

# McFall Admits He Got Cash from Park

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pletely accounted for by financial books kept by Barnes. However, McFall refused to make those or any other records available to The Post.

A law making it illegal for congressional candidates to accept campaign contributions from foreign nationals did not take effect until Jan. 1, 1975. According to a deputy House clerk, congressional office accounts are not official government accounts and can contain money from any source. If a congressman uses any of the money for personal purposes, he must report it on his income tax return.

McFall said he received the money from Park in October, 1974, when a South Korean named Kim, who McFall knew worked for Tongsun Park, arrived at McFall's office and gave Barnes a sealed envelope that contained the \$3,000 in hundred-dollar bills. According to McFall, Barnes called the congressmen and said, "We got a contribution."

McFall said he did not send Park a thank-you note, as he normally would do in return for a campaign contribution, but he said he thanked Park personally for the money at a December, 1974 birthday party Park gave for House Majority Leader Thomas P. (Tip) O'Neill (D-Mass.). McFall said he did not discuss with Park—either then or at any other time—why Park sent him the money.

The Washington Post first learned four weeks ago from an associate of Tongsun Park about the money Park gave to McFall. When two reporters made separate calls to McFall's office about it, before Tuesday's election, Barnes denied that McFall had received any money from Park. Barnes said then that he was certain he would not accept any money offered as a campaign contribution in a federal building because it was illegal to do so.

According to Barnes, "McFall is somewhat unique; he is his own campaign treasurer." McFall himself did not return reporters' telephone calls at that time.

On Wednesday, following his reelection, McFall told a reporter for the Modesto (Calif.) Bee about the money and then told a Post reporter who called the congressman about it yesterday, "I know you're angry because you didn't find out before the election."

McFall said he had not been questioned by the FBI about the incident. According to informed sources, the FBI learned of the transaction from a former Tongsun Park employee only three weeks ago. The former Park em-

House majority whip John J. McFall (D-Calif.), who ranks third in the House Democratic leadership, admitted yesterday that he received \$3,000 in hundred-dollar bills from Washington-based South Korean businessman Tongsun Park in October, 1974.

Before McFall was re-elected Tuesday to his 11th term in Congress, his administrative assistant, Raymond F. Barnes, speaking for the congressman, twice denied to Washington Post reporters that McFall had received money from Park.

Yesterday, McFall himself said the money from Park was unsolicited and was put into McFall's congressional office account, which is used for buying stationery and office supplies, printing newsletters and the like.

"I don't know what (the \$3,000) was for," McFall told Washington Post re-

porters yesterday. "It came about campaign time. I was under the impression that it was illegal to accept a contribution from a foreign national, so I put it in my office account.

"I'm not being bribed. I handled it legitimately."

At least 22 present and former congressmen are currently under federal investigation of allegations that they and other U.S. officials were given cash, campaign contributions, jewelry, furniture, vacations and other gifts by Tongsun Park and other agents of the South Korean government to influence U.S. attitudes toward the regime of President Park Chung Hee.

McFall said that \$2,400 of the cash from Park was deposited in his office checking account and the other \$600 was divided between the petty cash funds of his congressional office and his House whip office.

He said the money can be com-

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ployee characterized the cash gift as "Park's typical way of doing business."

McFall also said yesterday that within the last three months, a South Korean legislator "handed me a box. There was some kind of funny looking watch in it, a digital one, I think. I think I still have it somewhere."

McFall said he thought the watch was worth "about \$25" and he had not considered returning it to the South Korean embassy. "Should I have? I'll turn it over to Henry Kissinger if you want me to."

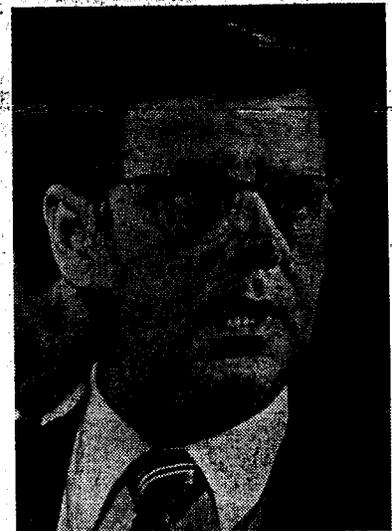
McFall said he first met Tongsun Park when Park became involved in

purchasing California rice for South Korea. McFall's district includes a portion of California's rice fields.

Federal investigators have information that Park's commissions from rice deals have been one of the sources of the money for his gifts and Park who has been interviewed by the lavish entertaining for congressmen and other officials.

It could not be learned why McFall thought that the name of the man who delivered the \$3,000 from Park was "Kim." The former associate of Park who has been interviewed by the FBI about the transaction, and whose name is not Kim, told The Washington Post that he was the person who delivered the money for Park to an aide in McFall's office.

