



**TONGSUN PARK**  
tried to destroy list

# Seoul Gave

By Maxine Cheshire  
and Scott Armstrong

Washington Post Staff Writers

A ring of South Korean agents directed personally by South Korean President Park Chung Hee has dispensed between \$500,000 and \$1 million yearly in cash, gifts and campaign contributions to U.S. congressmen and other officials during the 1970s, according to information, including intelligence reports, received by federal investigators.

The ring's principal Washington-based operative, South Korean businessman Tongsun Park, has also financed intelligence-gathering and lobbying activities here by other South Korean agents and the Korean Central Intelligence Agency (KCIA), ac-

ording to sources close to a major Justice Department investigation of these activities.

These activities have been financed chiefly by commissions extracted by Tongsun Park and the South Korean government from U.S. rice dealers making federally subsidized rice sales to South Korea under the Food for Peace program, according to the sources. The Justice Department is also investigating allegations that other funds were siphoned off from charitable foundations ostensibly promoting closer cultural ties between the U.S. and South Korea.

This lavishly financed effort to "create a favorable legislative climate" here for South Korea, according to the sources, is at the heart of

OCTOBER 24, 1976

Phone (202) 223-6000

Classified 223-6200  
Circulation 223-6100Higher beyond Metropolitan area  
See Box A2

60c

# Millions to U.S. Officials

the unprecedented federal investigation of more than 20 present and former congressmen accused of accepting cash and gifts from the South Koreans in exchange for legislative favors.

The Washington Post has pieced together extensive details of the investigation from numerous sources within the U.S. Departments of Justice, State, Defense and Agriculture, U.S. Central Intelligence Agency and National Security Agency, and from individuals closely associated with Tongsun Park and the KCIA. The most significant of these details include:

- Admissions by Park that he made substantial payments to former Reps.

Cornelius Gallagher (D-N.J.), Richard Hanna (D-Calif.), and Edwin W. Edwards (D-La.) (who is now governor of Louisiana) and Rep. William S. Broomfield (R-Mich.) plus as yet unspecified others.

- Park's accounts to his associates of how he gave jewelry, silver trinkets, oriental antiques, and vacation trips to uncounted congressmen and other U.S. officials, plus doling out hundreds of dollars at a time in cash whenever his congressional friends have needed it.

- A U.S. CIA intelligence report to the State Department about a meeting during the late 1960s in the South Korean "blue house" presidential mansion — attended by President Park

Chung Hee, Tongsun Park, high-ranking KCIA officials, and Park Bo Hi, now chief aide to South Korean evangelist Sun Myung Moon — at which the original influence-peddling effort here was described.

- A U.S. Customs Service report of Tongsun Park's desperate efforts to destroy a list of U.S. legislators and other officials, with dollar amounts listed next to each name, when customs officers attempted to search Tongsun Park in late 1973 as he was entering the United States at Anchorage, Alaska.

- Reports from government investigators indicating that the KCIA noted visits by U.S. officials to South Korea.

See KOREANS, A10, Col. 1

## KOREANS, From A1

and frequently made arrangements for an "old Korean friend" to greet the American visitors at the airport and later offer them cash.

• Accounts from State Department and South Korean sources that some of the congressmen and other U.S. officials visiting South Korea were also regularly provided with women companions there.

The story begins, according to Justice Department sources, in the late 1960s when Tongsun Park was arrested by the KCIA in Seoul and taken to its headquarters for questioning, reportedly because Park had implied he was a blood relative of President Park Chung Hee.

Shortly thereafter, according to State and Justice Department sources, Tongsun Park met with Park Chung Hee, Moon aide Pak Bo Hl, and ranking members of the KCIA in the South Korean president's "blue house." At the meeting, according to the sources, everyone agreed on a detailed plan to use funds raised in the United States to influence congressmen and otherwise create a favorable public image here for the South Korean government.

Park Chung Hee agreed to make Tongsun Park the principal intermediary between U.S. suppliers of federally financed grain and rice purchases by South Korea. Tongsun Park then agreed to use the substantial amounts of money he would receive in commissions to finance lavish entertaining, gifts, and cash for U.S. lawmakers to influence legislation that would help South Korea.

A portion of Tongsun Park's pool of money also would allegedly support other South Korean activities here, including maintenance of other agents, public relations and lobbying.

Pak Bo Hl, Tongsun Park and others also were to raise money in the United States through contributions to Radio of Free Asia, an anti-Communist broadcast series emanating from Seoul. This money was to be siphoned off for use by Korean agents here.

Tongsun Park soon established a near monopoly on rice brokerage between the U.S. and South Korea. However, because much of the rice sold to South Korea is federally subsidized under the Public Law 480 "Food for Peace" program, which prohibits commissions to anyone connected with the importing country, Park had to hide his special relationships with the government, according to sources.

