

Bank Stock Owned by Park, Pak

Corruption Probe Figures, Associates Control 46 Per Cent

11-14-76
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Two central figures in the federal investigation of corruption of U.S. congressmen by agents of the South Korean government—businessman Tongsun Park and Pak Bo Hi, chief aide to South Korean evangelist Sun Myung Moon—controlled with their associates nearly half the stock in the Diplomat National Bank of Washington when it opened last December.

According to records obtained by The Washington Post, Tongsun Park secretly bought just over 10 per cent of the bank's stock through three front men who held the stock for him in their names.

In addition, officials of the bank have now determined that Pak Bo Hi lined up a number of Sun Myung Moon's followers and others who, along with Moon and Pak themselves, bought at least another 36 per cent of the bank's stock.

Those bank officials have acted in recent months to prevent domination of the bank by Moon, Park and Pak by asking stockholders associated with them to sell their holdings to independent investors. The officials said 32 per cent of the bank's original stockholders have already agreed to sell.

A prominent bank officer involved in all these maneuverings is syndicated columnist Jack Anderson, one of the bank's original directors, who said he became chairman of its executive committee to restore public confidence in the bank.

When a House subcommittee headed by Rep. Donald Fraser (D-Minn.) began investigating the bank earlier this year and first revealed in June that followers of Moon owned much of its stock, Anderson tried to curb the inquiry, according to Fraser. The congressman charged, and Anderson denied, that Anderson threatened

to use his column against Fraser in his effort to curb the inquiry.

When a federal grand jury here hearing testimony in the South Korean influence buying investigation recently subpoenaed nationally known karate school entrepreneur Jhoon Rhee—who is another original Diplomat National Bank director and also a friend and prospective business partner of Anderson's—Rhee was asked by Anderson to resign from the bank's board, according to the columnist.

Last autumn, Diplomat National Bank was awarded the 17th national bank charter in the District of Columbia—and the first such charter for an Asian-American bank anywhere in the country—after its founders, including Rhee, Anderson and bank chairman Charles C. Kim, convinced federal regulators that such a bank was needed to serve the Asian-American community here.

After the bank opened without spe-

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cial notice in December, 1975, it made front page headlines in June, 1976 when a staff member of Fraser's subcommittee said that 19 persons affiliated with Sun Myung Moon's Unification Church owned about 44 per cent of the bank's stock.

Bank officials soon disputed these figures and columnist Anderson sent Fraser a letter threatening to put the Fraser subcommittee staff member under oath in a libel suit if he continued to give out such information.

Bank officials now believe that the Fraser subcommittee misidentified some of the stockholders as Moon followers and that Pak Bo Hi was actually the common denominator behind their participation in the bank.

Further interest in the bank was created by news reports this autumn about the federal investigation of South Korean efforts to influence U.S. officials and American public opinion in support of continued U.S. military and economic aid to South Korea.

The Washington Post reported that Tongsun Park was allegedly the most prominent and active of what was called a ring of South Korean agents, who dispensed between \$500,000 and \$1 million a year since 1970 in cash, gifts and campaign contributions to U.S. congressmen and other officials.

The Post also reported that Pak Bo Hi was placed by U.S. intelligence reports at a key 1970 meeting in the "Blue House" presidential mansion in Seoul where South Korean President Park Chung Hee, Tongsun Park, Pak Bo Hi and officials of the Korean Central Intelligence Agency (KCIA) discussed the influence buying scheme.

Although neither the government

investigators nor officials of Diplomat National Bank has any evidence that a group of stockholders was trying to take over the bank, both investigators and bank officials wonder why Tongsun Park and Pak Bo Hi became so deeply involved in the bank.

They also wonder why such a small bank might have been chosen and to what extent, if any, any bank officers may have been aware of or aided the efforts by Park and Pak associates to buy into the bank.

During the organization of the bank in 1975, one of the organizers brought up the possibility of approaching Tongsun Park as an investor according to two participants at the meeting. Anderson objected strenuously to any inclusion of Park, indicating that he would not participate in the bank venture if Park had any interest in it, the sources said.

According to Anderson, "the other members of the Board then agreed that there would be no contact with Tongsun Park."

However on October 8, 1975, the last day that bank stock subscription applications could be filed, Tongsun Park designed three personal checks on his account at the Industrial Bank of Japan Trust Company in New York City. The checks were payable to Spear E. Robbins, Milton G. Nottingham Jr. and Richard L. Staples in the amounts of \$84,000, \$83,000 and \$83,000 respectively. All three men purchased Diplomat Bank stock the same day in these same amounts.

All three men have been closely connected with Park. Robbins is still the executive vice president of Park's Washington-based investment holding company Staples, who was a vice president of Park's investment firm, is still a financial consultant to Park. Nottingham was Park's shipping adviser until earlier this year when he became disenchanted with Park and withdrew, according to a source close to Park.

According to sources close to Park, after Nottingham resigned his position with Park, he realized he had not given up his interest in the Diplomat bank.

Unable to locate his stock certificate, Nottingham called the bank, the source said. Told that his certificate had been mailed to him by a secretary, Nottingham was still unable to locate it until bank chairman Kim called and told him that it was in Park's office, the source said.

Kim has denied that he told Nottingham that Park's office had the certificates. He said he was unaware of any Park involvement in the bank at the time.

Robbins took the share certificate to Nottingham and asked him to sign it over to Norman Larsen, the manager of Park's George Town club, ac-

ording to the Park associate.

