

Probe of S. Koreans' Activities Widens

U.S. to Question 2

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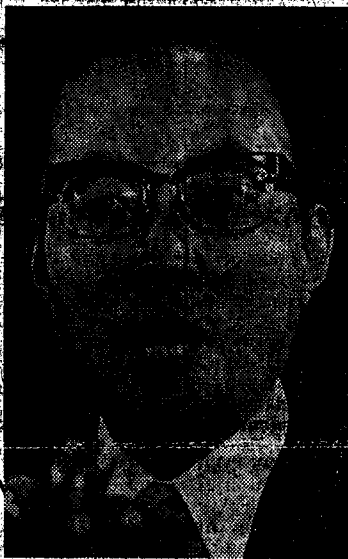
Federal investigators moved yesterday to question two important figures in the widening inquiry into efforts by agents of the South Korean government to buy political influence here.

Attorneys for Pak Bo Hi, a top aide to South Korean evangelist Sun Myung Moon, and Jhoon Rhee, a friend of Pak and the owner of a chain of karate schools, said yesterday they have been in touch with the Justice Department on behalf of their clients.

John M. Bray, a lawyer for Pak (who is known here as Bo Hi Pak), said he (Bray) would meet later this week with officials of the Justice Department's public integrity section to answer questions about Pak's activities. U.S. intelligence reports have placed Pak at a 1970 meeting in Seoul about plans to funnel cash and gifts to U.S. congressmen and other officials.

Jhoon Rhee's attorney, Anthony F. Cafferky, said Rhee was scheduled to appear today before the federal grand jury here investigating the allegations of South Korean influence-peddling. Cafferky said Rhee's grand jury appearance was temporarily postponed to give the lawyer and client an opportunity to confer.

Pak and Rhee have both been officers and directors of the tax-exempt Korean Cultural and Freedom Foundation here. Federal investigators have intelligence information that money raised by the foundation may have been siphoned off to help fi-



PAK BO HI

... press reports "outrageous"

nance the buying of political influence here.

Both men also have been active supporters of Sun Myung Moon's Unification Church and are stockholders, along with Moon, in the recently opened Diplomat National Bank of Washington.

Earlier this year, Diplomat National Bank lent \$100,000 to the Korean Cultural and Freedom Foundation, according to sources at the bank. The loan was repaid in full with interest within about six months, according

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Seoul Was Warned

4/2/76 By John Saar

Washington Post Foreign Service

SEOUL, Nov. 1—Evidence is mounting here that the South Korean government both knew of wheeler-dealer Tongsun Park's questionable political activities in Washington and condoned them, at least to the extent of allowing his Seoul-based businesses to flourish.

A South Korean lawmaker said today he has been warning the government for four years that Park was damaging the country's image in the United States.

"I warned them," said opposition national assemblyman Oh Se-tung. "There was reason to believe that what he was doing over there was bribery."

Had the government wished to rein in Park, according to commercial sources here, it could have moved against his Seoul-based trading group, but the influential businessman has prospered. Park runs a shipping firm and two trading companies from plush offices in Seoul and this year has purchased a high school, a supermarket chain and a \$400,000 house.

American newspapers citing federal sources have reported that Tongsun Park, a private businessman, has worked with the Korean Central Intelligence Agency under the direction of President Park Chung Hee to buy congressional support. Such allegations cannot be investigated in the heavily restricted environment of South Korea. However, the apparent absence of government sanctions against

See PARK, A11, Col. 1

Seoul Seen Aware of Park's Activities

PARK, From A1

Park's business operations offers circumstantial support to the theory.

American businessmen agree that it is impossible for a major trader to operate in Korea without the government's cooperation.

Assemblyman Oh, who was educated at American University and is an expert on U.S.—South Korean relations, said he has constantly criticized Tongsun Park as "a careless, irresponsible businessman." Oh said he plans to ask Wednesday for a government inquiry into allegations that Park made illegal payments to past and present U.S. members of Congress on orders from the South Korean government. Oh said he would argue that a continuing news blackout on the controversy was against the national interest.

"If the government is not linked to Park why don't we have a free discussion of the subject? Our country is being damaged. There is wrongdoing by somebody but we must dig into it," he said.

