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2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT  
No. 95-1817

KOREAN INFLUENCE INVESTIGATION

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REPORT

BY THE

COMMITTEE ON STANDARDS

OF

OFFICIAL CONDUCT

(Pursuant to H. Res. 252)

WITH ADDITIONAL VIEWS



DECEMBER 22, 1978.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## FOREWORD

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On December 4, 5, and 6, 1978, a quorum being present, the Committee on Standards of Official Conduct met in executive session to review a draft of this report. On December 5, 1978, the committee tentatively approved this report, as amended, by a vote of 7-0. On December 6, 1978, the committee finally approved the report, as amended, by a vote of 8-0 subject to further review and corrections to be made by the chairman and the ranking minority member of the committee. The report as so reviewed and corrected follows:



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# Union Calendar No. 951

95TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
*2d Session* } No. 95-1817

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## KOREAN INFLUENCE INVESTIGATION

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DECEMBER 22, 1978.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. FLYNT, from the Committee on Standards of Official Conduct, submitted the following

## REPORT

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## I. INTRODUCTION

On February 9, 1977, citing "information" alleging "that Members of the House of Representatives have been the object of efforts by . . . the Government of the Republic of Korea [ROK] to influence the Members' official conduct by conferring things of value on them," the House of Representatives unanimously adopted House Resolution 252.<sup>1</sup> House Resolution 252 imposed three obligations on this committee. First, it directed the committee to conduct a "full and complete inquiry and investigation" into the allegation set forth above that Members of Congress accepted things of value from the ROK Government. Second, it directed the committee to make "findings, conclusions and recommendations" with respect to the adequacy of the existing rules of conduct to prevent actual and apparent exertion of improper influence by foreign governments on Members of Congress. Third, it directed the committee to report its recommendations to the House of Representatives regarding disciplinary action to be taken against any Member of the House of Representatives found, as a result of the investigation, to have violated any applicable standard of conduct.

Although there was, at the time of the adoption of House Resolution 252, already an ongoing investigation by the Department of Justice into the allegations of influence buying by the ROK, the reasons for its adoption are manifest. Certain Members of the House of Representatives were the objects of the allegations and the integrity of the House of Representatives had been publicly questioned. This committee viewed House Resolution 252 as an attempt by the House of Representatives to establish that it has the will to conduct a thorough and uninhibited investigation of itself and to judge and discipline its Members where warranted.

Thus, in addition to conducting the Korean influence investigation and fulfilling the tasks assigned to it under House Resolution 252, the committee believed that it had a second responsibility, namely, to establish that the House is serious about the very unpleasant but extremely important job of self-investigation and self-discipline. The results of the committee's efforts are set forth in this report.

### A. THE INVESTIGATION

In parts II through VI of this report, the committee sets forth the results of its investigative task.

#### *Structure*

In order to insure that its own investigation would be thorough and impartial in both appearance and fact, the committee adopted, on February 8, 1977, a resolution—contingent on the adoption by the House of House Resolution 252—under which the investigation would be conducted by an outside independent special counsel and a special

<sup>1</sup> H. Res. 252 is set forth in its entirety as exhibit 1 of this report.

staff picked by the special counsel himself.<sup>2</sup> The committee retained as special counsel, Philip Lacovara, of the firm Hughes, Hubbard & Reed. Mr. Lacovara previously had acted as counsel to the Special Prosecutor during the Watergate investigation and had been tentatively employed by the chairman and ranking minority member in the fall of 1976.

Mr. Lacovara recruited a special staff of attorneys, investigators, and support staff to carry out the Korean influence inquiry investigation.

He was given total independence in his selection of staff. To supervise the work of this staff, Lacovara appointed John W. Nields, Jr., senior law clerk to Supreme Court Justice Byron White and former Chief of the Civil Division of the Office of the U.S. Attorney, Southern District of New York. In addition, five other attorneys, nine investigators, three paralegals and seven secretaries were hired. The attorneys and investigators appointed to the special staff were experienced in law enforcement, financial investigations, and congressional investigations. Special staff investigators came largely from federal law enforcement agencies and local units investigating official corruption.

On July 15, 1977, Philip Lacovara resigned as special counsel. On July 19, 1977, the committee retained as the new special counsel, former Watergate Special Prosecutor Leon Jaworski. Mr. Jaworski brought with him as Deputy Special Counsel Peter A. White, a member of the firm of Fulbright and Jaworski. John W. Nields, Jr. remained as chief counsel directly in charge of the daily conduct of the investigation. The entire special staff recruited by Lacovara remained with the committee. During this change, the work of the special staff continued without interruption.

### *Methods*

At the outset of the investigation, the information available to the staff consisted of diffuse and unspecific press reports that the Korean Government had adopted plans to influence Congress through three private citizens of Korean extraction, Tongsun Park, Hancho Kim, and Suzi Park Thomson, and through direct payments from ROK Embassy officials in Washington, D.C. In order to give the investigation more focus, attempts were made at the outset to determine the scope of efforts by the Government of the Republic of Korea to influence Members of Congress. There were two possible sources of information concerning the scope of such efforts: the ROK Government and the U.S. Congress.

The committee had no access to the officials of the ROK Government at the outset of the investigation, and it was determined that the most fruitful way to gather information about the outlines and scope of any lobbying effort would be to canvass both present and former Members of the House of Representatives. Thus, the committee issued a questionnaire to each person who served as a Member of the House of Representatives since January 3, 1970. The questionnaire inquired about a variety of contacts with representatives of the ROK, including the offer or receipt of gifts of over \$100 in value. Specific questions were asked about contacts with five individuals: Tongsun Park, Suzi Park Thomson, Kim Dong Jo, Hancho Kim, and Kim Sang Keun.<sup>3</sup>

<sup>2</sup> This resolution is set forth in its entirety as exhibit 2 of this report.

<sup>3</sup> In this report, Korean names are written as they would be in Korea, namely last name first, except for those individuals who have adopted the American style.

The questionnaire inquired about innocuous contacts, such as attendance at parties hosted by the named individuals and travel to Korea, as well as about gifts of substantial value. An accompanying letter explained that the purpose of the questionnaire was not only to learn of any improper activities, but to determine the extent of Korean lobbying activities, including legal activities.<sup>4</sup>

The response by the Members to this questionnaire was viewed as an important first test of the willingness of the entire House to give assistance and support to the investigation, and to participate in self-investigation. Notwithstanding the resulting inconvenience to the Members, the questionnaire, or a followup set of interrogatories, was answered by every sitting Member of the House except one, Representative Henry B. Gonzalez of Texas.

The committee also sought information at early stages of the investigation from other branches of the Federal Government: the Department of Justice, the Department of Agriculture, the Department of the Treasury, the Department of State, and agencies in the intelligence community. However, the committee operated on the assumption that it would only be satisfied with its work if it did the actual investigating itself. Thus, with rare exceptions, the committee utilized information received from other agencies for lead purposes only. Research was conducted on legislation of interest to the ROK Government. Individuals who were knowledgeable about the activities of Tongsun Park, Hancho Kim, Suzi Park Thomson, and officials of the ROK Government in Washington, D.C., and who were subject to the committee's jurisdiction were interviewed and deposed.

Information gathered in this manner persuasively demonstrated that a scheme or schemes had existed under which the Government of the Republic of Korea had attempted to influence Members of Congress. The committee held hearings disclosing this information on October 19, 20, and 21, 1977. The hearings did not identify the Members who at that time appeared to have been the targets of the scheme.

The committee then began to focus its investigative efforts on specific Members of Congress who, for a variety of reasons, appeared to have been likely or actual targets of ROK influence efforts. Most of these individual investigations centered on sitting Members of Congress. Some former Members who appeared to be important elements in a ROK scheme, however, were also investigated. The committee had no jurisdiction to discipline these former Members, but the obtaining of information about their roles was necessary to an understanding of the influence scheme, particularly as it related to Tongsun Park.

Then in January 1978, the Department of Justice questioned Tongsun Park in Seoul, Korea, about his activities involving Members of the Congress of the United States. Information obtained from Park in Seoul was made available to the committee. In March 1978, Park traveled to the United States pursuant to an agreement among the U.S. Department of Justice, this committee and the ROK Government and was questioned by the committee under oath in executive session. In April 1978, the committee held open hearings at which Park was questioned again. He described payments to a number of Congressmen. Richard Hanna, a former Member of Congress to whom Park gave

<sup>4</sup> A copy of the questionnaire and the letter which accompanied it are attached to this report as exhibits 3 and 4.

substantial sums of money, also testified. Corroboration of Park's testimony was provided by ledgers and other documents, some of which had been removed from Park's home by Federal agents during his absence from the country, and by other witnesses who testified about Park's activities and about the activities of the Members of Congress to whom he had paid money.

The investigation was far flung, thorough and unimpeded; 718 witnesses were interviewed. Depositions under oath were taken of 165 persons, of which 25 were depositions of sitting Members of Congress, and 10 were depositions of former Members. Over 40,000 documents were obtained, most of them by subpoena. The committee authorized the taking of 19 depositions under grants of immunity, 11 of these depositions were in fact taken.

The committee pursued its investigative task much as does a grand jury. Initially, evidence was gathered and evaluated in executive session. Only after the committee finished a portion of its work was its information made public. Thus, publication of suspicious but unreliable information was avoided, as was publication of irrelevant matters. In the committee's judgment, this method also improved its ability to obtain information from reluctant witnesses.

The investigation was substantially facilitated by a provision of House Resolution 252 which authorized the committee to take depositions before a single member of the committee. See, House Resolution 252 section 4(a)(1)(A). This permitted the committee to avoid the normal requirement of two member quorums for the taking of testimony and the requirement of seven member quorums for going into executive session. The committee believes that in light of the number of depositions taken and the other business which members of the committee had to conduct during this investigation, section 4(a)(1)(A) was essential to the conduct of the investigation. In part VII of this report, we recommend that this become a part of the Standing Rules of the House applicable to the Committee on Standards of Official Conduct.

Evidence relating to the overall activities of the ROK Government, Tongsun Park, and to the four Members of Congress against whom charges were filed, was eventually presented in open session. The committee's responsibility to present the facts uncovered by the investigation to the public and to publicize evidence of misconduct made this essential.

### *Results*

The investigation established that the early press reports of involvement of up to 115 Members were greatly exaggerated. The efforts made by the ROK were substantial, however. The committee finds that the ROK Government adopted at least three plans the purpose of which was to influence Members of Congress through payments of money. Two were to utilize private individuals of Korean extraction—Tongsun Park and Hancho Kim. The third was to be carried out by ROK Government officials stationed in Washington, D.C.

The committee reports that the investigation into the implementation of the plan involving Tongsun Park has been completed. It is described in part II of this report. While it is impossible to know with certainty whether Mr. Park withheld information about payments as to which the committee has no evidence, the judgment of the committee is

that Tongsun Park's testimony relating to his payments to sitting and former Members was substantially true and complete.

The results of the investigation into the implementation of the plan involving Hancho Kim is described in part III of this report. The committee found convincing evidence that Mr. Kim received \$600,000 from the ROK Government for this purpose. The committee found no evidence, however, that any of this money was actually paid to any Members of Congress; and it has some evidence that the money paid to Kim was put to his personal use. The investigation relating to Hancho Kim, however, is incomplete. Although Kim answered questions relating to his contacts with Members of Congress, he refused even after he was granted immunity to answer questions relating to whether he received the \$600,000 from the KCIA.<sup>5</sup> Without an admission or denial by Mr. Kim that he received the money and an explanation of what he did with it, this aspect of the investigation remains somewhat unsatisfactory and incomplete.

The results of the investigation into the implementation of the plan involving officials of the ROK Embassy is described in part IV of this report. The committee must also report that while this aspect of the Korean Influence Inquiry is incomplete, the committee has done everything possible to obtain the information and complete the investigation. The committee has information indicating that representatives of the ROK Embassy in Washington, and other officials of the ROK Government offered to make and made large gifts of money to Members of Congress. However, the committee has been unable to obtain the cooperation of the Government of the Republic of Korea in investigating allegations relating to its official representatives in Washington, D.C. Testimony has been obtained from none of them.

The committee, through its chairman and ranking minority member, the chief counsel and the efforts of the Speaker and minority leader of the House, has done everything feasible to obtain from the ROK Government the cooperation necessary to determine the truth with respect to charges that ROK officials made offers and gifts of cash to Members of Congress. In the absence of such cooperation, the committee reluctantly reports that these allegations remain unresolved.

The committee also investigated allegations that Suzi Park Thomson, a congressional staff member of Korean extraction, was utilized by the ROK Government as an agent of influence. The committee finds that she was used by the ROK Government. However, the committee has found no hard evidence that she was involved in arranging or making illegal payments of money to Members of Congress. The results of the investigation with respect to Ms. Thomson are set forth in part V of this report.

Finally, the committee investigated allegations that trips to Korea were used in the ROK lobbying effort and that such trips may have constituted improper gifts from a foreign State. The results of this aspect of the committee's investigation are set forth in part VI of this report.

In summary, the investigation conducted by the committee convincingly establishes that the allegations on which House Resolution 252

<sup>5</sup> As a result, the House referred a contempt of Congress prosecution against Mr. Kim to the Department of Justice.

was predicated are true. The ROK caused money to be paid to Members of Congress. The investigation is, however, incomplete. Key witnesses are beyond the jurisdiction of the Congress; and some recipients of ROK money remain unidentified.

The committee believes, however, that the investigation was an exceptionally thorough one. It involved direct investigation of a large number of present and former Members. It was carried on in a professional manner with little or no resistance from or interference by the House of Representatives or its Members. To the extent that it failed, the committee does not believe that the failure resulted from any unwillingness of the House to investigate itself.

#### B. ADEQUACY OF EXISTING LAW: RECOMMENDATIONS

Part VII of this report contains the committee's findings, conclusions and recommendations with respect to the adequacy of the present rules of conduct. A modest change is recommended. In the main, however, the committee finds that those rules as they presently exist are adequate and that our failures result not from loopholes in the laws which permit undue foreign influence in Congress, but from our inability to obtain all of the facts because of circumstances beyond the control of Congress.