In 1970, Connell Rice and Sugar Co., Inc., the largest exporter of U.S. rice to Korea, paid \$202,310.48 into one of Park's personal bank accounts, although the firm's "selling agent" was listed as Korean Development Fund, Inc., according to U.S. Agriculture Department investigative files. The Agriculture Department later learned that Park was president and principal stockholder of Korean Development Fund, Inc.

On March 21, 1972, the South Korean agency responsible for all over-

seas purchasing brought the special Tongsun Park relationship into the open when they wrote the presidents of the major rice exporters this letter on Park's behalf:

"In order to insure more satisfactory transactions for our rice trade, we are pleased to inform you that Mr. Tongsun Park, president and chief executive officer of Miryung Moolsan Company of Seoul has once again, as in the past, agreed to serve as an intermediary. In fact, his service will be required for all of our rice trade with the United States in the future."

One of the rice exporters forwarded a copy of the letter to the U.S. Agriculture Department for its reaction. Agriculture checked again with the South Korean government and was told the Koreans were, in fact, insisting that all rice deals go through Tongsun Park. Agriculture then informed all the parties involved that "Mr. Park's designation as selling agent contravenes normal commercial practices," and requested that his name be withdrawn. However, Park continued to receive substantial rice commissions.

An investigation by the Agriculture Department was frustrated when Park refused to open his records. He reportedly told investigators that his rice commissions could never be isolated because they were insignificant compared to the \$1 million per month he received from Gulf Oil in an unspecified business arrangement and all his receipts were commingled.

Park also claimed that he was not required to keep any records because he paid no U.S. taxes and was not required to file tax returns.

According to government investigators, both intelligence sources and Park's own financial records show he earned between 55 cents and \$2 per

ton of rice purchased by South Korea under both the PL 480 subsidy program and outright cash purchases. Estimates of his annual earnings from the rice commissions alone runs up to \$5 million. It was this pool of money that became the base for Park's influence in Washington.

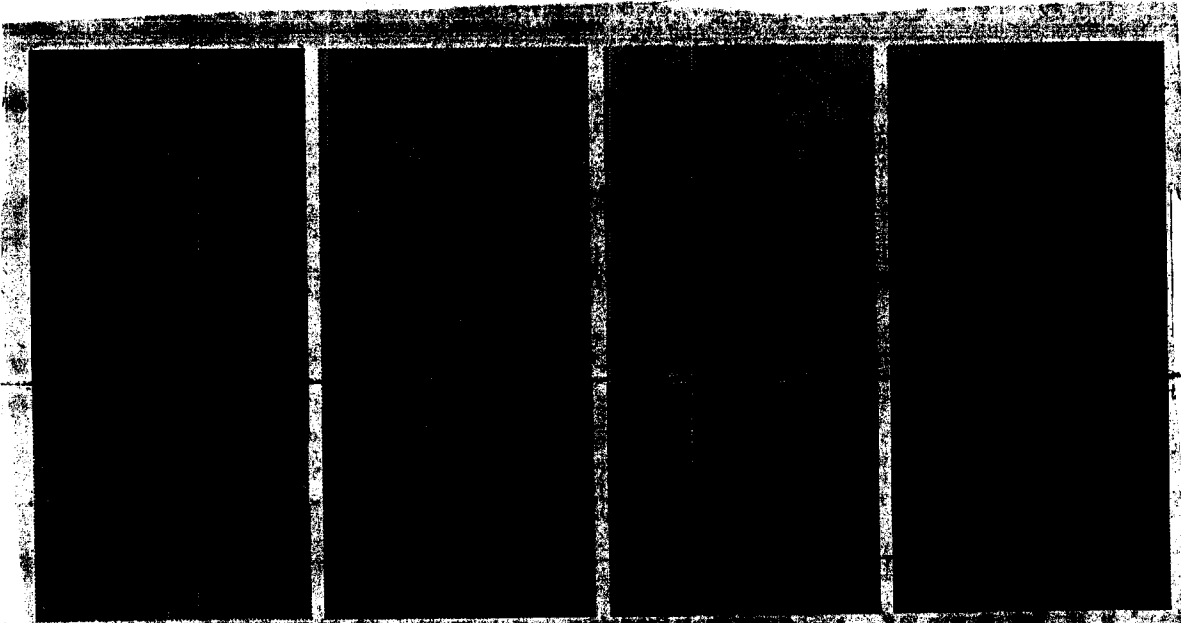
With this money, Park threw lavish parties and began acquiring a series of plush homes here. According to sources close to Park, he brought foreign items to furnish his houses through Korean embassy contacts in order to avoid customs duty. He also brought into the country hundreds of gifts at a time for officials in Washington, usually duty free through embassy personnel, according to the sources.

Watches, silver coasters, rugs, carved jade, elaborate oriental chests and other expensive items were dispensed at Park's whim to favored Washington friends.

On at least one occasion, Park reportedly neglected to declare a watch as he went through U.S. Customs, triggering a bizarre confrontation with customs officers.

