

# Korean Foundation Under 2 Probes

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By Charles R. Babcock  
Washington Post Staff Writer

Separate federal and state investigations are probing the finances of the tax-exempt, Washington-based Korean Cultural and Freedom Foundation, which since 1965 has raised millions of dollars in this country through emotional direct mail appeals.

The solicitation letters claimed the money would be used to finance anti-communist radio broadcasts, or more recently, to aid starving children.

The Justice Department, according to informed sources, is checking the possibility that the South Korean gov-

ernment used money raised in the name of the foundation's Radio of Free Asia to help finance an elaborate campaign of favors for congressmen and other U.S. officials in return for a favorable South Korean posture.

The head of the New York State Board of Social Welfare said yesterday that he was asking that the foundation be barred from further soliciting in the state because, he said, only 8 per cent of the money it collected last year for the Children's Relief Fund actually went to help hungry children.

D. L. Miller, executive director of the foundation, said in lengthy interviews Friday and yesterday that the

charges were unfounded. But he could not answer specific questions about how KCFF spent its money.

"Col. Pak has responsibility for the books," he said, referring to the foundation's president, Pak Bo Hl. Pak, a retired South Korean intelligence officer who also is interpreter and a principal aide for Korean evangelist Sun Myung Moon, reportedly is in Europe and was unavailable for comment.

The foundation was organized in Washington in 1964 with the primary objective of "containing communism on the Asiatic continent." Its first

See FOUNDATION, A18, Col. 1

## FOUNDATION, From A1

president was Adm. Arleigh Burke.

"Honorary" presidents were former presidents Dwight D. Eisenhower and Harry S. Truman, and its first "honorary" chairman was Kim Jong Pil, founder of the South Korean CIA.

The first fund-raising appeals asked Americans to send in money to "pierce the Bamboo Curtain" and bring truth to one billion "Red slaves" through Radio of Free Asia. Such letters have been signed by Sen. Robert Dole of Kansas, now the Republican vice-presidential candidate, singer Bing Crosby and South Korean President Park Chung Hee.

The letters and accompanying anti-communist brochures do not make clear, however, that South Korean government employes were preparing books," he said, referring to the foundation's broadcasts or that they were being beamed to China and North Korea over government-owned transmitters in Seoul.

Questions about KCFF's connection with the South Korean government were first raised in 1970 by State Department officials concerned that the foundation might be acting as the agent of a foreign government.

In June of 1971, according to a Justice Department summary of an ensuing investigation, State turned over to Justice a "secret" memo which alleged that persons associated with Radio Free Asia were "of questionable reputation and were believed to be members of the KCIA."

Justice replied six weeks later that though the information provided by State "did suggest that RFA was acting under the direction and control of the Korean government," its review showed that the allegations could not be confirmed by "competent evidence."





Bo Hi Pak stands behind Sun Myung Moon at Sept. 17 Washington rally.

Sources familiar with the "secret" memo say Justice may have decided against prosecuting the foundation because the information was gathered from "highly sensitive" intelligence sources that apparently included tape recordings of meetings inside the Blue House, the presidential mansion in Seoul.

The Washington Post reported last week that these intelligence reports showed that President Park Chung Hee personally directed a group of South Korean agents which has distributed between \$500,000 and \$1 million a year in cash, gifts and campaign contributions to U.S. officials.

At one of these Blue House meetings, President Park, Col. Pak, and Washington-based Korean businessman Tongsun Park another key figure in the current Justice Department investigation, among others, reportedly discussed the idea of siphoning off money from Radio of Free Asia.

The idea, according to one source close to the investigation, was to use the money to fund such things as Tongsun Park's operations in the U.S. until financing became available from commissions of rice sales to South Korea.

Though KCFF director Miller denied any knowledge of the alleged plan to divert money from Radio of Free Asia, he acknowledged that the foundation's bookkeeping was "a problem."

The recent New York state audit of KCFF books showed, for instance, that the Seoul office of the foundation transferred \$51,282 to Pak last year as a loan.

Miller said he had no knowledge of the transaction or what the money

was used for. Likewise, he could not explain why IRS tax returns for the early 1970s listed no expenses for broadcasting.

The foundation's problems with New York State focus on fund-raising for the Children's Relief Fund, which was begun in mid 1973.

Of \$1.3 million raised here in the name of the program last year, only \$122,673 could be verified as having been spent for the state purposes, Bernard Shapiro, head of the New York agency, said yesterday.

More than \$1 million went to three fund-raising companies, two run by officials of the foundation, Miller and Arthur Ulin. The Richard A. Viguerie Co. of McLean, was paid \$908,000 for directing the mail campaigns, the New York audit revealed.

