

**The News UpFront: (TOP STORY) as of Friday, November 19, 2010**

What a critic calls "the corrupt controlling clique" of the National Federation of Filipino American Associations (NaFFAA) will try to resuscitate the organization from its painful and slow demise at another of its so-called empowerment conference in San Francisco. As it goes down and out, authorities in New Jersey

took the initial step to investigate NaFFAA for alleged violations of federal and state laws related to its fund-raising ventures. Further documentation is asked, and once provided, reviewed and found enough to stand scrutiny, the investigation process will take place into what could be the most shameful caper ever pulled by Filipinos on the Filipino community.

***THE 'CONTROLLING CLIQUE' TRIES TO RESUSCITATE***

**NaFFAA's Alleged Scams Probed in New Jersey**

**By ROMEO P. MARQUEZ**

Written by

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*Member, Asian American Journalists Association*

TORONTO - Authorities in New Jersey took the first step to investigate the National Federation of Filipino American Associations (NaFFAA) over allegations it perpetrated a financial scam that violated federal and state laws in the United States.

The move came amidst frantic preparations for the opening today (Friday, Nov. 19, 2010), of its three-day 9th Empowerment Conference in San Francisco

. A co-founder of the organization, Ernie Gange, has reported that "the convention is not attracting delegates". "Perhaps," he said, "there will be less-than 50 out-of-town delegates".

A letter from the New Jersey Office of the Attorney General, signed by Catherine McLaughlin, Supervising Investigator, of Charities Registration Section, acknowledged the filing of a complaint by Los Angeles-based journalist Bobby Reyes against NaFFAA and its top-ranking officials.

Ms. McLaughlin asked Reyes to provide the NJOAG with more information and documents in support of his claim that the "Office of the Attorney General of New Jersey is the first legal entity to express interest in investigating the NaFFAA".

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Reyes has suggested to NJOAG to "take the lead in doing official investigations of the said federation in coordination with the IRS, the Department of Justice and the Attorneys General of California and Nevada".

". . . Referencing x x x your email letter, may we ask you to please provide all available information (documents, newspaper articles, speeches given etc.) as to when and by whom within the NJOAG interest in NaFFAA was expressed," Ms. McLaughlin wrote to Reyes.

She assured that after the case has been reviewed and assigned to an investigator, the NJOAG will contact him to begin the process.

An investigation by state and federal authorities would further erode public confidence in NaFFAA which claims as "the voice of Filipinos and Filipino Americans" in the United States and boasts of member-organizations running into a few hundreds.

## NJ Attorney General to Look at Alleged Financial Scams in the NaFFAA - MabuhayRadio

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Critics said the numbers are inflated to project an image of bigness so that it could attract funding from corporate supporters out to corner a potentially-rich customers' base that NaFFAA claims to have.

In fact, one contentious claim was that NaFFAA's region 1 chapter in New York had gone into a deal with SMART, a subsidiary of Philippine Long Distance Telephone Co. SMART advanced \$50,000 to NaFFAA in exchange for selling its plug 'n talk devices to its members. The deal has not been fully explained

But since two years ago at the latest, funds from traditional sources have dried up, forcing NaFFAA to let go of some employees and abandoned its national office in Washington, DC

"Our funds have begun to run very low for a number of reasons, not the least of which is the scarcity of corporate funds," Greg Macabenta, incumbent NaFFAA chair, said in August last year. From that time on, the situation has worsened.

Macabenta himself is not spared of suspicion after Lorna Dietz, his NaFFAA colleague and marketing agent for his *Filipinas* magazine, unwittingly spilled the beans on the \$300,000 money grant from Wells Fargo Bank and revealed as well the apparently wobbly situation of the periodical.

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Dietz said in an email that Macabenta's *Filipinas* magazine would not have financial problems if allegations were true that Macabenta had received the \$300,000 money grant plus commission.

The implication was that Macabenta was already poised to use money donated to NaFFAA for his private enterprise. Neither Macabenta nor Dietz made an effort to explain it.

Reyes named what he called "persons of interest" allegedly link to a "conspiracy to defraud the federation and the taxpayers" of monies which were not reported or have remained unaccounted by NaFFAA officials.

In his complaint attachment, Reyes identified several individuals, calling them "the corrupt controlling clique in the NaFFAA", namely: Alex Esclamado, Lourdes Esclamado, Loida Nicolas-Lewis, Gregorio Macabenta, Alma Q. Kern, Rozita Lee, Rodel Rodis, Ben Benedicto Menor, Lourdes Corrales, Lourdes Ongkeko, Jon Melegrito, Armando Heredia, Aurora Cudal, Lorna Dietz and Does 1-100.

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As of 9 a.m. Pacific Time, the deadline given to them by this reporter to respond to Reyes' allegations, not one of those named has reacted.

Efforts by another journalist, Joseph Lariosa, of Chicago, Illinois, to get them to react also appeared futile.

NaFFAA has a lot of explaining to do with regard to its operations and status as a non-profit organization. # # #

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