in particular its President, Chiang Ching-kuo, as in his biography of Chiang Ching-kuo. In it, Liu says that says that Chiang was brutal to his enemies and that he was an opportunist.

Liu's attacks on the ruler of Taiwan had thrust him into a world of intrigue and danger. According to Mrs. Liu, for many years the Taiwan government had tried to influence his writings. A year ago they succeeded, and soon thereafter money started to arrive, apparently part of a deal between the Taiwan government and its critic Henry Liu.

And he was told that he would get how much money?

MRS. LIU: Twenty thousand. And first they were going to wire him \$8000, then [unintelligible] equally divided.

SAWYER: So he was going to receive a total of \$20,000.

MRS. LIU: Yes.

SAWYER: But the last payment never came.

MRS. LIU: No.

SAWYER: Why?

MRS. LIU: I don't know.

SAWYER: The gunmen arrived instead?

MRS. LIU: Yeah, I think so. Yeah.

SAWYER: The government on Taiwan denied any role in the murder. But the FBI entered the case because they say they knew from the outset there was a possibility of foreign government involvement.

So the Daly City police and the FBI investigators, counterintelligence investigators who spoke Chinese, started asking questions. All in all, nearly 200 interviews here in San Francisco's Chinatown and here in southern California in Monterey Park, a city east of Los Angeles. It's a city with a growing Asian population, including a large number of new immigrants from Taiwan.

Here in Monterey Park, the Daly City police followed the trail into a mysterious Chinese underworld. They began to hear about a crime syndicate, a kind of Chinese Mafia, called the Bamboo Gang.

REESE: That was the first I'd heard of them.

SAWYER: And what were they? Who were they?

REESE: The initial information is that they were a Taiwan-based street gang, a little bit larger than your average street gang, supposedly having ties with extortion, prostitution, gambling houses in Taiwan.

SAWYER: Reese was told by members of the Chinese-American community that this man was the leader of the Taiwan Bamboo Gang, a man named Chen Chee-Lee (?), known as "The Duck." Reese was told that The Duck had come to the United States with a hit squad to murder Henry Liu.

Why would The Duck come to kill Henry Liu? To find out, we went to this restaurant in Monterey Park. Police told us that the owner of the restaurant is a leader of the Bamboo Gang in the United States. His name is Chen An-Lo (?). He is also known as White Wolf.

Tell us about the Bamboo Gang. How many members are there?

CHEN AN-LO: I think 40,000 to 50,000 people in Taiwan.

SAWYER: Tens of thousands in Taiwan. But in the United States, White Wolf said, there are only about a hundred members of the Bamboo Gang. White Wolf claims that the members in this country are not involved in illegal activity. But police testified before a presidential organized crime commission that they are.

White Wolf described the Bamboo Gang's initiation rites. Each member pricks his finger. Blood is then drained into a glass of alcohol, which everyone drinks.

CHEN AN-LO: That means that I am your brother. You have my blood.

SAWYER: He said that to understand the actions of the Bamboo Gang in Taiwan you must know that the gang has its own brand of fierce patriotism; that although members profit from vice and violence, they live by a moral code, by rules that prohibit disrespect of elders, a rule that prohibits disloyalty.

Is there one for not killing?

CHEN AN-LO: No.

SAWYER: He also told us that The Duck is very powerful in Taiwan and has high-level political connections. And then he claimed that a murder of someone in this country almost happened before.

You stopped it?

CHEN AN-LO: Yes.

SAWYER: Here in the United States?

CHEN AN-LO: In the United States.

SAWYER: What kind of people? Who?

CHEN AN-LO: I promised to, you know, keep secret.

SAWYER: White Wolf did not stop the murder of Henry Liu. He claims he had no prior knowledge of it. He admits that one of the gunmen stayed with him prior to the murder. But he says this gunman, a friend, told him only afterwards that he had been sent to kill Henry Liu because Liu was a traitor and a communist. He said the gunman also told him that he had been sent by the government on Taiwan.

CHEN AN-LO: You know, his job is to kill communists. So when he went in San Francisco, he thought he did a good job.

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SAWYER: Why is White Wolf telling us these things? He says it's because the government double-crossed The Duck and the gunman. As it became clear that the Daly City police were about to reveal all they knew about The Duck and the murder, Taiwan authorities launched a massive crackdown on the Bamboo Gang, arresting a thousand gangsters, including their leader, The Duck.

The authorities on Taiwan said The Duck confessed to planning the murder, but they refused to send The Duck back to the U.S. to stand trial.

So, at this point, the Daly City police knew who had pulled the trigger and who had planned the murder, but they didn't know the motive and they had no one to prosecute. The investigation of Henry Liu's murder appeared to be at an impasse.

But things started to change, and change quickly, with this, a tape recording by none other than Chen Chee-Lee, The Duck himself. He recorded it after the murder, while he was still in California. It was his insurance policy, and he decided to cash it in. Fearing a double-cross, The Duck was not going to take the rap himself. He pointed the finger directly at the government.

This man says he's a close friend of The Duck. He agreed to join our interview if we would conceal his identity. He was one of those who arranged to get the tape to the Daly City police. Here is what he and White Wolf told us The Duck said on that tape.

[Man speaks in Chinese]

SAWYER: The Duck said that two months before the murder, he got the order to kill Henry Liu from this man, Admiral Wong, Taiwan's Director of Military Intelligence. The Duck says on the tape that he was told Henry Liu was a traitor to the government on Taiwan. The Duck said he had a ten-day training session for the murder. And then he went so far as to give details on how the murder was carried out.

