

# 43

DECLASSIFIED  
Authority WV 883078

Laguna  
4th Mil Dist

Allegations  
of Fraud  
III. A.C.  
Procurement

3d Army Corps - David's Comd  
Statements & Reports



Headquarters

Phibyeom

Claims Service

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Authority *AND 8 13078*



Statistics Branch  
R. P. de.



REPUBLIC OF THE PHILIPPINES )  
CITY OF SAN PABLO ) s.s.

A F F I D A V I T

I, GODOFREDO CONTEMPLACION, 35 years old, married, filipino citizen, with residence and postal address in the City of San Pablo, Philippines, after having been duly sworn to according to law, hereby depose and say:

1. That I had served as an officer of the 3rd Regiment, 1st Laguna Brigade, FAIT, under Col. Hugh Straughn, later redesignated as the 2nd Laguna Division, III Army Corps, Marking's Fil-American guerrillas, since my induction on 5 October 1942;

2. That I had been recognized by the U. S. Army with the rank of 1st Lieutenant;

3. That while in the service of the guerrilla forces, I had been designated by the late Col. Maximo San Pedro, then our Commanding Officer, and upon his death, by Col. Gertrudo San Pedro, as a supply officer of the said 3rd Regiment, FAIT;

4. That as such supply officer, it was my duty to requisition and commandeer food supplies, arms, ammunitions, clothings, cash money and other necessities for the use of the officers and men of our guerrilla organization as well as get cash money from guerrilla sympathizers of San Pablo City and Calauang, Laguna, in exchange for official receipts issued by Colonel Gertrudo San Pedro;

5. That Mrs. Gregoria Borja of San Pablo City who is a widow is one of the guerrilla sympathizers who contributed also money and other supplies to our organization;

6. That at the time I received from her some contributions, money or otherwise, I issued to her receipts, which receipts have all been burnt about February, 1945, when the Japanese began killing persons on mere suspicion of being a guerrilla sympathizer. I further certify that these contributions given me by her were turned over by me to our Officers Commanding and the same were used by our members or comrades.

IN WITNESS WHEREOF, I hereby signed this document this 19th day of March, 1948, at San Pablo City.

*Godofredo Contemplacion*  
GODOFREDO CONTEMPLACION

Subscribed and sworn to before me this 19th day of March, 1948, the affiant having shown me his Residence Certificate No. A-2956805 dated Jan. 17, 1948, at San Pablo City.

*Antonio M. Moncada*  
Antonio M. Moncada  
Notary Public  
Until December 31, 1948

Dec. 170 page 35  
Book 11, 1948.

G-4-191,943



Manila, 10 July 1948

Chief of Claims Service  
Philrycom Apo 707

S i r:

Since I am one of the investigators of your office which was separated from the service and even suspected of doing business with claimants, may I report of the following facts which I learned from one of my co-investigators who was also separated from the service.

After the deadline of March 31st, Luis Tolentino (said investigator) illegally filed a case belonging to one Conchita Nieva of Santa Cruz, province of Laguna in the amount of approximately ₱50,000. This claimant is married to one Mr Santiago but put in her name as Nieva being the maiden name. This claimant is not a true claimant because she was given the notes by Col. Alfredo David alias Justiniano Estrella, over-all commander of the III Army Corps, Fil American Irregular Troops which does not belong to her. She is to split the amount if it is approved by Claims Service with Col. David and the investigator Luis Tolentino. Therefore, Conchita Nieva is a fake claimant. The notes itself, supposed to be the procurement receipts, maybe genuine, but the fact remains that it was buried in the ground, belonging to someone else, and was given to her by the guerrilla colonel. This claimant, Conchita Nieva, is not in the financial position to loan such amount during the Japanese times, her husband being jobless, and they do not have any business to speak of.

The reason why Conchita put the claim in her maiden name is because her daughter, Remedios Santiago, has also a claim the notes of which was also given during the Liberation (only last February 1948) to her by Col. David with the understanding that they will split it fifty-fifty.

All of the above claimants are fake and filed their claims with the help of Luis Tolentino after the deadline. Now they are boasting that their claims are approved through the help of one Major Feliciano who really does not know they are fake claimants. The notes are or maybe genuine, but they do not belong to said claimants.

Well, Sir, this are the only things I know which are fake cases and hope you will take action on them, instead of suspecting innocent investigators of dirty dealings. It is sad that fake claimants are being paid while genuine claimants are being disapproved.

An ex-investigator  
of Claims Service



Estrella

- SUMMARY -

It had been going around that the 3rd Army Corps, Straughn's Fil-Americans, headed by Colonel Justiniano <sup>ESTRELLA</sup> alias Col. Alfredo David, is filing or had already filed a claim for the refund of so many thousands or million pesos which is said to have been used by that organization during the World War II and compensation for a Labor Battalion which claims have no truth at all.

The originator of this claim are from the branches of that office concerned for claims, inducing the overall commander of this outfit to file said claims. These people are composed of only a few, mostly proprietors, professionals, and merchands in the said claims to profit most using names of their own choosings in order to have said claims to be believed; that so many persons have given contribution for the use of this unit. The overall commander is also believed to be connected with the high officers of the Recovered Personnel Division and in Camp Murphy, where they held secret conferences during the recognition of the 3rd Army Corps, they made strong and tight ties even up to now for purposes of making money for their own selves extracted from the recognized members.