Shapiro said that fund-raising for children's relief and costs suggested the possibility of a "fraud upon the public."

In a telephone interview yesterday from Albany, Shapiro said, "It's very disturbing when you read a letter that says children are suffering from terminal malnutrition and then you find that only 8 cents on the dollar is going to help them. It's very distressing and we want it stopped."

According to its most recent tax returns, KCFF had more than \$750,000 left after its distributions last year. Asked why this wasn't used for the starving children, Miller replied, "Col. Pak told me that money was being sent to Korea for the Little Angels art center."

The Little Angels, or National Folk Ballet of Korea, is another project of the Korean Cultural and Freedom Foundation.

There is no mention in the Children's Relief Fund solicitation letters that collections might go to support the dance troupe's world tours. Miller explained that he thought Pak made personal solicitations for the Little Angels and sent those funds to Korea for the training center.

He also defended the fund-raising costs criticized in the New York action yesterday, saying they were high because the program had just started and did not yet have a steady base of donors.

During that year ending June 30, 1973, KCFF sent out about seven million solicitation letters, through Viguerie's facilities, he said. Miller was paid about \$51,000 through his private public relations firm and Ulin got \$59,000 through another firm, the New York auditors found.

Miller said he was paid to write solicitation letters and radio scripts for "medical" broadcasts in collaboration with the new children's programs in the Philippines and Indonesia.

Miller was vague about many other financial transactions made by the foundation, saying Pak had control of the checkbook.

For example, he said he never heard of a fund-raising contract KCFF supposedly had with Nathan H. Cohen in 1967. Cohen testified at the bribery trial of Rep. John Dowdy (D-Tex.) that he paid the congressman \$2,500 to help promote Radio of Free Asia.

Cohen testified he asked Dowdy to arrange an interview with the American CIA so he could find out more about radios in Asian communist countries.

Miller said, "I don't know if Col. Pak had any relationship with Mr. Cohen."

Over the years, the letterheads on KCFF appeals, have included the names of dozens of well-known Americans, from Richard Nixon to Ed Sullivan to Perle Mesta as directors.

Another board member in the late '60s was Ro Chin Hwan, a South Korean assemblyman who came to the United States in 1974 and offered to make campaign contributions to any members of Congress recommended by the Nixon administration. The offer was refused.

In mid-1973, in response to complaints from charity clearinghouses, Miller said, the foundation formed a new and more active board, which included several members of Korean evangelist Sun Myung Moon's Unification Church.

Miller said yesterday that because of its recent problems and "a changing world" the foundation was considering substantial changes in its makeup, its board, its mission and even its name.



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Children's Relief Fund  
1028 Connecticut Ave., N.W.  
Washington, D.C. 20036

DOCTORS FROM THE PHILIPPINES  
REPORT TO C.R.F...THE LIVES OF  
350,000 SEVERELY MALNOURISHED  
BOYS AND GIRLS THREATENED UN-  
LESS IMMEDIATE HELP PROVIDED.

Dear Friend:

The photos I've enclosed  
at but these children are the  
to you.

As I write you this I  
little boys and girls thru  
villages of the Philippine  
the terminal forms of ma

If you could see  
terrible effects of malnourishment  
proper food, your head

Two-year old boys  
tons. The muscles  
leaving just enough  
a body.

Malnutrition  
and peel making a  
The hair on the child  
be replaced by scabs.

Tiny babies have gone helpless  
lack of vitamin A in their diet.

For some of these suffering children, death  
will come swiftly from pneumonia or diphtheria,  
but most will slowly, painfully suffer for months.  
The one certainty is that they will be dead  
before they're six!

My friend, these aren't just isolated cases...  
some 350,000 Filipino boys and girls face the  
same terrible fate.

When the doctors from the Nutrition Center  
of the Philippines showed me the terrible



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*This little boy is totally  
blind because he didn't  
have enough proper food  
to eat!  
Thousands of tiny children  
in the Philippines face the  
same terrible fate unless  
we help. Don*

THIS PAGE WITH YOUR  
TO: Donald L. Miller  
NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_  
STATE \_\_\_\_\_ ZIP \_\_\_\_\_

Yes. I can help the suffering  
children in the Philippines.

Enclosed is my maximum gift of  
and set up MALNARDS that can  
save thousands of lives.

P.S. All of your gift is tax  
deductible payable to Children's  
Relief Fund. Please, I'm count-  
ing on your gift to save these  
innocent little children.

The Washington Post

This fund solicitation from Washington-based Children's Relief Fund, an arm of Korean Cultural and Freedom Foundation, appeals for funds to help children in Asia, but a New York state official says only 8 per cent of fund's collections went to the children. Justice Department is probing foundation's activities.