Our law enforcement sources confirmed that these statements are on the tape made by The Duck.

The news of the tape rocked the government on Taiwan and led tem to make a stunning announcement. Two high-level intelligence officers were arrested for involvement in the assassination of Henry Liu. And Admiral Wong, the head of Military Intelligence, the Admiral who was named by The Duck on that tape, was dismissed from his job, and detained.

But the two men we talked to insist that the trail doesn't stop with the Admiral. One of them said he was told

personally by The Duck that the murder of Henry Liu was approved at still a higher level.

Congressman Stephen Solarz is Chairman of the House Subcommittee on Asian and Pacific Affairs.

REP. STEPHEN SOLARZ: Henry Liu was not just killed by some members of the Bamboo Gang who got it into their heads, for their own purposes, to blow him away. They were retained, commissioned, instructed, and dispatched to the United States by the Bureau of Military Intelligence for the purpose, in my judgment, of silencing Henry Liu by ending his life. That's murder and it's assassination and it's not acceptable, and it was set in motion by the authorities on Taiwan. And I don't think it really matters much to what degree all of the members of the Cabinet or the Politburo or the Kuomintang knew about this or approved it. A powerful, responsible, important, leading official of the Taiwanese intelligence agencies was instrumentally involved in the whole affair. And that means the government of Taiwan was involved in the affair.

SAWYER: And now the story has taken yet another bizarre twist. Taiwan now hints that Henry Liu was not just a journalist, but one of their spies. U.S. officials say not only that, Henry Liu also appears to have been in contact with the communist government in Peking. And furthermore, they confirmed Henry Liu was an informant for us, for the FBI.

Was Henry Liu an agent of the government of Taiwan?

DR. CHUN KING-YEH: I have no knowledge of it.

SAWYER: Dr. Chun King-yeh (?), the chief spokesman for the Taiwan government.

What did the government of Taiwan think about the things he wrote?

CHUN KING-YEH: Well, he has the freedom to write whatever he wishes to write.

SAWYER: But not to have it published in Taiwan.

CHUN KING-YEH: Well, he is now overseas. He's an American.

SAWYER: But you're telling me that his book was not banned in Taiwan, that I could go in a bookstore in Taiwan and find this critical biography of the President?

CHUN KING-YEH: Well, his book did not come to Taiwan,

shall we say this. Because any foreign book, or particularly magazines, books, they would have to have some kind of permission to get in.

SAWYER: And it was not permitted for Henry Liu?

CHUN KING-YEH: Obviously, probably that's the case.

SAWYER: Right after the murder of Henry Liu, your government stated emphatically it was involved, threatened to sue people who said that it was involved.

CHUN KING-YEH: Well, the government is not involved.

SAWYER: The government is not involved?

CHUN KING-YEH: Is not involved. Who says the government is involved? We...

SAWYER: The man who planned the murder of Henry Liu says the government is involved. You have gone to the length even of detaining the head of your Defense Intelligence Office. That's not the government?

CHUN KING-YEH: That's not the government.

SAWYER: What is the exact status of Vice Admiral Wong, the Admiral in defense intelligence? Is he a suspect?

CHUN KING-YEH: He is not a suspect.

SAWYER: But he has been named on the tape. He's been named by The Duck.

CHUN KING-YEH: Well, if you are named on any particular tape, will you be a suspect?

SAWYER: Admiral Wong is a free man, then, pending this investigation?

CHUN KING-YEH: I think the three suspects, or three persons involved in this particular case are being detained pending investigation.

SAWYER: Detained. What does detained mean?

CHUN KING-YEH: Detained means that temporarily they have lost freedom.

SAWYER: They're in jail.

CHUN KING-YEH: Not in jail, because when you talk about

jail...

SAWYER: House arrest? I mean what are you...

CHUN KING-YEH: In other words, they have lost their freedom, in essence. I can only say that, because they are not in jail.

SAWYER: But isn't it an odd coincidence that the government only seemed to find out things after they were going to be revealed someplace else?

CHUN KING-YEH: I don't think so. That's not the case. Because we provide the information to the United States authorities. That's where you have a breakthrough of the case.

SAWYER: But the U.S. authorities say something quite different. They say, the State Department says they had to put intense pressure on your government to get your government to move on this case.

CHUN KING-YEH: My story is different. I think we have to get the sequence correct.

SAWYER: Well, I think the Daly City police would tell you the sequence is quite different.

CHUN KING-YEH: They can have their version, and I have mine.

SAWYER: But it's really still a puzzle, isn't it? We're still hearing that he was shot because he was a communist agent, he was shot because he was a Taiwan agent, he was shot because he was an FBI agent, he was shot because he was writing a book, he was shot because he had information he was going to write in yet another book that hadn't been published.

So, at this stage, what do you really know about who shot Henry Liu and why?

REESE: We know who shot Henry Liu. As to why? I still don't know. And I don't know if I'll ever know.

MORLEY SAFER: Diane Sawyer is now on assignment. Just after she left, the Taiwan government indicted The Duck and the two gunmen for murder, and will try them in Taiwan.

Taiwan also admitted that The Duck was an agent of Taiwan's Military Intelligence Bureau, but insisted he was not ordered by Admiral Wong or anyone else to kill Henry Liu. But we've learned that The Duck intimated to U.S. authorities that at

the trial he will name even more prominent people than Admiral Wong as being involved.

The FBI and the State Department still won't talk on the record about the murder or the allegations that Henry Liu was an informant for the FBI or anyone else. And the U.S. government says the murder of Henry Liu will not change plans to sell Taiwan \$750 million in military equipment this year.