Oh said that a presidential decree which cripples press freedom should not be used to protect possible criminal conduct. He said he doubted that Tongsun Park is a formal paid KCIA agent, but said he believes it is essential that "to clarify whether he worked for the government." Under the government of President Park, critics of government policies have often been

jailed, and making critical comments to foreigners has been considered particularly reprehensible.

It now seems that there was a split within the Korean government over Tongsun Park's activities. While he was allowed to continue operating for years after rumors began circulating South Korea's ambassador to Washington, Hahn-Pyong Choon, is known to have disapproved. Other officials sought to have him barred from the government Blue House in Seoul.

There is speculation here that Seoul officials simply did not realize that the exporting of their domestic policies would have such drastic repercussions in the United States.

"If bribery happened, its unforgivable," said Chase Manhattan Securities Manager Victor Reizman. "And if they received official sponsorship it really is poor judgment because they don't need to bribe people to present their case in America."

A U.S. source called the corruption scheme "downright dangerous." "Korea needs us and these things are going to undermine their support in the Congress," he said.

In South Korea, all traders and manufacturers work within the framework of five-year plans and are subject to government regulation or export and import licenses, the granting of credit and foreign exchange privileges. Good government contacts can be indispensable. One major group, re-

liant on the influence of former KCIA chief Lee Hu Rak, "simply disgruntled" when he was fired in 1973, a banker said.

"If the government wanted to curb Park's activities 'there's any number of sanctions they could use within the structure of regulations,'" said Reizman.

Assemblyman Oh criticized Tongsun Park's organization of a visit to Korea in April 1974 by 22 congressmen led by Rep. Thomas P. (Tip) O'Neill (D-Mass.). The then U.S. ambassador, Philip Habib, spotted Park among the welcoming committee and advised the host officials that he would leave unless Park was removed. Park disappeared, but only briefly, Oh said.

Park frequently entertained visiting congressmen in a rented villa at the luxurious Walker Hill resort, to the annoyance of U. S. embassy officials, who felt their charges were being waylaid, Oh said. Other sources in Seoul have confirmed that congressmen were provided with female companions if they expressed any interest.

"I am afraid it is a distorted form of hospitality," one Korean official said. "We tend to give a person whatever he requests."

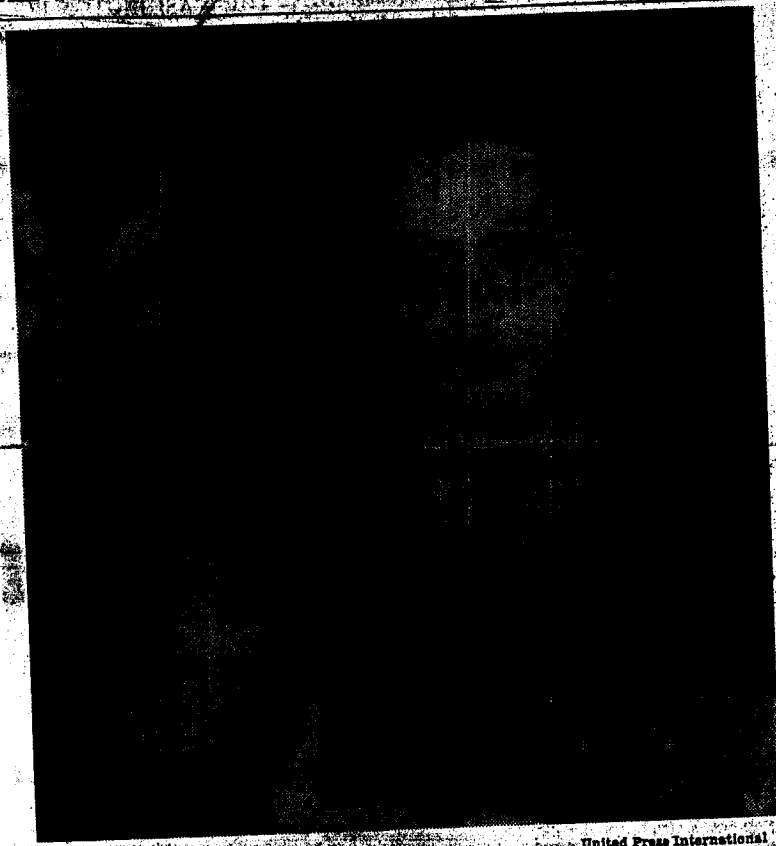
Oh also charged that Tongsun Park received a \$1 per ton commission on the purchase of a million tons of rice in 1969 under the federally subsidized Food for Peace program.