#### C. DISCIPLINARY RECOMMENDATIONS

Part VIII of this report contains a description of the disciplinary recommendations which were made by the committee based on the facts uncovered in the course of its investigation and the manner in which the House acted on such recommendations.

The House voted disciplinary sanctions—that is, a reprimand—in each case in which the committee found misconduct and recommended punishment. Thus, the House formally acted in a manner which expressed its disapproval of colleagues whose conduct departs from the standards applicable to Members. However, the House declined to impose a more severe sanction on one Member with respect to whom a more severe sanction was recommended by the committee. [This Member, Representative Edward R. Roybal, had been found to have deliberately lied under oath to the committee—thus committing an act for which he could be imprisoned for up to 5 years if prosecuted by the Department of Justice and convicted. The House rejected the committee's recommendation that he be censured.]

Further, during debate in the House on October 13, 1978, the committee encountered criticism of it and its work which can be fully appreciated only by those who were present. Some criticism quite properly pointed out shortcomings in the committee's efforts adequately to communicate to the Members of the House the facts it had found and the reasons for its recommended punishments. The committee recommends some rule changes to prevent similar failures in the future.

The Committee on Standards of Official Conduct can only function properly with the confidence and support of the full membership of the House. The Members of the House must view themselves not as targets of the committee but as its deputies in a shared effort. The committee does not believe that another Committee on Standards of Official Conduct should attempt the task of carrying on the effort at self-discipline unless the House acts unequivocally to express its sup-

port. Thus, we recommend the following provision be added to the Code of Official Conduct:

It shall be the duty of every Member, officer and employee of the House of Representatives who becomes aware of any violation or any evidence of a violation of a provision of the Code of Official Conduct or any other standard of conduct to report such violation or evidence thereof promptly in writing to the Committee on Standards of Official Conduct.



## II. TONGSUN PARK

### A. INTRODUCTION

When the investigation began, Tongsun Park was not subject to the jurisdiction of the committee. There was considerable doubt whether he ever would be available to testify and even more doubt whether his testimony, if obtained, would disclose the whole truth regarding his payments to Members of Congress. In the early phases, therefore, the investigation consisted of interviewing all of Park's employees, business associates and major congressional contacts; and obtaining records which would reveal a total picture of Park's finances. A vast amount of information was obtained demonstrating the existence of a plan under which Park would use money, earned as commissions on purchases of rice by the ROK, to pay Members of Congress. Information was gathered indicating that Park knew certain Members of Congress, that some had helped him in his efforts to become the middle man in the rice purchases, and that some had helped him in efforts to lobby for the ROK. Also a fairly complete picture of his finances was developed establishing the availability to him of large quantities of cash. There was, however, little first hand information regarding the actual transfer of cash from Park to Members of Congress and there would never have been such information if Park had remained unavailable to the committee as a witness. However, in January 1978, following intensive efforts by the Department of Justice, the Department of State, and this committee, which are recounted in further detail in Part IV C(2) of this report, the ROK Government agreed to produce Park in this country for testimony before this committee. In March 1978, Park did testify in executive session, and in April 1978, he testified at a public hearing. In September, 1978, Park gave public testimony in three of four disciplinary proceedings which had been brought against sitting Members of Congress of his earlier testimony.

It is the judgment of the committee, based on a study of Park's testimony, his demeanor, the manner in which Park's testimony is supported by the documentary and other evidence gathered in the earlier phase of the investigation, and the fact that Park willingly testified to some transactions of which the committee had no previous information, that with respect to payments to Members of Congress Park's testimony was substantially truthful and complete. On the question whether Park, in making payments to Members of Congress, was acting as part of a plan adopted by the ROK Government to influence Congress in its policies toward the ROK, the committee does not believe Mr. Park's testimony was substantially truthful and complete. Park studiously denied any discussion with any ROK Government official of his payments to Members of Congress; he denied that he agreed to use the commissions earned on rice purchases by the ROK to pay Congressmen or to make contributions to their campaigns, and he

denied that he reported to ROK officials with respect to such payments or campaign contributions.

The committee finds, based on both direct and extremely convincing circumstantial evidence, that Park's testimony regarding the relationship between the ROK Government and his payments to Congressmen is false. The committee finds that Park proposed a plan to the ROK Government under which the ROK Government would force U.S. rice sellers to name Park as their agent in connection with rice purchases by the ROK; under which Park would then earn very large commissions on such purchases (in fact amounting to over \$9 million during the period 1969-75); and under which he would give part of the proceeds to Members of Congress so that they would become supporters of Korea on important issues such as military and economic aid. The committee finds that on two occasions—once in 1968 and again in 1972—Park persuaded the Director of the KCIA to adopt such a plan and to cause Park to become the agent on such rice purchases. The committee finds that Park received the commissions, gave part of the proceeds to Members of Congress and made reports to the ROK Government detailing money given to such Members. However, the committee finds that on these reports Park exaggerated the number of the Congressmen to whom he gave money and minimized the amount that he gave a few key Congressmen who were helping him in his efforts to become rich on rice commissions. Although Park to some degree made efforts to influence Congress on legislation affecting the ROK and undoubtedly made some payments in part for that purpose, it appears that he was far more interested in paying Congressmen who would help him maintain his status as a rice agent rather than help the ROK on legislative issues affecting it.

Section B of this part of the report will deal with the circumstances surrounding the formulation and adoption of the plan described above and the relationship of Park to the ROK Government. Section C will deal with Park's relationships with and payments to Members of Congress, focusing on the large payments to those key Congressmen who helped him obtain his position as rice agent, and who were in key positions to influence legislative decisions regarding military and economic aid to the ROK.

#### B. THE ADOPTION OF THE LOBBYING PLAN AND THE RELATIONSHIP OF TONGSUN PARK TO THE ROK GOVERNMENT

Prior to his appointment in 1968 as agent for the sale of U.S. rice to the ROK, Tongsun Park was by his own admission, a "struggling businessman" in the United States. See "Hearings on the Korean Influence Investigation Before the Committee on Standards of Official Conduct," 95th Congress, second session, part 2, April 3, 4, 5, 10 and 11, 1978, p. 35, hereinafter referred to in the form (H<sub>2</sub> 35). Although the committee has heard testimony that he had inherited substantial wealth in Korea, Korean currency laws prevented him from taking his wealth outside Korea. A financial investigation done by the special staff revealed that, in 1968, Park was in debt and almost insolvent in this country. Indeed, even the George Town Club during the early years was losing money.

In late 1967, Park devised a proposal for cooperation between himself and the ROK Government. It was this scheme that eventually

made him a wealthy man in the United States, and also enabled him to meet and influence important political figures.<sup>1</sup>

Park was aware that, in the year 1968, Korea needed to import substantial quantities of rice in order to feed its people. He also knew that it had decided for the first time that the rice would be imported and purchased by a Government agency—Office of Supply of the Republic of Korea (OSROK)—and not by private companies as had been done previously. Park was further aware that the United States grew and produced more rice than it consumed, that Congressmen in rice growing districts in this country had a keen political interest in finding a market for their constituents' surplus rice and that under Public Law 480 money would be loaned by the United States on favorable terms to foreign governments so that they would purchase the excess rice. Park saw in this a business opportunity for himself—a Korean living in the United States who had contacts in Government in both the buying and selling countries—and a chance to help his country obtain military and economic aid. He decided to encourage Korea to buy its rice from the United States and to attempt to become a middleman in connection with such purchases. It was Park's concept, which he later reduced to writing in a Korean language plan found in his house, entitled "Plan for Korea's Foreign Policy Toward the United States" and marked in Park's handwriting "Prepared by TSP", (H<sub>2</sub>, 1005) that his plan would help Korea in two ways—first, Congressmen whose constituents grew rice would be grateful to the ROK for buying the surplus; and second, the Congressmen would further be grateful to the ROK if commissions on such purchases were given back to the Congressmen by Park as campaign contributions. Park considered himself to be in a position to make the contributions as a result of his friendships with Congressmen and his social activities through the George Town Club.

Park's initial move was to seek assistance from his friend Representative Richard Hanna, then a Member of the House of Representatives representing the 34th District of California. Hanna was at that time uniquely well situated to provide such assistance. He had become interested in Korea prior to becoming a Congressman as a result of his participation in a "sister cities" program; had considerable contact with Korea as a Congressman before meeting Tongsun Park; and had met several Korean officials while in Korea (H<sub>2</sub> 231). Hanna and Park met in 1966 (H<sub>2</sub> 230) and became close friends in 1967. By 1968 Hanna's interest in Korea had increased and from then until he retired

<sup>1</sup> Park had made at least one prior effort to establish a relationship with the ROK Government. According to the testimony of then ROK Central Intelligence Agency Director Kim Hyung Wook, Park approached him in 1967 with a proposal that the ROK Government should deposit large sums of its currency in this country in banks designated by Park, in return for which these banks would lend money to Park to keep the George Town Club afloat. Kim testified that Park claimed that in return he would use the Club to win influential friends for the ROK in the United States. See "Hearings on the Korean Influence Investigation Before the Committee on Standards of Official Conduct," 95th Cong., 1st sess., part 1, October 19, 20 and 21, 1977, pp. 106-107, hereinafter referred to in the form (H<sub>1</sub> 106-107).

Officials of banks in the United States have confirmed that Tongsun Park did approach them with requests for loans for the George Town Club in 1967, claiming that large deposits of ROK Government funds would be withdrawn or deposited at the banks, depending on whether the banks would agree to make loans to Park. In no case, however, was any loan made, although General Kim testified that he recalled being told that the funds were transferred and the loans made as Park requested. (Memorandum of interview with E. Anthony Newton and James B. Warden, officers of Philadelphia National Bank dated July 26, 1977.)

Kim also testified that he later arranged, at Park's request, to have funds held by Park transferred out of Korea in contravention of Korean currency laws, for the benefit of the George Town Club. (H<sub>1</sub> 106-108.)

from Congress he gave advice to certain officials in Korea about the importance of the role of Congress in the United States Government and the need for Korea to improve its lobbying efforts. The Korean officials were anxious to receive this advice because Korea was very dependent upon U.S. military and economic support, and they were anxious about the attitude which the incoming Nixon Administration would take toward Korea. Hanna and Park discussed Park's plan and Hanna informed various officials over a period of time that Korea should purchase products produced by businessmen in specified congressional districts—thereby making the Congressmen in those Districts friendly toward Korea. He also told them that campaign funds should be routed to Congressmen through people "associated" with Korea. (H<sub>2</sub> 233-237)

More specifically, in August 1968, Park asked Hanna to go with him to Korea to help him obtain a position as agent in the impending purchase of rice by OSROK. Park offered Hanna a share of the proceeds of the commissions if they were successful in obtaining them. Park arranged a meeting among himself, Hanna and General Kim Hyung Wook, the Director of the Korean Central Intelligence Agency. Park's mentor in the ROK was a family friend, Chung Il Kwon, the Prime Minister of ROK. Through Chung's efforts, the meeting was arranged. Before the meeting, Park asked Hanna to emphasize that Park had many congressional friends and considerable influence in Washington, D.C., and to tell General Kim that he would be better able to take advantage of his contacts in Washington for the benefit of Korea if he had more money, and indeed that he would use part of the commissions received on any rice sales to make campaign contributions to Congressmen. (H<sub>2</sub> 238-243)

According to Hanna's testimony, Hanna first told General Kim at the meeting that it would be in the ROK's interest to buy rice from California rather than from Japan.<sup>2</sup> Hanna then emphasized that Park had contacts in Washington, would be a good agent on such a purchase, that he was anxious to help his country and that Park intended to use part of the commissions earned as a rice agent to make campaign contributions. (H<sub>2</sub> 240-242)

General Kim himself appeared as a witness before the committee. He had fallen out of favor with the Park Chung Hee administration in 1972 and left Korea for this country in "something of a hurry." (H<sub>1</sub> 103) He has lived here ever since. Kim gave the following version of the August 1968 meeting:

"[Hanna] said that Korea was to purchase rice from United States; and he said Mr. Hanna wanted Korea to buy rice from his district.

Then Mr. Hanna told me that his State was California and California produces a lot of rice and should Korea buy rice anyway, he said he wanted Korea to buy rice from his State.

I told him since I was not familiar with rice transaction, I said I would look into the matter. . . . He said once Mr.

<sup>2</sup> There was another important factor which caused Korea to buy United States rice. Favorable financial terms were made available by Public Law 480 (7 U.S.C. 1701 *et seq.*) This law allowed foreign countries to buy various agricultural commodities with little or no down payment; at interest rates lower than otherwise available; and with said loans not repayable for many years.

Tongsun Park is appointed as a middleman, he could earn some money in terms of commission.

Then he said once that is done, he, together with Mr. Tongsun Park, would distribute that money among U.S. Congressmen and have them help Korea's cause.

I then promised I would look into the matter and I would let them know." (H<sub>1</sub> 110)<sup>3</sup>

General Kim then prevailed upon Kim Won Hee, Administrator of OSROK, to buy rice from California and to insist that the California sellers retain Park as their agent. (H<sub>1</sub> 111)

In the meantime Hanna took Park to meet Joseph Alioto, mayor of San Francisco, counsel and former president of the Rice Growers Association (hereinafter RGA) of California, the seller of U.S. rice to the ROK. Hanna and Park tried to persuade Alioto that the ROK Government was dissatisfied with RGA's agent for rice sales to the ROK, and that RGA should retain Tongsun Park. Alioto and RGA first rejected this proposal, but were later forced to agree to use Park as RGA's agent when it became clear that the ROK Government, as represented by General Kim and OSROK, would otherwise refuse to negotiate on the rice purchase. (H<sub>1</sub> 123-150)

Park received \$200,000 in commissions in 1969 and in excess of \$500,000 in 1970 on rice purchases negotiated through him. (H<sub>2</sub> 34) In 1970 he contributed by checks, in amounts ranging from \$100 to \$1,000, to the campaigns of 20 Congressmen.<sup>4</sup> In addition, cash campaign contributions of \$5,000 to Hanna, \$5,000 to William Minshall, \$2,000 to John Rooney, and \$13,000 to Cornelius Gallagher were also made in 1970, according to Park and his contemporaneously maintained ledger.<sup>5</sup> (H<sub>2</sub> 21-31)

On November 5, 1970, Hanna wrote to the then-KCIA Director Kim Kae Won as follows in part:

It was an incident of some significance to have our mutual good friend Tongsun Park visit my district to bring greetings, encouragement and some needed assistance to our efforts. We certainly appreciated the thoughtfulness and the support. *It is our understanding that Tongsun has been helpful to other of our friends in Congress. Such efforts should assure a warm consideration and a high regard for the programs which mean much for the future relations of our two countries.* (Emphasis added.) (H<sub>2</sub> 401)

<sup>3</sup>Tongsun Park admitted that General Kim was largely responsible for his becoming the middleman. However, he denies any discussion about using the commissions to make campaign contributions. Park always studiously avoided admitting any facts linking any ROK Government official with payments to Congressmen. Hanna denies that he as opposed to Park was to "distribute" any of the money. (H<sub>2</sub> 109-110, 241)

<sup>4</sup>On July 13, 1978, the committee released the results of its investigative work with respect to Members who received such contributions and who are still sitting. The committee concluded in each case that the Member in question violated no rule. The July 13 release is reproduced and attached hereto as appendix A.