The transfer of \$83,000 worth of stock was drawn to the attention of the board of directors, according to bank officials. When its members realized that both parties were associates of Park, they began to suspect that Park might have a hidden interest in the stock. The board designated director Jhoon Rhee to approach Larsen and ask him to sell the stock.

Shortly thereafter, Larsen sold the shares.

According to Rhee, however, he never was able to contact Larsen. He also said he never contacted Park. Larsen will only say that the person on whose behalf he held the shares sold them without discussing it with him.

Bank officials are now concerned that either Kim or Rhee may have known of Park's 10 per cent original interest in the bank. Initial subscription agreements limited individual holdings to not more than 5 per cent.

The board of directors also had made an agreement not to allow any involvement by Park.

Jack Anderson said in an interview that Rhee has told the bank's directors that Rhee made the original approach on behalf of the bank to Pak Bo Hi, who is his cousin. Rhee has denied approaching anyone else in the Moon church, but he acknowledged that Pak was probably responsible for soliciting other Moon followers, Anderson said.

Rhee is a former Moon follower

himself, Anderson said, but the columnist said he did not know this until Moon's interest in the bank was publicly disclosed and Rhee admitted it at a board meeting.

Following the initial publicity about the holdings of Sun Myung Moon followers in the bank, the chairman of the bank's executive committee chairman Joseph W. Barr, a former U.S. Secretary of the Treasury, resigned, saying he did not know what interests were represented among the stockholders.

Jack Anderson said he then became chairman of the executive committee because "it was generally agreed that I had the credibility—enough credibility that people would not believe that any bank in which I held an important place could be controlled by Sun Moon."

Anderson said the bank asked the comptroller of the currency and the Federal Reserve Board to investigate the amount of bank stock was owned by Moon followers. The director of enforcement and compliance in the comptroller's office answered that it could find no evidence of an attempt by any stockholder of the bank to make misleading misrepresentations about stock ownership.

Anderson and the bank board seemed most concerned about proving that the Fraser subcommittee's inves-

tigation of the bank had developed inaccurate estimates of the Moon followers' holdings in the bank. Anderson became personally convinced that the subcommittee's principal staff member, Richard Mauzy, was leaking false information to the press.

Anderson attacked Mauzy in what Anderson acknowledges were two "intemperate" letters to Fraser. In the second letter, Anderson threatened, "we will also want to take Mauzy's deposition. You should advise him that we will press perjury charges against him if he fails to tell the truth (about leaks to the press) under oath."

Later in the letter, Anderson compared Mauzy to Senator Joseph McCarthy. Anderson said later he was trying to point out to Fraser that Mauzy used McCarthy's tactics of overestimating the threat, continually changing figures and names of those involved.

Anderson also attacked the subcommittee for singling out Pak Bo Hi as having been cooperative with the KCIA and compared it to McCarthy's attack on "the Army as Communist-tainted because it once promoted an obscure dentist, named Dr. Irving Peress, whom McCarthy regarded as pro-Communist."

Anderson said the bank asked both Pak Bo Hi and the South Korean embassy here about the charges, and both denied any affiliation with the other.

Anderson said he was also disturbed by what he considers to be unfounded suspicions of the Fraser subcommittee. In his letter, he cites the case of Neil A. Salonen, president of the Moon's Unification Church in the United States.

"You contend that he works without pay as a missionary for Moon," the letter said. "You cannot understand, therefore, how he could afford a \$30,000 subscription in the Diplomat National Bank. We put the question to him, as you have consistently failed to do before subjecting these people to national publicity. He persuaded us that his family was wealthy and that his investments came out of his own reserves."

However, Salonen, in a phone interview, said that no representative of Jack Anderson or of the bank had ever called him. He also said his family is not wealthy. He did say, however, that the money he used to buy bank stock did not come from funds provided by Moon, Pak or the Unification Church.

According to Fraser, Anderson called him after sending the two letters and, in an otherwise friendly conversation, threatened to use his nationally syndicated column to discuss the subcommittee's harassment of the bank unless Fraser restrained Mauzy.

"He said he might have to take it up

in his column," Fraser said. "He was not more explicit than that, but from the context it was clear that he wanted Mauzy stopped." Fraser said he defended Mauzy at the time and continues to believe that Mauzy has acted responsibly.

Anderson denied Fraser's charge, saying that he recently rated Fraser one of the ten best congressmen. "I will not permit anybody to use the column to blackmail or to browbeat or to further their own personal interest whether they be financial political," Anderson added.

Anderson emphasized in an interview that he has only the minimal \$2,000 investment in Diplomat National Bank required by the Comptroller of the Currency for founding board members. He said he intends to donate even that small interest to an Asian-American charity when he leaves the board.

His desire, he said, has been only to help Asian-Americans found their first bank.

Anderson and other bank officials who asked not to be identified have asked stockholders connected to Park, Moon or Pak to sell out so that the bank could avoid further detrimental publicity. While most of those approached have agreed to sell, according to bank sources, Neil Salonen of the Unification Church and some others have either refused to sell or asked for a larger profit before they will sell.

One Diplomat National Bank transaction likely to draw federal scrutiny is a \$100,000 loan it made to the Korean Culture and Freedom Foundation, which is headed by Pak Bo Hi. The foundation is itself under federal investigation. A bank official noted, however, that the loan, which had to be approved by the bank's board of directors because of its size, was perfectly in order.