

INCOMING TELEGRAM Department of State

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By *ing*, NARA, Date *7-20-94*

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REF: A. STATE 162932 B. SAIGON 21704

1. HAVE LEARNED INFORMALLY FROM SHAPIRO AND FIELDS OF MAZZOCCO STAFF IN AID/VO THAT MCCLELLAN AND NELSON COMMITTEES ARE PLANNING HEARINGS IN NEAR FUTURE ON ASPECTS OF THE PHARMACEUTICAL IMPORTS INTO VIETNAM. WE ARE FURTHER TOLD THAT THE MCCLELLAN HEARINGS WILL COMMENCE IMMEDIATELY AND WILL FEATURE REVELATIONS OF IMPROPER PRACTICES BY PHARMACY LA THANH, WHICH IS CONTROLLED BY LA THANH NGHE AND HIS BROTHER LA THANH TRUNG. WE ARE ALSO TOLD THAT INFORMATION IS BEING COMPILED ON BUI DIEM AND HIS COMPANY, COGIDO, PARTICULARLY BY CARL ROYAN.

2. NEEDLESS TO SAY, IF THESE HEARINGS TURN UP INFORMATION WHICH SULLIES THE REPUTATION OF EITHER LA THANH NGHE OR BUI DIEM, THIS WOULD BLACKEN THE IMAGE OF THE GVN IN THE U.S. IT WILL, OF COURSE, ALSO GIVE OPPOSITION ELEMENTS HERE A NEW POWERFUL AND UNPREDICTABLE WEAPON TO USE DURING THE UPCOMING ELECTION CAMPAIGN.

3. BECAUSE OF THE POLITICAL SENSITIVITY HERE OF THE UPCOMING CONGRESSIONAL HEARINGS ON LA THANH NGHE, I WOULD APPRECIATE INFORMATION ON WHEN THESE HEARINGS WILL TAKE PLACE AND THE NATURE OF THE ALLEGATIONS AGAINST NGHE. DEPENDING UPON THIS WASHINGTON ASSESSEMENT IT MAY BE DESIRABLE TO INFORM KY AND THIEU SO THAT THEY COULD TAKE APPROPRIATE ACTION BEFORE THE HEARINGS COMMENCE. THIS MIGHT BE CONSTRUCTIVE FROM OUR VIEWPOINT AND IT MIGHT PREVENT THIS ISSUE FROM BECOMING MAJOR ISSUE IN THE UPCOMING ELECTIONS HERE. ON THE OTHER HAND, KY MIGHT WELL BE UNABLE OR UNWILLING TO MOVE AGAINST LA THANH NGHE.

4. IN ANY EVENT, THESE HEARINGS COULD HAVE SERIOUS REPERCUSSIONS HERE AS WELL AS IN WASHINGTON. I WOULD APPRECIATE YOUR VIEWS AND GUIDANCE. BUNKER
BT

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