We, the offended party, are voicing these anomalies and hope truth will prevail, in protection to the money of the United States government not to go to selfish individuals but to deserving ones.

Citing the liberation pay and backpay. The overall commander and his staff earned hundreds of thousand pesos during the payment of the liberation pay and the back pay. Most of the real and deserving members of that organization were not included in the roster due to their inability to agree to their demands of taking  $\frac{1}{2}$  or at least  $\frac{1}{3}$  of what a recognized member will receive. In case a member received his liberation pay and did not comply with the demand, said member is then dropped from the revised roster for the backpay and will be replaced by anybody who will agree to their demand.

Investigation can be made here in Lilio or any town in Laguna, as Lumbang and San Pablo, and the barrio of Calumpang, Nagcarlan. If ever said investigation will be conducted secretly and carefully, it will be disclosed that out of the liberation pay and backpay, Col. Justiniano Estrella and his staff, their compadres and relatives and even former Japanese spies of the Japanese occupation were benefited most.

Another instance of a bad deal. There is a rich man by the family name of Garcia of Mayhaligue corner Ave. Rizal, Manila, who is known to be a nonmember of this outfit and unknown to almost all the members, and who being a friend of the overall commander, gave the overall commander the sum of P10,000.00 for which in return was given the rank of Major in the submitted roster for recognition with a company composed of mem of his own choosing. Aside from the high rank that this Garcia got, he was also entitled to collect one month's pay from the men of his company in the liberation pay that these men will receive. The overall commander was also entitled to collect a certain percentage from the pay of those men. Because of these deals, the overall commander, we repeat, Col. Justiniano Estrella was able to accumulate a very large sum of money enabling him to construct a house in San Francisco del Monte, Quezon City, a house in Sta. Cruz, Laguna, and organizing the ESTRELLA & Co. (a movie industry).



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Should an investigation be conducted (an investigation is anxiously awaited in here in Lilio, Barrio Calumpang, Nagcarlan, Lumban) it will be disclosed that Col. Justiniano Estrella before the war has no money. But now, the Philippine National Bank and the Philippine Trust Co., both will reveal his large deposits. Also, the file of said banks will reveal that checks cashed in by the members of his organization were not the actual amount said members should have received. This is due to the fact that checks issued the finance officer of Camp Murphy in connivance with Col. David for the members were passed through Col. David who in turn cashed the checks after being endorsed to him and gave the members or owners of the checks the amount less the demanded cut. In some or almost in all cases, checks issued to recognized members were endorsed to Col. David and in turn Col. David issued his personal checks but less the amount which he demanded for every member.

In support of ~~the~~ all the above, the best information can be had from any ranking officers of the divisions under the 3rd Army Corps, especially from the officers of the 1st Laguna Division and the Commanding Officer of the division in Pagsanjan, Laguna, or from the civilians of the neighboring towns who gave support to the unit during the Japanese regime.

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III ARMY  
CORPS

Lilio, Laguna  
May 12, 1948

SUBJECT: Request for Investigation of 3rd Army Corps, Straughn's  
TO : The Chief  
Claims Service Division  
PHILRYCOM, APO 707

1. For your information, claims for refund of supplies used by guerrillas of the 3rd Army Corps, Straughn's Fil-Americans (David's Command), which will be presented or was already presented are all not true.
2. Rosters for backpay for a Labor Battalion which will be presented or was already presented are composed of men picked up by the overall commander and his staff officers who will accede to the demand of said commander to part with that they will get in case said backpay will ever be approved.
3. Request for a careful, secret and impartial investigation be taken in the municipalities of the provinces of Laguna and Rizal, and in the city of Manila to apprehend the guerrillas and personels of your branch office who are conniving in order to approve the claim for refund of supplies used by guerrillas of the 3rd Army Corps and rosters for backpay for a Labor Battalion in spite of being false claims in order to make personal gains.
4. Enclosed herewith is a summary of informations regarding the various activities already had by the overall commander and his staff on one hand, and personels of the branch office concerned for claims.
5. Thanking for the attention that will be accorded this request, we remain in abeyance.

A group of Members of said unit

Note: Names of this group of members were withheld for sometime for fear of reprisal.



- SUMMARY -

Manila, who is known to be a member of this outfit and who is known to almost all the members, and who being a friend of the overall command. It had been going around that the 3rd Army Corps, Straughn's Fil-Americans, headed by Colonel Justiniano Estrella alias Col. Alfredo David, is filing or had already filed a claim for the refund of so many thousands or million pesos which is said to have been used by that organization during the World War II and compensation for a Labor Battalion which claims have no truth at all. There are also exhibited to collect a certain percentage from the pay of these men. Because of these deals, the originator of this claim are from the branches of that office concerned for claims, inducing the overall commander of this outfit to file said claims. These people are composed of only a few, mostly proprietors, professionals, and merchants in the said claims to profit most using names of their own choosings in order to have said claims to be believed; that so many persons have given contribution for the use of this unit. The overall commander is also believed to be connected with the high officers of the Recovered Personnel Division and in Camp Murphy, where they held secret conferences during the recognition of the 3rd Army Corps, they made strong and tight ties even up to now for purposes of making money for their own selves extracted from the recognized members.

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A TRUE COPY:

s/t/ RICHARD KYLE  
Chief, Processing Section

This letter received  
27 May 48 at Claims Service



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