<sup>5</sup>The ledger, which is reproduced at pp. 793-808 of the printed version of the committee's April, 1978, hearings, is a more or less contemporaneous record made by Park of his finances, including cash payments to Congressmen. It was never shown to anyone nor was it intended for anyone's use but Park's. It was found in his house after Park fled the country and the IRS placed a lien on the house. In every case of a payment recorded in the ledger except payments to Members who have asserted their fifth amendment privilege and refused to testify—Congressmen Passman and Gallagher—and one who is dead—the late Representative John Rooney—the Congressmen have verified that they in fact received the money although memories of the exact amount have differed. The committee has concluded that the ledger is substantially accurate.

Park, therefore, appears to have fulfilled the part of the plan calling for him to make campaign contributions to Members of Congress and saw to it that this fact was reported back to the KCIA Director by Congressman Hanna together with Hanna's thanks for the KCIA's role in the contributions, and Hanna's promise of Congressional support for the ROK.

That Tongsun Park in fact functioned in part as a lobbyist for the ROK during this period of time is clear. A document received by the committee from Jay Shin Ryu, a former employee of Park, after its April 1978, public hearings contains a list of Congressmen followed by visits to their offices and an explanation of the reason for the visit. Park has conceded that the document is substantially accurate. (Report by the Committee on Standards of Official Conduct, In the Matter of John J. McFall, Report No. 95-1742, 95th Cong., 2d Sess., pp. 164, 359-380.) There are, for example, some 28 recorded visits to the offices of Congressmen in connection with military aid at a time in December 1969, when a military aid bill calling for \$50 million in specially earmarked funds for the ROK was pending before the Congress. Other lobbying efforts are also recorded on this document.

Park apparently reduced the plan to writing in October 1970. A document was found in Park's house in the fall of 1976 after Park had fled this country. The document was in the Korean language, bore a red "secret" stamp and stated "Prepared by TSP, October 1970." in the upper right hand corner. (H<sub>2</sub> 999-1019) Park denied writing or knowing about this document. (H<sub>2</sub> 110) However, handwriting samples were taken from Park and a handwriting expert in the employ of the Federal Bureau of Investigation gave his positive opinion that Park wrote the words "Prepared by TSP, October 1970" in English and also at least one of the English names—that of "Gallagher"—in the body of the document. The document is a blue print for a lobbying effort by the ROK in the House of Representatives, the Senate, the intelligence community and the American press.

The plan describes the use of invitations to various important officials, including Congressmen, to travel to Korea, and describes the use of the George Town Club as a lobbying tool. Most significantly, however, the plan recommends that the ROK buy U.S. rice as follows:

## II. Conduct of diplomacy through advancing interests of Senators and Congressmen:

### A. Providing assistance to the Senate and House election districts—

#### 1. Buying the products of election districts:

(a) The principal concerns and interests of U.S. politicians, especially Senators and Congressmen, are their reelection problems. Therefore, helping constituents and winning the hearts of constituents are their overriding objectives.

(b) For example: The main products of Louisiana are rice and yams. Senators and Congressmen from this State put pressure on the administration (Department of Agriculture) to advance sales of those products. They also have been constantly requesting us that Korea buy Louisiana rice. (H<sub>2</sub> 1012)

It then describes the advantages of such purchases as follows:

B. Two advantages by assisting election districts—

1. By helping constituents:

(a) Senators and Congressmen will gain popularity.

(b) They in turn will actively help Korea.

2. Benefits to be gained by helping them:

(a) By purchasing products of their districts, we will be able not only to use the voters' but also the elected officials' influence to our advantage.

(b) *The commissions derived from buying their products and other business transactions can be used to fund activities. We will kill two birds with one stone.*<sup>6</sup> (Emphasis added.)

The document then makes it clear that the expression "fund our activities" means in part to make campaign contributions to Members of Congress. The plan continues:

III. Diplomacy through contributing to political and election campaign funds:

A. The effect of monetary contributions during election campaigns is worth 100 more times (sic) than at other times—

1. Sudden jumps of election campaign expenses and the economic depression:

(a) It is a well known fact throughout the World that political activities and election campaigns cost money.

(b) United States will hold an off-year election this year. This country is now suffering from the general nationwide recession and the particularly severe recession within the armament industry, which has borne the greatest burden in supplying campaign funds.

2. Requests by Pro-Korean Senators and Congressmen:

(a) Reflecting the above-mentioned situation, the following Senators and Congressmen who have helped Korea aggressively for a long time secretly requested our contribution of funds—Congressmen Broomfield, Gallagher, Minshall, Hanna, and many other Congressmen. (H<sub>2</sub> 1013-1014)

Similarly, another Korean language plan found in Park's house and which appears to have been drafted at about the same time, states:

Election campaign funds:

A. 1. At the requests of the pro-Korean Members of the Congress, I paid them \$153,000 which is one-third of what they demanded.

2. Of this amount, \$50,000 is going to be paid by the Korean Central Intelligence Agency; request your consideration as to how I would be paid back the balance of \$103,000.

B. 1. The expenses for members of the U.S. Congress of approximately \$100,000 (expenses for fundraising parties in

<sup>6</sup> A later translation.

the George Town Club included) were paid by me as my personal share.

IV. How to Raise Funds for the U.S. Congress:

A. Judging from the past experience, at least some \$500,000 is needed each year.

B. As to raising the funds, a direct subsidy by the Government should be avoided. We should raise funds out of profits generated by Government-supported business activities, and request your assistance in this regard.

C. The Government-supported projects should be those of either political and military significance or that carry heavy economic impacts on a national scale. In selecting projects, priority should be given to such projects where foreigners are acting as agents for Korea, or projects for which no agent is being utilized.

Examples:

- (a) Rice \$150,000.
- (b) F5-21 \$150,000.
- (c) M-16 \$50,000.
- (d) Other new projects.

D. Status of current projects (1. Rice): When Representative Passman visited Korea last November, he paid a courtesy call to H. E. President Park. During the visit, Representative Passman cordially requested that Korea purchase some 400,000-plus tons of U.S. rice this year, too, and he said if Korea buys the U.S. rice, he would be able to muster 78 or more pro-Korean votes in the House. We have confirmed that the Minister of Agriculture and Forestry has already been instructed (to effect the purchase) accordingly. (H<sub>2</sub> 1042-1043)

In early 1971, Tongsun Park learned that he was no longer the agent, and that his job had been given instead to a Korean businessman in the United States who knew ROK Ambassador to the United States Kim Dong Jo. The reason for this change is not entirely clear. However, Park, in attempting to learn of its cause, discovered that Kim Dong Jo had been sending messages back to Korea that Park was conducting himself in a way that was injurious to the ROK. It is Park's belief that Kim Dong Jo continuously resented Park's intrusion into what Ambassador Kim viewed as his domain. Park learned that U.S. Ambassador to the ROK, Philip Habib, and Representative William Broomfield were also saying derogatory things about him to ROK officials. He later learned that Representative Otto Passman, Chairman of the Subcommittee on Foreign Operations of the House Committee on Appropriations, had also spoken against him. The circumstances surrounding Park's efforts to retain his position as agent further confirm the fact that the payment of part of the commissions to Members of Congress was a key part of the plan under which the ROK Government made Park the intermediary in its rice purchases. (Tongsun Park deposition, March 1978, pp. 204-219; H<sub>2</sub> 37-38, 56.)

Park set about to disprove the claims that he was ineffective in Congress and indeed injurious to the ROK's interests. From June 17, 1971, until July 16, 1971, Park caused 14 letters from Senators and Representatives praising him to be sent to ROK President Park Chung Hee. (H<sub>2</sub> 411-434)

Then Park turned for special assistance to former Representative Cornelius Gallagher, then chairman of the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee. Park had already given Gallagher \$13,000 in cash during 1970. On August 3, 1971, just 6 days before Gallagher went to Korea with a large congressional delegation, Park, according to his testimony, gave Gallagher \$30,000 in cash. The \$30,000 payment to Gallagher, which Park testified to, is recorded twice in Park's ledger. (H<sub>2</sub> 798, 800) Where the money Park said he paid to Gallagher came from is unclear. At the end of June 1971, Park's combined bank accounts in this country totaled \$786. On July 2, 1971, Park left the United States for Korea. Then his ledger reflects, at p. 107, at receipt of \$450,000 from "Angels" on July 20, 1971, at a time when Park was still in Korea. (H<sub>2</sub> 800) The committee has not determined with certainty what "Angels" referred to. When Park was asked under oath, he first said "I don't recall." (Deposition of Tongsun Park, March 7, 1978, p. 788) When it was pointed out to him that the \$450,000 was a lot of money, that it was essential to his solvency and that he would surely remember who gave it to him, he said "Angels" "could have" referred to his brother Ken. Then he said that it referred to a super tanker owned by Ken's company called "Angel Park." Then he said "Angels" was a code word for his brother. He conceded he may never have referred to his brother as "Angels" except on his ledger. Then he said "if you met my brothers you would call them Angels." Finally, he stated "this is another matter where you must accept my word." (Deposition of Tongsun Park, March 7, 1978, pp. 789-798)

In any event, whatever the source of the money, Park returned from Korea on July 29, 1971. He had lunch with Gallagher 1 hour after he returned. (H<sub>2</sub> 926) Then Park testified he gave Representative Gallagher \$30,000 in cash on August 3rd. Of the \$450,000, \$350,000 was deposited in cash in Park's bank on August 4, 1971. (H<sub>1</sub> 255) On August 9, Representative Gallagher traveled to Korea. Park also traveled to Korea. The committee has no direct proof of what Representative Gallagher did in Korea to help Park. However, the committee is in possession of a letter from Representative Gallagher to Park Chung Hee dated November 9, 1971, less than 3 months after he returned from Korea, in which Representative Gallagher refers to difficulties with the foreign aid bill for Korea and then states:

It is therefore essential that our friend whom we discussed when we last met have full support that you indicated so that a meaningful result can be brought about to strengthen the relationship of the Republic of Korea and the United States. (H<sub>2</sub> 1045-1047)

The letter continues, praising "our mutual friend Tongsun Park's" lobbying efforts and reiterating that it is "vital that he has the kind of support that you indicated to me when we talked."

On November 23, 1971, Park withdrew \$25,000 in cash from his account at the Equitable Trust Co. (H<sub>1</sub> 256) He gave Representative Gallagher \$25,000 on the same day, according to his testimony, and recorded the payment in his ledger. (H<sub>2</sub> 802) On January 3, 1972, Park gave Representative Gallagher \$5,000 in cash to pay for a trip to Korea which he and Representative Gallagher took on January 5, 1972. (H<sub>2</sub> 802) Park's diary reflects that Representative Gallagher met both

with President Park and KCIA Director Lee Hu Rak during his trip. (H<sub>2</sub> 458) Park attended neither meeting. The probable discussions at these meetings, however, are set forth a little later in this report.

Park apparently then turned his attention toward influencing Representative Otto Passman who, as recently as December 1971, had cabled Philip Habib and attacked Park's integrity and questioned his support in Congress. (H<sub>2</sub> 448) Representative Passman and Park met in Hong Kong in mid-January 1972. The meeting was probably arranged through Edwin Edwards, then a Representative from Louisiana, now Governor of that State, by rice miller Gordon Dore who was traveling with Passman (See Part II B (3), *infra* p. 34). In Hong Kong, Park, who was again out of funds in U.S. currency, borrowed \$5,000 from Dore, gave \$5,000 in cash to Representative Otto Passman and promised to give him \$50,000 more each year. (H<sub>2</sub> 54-55) Representative Passman then traveled to Korea, and according to Park's diary, met with President Park. (H<sub>2</sub> 462.) A cable from Representative Passman to Tongsun Park after Passman returned to the United States, dated January 24, 1972, clearly suggests that Park's promise of money caused Representative Passman to support Park as the agent. (H<sub>2</sub> 463)

Nonetheless Park apparently had not immediately regained his agency. In spite of repeated and threatening demands by Representative Passman for Park to return home during February, Park did not do so until March 22. (H<sub>2</sub> 446, 471-472, 474)

It is not entirely clear why Park did not return home. He claims that the question whether he would be reinstated as the intermediary had already been resolved in his favor. There are indications that the question had not yet been resolved—these indications are set forth below. In any event, however, Park seems to have been confronted with another problem. Park had promised Representative Passman \$50,000 per year. Park, however, had little money in the United States. His total bank holdings in February 1972, was just over \$5,000. Park, therefore, was attempting to obtain United States dollars before returning to the United States. Park himself testified that he sought approximately \$200,000 from those in the ROK Government who had benefited from his being removed as the rice agent. He described this money as being in the nature of damages for a wrongful injury to him. In fact, Park received a decision in his favor on this issue in late March 1972. (H<sub>2</sub> 79). He returned to the United States, sent Jay Shin Ryu to Switzerland where Ryu caused \$190,000 to be transferred to Park's account from a Swiss account controlled by an aide to Park Chong Kyu, Chief of the Presidential Protective Force. (H<sub>1</sub> 191-192) The money was deposited in Park's Equitable Trust account on March 29, 1972. (H<sub>1</sub> 257) Park used it and other moneys to pay Passman \$40,000 in late March and early April 1972. (H<sub>2</sub> 799)

General Kim Hyung Wook, former Director of the KCIA, however, gave even more explicit testimony on this issue. General Kim recalled a conversation with Park which he believes was in late 1971, but which, in light of other information in the committee's possession, more likely occurred a few months later. His testimony was as follows:

General Kim. I believe it was sometime *in the last part of 1971*, Mr. Tongsun Park came to see me at my home. He said there was certain friction between Lee Hu Rak and Mr. Park

Chong Kyu, the Chief of the Presidential Protective Force, concerning the commission. *He said Mr. Park Chong Kyu, through using his subordinate, Kang Sung Tae, had taken commission away which was to be paid to Mr. Tongsun Park.* Then he produced a list of Congressmen printed by the KCIA and he said, now, I was to give this money to the people listed on the paper. However, money was taken away by others; and he said, since Mr. Park Chong Kyu is keeping this money, he wanted me to intervene in the affair and have Mr. Lee, the Director of the KCIA, and Mr. Park Chong Kyu discuss about it and have the money returned to him." (Emphasis added.)