His appeal for a full investigation will be made at a meeting of the National Assembly's foreign policy committee. Oh said and added that he expects opposition.

Members of the ruling party here, for instance, that any heated debate on U. S. press reports of U. S. electronic eavesdropping on the South Korean presidential residence would only serve the interests of people who want to see the U. S. ties with South Korea weakened.

The three companies run by Tongsun Park are quartered on the seventh floor of a modern office building. The staff was uncommunicative today, and during my brief visit a heavy-set guard in a blue suit kept cracking his knuckles and motioning toward the door. The decor included traditional Korean paintings of flying cranes and a group photograph taken at the Touchdown Club's 1973 awards dinner in Washington. Park's vacant office was luxuriously appointed with antique ceramics, dark wood paneling and a massive leather chair.

A visitor from a related company in London gave this account of the Park companies. Miryung Mool San is a general trading company. Miryung Tong San owns granite quarries and exports stone products to Japan. Miryung Navigation Co. Ltd. is a shipping company that owns and charters oil tankers and bulk carriers.



United Press International

Reporters interviewed Tongsun Park at London's Heathrow airport Saturday.

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to one informed source, who did not know the exact purpose of the loan.

Congressional investigators have identified associates and followers of Moon as the owners of 42,820 shares of Diplomat National Bank stock worth more than \$1 million. This represents about 44 per cent of the total stock issued in the bank.

According to other sources, Jhoon Rhee and his wife own 4,000 shares in the bank worth \$100,000, and Pak Bo Hi owns 3,000 shares worth \$75,000.

Pak Bo Hi held a press conference here yesterday to deny reports that he was a central figure in the political influence-peddling investigation. But he refused to answer any questions from reporters.

The Washington Post has reported that according to U.S. intelligence sources, Pak had attended a meeting in the South Korean presidential mansion, the Blue House, where the original plan to funnel cash and gifts to U.S. congressmen and other officials was discussed.

Present at the meeting besides Pak, Park, according to the intelligence reports, were South Korean President Park Chung Hee, high-ranking Korean CIA officials, and Park Tong Sun, a Washington-based businessman known here as Tongsun Park who is another key figure in the investigation.

Sources close to the investigation have said that between \$500,000 and \$1 million a year was dispensed by Tongsun Park in cash payments, gifts, campaign contributions and entertaining here.

In a statement he read at the Washington Hilton press conference, Pak said he could not have been at the Blue House meeting because he was in Washington at the time. However, Pak specifically referred to the alleged meeting as having taken place in June, 1969, a date he took from a Chicago Tribune story published several days after The Post's first article. The original Post story did not pinpoint the date of the meeting, but the newspaper later placed it in 1970.

Pak, 47, is the translator and chief aide to Moon and the president of the Korean Cultural and Freedom Foundation. He also served as an assistant military attache in the Korean Embassy in Washington in the early 1960s.

Pak denied yesterday that he has ever been a member of the Korean CIA, or that he had ever made a contribution to or attempted to influence a U.S. congressman or official.

The "most far-fetched" and "outrageous" press allegation was that money raised for the Radio of Free Asia program of the Korean Cultural

and Freedom Foundation "was to be siphoned off for use by Korean agents here," Pak said.

The Washington Post reported Sunday that the foundation also has been investigated by the New York State Board of Social Welfare, which asked that it be barred from further solicitation in the state. The foundation has recently been sending out emotional letters soliciting funds for Asian orphans.

Sworn congressional testimony earlier this year at hearings on the South Korean CIA's activities in this country indicate the central part Pak's activities play in the current federal investigation.