According to a Customs Service report of the Dec. 8, 1973, incident at Anchorage, Alaska, Park became increasingly more agitated after the watch was found and suggested he could not afford to miss his air connections to Washington because he was dining with the Vice President on the following evening.

Park threatened to punch the customs officer in the nose and Park tried to rip up some documents in Park's possession, according to sources. Although Park denies he reacted violently, he has acknowledged to associates that he had three documents in his possession at the time.



GOV. EDWIN EDWARDS    RICHARD T. HANNA    CORNELIUS GARRETT    REP. WILLIAM BROOMFIELD  
... among persons who received substantial payments from Tongsun Park, federal sources say.

ments were improper or illegal, according to two sources close to the investigation.

Former Reps. Gallagher and Hanna received substantial payments from Park, according to what Park has told investigators.

The Washington Post has obtained copies of six checks totalling \$22,500 written by Park to Hanna in 1973 and 1974. Two of the checks, totalling \$14,000, were written on Park's personal account. Of the four others—all written on Park's corporate Pacific Development Corporation's account—one for \$500 was written to cash, but was endorsed by Hanna. The other three were written to Hanna.

Hanna has routinely disclosed to the house Committee on Standards of Official Conduct that he had received income from Pacific Development Corporation in 1973 and 1974.

Tongsun Park reportedly was the subject of FBI scrutiny in the early 1970s when Gallagher was being investigated for violations of tax laws that eventually led to Gallagher's pleading guilty and going to prison.

Park's name was never publicly linked to Gallagher's because the guilty plea made a trial unnecessary. But Gallagher's lawyer at the time, Charles McNeilis, said later that the prosecution had pointed to Park, without using his name, as one cause of Gallagher's troubles. In court, according to McNeilis, Park was referred to only as Gallagher's "Korean friend."

Repeated attempts to reach Gallagher and Hanna for comment have been unsuccessful.

A source close to Tongsun Park said that Park has also acknowledged giving \$1,000 to Rep. Broomfield. Reached yesterday by phone in Michigan where he is campaigning for reelection, Broomfield denied he has ever received any money, either as a gift or a campaign contribution, from Tongsun Park. He did once receive a vase, Broomfield said, but he never had it appraised.

Park, according to a source close to the federal investigation, said he gave \$10,000 to former Rep. Edwin W. Edwards, the Louisiana Democrat who later became governor. The money reportedly went, not to Edwards himself, but to a relative.

Edwards confirmed in a July, 1975, Washington Post story that Park had made what Edwards believed to be an offer of a contribution to his gubernatorial campaign.

But, Edwards claimed then that his campaign had never accepted any such contribution from Park, whom Edwards had known since 1967. Edwards denied that there could have been any connection between the offer and Edwards' key role in arranging for South Korea to get subsidized federal loans to buy most of Louisiana's unsold rice surplus in 1971. That rice purchase has been described by Edwards as "the greatest coup of my political career" and was seen as a

major fact or behind his election as governor.

Tongsun Park has reportedly told Justice Department investigators that he could never recall all the money he has spent on congressmen because he often handed hundreds of dollars in pocket money to congressmen friends in need, according to a source close to the investigation.

Park also has told investigators that he cannot recall which of his many congressional friends might have received this money.

Other government investigators have received information from former South Korean officials indicating that the KCIA, as a matter of policy, prepares dossiers on congressional visitors to South Korea. If the congressman involved has a friend in Korea, the friend is sought out to greet the official. Later, if the official is to be offered money, it will be offered by the friend. In this way, if the money is refused, the official will be less likely to report the offer because it would mean implicating a personal friend.

Both South Korean and State Department sources also report that congressmen and other officials have been regularly provided with young English-speaking Korean women during their visits to South Korea. In the case of one congressman, according to a State Department source, he had his own woman, house and car provided for him whenever he came to Korea.

Apparently Park had three different documents, according to partially conflicting accounts:

- A sheet of notations in Korean, which Park said were calculations of rice commissions with the word "Contributions" in English followed by a large dollar amount. This is the sheet that Park allegedly tried to destroy.

- A three-page typewritten list containing the names of 90 U.S. legislators and ranking Washington officials, each with a dollar amount beside their name, which Park claimed were requests for campaign contributions he had received from each legislator. No explanation has been given for the names of nonelected officials on this list.

- A list of influential U.S. congressmen, their aides, and their assignments on congressional committees with authority over aid to South Korea.

The customs incident and intelligence reports based on sensitive sources have given the Justice Department investigators a working list of Capitol Hill suspects.

When Park boasted that he was "having dinner with the Vice President," he was telling the truth.

The following evening, Park hosted a birthday party at his Georgetown Club for House Majority Leader Thomas P. (Tip) O'Neill (D-Mass.), and the guests included Vice President Gerald R. Ford along with presidential assistant Melvin R. Laird, HUD Secretary James Lynn and HEW Secretary Casper Weinberger.

Park has admitted making certain payments to some congressmen, although he has denied that the pay-