\* \* \* \* \*

On this list, there was some 20 names. So I said to Mr. Tongsun Park, "How do all these people listed here know they are going to receive money?" Then he said he was in deep trouble because these people know they would get the money and if they find out money went instead to the Presidential Office, then they wouldn't trust the Office of the President. So I asked him whether he could leave that list to me. He said, "Yes." I said, "Then give it to me;" and I said that I would see Mr. Lee Hu Rak and Mr. Chong Kyu Park and let you know the outcome. So I called both Mr. Lee and Mr. Park.

Mr. NIELDS. Before we go on, General Kim, did Tongsun Park tell you how much money was involved?

General KIM. I don't know the exact amount of the money involved, but I think it was something like \$200,000. (H<sub>1</sub> 113-114)

In any event, whether the unresolved issue was the \$200,000 or the question whether Park was to be the agent in the future, there was clearly an unresolved issue between the time of Representatives Gallagher's and Passman's trip to Korea in January 1972, and Park's return to the United States in late March 1972. Park ignored Passman's escalating demands to return home and instead sought further help from his friends in Congress.

On February 16, 1972, Park called his assistant, Jay Shin Ryu in Washington. According to Ryu's diary, Park dictated a letter which he wanted Gallagher to send—Ryu's diary contains the following proposed letter:

All of our friends in Washington had expected that the *commitment* which was made during my last visit should have been fulfilled now. I don't have to reiterate the importance and urgency involved. Stop. It is most essential that your side make special effort to see to the *commitment* become (sic) materialized as quickly as possible. (Emphasis added.) (H<sub>2</sub> 467)

On February 26, 1972, Park dictated a similar letter which Ryu was to get Edwin Edwards to send. The text of that letter, as taken down by Ryu in his diary is:

We appreciate your past cooperation and hospitality in connection with the Korean rice purchase. However, we are most anxious to see the fulfillment of your Government's commitment to Chairman Gallagher as outlined during his last visit.

Again, we appreciate your consideration of this very important matter. (H<sub>2</sub> 470)

The committee does not have a copy of the Edwards letter, if indeed one was sent. However, the committee is in possession of the following letter sent by Mr. Gallagher to the Director of the KCIA on March 9, 1972.<sup>7</sup> On March 9, 1972, Gallagher sent the following letter to KCIA Director Lee Hu Rak:

DEAR DIRECTOR LEE: I hope this letter finds you in good health and that your workload is bearable. General Michaelis visited my office yesterday and briefed me on developments on the Republic of Korea as well as on the activities in the North. So I am certain that you are far too busy. We are working on the program to be presented to the Congress so that the United States can meet its commitment to the Republic of Korea this year.

Because of that I am reluctant to add to your problems. However, it is urgent that I be in a position to advise my colleagues when the matter that we last discussed will be finalized.

I felt that we had a meeting of the minds when we last met and I so advised my colleagues. The delay is causing unnecessary unrest and is becoming unsettling. I tried to convey this through Minister Lee, who appears to be very able and competent, yet I have received no word. This is a matter that I got involved in because of my strong desire to continue to build the strong ties that unite the Republic of Korea and the United States.

Frankly, I write this at this point because it has reached the point of embarrassment and I would most appreciate your letting me know that the matter is concluded.

As you know, the entire House of Representatives is running for reelection this year as well as the President so there is more than usual to keep everyone busy in Washington.

I do hope that I will have the opportunity of seeing you one of these days. Perhaps you should take a vacation and visit Washington. I hope soon you can.

Please accept my warm regards and best wishes. I would appreciate if you would extend my best wishes to President Park.

Sincerely,

CORNELIUS E. GALLAGHER, M.C. (H<sub>2</sub> 1049-1050)

Shortly after Gallagher's letter would have been received, Tongsun Park wrote in his diary on March 21, 1972:

<sup>7</sup> In the interim, according to Ryu's diary, Gallagher had been to see the KCIA Station Chief in Washington, Minister Lee Sang Ho. (H<sub>2</sub> 469)

“Saw Director” [Lee Hu Rak, Director of the KCIA].  
 “Riviera resolved” [Riviera is Park’s code word for rice].  
 “Saw OSROK—Letter”. (H<sub>2</sub> 474).<sup>8</sup>

Park returned to the United States the following day.

The Committee has no direct evidence of the full nature of the “Commitment” to Mr. Gallagher which Tongsun Park referred to in his messages to Jay Ryu. Park told the committee nothing except that there was a commitment to make him the rice agent. (H<sub>2</sub> 61) However, the evidence available to the committee points persuasively to the conclusion that the “commitment” included a plan similar to the one hatched in 1968 with Lee Hu Rak’s predecessor—namely that Tongsun Park would use part of the rice commissions to pay certain Congressmen. Gallagher’s letter of March 9 is devoid of any reference to Park—who claims he was the sole beneficiary of the “commitment”—and instead refers to his “colleagues” as the apparently interested parties. The letter refers to the fact that the entire House of Representatives is running for reelection. It seems likely that Park and the ROK Government would, on making him the rice agent, have reactivated his “plan” to pay Congressmen as he had written it in October of 1970 and as he had proposed it to General Kim both in 1968 and again in 1972. Indeed, the proof in the committee’s possession persuasively establishes that this time the KCIA attempted to keep close tabs on how Park spent the commissions.

The committee is in possession of a document entitled the “T.S. Report” which was taken from Park’s house by Jay Ryu in October of 1972. (H<sub>2</sub> 669-717; H<sub>1</sub> 195) The report is dated September 30, 1972—some 6 months after Park wrote “Riviera resolved” in his diary—and presumably 6 months after the “commitment” to Mr. Gallagher was fulfilled. The report concludes:

Within a short and tumultuous period of 6 months since the task started, he [Tongsun Park] was able to put the persons with influence over the issue of military aid to Korea into his organization of restoration, including senators and representatives, high-ranking administration officials and White House staffers. The evaluation is that he has performed his duties without committing serious mistakes. It seems necessary to continue to use him under supervision.

The T.S. Report is, on its face, a report of Tongsun Park’s lobbying activities including a list of Congressmen to whom he supposedly made campaign contributions out of the rice commissions. The Report contains a section describing Park’s background and his virtues as a lobbyist, referring briefly to the incentive supplied by his “competition” with “D. J.” (Dong Jo Kim). It contains a section on the George Town Club. It contains a section on the rice commissions. It contains a section on the results of Park’s lobbying efforts; actions of Congressman Passman and Gallagher and the defeat in the Senate of a bill damaging to Korea. Finally, it refers to “political funds” for 30

<sup>8</sup> There is a letter dated March 21, 1972, from OSROK to various United States rice sellers which states in part:

“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 Miryong 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.” (H<sub>2</sub> 475).

Members of the House "who have influence over the Korean issues." There is a list attached to the Report of the Congressmen who have supposedly received the contributions together with comments describing the significance of their roles in Congress and the manner in which they have helped Korea in the past.

Park has admitted under oath that the T.S. Report contains so much accurate detail about him that it must have been prepared by someone with intimate knowledge of his life and activities. He denied any knowledge of the Report, however, and denied that it was prepared in order to show the KCIA. (H<sub>2</sub> 72) The Committee does not accept these denials. The committee does accept Park's claim that most of the contributions listed on the report are fictitious. (H<sub>2</sub> 73)

The committee is also in possession of one other list found in Park's house and one which was found in his briefcase by a Customs Inspector in December of 1973 when he was in Anchorage, Alaska, on his way back from Korea. These lists record or purport to record campaign contributions to Members of Congress. (H<sub>2</sub> 707, 711) Park has testified under oath that these lists did not purport to be reports to his Government of contributions made. It seems clear, based on the committee's investigation as well as Park's own testimony, that most of the contributions listed were never made. The committee can think of no reason for Park to make up a list of fictitious contributions unless it was to show to the KCIA to convince them that he was doing his job. Indeed, it is possible that the Alaska list had been taken to Korea with Park, because Park had it in his possession when returning from Korea. Park claims, however, that the lists were all of proposed payments and are inaccurate solely because he never carried out his proposals. Park offered no reason for his failure to carry out his intentions. Further, the Alaska list was for 1972 and was clearly made up after the 1972 election because it records the 1973 committee assignments of the Members on the list. Finally, the Customs Inspector who asked Park about the list has testified that Park told him it was a list of payments already made. (H<sub>1</sub> 171-172) The committee finds it is much more likely that these lists were made up to show to officials of the KCIA to impress them with Park's work on behalf of the ROK, than that they were proposed lists Park made up to show himself.

In summary, the committee finds that Park became an agent on purchases of U.S. rice by the ROK Government and consequently received over \$9 million in commissions as a result of his agreement to use part of the commissions to pay Members of Congress. It was part of this agreement that Park would attempt to influence Congressmen to support the ROK on legislative matters of importance to the ROK. The committee believes, based on the evidence set forth in this subsection as well as the evidence set forth in the subsections to follow, that Park paid money to Congressmen principally so that they would help him earn rice commissions, rather than so that they would help the ROK on legislative matters. However, the committee has direct evidence that Park did lobby for legislation helpful to the ROK Government.

The next subsections focus in greater detail on the relationship between Park and the principal Congressmen to whom he gave money and from whom he sought assistance both for himself and for the ROK.

C. THE PLAN IN OPERATION : PARK'S RELATIONSHIP WITH AND EFFORTS TO INFLUENCE MEMBERS OF CONGRESS

1. *Richard Hanna*

Representative Richard Hanna was a Congressman whose interest in Korea and the whole of the Far East predated his acquaintance with Tongsun Park and even his election to Congress. By the time Hanna met Park, he had traveled to Korea several times. He believed that the interests of the United States, and particularly the commercial interests of his own State of California, were closely allied to those of the Far East. His work on the House Banking and Currency Committee took him to a number of meetings of the Asia Development Bank. He had many friends in Korea, other than Tongsun Park. (H<sub>2</sub> 230-231; Richard T. Hanna deposition (hereinafter "Hanna deposition"), September 19, 1977, p. 2-12).

Through Tongsun Park, however, Hanna acquired a direct, personal financial interest in the sale of U.S. rice to Korea. He agreed to use and did use his influence as a Member of Congress to further his interest.<sup>9</sup>

Hanna testified that he met Tongsun Park in late 1966. (H<sub>2</sub> 230, Hanna deposition, September 19, 1977, pp. 14, 35). Park sought Hanna's advice about the George Town Club, which was then in financial difficulty. Hanna, who quickly became close friends with Park, assisted him by joining the club, advising Park on the recruitment of new members who could be useful to the club, inviting some of his own friends from the business community to join the club, and hosting a number of parties with Park designed to attract favorable publicity for the club. (H<sub>2</sub> 232; Hanna deposition, September 19, 1977, pp. 14-20). The committee found no evidence, however, that Hanna offered the club any financial assistance, or that he was involved in any way in assistance or efforts to obtain assistance for the club from the ROK Government. The ROK Government role in the George Town Club is discussed at 11 supra.

In late 1967, Park went to Hanna with a new problem. According to Hanna, Park approached him with the idea that he wanted to become the seller's agent for the sale of rice to Korea by growers in the United States. Park then asked Hanna to help him in two ways: by promoting Park's candidacy as rice agent with ROK officials in a position to help him, and by introducing Park to sellers of rice in the United States. In return Park promised to share with Hanna any profits he might make as rice agent. According to Hanna, these promises were oral and nonspecific. He said that as a result of these promises, however, he did expect to share in the rice sales commissions. (H<sub>2</sub> 233-234)

Hanna's efforts to assist Park in obtaining the rice agency in 1968 are described in Park II. B., relating to the Park scheme. Hanna's role with regard to ROK officials was to (1) suggest to the Koreans that they should cultivate the goodwill of Members of Congress; (2) describe how this could be done, including the purchase of prod-

<sup>9</sup> As a consequence, Hanna pled guilty to one count of conspiring to defraud the United States (18 U.S.C. § 371) and was sentenced to serve 6 to 30 months in prison.

ucts produced by the constituents of Congressmen, specifically rice, and the making of campaign contributions; (3) endorse Tongsun Park's plan to become agent for the sale of U.S. rice to Korea and use the resulting commissions to make campaign contributions.

In the United States, Hanna introduced Park to Joseph Alioto, counsel and former President of the Rice Growers Association of California, and advised Alioto that the Korean Government would prefer Park as rice sellers' agent. (H<sub>1</sub>, 134-135; H<sub>2</sub>, 242)

Shortly after Park's appointment as agent for RGA's rice sales to the ROK, Park and Hanna began work on a trip to Korea for a large delegation of Members of the House, to be led by then House Majority Leader Carl Albert. Hanna corresponded with KCIA Director Kim Hyung Wook on this subject, referring to Park as "liaison" for the trip. (H<sub>2</sub>, 390) As a result of State Department objections, Park's role in the trip was curtailed however, and his attempts to be included as a passenger on the delegation plane failed. But it appears that this trip represented Park's first efforts to carry out his promise to the Korean Government to work to improve Korean-United States relations in return for his designation as rice agent.