Robert W. Roland, a former airline pilot who was a family of Pak, told Rep. Donald Fraser's House International Relations subcommittee in June that Pak had described the Korean Cultural and Freedom Foundation to him as a "front organization" for both Sun Myung Moon's church and the South Korean government.

"He gave an indication to me, during this discussion, that it (the foundation) was not primarily a fund-raising organization, but rather that it would create influence for their (the Moon) movement and also for the Korean government," Roland said.

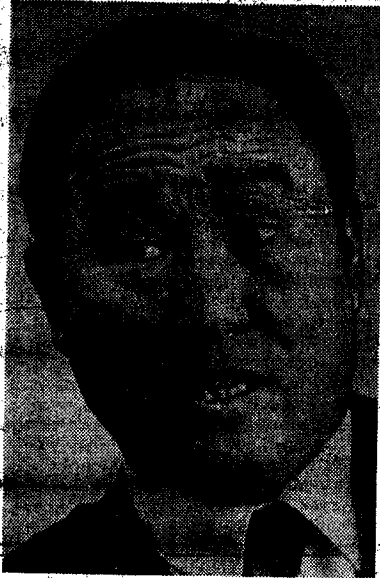
Pak also was invited in June to testify before Fraser's subcommittee. But Pak declined, saying he would not appear because the hearings were about the KCIA and he had nothing to do with the organization, a subcommittee staff member recalled.

In his testimony in June, however, Roland said Pak had told him that his job at the embassy in the early 1960s was as liaison officer between the South Korean and U.S. intelligence services. Roland said Pak traveled frequently between the South Korean Embassy in Washington and the National Security Agency headquarters in Ft. Meade, Md.

During this period, Roland added, he and his wife had dinner at Pak's home and, on at least one occasion, Jhoon Rhee, who "resided in the Pak home," was present.

Roland also testified that Pak told him he knew and had met with President Park several times and that Pak had said or implied "that their (the Moon) movement was looked upon with favor by the South Korean government."

"Pak indicated that his primary aim was to establish influential contacts with the government and social elite of the nation's capital," Roland said. "Jhoon Rhee indicated that his position as a karate master would serve to influence finance and recruit in the furtherance of the Moon cause."



SUN MYUNG MOON

share links to church, bank involved

Pak's official biography states that he participated in the founding of the Korean Cultural and Freedom Foundation.



JHOON RHEE

in probe of possible influence-peddling.

He was the executive director and vice president throughout the 1960s, and became its president in 1970.

The foundation's tax returns show

that in 1973 and 1974, Pak was paid \$22,000 and \$28,000, respectively, as the foundation's president. Though he was heavily involved with Moon's church work at the time, the reports say he worked full time for the foundation.

Jheon Rhee became vice president of the Korean Cultural and Freedom Foundation in 1973.

Pak and Rhee had also been founding directors of a branch of Moon's Unification Church in 1968. Rhee has since told associates that he is no longer a member of the church, having dropped out several years ago after getting married with out Moon's approval.

"He still has a 'young man's haircut'," said one source close to Rhee. "He thinks anyone who gets young people to cut their hair and stop smoking is great."

Another witness at the House hearings this spring, Donald L. Ranard, former director of the State Department's office of Korean affairs, also testified to the connection between Pak's activities with the foundation and the Moon church.

Ranard noted that Pak was "in some executive position" in Sun Myung Moon's Unification Church at the same time he was heading the Korean Cultural and Freedom Foundation.

"I would find it hard to understand how the Unification Church would seem to exist completely beyond the control of the Korean government," Ranard said. He noted the 1974 support for President Nixon by Unification Church members, including their frequent anti-impeachment demonstrations.

At a June hearing, a former South Korean ambassador to Seoul in 1970 or 1971 after he left his attache post, Pak denied at yesterday's press conference that he had such access.

Lee, who now teaches journalism at a Washington area university, said: "One day I was discussing a matter with the ambassador in his office when in the middle of our conversation some of the embassy's command staff officers walked in and he imparted to the ambassador that he had received a message from General H. Pak, and this message is to be sent to Seoul."

"The ambassador turned to him and listened to his report and he simply nodded. It was like routine business."

Also contributing to the story were Washington Post writers Eugene L. Meyer and Scott Armstrong.