The Park associate, a Caucasian



JEROME WALDIE  
... confirms report

who said he did not want his name used for fear of reprisal, said he was chosen to run the errand because the Park employee who usually did such things was not available.

The former Park associate said he watched Park wrap money in a piece of paper and then stuff it into an envelope. Park told him to deliver it to McFall's office, the former Park associate said.

The former Park associate has told the FBI that the Park employee who was supposed to take the money to McFall's office was B. Y. Lee, an employee of Park's Pacific Development Inc., at 1604 K St. NW.

Lee's brother-in-law, Steve Kim, has been identified by U.S. officials as a Korean Central Intelligence Agency agent now stationed in Mexico City. When Kim attended the December, 1974 birthday party that Tongsun Park gave for House Majority Leader O'Neill, his plane reservations were made by Tongsun Park's office and he was chauffeured from the party to his Watergate Hotel room in Tongsun Park's limousine, according to sources involved in the events.

According to U.S. intelligence reports, KCIA agents have aided Tongsun Park in his efforts to influence U.S. congressmen and other officials.

In a related development yesterday, former Rep. Jerome R. Waldie verified a Washington Star report that then South Korean ambassador Kim Dong Jo contributed \$2,000 to Waldie's unsuccessful 1973 race for California governor.

Waldie, who is now administrative assistant to the president of the National Association of Letter Carriers in Washington, noted that the donation was by personal check, was legal, and was reported at the time in campaign records and in the press.

Waldie said he got to know the former ambassador when he asked the South Korean embassy to help a constituent who was convicted of murder while serving as an Army sergeant in Korea in 1970. After serving four years of a life sentence, the soldier was released.

Waldie said he never received cash from Ambassador Kim or anyone else representing the Korean government. He did attend parties at the South Korean embassy, he said and his wife once received a Korean gown from Ambassador Kim's wife as a gift.

In testimony before a House subcommittee last year, a former South Korean embassy official said that he had witnessed then Ambassador Kim "stuffing hundred dollar bills" in about two dozen envelopes for delivery to Capitol Hill in early 1973.

The former South Korean official,

Lee Jai Hyon, sought asylum in the U.S. and is now a journalism professor in Illinois. He did not identify any of the recipients of the cash from the South Korean embassy.

Kim Su Doc, director of the South Korean embassy's information office, said yesterday that he didn't think Lee's allegation "deserves any kind of comment."

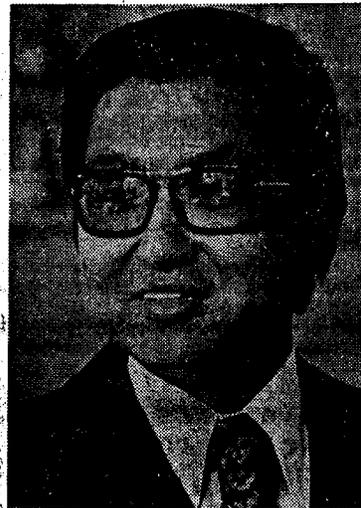
He did say that the former ambassador, who returned to Seoul in December, 1973, cabled the embassy yesterday about news reports of the \$2,000 Waldie contribution. "He said it was for a fund-raising dinner in San Francisco, that he bought two tables at \$100 a plate," information officer Kim said.

The Washington Post reported last month that the Justice Department investigation of alleged cash payments and gifts by the South Koreans was focusing on Reps. Joseph P. Addabbo (D-N.Y.), Robert L. Leggett (D-Cal.), Otto E. Passman (D-La.) and former Reps. Cornelius Gallagher (D-N.J.) and Richard Hanna (D-Calif.).

Later reports indicated the federal investigators also were examining the campaign finance reports of Waldie, and Reps. William S. Broomfield (R-Mich.), John M. Murphy, (D-N.Y.) Lester L. Wolff (D-N.Y.) and Tennyson Guyer, (R-Ohio).

Rep. John Brademas (D-Ind.) said last week that he received \$4,650 in contributions from Tongsun Park in 1972 and 1974. The donations were legal at the time and were reported, he said.

Former Rep. Edwin Edwards (D-La.), who is now governor of Louisiana, also admitted that his wife, Elaine, had accepted \$10,000 in cash from Tongsun Park in 1973 during Edwards' campaign for governor.



**TONGSUN PARK**

Gifts investigated

As majority whip, the 58-year-old McFall has been the No. 3 man in the outgoing Speaker Carl Albert of Oklahoma and Majority Leader O'Neill.

With O'Neill expected to move up to Speaker when the new Congress convenes in January, McFall is among four men campaigning to be the new majority leader. Reps. Richard Bolling of Missouri and Phillip Burton of California are considered the favorites over McFall and Rep. Jim Wright of Texas in that race.

McFall has represented his large district east of San Francisco since 1957. He is a member of the influential defense appropriations subcommittee.