Richard Hanna was in Seoul to make arrangements for the Congressional delegation January 22-25 1969. He returned to Korea on February 28, 1969, shortly before the delegation arrived. Just before his departure from the United States in February, Hanna received a check for \$3,000 from Park, which Hanna testified was compensation for his time and travel expenses in attending the Fall, 1968, meeting with Alioto. (H<sub>2</sub>, 243)

Less than a year after this trip, in a letter dated December 11, 1969, Hanna wrote to Tongsun Park's friend, Prime Minister Chung Il Kwon, about the status of legislation to appropriate \$50 million in earmarked funds for military assistance to the Republic of Korea. (H<sub>2</sub>, 394) In the letter, Hanna noted that members of the House Committee on Appropriations who had traveled to Korea in February on the Albert delegation, "did staunchly support funds for Korea." Hanna also noted the efforts of Tongsun Park to have funds earmarked for Korea included in the bill. He wrote:

Last week, Tongsun Park and I conferred on this matter on several occasions. Pursuant to my request, he made several calls to all of his friends in the Congress and also arranged to come to the United States to aid in our efforts.

Hanna testified that he included references to Park in this letter at Park's request. He said that the letter exaggerated Park's contribution to getting the House to vote to earmark the ROK funds. (Hanna deposition, September 20, 1977, pp. 185-191.)

Between 1968 and his departure from Congress at the end of 1974, Hanna wrote a number of letters to high officials in the Korean Government, including President Park Chung Hee. In each he noted the successful efforts which Tongsun Park was making to further the interests of the ROK in the United States. He said that Park was repeatedly making demands that he [Hanna] recommend Park to ROK officials in this way. (H<sub>2</sub>, 229-270; Hanna deposition, September 19-21, 1977). Hanna was aware that this was necessary because Park's continuation as a rice agent was contingent on his work in Washington, D. C., to improve relations between the ROK and the United States, and specifically to insure continued U.S. military aid.

In spite of Park's vague promises to share his rice commissions with Hanna and Hanna's efforts to improve Park's standing with the ROK Government so that his income from the commissions would be insured. Hanna received no more money from Park until August 1970. (H<sub>2</sub> 243)

In August 1970, Park gave Hanna a cash campaign contribution of \$5,000. This contribution was not reported. Hanna testified that this payment was not in pursuance of the agreement to share in the rice commissions. (H<sub>2</sub> 244) It was a campaign contribution and not the profits of a personal business venture. Park made another cash contribution to Hanna in November 1970, which Hanna testified was around \$2,000. (H<sub>2</sub> 244) A ledger contemporaneously maintained by Park shows a November 1970 entry by the name "Dick" for \$16,000 [referring to Hanna]. While Hanna in other instances confirmed the accuracy of this ledger, he said that he was certain that the November 1970 contribution was not nearly that large, and that in fact he never received a single payment from Park in so large an amount. (H<sub>2</sub> 244) If these payments were not a part of the Hanna-Park agreement to share the profits of the rice business, they would seem clearly to be a part of the General Kim Hyung Wook-Park agreement to use the commissions—in part—to make campaign contributions to Congressmen helpful to the ROK.

Indeed, on November 5, 1970, Hanna wrote a letter to General Kim Kae Won who succeeded Kim Hyung Wook as Director of the KCIA, including the following passage related to the just completed election campaign:

It was an incident of some significance to have our mutual good friend Tongsun Park visit my district to bring greetings, encouragement and some needed assistance to our efforts. We certainly appreciated the thoughtfulness and the support. It is our understanding that Tongsun had been helpful to other of our friends in Congress. Such efforts should assure a warm consideration and a high regard for the programs which mean much for the future relations of our two countries. (H<sub>2</sub> 401)

According to Hanna, he was referring in this letter to the cash contributions which Park had made to his campaign and other assistance that Park had given him in arranging campaign events. Hanna said that he included the reference to Park's helpfulness to other Members of Congress because Park had told him that he had made campaign contributions to other Congressmen. Hanna testified that Park either asked him to write this letter to Director Kim, or asked him to include the references to his campaign assistance. (H<sub>2</sub> 244-245; Hanna deposition, September 20, 1977, pp. 235-244) Hanna's letter confirmed to the ROK Government that Tongsun Park was in fact investing the rice commissions as promised, in contributions to congressional campaigns.

In 1971 the business relationship between Park and Hanna changed. In late 1970 and 1971, Park's position as agent for the sale of rice from the United States to the ROK was in jeopardy. Influential elements in the Korean Government were favoring another Korean firm for this role. On February 26, 1971, in response to agitation in the ROK against

Tongsun Park, Congressman Hanna wrote to the KCIA Director, Lee Hu Rak, the following two-sentence letter:

I believe we need continuity on the rice sales matter. Suggest involvement of Tongsun Park as agent in negotiations. (H<sub>2</sub> 404)

At about this same time, according to Hanna, Tongsun Park informed him that he was badly in need of credit in order to maintain his position as rice agent. In response to Park's request, Hanna agreed to provide collateral for a line of credit to Park at the Equitable Trust Co. in Baltimore. Hanna put up his shares of stock in a California corporation called Spectra Strip, in return for which a \$25,000 line of credit was established at Equitable in Hanna's name. Funds borrowed on the line of credit were deposited into the account of Tongsun Park, and Park repaid the loans. (H<sub>2</sub> 246)

In return for undertaking this financial risk, however, Hanna asked Park for a firmer commitment for a share of the rice commissions. In a letter dated April 26, 1971 (H<sub>2</sub> 405), Hanna wrote to Park with regard to the credit agreement made at Equitable Trust. In his closing paragraph he wrote, "I hope you will continue to bring on all fronts so that the agreed upon division of commission on the rice sale can be implemented as soon as possible." Hanna later testified that this agreed upon division provided that he receive one fourth of the net profits received by Park on the rice sales. This agreement formally established Congressman Hanna's financial interest in Park's rice agency.

The same day that Hanna wrote this letter to Park, he also wrote again to Lee Hu Rak of the KCIA, noting the good relationship which then existed between the ROK and the House of Representatives and the part which Tongsun Park had played in establishing this relationship. Hanna went on to say:

"It is of primary importance that Koreans have a solid and appreciated reputation for keeping commitments. I have already indicated to mutual friends where I feel that a singular problem in this regard has developed." (H<sub>2</sub> 407) Hanna testified that he referred to the problems of Tongsun Park and his rice agency. (H<sub>2</sub> 248).

In June 1971, at Park's request and in a further effort to salvage the rice agency of Tongsun Park, Hanna wrote to Korean President Park Chung Hee, outlining his own accomplishments on behalf of the ROK and noting the importance of the work of Tongsun Park. (H<sub>2</sub> 248)

It is significant that Hanna in his testimony described Park's problem in losing his rice agency as resulting in part from a perception in the ROK that Park "did not know the kind of people that he said he knew, and that people in Washington didn't like Tongsun Park." (H<sub>2</sub> 249) In short, Park's position as rice agency was related to his position as a person of influence in Washington, a person in a position to lobby on the ROK's behalf. For this reason, it appears that Hanna in his letters to ROK officials stressed Park's successful efforts to improve relations between the ROK and the United States, often at the request of Park and even in letters originally drafted by Park himself. The fact that these letters also reported on Hanna's activities suggests that it was important to Park that ROK officials perceive Hanna as someone who could wield influence on their behalf. In addition, Hanna's letters stressed, over and over, the importance of Congress, as opposed to the executive branch, to future relations between the ROK

and the United States. The message conveyed by these letters was that Congress was important to the ROK, that Tongsun Park was influential with Congress, Hanna was an important man in Congress, who was helpful to the ROK, and that Hanna endorsed Tongsun Park.

This was the message, for example, of two letters which Park drafted for Hanna to send to President Park Chung Hee and KCIA Director Lee Hu Rak in July 1972 (H<sub>2</sub> 530-538). It is not known whether these letters were ever sent by Hanna, but Park in his handwritten drafts suggested that Hanna write the following:

SUMMER 72.

DEAR MR. PRESIDENT: May I convey my warm good wishes and express the hope that your return to full and good health is a long persisting condition.

I am taking this opportunity to express on behalf of my California colleagues our satisfaction and pleasure for Korea's purchase of the entire surplus of California rice. Many of my congressional friends from rice growing districts all concur that the progress made in finalizing arrangements with the U.S. Department of Agriculture, especially in terms of securing a substantial amount of subsidy for Korea, would not have proceeded so well without the diligence and effectiveness of our friend, Tongsun Park.

We are also very impressed with Tongsun doing a magnificent job in another important area—the modernization of Korean Armed Forces. For the past 3 months,<sup>10</sup> he has secured enough congressional support (which no one would have thought possible) that now the administration can ask for supplementary (sic) request and has more than 90% of having it passed through both Chambers of our Congress.

Of course, Mr. President, we all realize that Tongsun would hardly be an effective agent working for his country's interest without your very meaningful support and apparent confidence. However, those of us who learn to love Korea should be proud of that fact that Korea now has perhaps one of the most effective men in Washington as her representative.

As you recall, I quite early suggested to you that Korea should have some unofficial base of representation with an understood and appreciated backing traceable to official source. I now congratulate you along with many others on your choice of representative and, at the same time, commend your encouragement and support which helped to produce an effective voice in Washington for Republic of Korea. It is comforting to look into the future with assurance that considerable positive success will suggest a continuation of the moral backing of your office for the substantial work that lies ahead.

It is expected that your very able CIA Director, Honorable H. R. Lee, will convey to you as he deems appropriate, the essence of a more complete report on certain matters involving Korean interest here in our Capitol.

<sup>10</sup> Note that Park had regained his rice agency 3 months earlier.

I close with my best regards and trust that the relationships between our two nations will continue to be mutually beneficial.

Sincerely yours,

RICHARD T. HANNA.

SUMMER 72.

DEAR MR. DIRECTOR (CIA) : It has been sometime since we have had a friendly exchange. My hope had been to visit Korea this Spring, however, my own congressional duty intervened and my plans have been postponed. Since I saw you last, many important matters have taken place, and perhaps you would appricate a personalized assessment of those areas in which our two nations are interested.

The area of security and defense, I would think, certainly constitutes the first order of importance facing our two countries—more specifically, (the matter of) fulfillment of U.S. Government's commitment (sic) to modernize the Korean Armed Forces. As you clearly know by now, the Nixon Administration has found itself in a completely helpless position; in fact, it has exhausted all of its own resources. Even Secretary Laird has admitted privately that it is now up to Congress, especially Senate to act if Korean modernization program were to receive a full funding.

In view of Administration's predicament, it has been quite remarkable to observe how our good Tongsun Park has mobilized almost a perfect support from both the House and the Senate during the last three month. It was dramatic to say the least when Senator Ellender announced recently that he would support the Korean modernization program. Even Secretary Laird was greatly surprised, for the senior Senator from Louisiana has been not only the most influential critic of all of the military aid program but he has been the most powerful man, far exceeding Senator Fulbright in the U.S. Senate as chairman of Appropriation Committee and as President of Pro Tempo of that body which makes him one of the five most powerful men in the entire United States of America. So long as Korea receives the benefit of Senator Ellender's support, I would venture to suggest that the full-funding of Korean Modernization would be virtually assured. I hope, our Korean friends do realize the full meaning of Senator's change in his position and importance of having his support.

As one who has worked closely with both House and Senate leadership in matters concerning U.S. Korean affairs, I am also pleased to inform you that we took the first step in eliminating the requirement of depositing local currency for the military aid received by Korea. Senator Fulbright's committee introduced FY 73 authorization bill which once again insisted on raising local currency deposit to 25% from last years 10. An influential and well respected Republican Senator Allott was persuaded to introduce an amendment to return the old level of 10%, and this move succeeded with an overwhelming support which was chiefly organized (ob-

tained) by liberal Senator like Joseph Montoya of New Mexico who is a very close friend of myself and Tongsun.

In the House, the possibility of introducing its own version of legislation to put Korea in the category of excepted nations along with Vietnam, Cambodia, and Laos, has been already discussed amongst influential friends of Korea such as Majority assistant floor whips, John McFall and John Brademas. If such an effort succeeds then the present burden on the part of Korean Government to set aside much needed local currency comproble about \$20 million dollars would be no longer required.

It was indeed sad to lose a very strong and effective friend for Korea my colleague Congressman Gallagher who now holds a very important position in the House. The man who is about to succeed him is a very liberally orientated congressman from Minnesota—in fact he spoke in the past against Republic of Korea. I want you to know working with the House leadership, Tongsun and I are hoping that a more suitable man can be designated to take Mr. Gallagher's place.

Now let me turn from the areas concerning security and defense to areas of economic cooperation between two nations. Frankly, I would like to see Korea concentrating more, if not as much as, on the matters of affecting trade investment and other important economic activities. In the final analysis, it is the economic independence that will ultimately produce a strong nation politically, militarily and otherwise. In this regard, the same talent that has been employed to secure military aid program can be equally utilized in mobilizing congressional support as well as that of private business sectors in the areas of economic cooperation.

I was pleased to host Minister Y. S. Kim and Honorable H. M. Koh here in Washington. Aside from arranging appointments with very important officials in Washington for both Gentlemen, I created an opportunity for Mr. Kim to present an interesting exposure for his proposal for an economic partnership between Korea and the United States to some 14 top representatives of leading American industries at the George Town Club. His presentation was very well received, and I personally wouldn't be surprised if such a meeting ultimately produces some concrete and favorable results.

As I attempt to give my personalized views, I must suggest that some of those accomplishments I have mentioned could not have been achieved without the presence and effective good work of Tongsun Park. At the same time, in complete honesty, one must suggest that without your firm backing and the implicit confidence you and President Park made evident his performance could hardly have been effective. This is why, not just to continue, but to attain even greater achievement in the field of security and trade between two nations, it is almost mandatory that an effective representation be maintained and vigorously supported. My colleagues in the Capitol and I are certain that you and Presi-

dent Park are profoundly committed to this premise for many years to come.

May I close with the fervently expressed hope to be in Korea sometime well before the end of 1972. Of course, I wish to have you share some of your busy time in the hopes of continuing and strengthening a valued friendship. I trust this correspondence finds you and your family in good health and excellent spirits. Those of us who are aware that you are responsible for many good works that have been achieved for your brave nation, of course, want to wish you a special success on the current Red Cross talks.<sup>11</sup>

A similar message was conveyed in Hanna's August 27, 1974, letter, actually sent, to Park Chung Hee (H<sub>2</sub> 636-642) In that letter Hanna sent a lengthy report on the recent hearings on Human Rights in South Korea before the House Subcommittee on International Organizations. He described in detail efforts of Tongsun Park and himself to have testimony presented at the hearings which would be favorable to the ROK. He closed with the suggestion that, with the assumption by Gerald Ford of the Presidency of the United States, the influence of Tongsun Park extended to the executive branch as well as the Congress.<sup>11</sup>

In 1971, however, it became clear that mere letter writing on Park's behalf by Hanna and other Members of Congress was not enough to retain for Park his rice agency. By November, Park had not regained his appointment as rice agent. In addition, the possibility had again arisen that the ROK would purchase rice from Japan, rather than the United States. Hanna, at Tongsun Park's request and expense, then traveled to Korea to do what he could to salvage the situation.

By this time, ROK deliberations on U.S. rice purchases centered on "Southern" rice from Louisiana, Texas, and Arkansas, as well as rice from California. Hanna took with him letters from Senator Allen Ellender of Louisiana, designating him as Louisiana's representative in connection with any purchase of rice by the ROK. (H<sub>2</sub> 446-447)

These letters were obtained for Hanna by Tongsun Park. Hanna was also designated as the representative of the California congressional delegation by letter from Congressman Chet Holifield. (H<sub>2</sub> 442)

In Korea, Hanna met with KCIA Director Lee Hu Rak, a meeting that is referenced in a letter from Hanna to Lee dated December 8, 1971. (H<sub>2</sub> 449) At that meeting, Hanna pressed the interests of United States rice producers, and, specifically, the interest of Tongsun Park in regaining his position as rice agent. Hanna's December 8 letter indicates, and his own testimony confirms (H<sub>2</sub> 252), that he believed that Lee was receptive to his presentation, and that the rice negotiations would be resolved in favor of the U.S. producers and Tongsun Park.

A few months after Hanna's November 1971 trip to Korea, Tongsun Park's rice agency was indeed restored. It is important to note, however, that it was not solely or even principally the intervention of Hanna that brought this about; by this time, other Members of Con-

<sup>11</sup> This letter is somewhat peculiar in form, as it is typed on stationery which had not been in use in Hanna's congressional office for over a year before the date of the letter. In addition, the letter does not bear the initials of any typist in Hanna's office and is not typed in the form used by Hanna's typists. Hanna testified, however, that he personally signed the August 27, 1974, letter to President Park, although he acknowledged that Tongsun Park may have assisted with the draft. (Hanna deposition, September 21, 1977, pp. 437-445)

gress were becoming involved in the rice negotiations and in the efforts of Park to regain his agency.

Hanna never received the promised one fourth or one half of Park's rice commissions. In return for his financial backing and his efforts in the ROK on Park's behalf, however, Hanna did receive income from Park. Between the time of the first Equitable Trust loan and Hanna's retirement from Congress at the end of 1974, he received from Park about \$75,000 by check and \$10,000 in cash. (H<sub>2</sub> 253, 255) The fact that the money was paid by check evidences that, although Hanna had unquestionably used his office to obtain money from Park, he viewed the money not as a bribe, but as his share of a joint business venture. In addition, Hanna received from Park \$26,000 to \$40,000 in cash, which he described as campaign contributions and spending money. (H<sub>2</sub> 254)

## 2. *Cornelius E. Gallagher*

According to Tongsun Park, he first met Cornelius Gallagher shortly before Gallagher traveled to the ROK as part of a Congressional delegation headed by the Majority Leader, Carl Albert, in March of 1969—a delegation for which Park was in large measure responsible. (Tongsun Park deposition March 8, 1978, pp. 859–864). Indeed, the document on which Park's assistant recorded his lobbying efforts reflects a visit by Park to Gallagher's office on February 28, 1969, in order to invite him to travel to the ROK. (McFall Hearing Report, p. 369) The document also reflects a visit to Gallagher's office in connection with a proposed ROK constitutional amendment, and on October 14, 1969, Gallagher, at Park's request did place a statement in the Congressional Record supporting a proposed ROK constitutional amendment permitting President Park Chung Hee to run for a third term. Congressmen Thomas Kleppe, Thomas P. O'Neill and Richard Hanna offered similar statements into the record on the same day. The constitutional amendment was approved by referendum on October 17, 1969. On December 11, 1969, Gallagher was visited by Park—according to the lobbying document referred to supra at p. 14 (McFall Hearing report p. 369) in connection with the then pending bill calling for an appropriation of \$50 million in earmarked funds for military aid to the ROK.

There is no indication that Park paid any money to Mr. Gallagher during 1969. However, according to Park's ledger, and according to Park, he paid Gallagher \$13,000 in cash in 1970. The committee has no proof that Gallagher did or agreed to do anything in return for this money.

In 1971, however, Gallagher became chairman of the Subcommittee on Asian and Pacific Affairs of the House Committee on Foreign Affairs. Gallagher's subcommittee had a direct interest in ROK affairs. Indeed, Gallagher's subcommittee held hearings on the ROK in June 1971, the tone of which was favorable to the ROK. Gallagher was therefore a Congressman of some importance to the ROK. It was in that year that Park lost his position as middleman in connection with purchases by the ROK of rice from U.S. rice growers. Park turned to Gallagher for help. In June 1971, Park was very low on funds. (H<sub>1</sub> 926; H<sub>1</sub> 190) He traveled to Korea on July 2, 1971. According to Jav Shin Rvu's diary, Park and Gallagher had lunch at a restaurant 1 hour after Park's plane from Korea landed, on July 29, 1971. (H<sub>2</sub> 926) Park's ledger reflects that \$30,000 in cash went to

Cornelius Gallagher on August 3, 1971. (H<sub>2</sub> 798, 800) Jay Shin Ryu's diary confirms a meeting with Gallagher both on August 2 and August 3, 1971. (H<sub>2</sub> 927). This gift occurred, according to Park, for no reason other than that Gallagher asked for it. It occurred, however, the day before Gallagher went to the ROK. The committee has no direct evidence of whom Gallagher saw in the ROK or what he said.<sup>12</sup> However, on November 9, 1971, about 3 months after he returned from Korea, Gallagher wrote a letter to President Park Chung Hee at Tongsun Park's request. (H<sub>2</sub> 1045) The letter refers to the then pending foreign aid bill; it refers to "our friend whom we discussed when we last met" urging that he have "full support that you indicated;" mentions Park by name later on and praises his efforts in both the House and the Senate.

The letter then goes on pointedly to state that Foreign Aid will be decided on a "country to country basis"; and to point out that Israel, with "the most effective lobby group in the United States," is the only country for which aid has recently increased. The letter states:

I believe there is a lesson to be learned in the way they handled their activities. This is one of the things that you should discuss with our friend. For I have briefed him fully.

Finally the letter states:

He presently has a commitment from his friends in the Senate that will coincide with those in the House that should bring about a meaningful result. It makes it easier when both parties have access to the others thinking. It is vital that he has the kind of support that you indicated to me when we talked.

I have taken the liberty of suggesting that he should return shortly to Korea in order that he may privately brief you on this and several other matters that I am certain you will find of interest.

Then on November 18, 1971, Gallagher wrote another letter to Park Chung Hee claiming that the Foreign Aid issue had been resolved favorably to the ROK and giving Tongsun Park credit for this achievement. (H<sub>2</sub> 1048)

<sup>12</sup> A subpoena was served on Gallagher on August 1, 1977. An order permitting the committee to take Gallagher's testimony under immunity was approved on March 31, 1978. On April 11, 1978, Gallagher appeared at a deposition before Representative Floyd Spence. He asserted his privilege not to answer questions put to him, on the ground that his answers might tend to incriminate him. The Department of Justice was then in the process of conducting a criminal investigation of Mr. Gallagher and had requested that the committee not take his testimony under immunity. The request was based on the assertion that in any later prosecution, if there was to be one, the Department of Justice would have the burden of establishing that its evidence in no way derived from any testimony given by Gallagher under immunity. This is an exceptionally difficult burden to bear even where evidence is not so derived. The committee staff obtained a proffer by Mr. Gallagher's lawyer of what he would testify to if he were granted immunity. Based on that proffer, the decision was made that Gallagher's testimony should not be compelled under an immunity order so long as the Department of Justice objected. The amount of additional light that he would shed on the investigation outweighed the potential injury to the Department of Justice's case.

At a later date, the Department of Justice informed the committee that it had decided not to indict Mr. Gallagher. His attorney was informed of the committee's desire to take Gallagher's testimony. He stated that he would produce Mr. Gallagher for testimony soon. He did not do so. A subpoena was issued on September 14, 1978. Efforts have been made to serve that subpoena during the period October 16-26 and November 1-17, 1978. Two employees of the committee spent a total of 24 days in New Jersey attempting to serve the subpoena. These efforts were known to Gallagher, his lawyer and members of Mr. Gallagher's family. Gallagher has, as of the date of this report, successfully avoided service of process.

Then, according to Park's testimony, he gave Gallagher \$25,000 in cash on November 23, 1971. His testimony on this score is well corroborated. On November 23, 1971, Park withdrew \$25,000 in cash from his account at the Equitable Trust Co., in Baltimore. (H<sub>1</sub> 256) His ledger at p. 110 reflects a \$25,000 payment to "Neil" on November 23.<sup>13</sup> (H<sub>2</sub> 802) Finally, Park recalled going to Gallagher's house in northern New Jersey for Thanksgiving at some time when Gallagher was still a Congressman. (Tongsun Park deposition March 8, 1978, p. 895-896). The staff was told by Jack Kelly, an accountant who worked for Park in 1971 and who, at the time of the interview, suffered from alcohol addiction, that he recalls taking Park to National Airport shortly after Park had withdrawn a large amount of cash from Equitable Trust Co., shortly before Thanksgiving in 1971. (Thanksgiving in 1971 fell on November 25). He claimed that Park was flying to New York airport to visit "Congressman O'Neill."

In a release dated July 13, 1978, the committee detailed the efforts it made to ascertain whether Park visited O'Neill on Thanksgiving in 1971 or any other year. The evidence established that Park never visited O'Neill at his home at Thanksgiving or at any other time. Moreover, if he had, he would presumably have flown not to New York but to Boston. The committee has concluded that Kelly has mixed "O'Neill" and "Neil" in his mind and that Kelly drove Park to the airport after he withdrew \$25,000 in cash from Equitable and drove him to the airport to fly to New York to visit "Neil" Gallagher for Thanksgiving weekend. It is reasonable to infer that Park gave Gallagher \$25,000 at that time.

Toward the end of the year, Park again asked Gallagher to go to the ROK to help Park in his efforts to regain his position as agent. Park gave Gallagher \$5,000 on January 3, 1972, and recorded this fact in his ledger. (H<sub>2</sub> 802) According to Park's diary, Gallagher was with him in Hong Kong in mid-January 1972, when Park made his accommodation with Otto Passman. Finally, when Park became anxious that his plan to regain his position as middleman might not succeed—or having succeeded temporarily the success might be reversed through the efforts of others—he called Jay Shin Ryu on the telephone from the ROK and asked Ryu to get Gallagher to send a letter on his behalf. The call was made on February 16, 1972, and Jay Shin Ryu wrote down in his diary the substance of the letter as requested by Park. It states:

All of our friends in Washington had expected that the commitment which was made during my last visit should have been fulfilled now. I don't have to reiterate the importance and urgency involved. It is most essential that your side make special effort to see to it that the commitment become materialized as quickly as possible.

Ryu notes in his diary on February 24, 1972, that Gallagher met with Lee (i.e., Lee Sang Ho, then KCIA Station Chief in Washington). In a letter dated March 9, 1972, Gallagher wrote to Lee Hu Rak, Director of the KCIA. The letter clearly is the one which Park had requested

<sup>13</sup> At p. 105 of the ledger, Park records a payment to Gallagher of \$20,000 on November 23. (H<sub>2</sub> 799) Park testified that this is the same payment referred to on p. 110; and that he believes the reference on p. 110 to be more accurate. (Tongsun Park deposition March 8, 1978, pp. 880-882)

in his phone call to Ryu of February 16, 1972. The letter has an impatient quality to it. It states in part :

It is urgent that I be in a position to advise my colleagues when the matter that we last discussed will be finalized.

I felt that we had a meeting of the minds when we last met and I so advised my colleagues. The delay is causing unnecessary unrest and is becoming unsettling. I tried to convey this through Minister Lee, (i.e., Lee Sang Ho) who appears to be very able and competent, yet I have received no word. This is a matter that I get involved in because of my strong desire to continue to build the strong ties that unite the Republic of Korea and the United States.

Frankly I write this at this point because it has reached the point of embarrassment and I would most appreciate your letting me know that the matter is concluded.

As you know, the entire House of Representatives is running for re-election this year.

On March 21, 1972, Park, according to his testimony and his diary, finally obtained a meeting with Director Lee and was shown the letter which designated him as the intermediary on all Korean-United States rice purchases.

It is reasonable to infer from these events that Gallagher—acting at Park's request or in concert with him—was extremely influential in helping Park regain his position as agent. It is reasonable to infer that Gallagher's substantial efforts on Park's behalf were related to the fact that Park had given him \$60,000 in cash from August 1971 to January 1972. Finally, it is reasonable to infer that Gallagher believed that it was in his financial interest to have Park named the rice agent. Shortly after Park returned from Korea on April 25, 1972, he gave Gallagher \$8,000 in cash (H<sub>2</sub> 803) ; and he gave him \$6,000 more on June 12, 1972.<sup>14</sup>

The March 9, 1972, letter to Lee Hu Rak broadly hints that both Gallagher and other colleagues were waiting impatiently for the ROK Government to arrange commissions for Park so that he could help them in their upcoming elections, and that Gallagher was fully expecting the money which Park gave him.<sup>15</sup>

3. *Otto E. Passman and Edwin W. Edwards.*

(a) *Edwin W. Edwards*

As noted in Part II B, supra, Tongsun Park lost his position as middleman on the ROK's rice purchases from the United States during the year 1971. One person from whom he sought help in regaining that position was Edwin Edwards. Edwin Edwards was a Member of Congress from October 1965 until May 1972. He represented

<sup>14</sup> Gallagher had been indicted on April 11, 1972 on perjury and income tax evasion charges and was defeated in the June 1972 primary. He was out of Congress in January 1973 and was in jail serving his sentence following a plea of guilty on June 13, 1973.

<sup>15</sup> Gallagher continued his efforts on behalf of Park after he ceased being a Member of Congress. He wrote a long letter to President Park on February 24, 1973. In which he praised Tongsun Park and touted his influence in both Houses of Congress and the Department of Defense. (H<sub>2</sub> 1051) Gallagher falsely took credit for the appointment of Congressman Nix to succeed him as chairman of the Asian and Pacific Subcommittee of the House Foreign Affairs Committee. After Gallagher was released from prison, Park loaned him \$250,000, most of which remains unpaid. Park told the committee he did this out of friendship. He told C. Wyatt Dickerson, a Park business associate, according to Dickerson, that he loaned Gallagher this money because he was obligated to Gallagher. (C. Wyatt Dickerson interview, August 5, 1977)

a district in Louisiana which is one of the largest rice producing districts in the United States. Park and Edwards became acquainted during Edwards' service as a Member of Congress.

Although Edwards was still a Member of Congress in 1971, he spent most of his time that year campaigning for the governorship of Louisiana. He ran in the primary in the fall and then won a hotly contested run off against J. Bennett Johnston in January of 1972.

Edwards wrote a letter for Tongsun Park to President Park Chung Hee in June 1971. (H<sub>2</sub> 417) Then on November 2, 1971, Park travelled to Louisiana and after Edwin Edwards rebuffed his offer of a campaign contribution, gave the \$10,000 in cash which he had brought for Representative Edwards instead to his wife, Elaine Edwards, in the coffee shop of the Monteleone Hotel in New Orleans. Then on November 19, 1971, Park delivered \$5,000 in cash to Marion Edwards, Edwin Edwards' brother. Park testified as follows:

Mr. NIELDS. And on November 2, Mr. Park, did you take a trip to Louisiana carrying with you \$10,000 in cash to give to then Representative Edwards?

Mr. PARK. I believe so, yes.

Mr. NIELDS. And did you offer it to him?

Mr. PARK. Yes.

Mr. NIELDS. Did he take it?

Mr. PARK. No. There was some question about the legality of accepting a campaign contribution from a foreign national. So, he said until he could clear up that matter, he would like to postpone the receiving of my gift.

Mr. NIELDS. But you gave it to another member of his family anyway, didn't you?

Mr. PARK. Yes. Then I went ahead and made a gift of this same amount of money to Elaine Edwards, whom I knew equally as well as I did her husband.

Mr. NIELDS. And Elaine Edwards is the wife of Edwin Edwards?

Mr. PARK. That is correct.

Mr. NIELDS. And you returned, didn't you, Mr. Park, a little over 2 weeks later on the 19th of November, bringing with you \$5,000 in cash?

Mr. PARK. That is correct.

Mr. NIELDS. And that you did give to Edwin Edwards, is that right?

Mr. PARK. I think I made the contribution to his youngest brother, Marion Edwards. (H<sub>2</sub> 41-42)

Shortly after the November contribution, Park left for the Far East on what proved to be his successful push to have himself reinstated as rice agent. While out of the country, Park instructed his assistant, Jay Shin Ryu, to deliver another \$5,000 cash contribution to the Edwards campaign. Ryu went to New Orleans on December 18, 1971. Ryu testified:

Mr. BELKIN. And how did you get the cash to Edwin Edwards?

Mr. RYU. I took it down to New Orleans.

Mr. BELKIN. And whom did you give it to in New Orleans?

Let's deal with the first occasion. Whom did you give it to on the first occasion?

MR. RYU. I registered at Hotel Monteleone.

MR. BELKIN. In New Orleans?

MR. RYU. This is correct, and then Governor-candidate Mr. Edwin Edwards and his brother, Marion Edwards, came by my room and picked it up.

MR. BELKIN. And did they know from whom the cash was? In other words, who was giving the cash?

MR. RYU. Yes.

MR. BELKIN. Did Tongsun Park's name come up at all?

MR. RYU. Oh, yes. (H<sub>2</sub> 159)

Then on January 28, 1972, on the eve of the primary runoff, Ryu delivered another \$5,000 in cash to Marion Edwards at Park's direction.

Edwin Edwards testified under oath before this committee. He denied being present for the December delivery of cash or any other delivery of cash from Park. He claims to have first learned about the \$10,000 cash delivery to his wife in 1974 when the IRS investigated him. Finally, while Marion Edwards testified that he told his brother about money he received from Park at the time of its receipt, Edwin Edwards claims that he remembers no such conversations. Edwin Edwards' testimony as to Ryu's two \$5,000 deliveries was:

No. This was November of last year after I spoke with the Public Integrity Section and they asked me to make an inquiry among the principal people to determine if any of them had received. Now my brother Marion is of the opinion, and I respect his opinion, that at some point during the campaign he made me aware of it. I don't recall it. But he's of the opinion he did. (Edwin Edwards deposition, June 14, 1977, pp. 9-10).

With regard to his knowledge of Park's \$10,000 gift to his wife, Edwards said:

Governor EDWARDS. Well, because of Vidrine's fantasies and lies I underwent a very extensive IRS investigation. As part of that investigation in December 1974, I testified in a Federal grand jury. Based on the nature of inquiries it occurred to me that I would be required at some time to make a disclosure of the source of cash spent by myself and my wife during 1972, which was the year under investigation. She was then at our Lake Tahoe condominium.

After I left the grand jury I went to Lake Tahoe to spend the Christmas holidays with her and at that time I said, "And like I know you don't like to tell me what you do with your money but we're going to have to make a disclosure and start telling me how much you had and where you got it" and that's when she told me.

MR. HARRIS. And what did she tell you?

Governor EDWARDS. She told me that Park, among the items of cash that she accumulated, was \$10,000. A gift that Park had given to her during the Fall of 1971.

Mr. HARRIS. And did she say where she got it?

Governor EDWARDS. Monteleone Hotel in the coffee shop. (Edwin Edwards deposition, June 14, 1977, pp. 33-34).

In evaluating Edwards testimony, his efforts for Park must be kept in mind. In 1971 Edwards counseled Park that it was important to have Otto Passman as a friend in order for Park to regain the rice agency. In July 1971, Edwards wrote to President Park and praised Tongsun Park. Edwards then asked Gordon Dore, who was traveling to Korea with Passman in December 1971, to try to act as an intermediary between Passman and Park. Dore met with Park the night before he and Passman left the United States. Dore thereafter suggested to Passman that he be more friendly toward Park. In early 1972 Edwards again wrote to President Park on Tongsun Park's behalf. In February 1972 Tongsun Park asked Edwards to send a cable asking Park to return to the United States immediately and resume his activities as rice agent.<sup>16</sup> The June 1971 letter and the January 1972 letter were both based on drafts that Park supplied to Edwards. It was during this very period that Park contributed \$25,000 to Edwards' campaign.

An understanding of the Edwards-Park relationship is somewhat complicated by the widely publicized allegations of a former Edwards confidant, Clyde Vidrine. Vidrine said he was present on two occasions when Park handed Edwards \$10,000 in cash. Vidrine's testimony that he was present is contradicted by Park, by Edwards and by Ryu. The committee has concluded that Vidrine has not told the truth in this respect. It remains unclear how Vidrine learned that Park did, in fact, make some contributions to Edwards' campaign.

It was difficult to investigate this matter further because Edwards' campaign received between \$500,000 and \$1 million in cash, kept no records and maintained the cash in a safe deposit box. Edwards testified:

Mr. HARRIS. And your brother has testified that during the period over \$1 million went through the safety deposit box at the Monteleone. Is that accurate as far as you're concerned?

Governor EDWARDS. I would answer your question this way by saying I don't know if it's relevant to you but we put \$1 million dollars in checks in the Crowley account over \$100,000 in cash, and in addition to that, the campaign received and disbursed approximately \$500,000 in cash. It never went to the bank.

Mr. HARRIS. Well, let me ask you about the money in the Monteleone safety deposit box. Now, to your knowledge is your brother's statement accurate that during the period he was in charge of the campaign, after the first primary, that over \$1 million went through that box?

Governor EDWARDS. That's not an unreasonable figure, but I don't know whether Marion put the money in there on a daily basis or sent it to Crowley or how it was handled. It's fair to say that large sums of money, you know, like \$50,000 one morning and paid it out in the afternoon.

<sup>16</sup> The committee does not know whether this cable was ever sent.

Mr. HARRIS. Did you keep any records of the cash in-flow and out-flow?

Governor EDWARDS. No, sir. They were not required by any statute at the time and because of political spying we made a deliberate effort not to put anything in writing. There was a lot of that going on. (Edwin Edwards deposition, June 14, 1977, pp. 14-15).

As to Elaine Edwards' money, her use of it was also difficult to trace. Mrs. Edwards said that people often slipped her money. She testified,

Mr. HARRIS. Did you ever accept any other cash from anyone else?

Mrs. EDWARDS. Yes. I was given cash and gifts by other people.

Mr. HARRIS. What's the largest amount of cash other than this \$10,000?

Mrs. EDWARDS. A thousand or two at a time."

\* \* \* \* \*

Mr. HARRIS. Now, you stated that you received cash gifts from others. Who would they be?

Mrs. EDWARDS. I can't remember all of the people. I can't remember anybody. I can remember receiving money though I'm very bad with names. I met a man here yesterday at the airport. He said, "I sent you some money and a long letter for something you were raising money for." I said, "For Crippled Children's Hospital?" He said, "Yes." Of course I pretended to remember and he told me his name and I said, "Oh, yes, of course." I don't remember all those things.

Mr. HARRIS. Mrs. Edwards, you stated that there were others who may have given you as much as \$1,000 or \$2,000. Let's not try and remember all at once. Let's start with one at a time. Do you remember anyone that ever gave you money, other than Tongsun Park, not a charity you were sponsoring or anything of that nature?

Mrs. EDWARDS. I remember people giving me money because I guess they felt like it or they wanted to or they liked me or something.

Mr. HARRIS. Who?

Mrs. EDWARDS. I can't name anybody right off hand.

Mr. HARRIS. Do you recall anyone ever giving you any money in the neighborhood of \$1,000 or \$2,000?

Mrs. EDWARDS. I know I was given money but I can't give you names as well as gifts, but I can't give you names because I don't remember peoples names, especially when you meet that many people during the campaign.

\* \* \* \* \*

Mr. HARRIS. Is it your testimony then that these gifts all came from persons who were of such a minor acquaintance nature that you don't remember their names?

Mrs. EDWARDS. I guess you can call it that. They were people in the campaign who either met me, like me, I don't know. They gave me gifts. Is that unusual?

Mr. HARRIS. It was in the campaign, Mrs. Edwards, that these gifts occurred?

Mrs. EDWARDS. Um, most of them. Oh, I've gotten a lot since then too.

Mr. HARRIS. Do you have any recollection of any person who gave you a cash gift saying this is for the campaign, it's to help your husband?

Mrs. EDWARDS. No, indeed.

Mr. HARRIS. What did they say?

Mrs. EDWARDS. Just gave it to me and said this is for you.

Mr. HARRIS. And you recall that clearly that there's no possibility that it was for your husband?

Mrs. EDWARDS. I would just say thank you and it happen to be a ring in it and say thank you and anything else I just said thank you, and that was it, maybe a pen or something else.

Mr. HARRIS. Well, we're talking about at the moment cash. You stated that you received other cash contributions, gifts in the amount perhaps of \$1,000 or \$2,000.

Mrs. EDWARDS. I don't remember. I don't remember where they came from. I'm sorry. I don't remember names that well. (Elaine Edwards deposition, June 14, 1977, pp. 32-35)

She explained her hazy recollection regarding Park's \$10,000 by testifying that, "You know \$10,000 to me, you have to realize, is maybe \$10 to someone else." (Elaine Edwards deposition, June 14, 1977, p. 11)

(b) *Otto E. Passman*

Representative Otto Passman and Tongsun Park first met during a trip Passman took to the ROK in December 1970 for the purpose in part, of persuading the ROK to purchase U.S. rice instead of Japanese rice and to purchase Louisiana rice in addition to California rice. Shortly thereafter, Park lost his position as rice agent. Park later learned that Passman had taken a position antagonistic to him as the rice agent. Approximately 1 year later, in January 1972, Otto Passman scheduled an around-the-world trip. The itinerary included stops in Geneva, Bangkok, Hong Kong, and Seoul. Traveling with Passman was Gordon Dore, the rice miller from Crowley, La. His trip was paid for by the Agency for International Development, an agency whose appropriation was controlled by the subcommittee that Passman chaired.<sup>17</sup>

Prior to departing Edwards asked Dore to meet with Park to try to work out an accommodation between Park and Passman. Passman was very antagonistic to Park at this time. For example, on December 3, 1971, Passman cabled the U.S. Ambassador to the ROK, Philip Habib, and said in part,

We may be having trouble with Tongsun Park who is a commissioned lobbyist representing certain American Congressmen who are in Korea at this time as possessing influence

<sup>17</sup> Mr. Dore's travel at U.S. Government expense is a curious situation. Edwin Edwards' letter of January 4, 1972, to President Park states that Dore is his (Edwards') personal representative on the trip. Further, upon questioning Dore during a public hearing, it became clear that Dore could not tell the committee what real services he performed for the Government on this and other overseas trips which he took with Passman.

they do not have.<sup>18</sup> This is very disadvantageous to the highly ethical procedure we are now following on the aid bill and the rice sale. I, personally, will have nothing to do with any deal involving excessive commissions and favors. Tongsun Park knows this very well. Help us keep this matter regular and on an ethical business basis, discounting Park's claims of great influence in Washington and insist that all interested parties deal with the Korean Ambassador to Washington who is a strict operator. (H<sub>2</sub>448)

Dore had dinner with Park at the George Town Club the night before he departed with Passman. In mid-January the Passman party arrived in Hong Kong. Tongsun Park was also in Hong Kong. According to Park, he (Park) had two private meetings with Passman in Hong Kong. During these meetings Passman told Park that he (Passman) had annual campaign expenses of about \$150,000. Passman wanted Park to take care of \$50,000 per year. Park agreed. Park also borrowed \$5,000 from Dore in Hong Kong and gave Passman \$5,000 in cash. Park stated this \$5,000 was payment for watches he bought from Passman. Finally, Park agreed to buy a quantity of dehydrated yams from a factory in Passman's district.

From Hong Kong, Passman and Park went to Seoul, Korea, where among other people Passman saw President Park on January 21, 1972. This meeting is recorded in Park's diary, although Park was not present at the meeting. (H<sub>2</sub> 726) The committee has no direct evidence of what was said at the meeting. However, it is reasonable to assume that Passman supported Park. Indeed on January 24, 1972, after Passman arrived in the United States, he cabled Park as follows:

Upon my return to Washington, I found some of our mutual friends, namely Governor Edwards, officials of the Supreme Rice Mills, and others in high places under the impression that you may not be spending much time in our country in the future. This is disappointing to these officials because they feel that you have made an extremely significant contribution to a better understanding between rice producers of our country and businessmen of your country.

Governor Edwards insists that you return to our country because he expects to work with you for an even better understanding of our mutual problems. I share his views.

Now may I thank you for the numerous courtesies that you extended to my delegation during our brief sojourn in your great country. I feel that I now know and understand you better and I look forward to working with you in the future. Please extend my thanks to the several Ministers who attended our luncheon and also thank the President for the unusual courtesy he extended to me in giving me an hour of his time. I send the best wishes of your many friends here in Washington. (H<sub>2</sub> 463)

<sup>18</sup> Park was working on other fronts to regain his rice agency. Principally he was relying on help from Richard Hanna and Cornelius Gallagher. In November 1972, Hanna went to Korea at Park's request and expense. Park also armed Hanna with letters from Edwin Edwards and Senator Ellender and asked Hanna to speak to ROK officials, including KCIA Director Lee Hu Rak, to try and get his rice agency back. Park also asked Hanna to point out that Otto Passman was interested in rice sales and that he was very important to the ROK. (Hanna's trip is undoubtedly the one made reference to in Passman's above quoted cable.)

Between December 3, 1971 (the cable to Habib) and January 24, 1972 (the cable to Park) Passman went from Park's enemy to his friend. During this period Park made a \$5,000 payment to Passman in Hong Kong, promised Passman \$50,000 per year and promised to buy Louisiana yams. For Park, who was still desperately trying to regain his rice agency, the recruitment of Passman as a friend was of monumental importance.

Park did finally regain the rice agency on March 21, 1972. However, the period between January and March 1972 was an interesting one. Passman sent Park many cables that evidenced Passman's preoccupation with having Park return to the United States and buy the Louisiana yams he said he would.<sup>19</sup> Park on the other hand appeared to be extremely concerned that his reinstatement as rice agent be finalized. Toward this end Park called his assistant Jay Ryu and dictated cables that he (Park) wanted Passman and Edwards to send him (Park) indicating they wanted Park back on the job in Washington as rice agent.<sup>20</sup>

On March 21, 1972, Park entered in his diary "Riviera resolved." (H<sub>2</sub> 474) He testified that this was his code to indicate that the rice agency question was settled. This done, Park immediately returned to the United States with letters in hand from OSROK for all major rice exporters informing them that Tongsun Park's "service will be required for all of our rice trade with the United States in the future." (H<sub>2</sub> 475)

Park's rice agency was to prove very lucrative. In 1972 he received \$586,000 in rice commissions from Connell Rice & Sugar. In 1973, \$682,000. In 1974 the commissions soared to \$3,705,000. In 1975 they were \$3,581,000. In 1976 Park's commissions were \$19,000. (H<sub>1</sub> 347)

The day after Park returned to the United States, on March 23, 1972, he met, as is reflected in his diary, with Otto Passman and Gordon Dore. (H<sub>2</sub> 476) On March 25 or 27 Park delivered \$5,000 to Passman according to his reconstruction based upon an entry in his ledger. (H<sub>2</sub> 799) On March 28 Park delivered \$10,000 in cash to Passman. On March 29 he delivered another \$10,000 in cash to Passman. These payments are memorialized in Park's diary by an entry of the 28th, "(Passman 10 copies)" and of the 29th, "Passman (10 L. Copies)." (H<sub>2</sub> 730)

Passman's concern about Park's pledge to buy dehydrated yams was quieted by April 1, 1972, when Passman issued a press release stating that, "(h)e has arranged for Korean Ambassador Tung-son [sic] Park to fly to Louisiana for the purpose of visiting sweet potato or yam canning plants in the State." (H<sub>2</sub> 479) On April 4, 1972, Park did go to St. Francisville, La., where he purchased 1,000 cases of dehydrated yams from the Joan of Arc Co. On hand for the ceremony were, among others, Edwin Edwards, Gordon Dore, and John Breaux, a staff member of Edwards who had announced his intention to run for Congress to succeed Edwards. Within 1 week of this event the President of Joan of Arc, one Mr. Truitt, handed Gordon Dore a \$2,000 campaign contribution for Passman. Dore, during public hearings, conceded receiving the contribution and that it was for

<sup>19</sup> Passman's district had been changed so as to include St. Francisville, La., the site of the Joan of Arc yam factory.

<sup>20</sup> It was during this period that he asked Representative Gallagher to send the letter to KCIA Director Lee Hu Rak which is set forth *supra* at p. 34.

Passman, but testified that "I wouldn't want my testimony to reflect that the campaign contribution was based on the one sale of yams to Korea." (H<sub>2</sub> 189) Dore went on to explain that in addition to this purchase, Passman was able to get dehydrated yams included in the school lunch program.

On April 3, 1972, the day before Park went to St. Francisville, La., Park gave Passman another \$10,000 in cash. His ledger for 1972 supports this. (H<sub>2</sub> 799) On May 1 Park delivered \$5,000 in cash to Passman. However, based upon Park's diary entry which reads "2.5 + 2.5," H<sub>2</sub> 738) Park suspects that this payment represented in part a watch transaction. During this period Park's ledger contained the entry "Otto's F.S. - 2." (H<sub>2</sub> 799) Park cannot recall whether this represented a \$2,000 contribution to Passman or possibly a watch sale.

In the Spring of 1972 because of Park's rice agency, Passman and Grover Connell became friends. Connell was chief executive officer of Connell Rice & Sugar headquartered in Westfield, N.J. Connell Rice & Sugar bought almost all of the U.S. rice which was to go to the ROK and then resold it to the ROK. Connell bought some of this rice from the California RGA and some from Louisiana. A vice president of Connell Rice & Sugar was headquartered in Crowley, La.

In order fully to understand Passman's relationship with Park it is necessary to understand the role played by Grover Connell and also Gordon Dore. When OSROK wrote to Connell on March 21, 1972, stating that Park's services as intermediary would be required on all rice trade with the ROK, Grover Connell was angry. An agent on such a sale is the agent of the seller (in this case Connell) and Connell did not want the buyer nominating the seller's agent. On March 30, 1972, Connell wrote to U.S. Department of Agriculture ("USDA") and complained.<sup>21</sup>

On April 13, 1972, Park went to New Jersey and met with Connell. They argued over the rice agency question and Park walked out. Connell objected both to the commissions demanded by Park and to the fact that Park was being forced on him by OSROK. The very next day, April 14, Park's diary reflects the fact that Otto Passman called Park and told him he must go back and talk to Connell. The following day, April 15, Park again went to see Connell to discuss the situation. (H<sub>2</sub> 734)

On April 17, 1972, Connell cabled USDA to ask if they were going to approve Park as an agent. (H<sub>2</sub> 489) The USDA was in fact considering disqualifying Park on the ground that, in light of the letter from OSROK, Park could never qualify as a "bona fide" agent of the seller. (H<sub>2</sub> 491, 493) Park learned of the problem and announced his withdrawal. USDA advised Connell on April 21, 1972, that Park had withdrawn as rice agent. (H<sub>2</sub> 503)

During April and May 1972, Connell offered to sell rice to the ROK without an agent, thereby avoiding altogether the payment of any commissions. These offers, although lowest in price, were rejected by OSROK ostensibly because Connell had no agent. (H<sub>2</sub> 507-508) Shortly thereafter Connell agreed to accept a Korean company known as the Daihan Nongsan Co., as their agent, (H<sub>2</sub> 511) which was in

<sup>21</sup> No one could operate as an agent on a sale financed under Public Law 480 unless approved by USDA. Generally such approval was purely routine with no investigation.

fact acting solely as a front for Tongsun Park. On June 16, 1972, after a Passman cable to Ambassador Kim Dong Jo on June 8, 1972 which read,

Korea's stubbornness on rice purchase is on the verge of bringing about my defeat for re-election to Congress. After releasing a statement that the rice sale had been made, opponent now finds that Korea is now dragging its feet. This information is hitting all newspapers in my district. Please call President Park and ask him to get this thing off dead center, otherwise, I could be defeated. Will you act today Mr. Ambassador. (H<sub>2</sub>513)

Connell signed a contract to sell rice to the ROK with Daihan Nongsan acting as Connell's agent.

Park has testified that Daihan Nongsan was a company in whose name he received rice commissions after he had "withdrawn" as the nominated rice agent due to objections made by USDA.<sup>22</sup> Grover Connell testified that he did not know Park was involved with Daihan Nongsan. (Grover Connell deposition, July 28, 1977, p. 22) The Committee has evidence that Park met with Connell's lawyer and later Grover Connell met with and spoke to Park and Ryu about where and when commissions would be paid to Daihan Nongsan. Connell's testimony to the Department of Justice on this subject gave rise to a false declarations indictment presently pending against Grover Connell.

On June 23, 1972, a week after the rice contract was signed, Park, as reflected in his diary, gave Passman \$7,000. (H<sub>2</sub> 528) Then on August 9, 1972, the day after the first \$40,000 rice commission was forwarded to Park's Daihan Nongsan account in Washington by Connell, Park gave Passman \$15,000 (H<sub>2</sub> 803) of that \$40,000.<sup>23</sup> This brought Park's total payments to Passman in 1972 to \$69,000.<sup>24</sup>

In December 1972 Passman again travelled to the Far East. This trip included a stop in the ROK. In addition to Dore, Passman was accompanied by Governor Edwards' brother Marion and newly elected Congressman John Breaux who succeeded Edwin Edwards. Tongsun Park was in Seoul at the same time the Passman party was there. Park testified (H<sub>2</sub> 88-89) and his records indicate (H<sub>2</sub> 566) that he gave Dore a \$5,000 check to cash to help Breaux make up his campaign deficit. This check was subsequently cashed in Crowley, La., the hometown of Breaux, Dore, and Marion Edwards. All three have denied under oath ever receiving or transacting that check.<sup>25</sup>

<sup>22</sup> Park also testified that Daihan Nongsan was a prominent Korean Company, which allowed him to receive his rice commissions in their name in consideration of a fee that Park paid to the Daihan Nongsan Co.

Park further testified that in order to open a corporate account in the name of Daihan Nongsan in Washington he falsely stated on the application that he was the President of the Daihan Nongsan Co. Jay Ryu has testified that he falsely stated that he was the Secretary of Daihan Nongsan and falsely swore that Park was President. Ryu made these false declarations using the alias "J. Yu."

<sup>23</sup> Park testified that the initial deposit of \$40,000 did not represent a commission to him and was supposed to be given to Gordon Dore for an unknown purpose. In fact, Park used the initial deposit for other purposes and used later commissions to make up the \$40,000 for Dore. Park had his assistant Ryu deliver \$40,000 to Dore in O'Hare Airport in Chicago. Dore has sworn that Ryu gave him \$10,000 and that it represented repayment of a cash loan (for which there is no documentation) to Park from Dore's father (now deceased).

<sup>24</sup> Park also gave Passman \$2,000 in November to purchase a ticket for Edwin Edwards' trip to Korea. When Edwards cancelled out Park allowed Passman to keep this money.

<sup>25</sup> For a full explanation of the facts surrounding this situation see the attached summary entitled "Joan Breaux" in Appendix A.

In February 1973, a month during which Park gave Passman \$3,000, (H<sub>2</sub> 573) Park asked Passman to write to President Park. Similar requests were made and letters written by Richard Hanna, John J. McFall, William E. Minshall and Senator Joseph Montoya. (H<sub>2</sub> 89)

The event that triggered Park to request these letters was the resignation of Secretary of Defense Melvin Laird, who through William Minshall, Park had portrayed as a person over whom he had influence.<sup>26</sup> Park testified:

Mr. NIELDS. And there was an event which had occurred just before those letters were sent which had some significance to your position with your Government; isn't that right?

Mr. PARK. Not with the Government as such, but I wanted to simply defuse and minimize.

Mr. NIELDS. And what was the event?

Mr. PARK. I don't recall.

Mr. NIELDS. That Secretary of Defense Laird has resigned; isn't that right? That fact is mentioned in most of these letters?

Mr. PARK. Well, I think we went over this in executive session.

Mr. NIELDS. You said that was one of the reasons for the letters?

Mr. PARK. Yes. (H<sub>2</sub> 90)

The loss of a "friend" such as Laird, Park feared, might be used by Park's rivals in the ROK as an excuse to depose him. Park testified to this fact:

I think certainly my position as an agent has improved. I don't think I even felt that I was completely secure. It was constant battle from my business—so-called business enemies, both at home and this country, and then to make the matter worse, always, the bureaucrats, again, the State Department fellows and their allies in Korean bureaucratic system, they always "out to get me," using American expression again so I never felt secure and it was a constant battle, as you can imagine. (H<sub>2</sub> 93-94)

Passman's letter to President Park dated February 20, 1973, reads in part,

Mr. President, so often we find those who take unto themselves credit for all good things that are accomplished. I try to guard against this human frailty and place the credit for worthy accomplishments where the credit justly belongs. To any extent, Mr. President, may I take the liberty of once again bringing to your attention the very effective manner in which your countryman, Tongsun Park, has performed in the United States in behalf of Korea.

Tongsun Park is a knowledgeable and dynamic individual, and what he has been able to accomplish for Korea in recent months in the consummation of rice purchases is phenomenal. Not only was he able to procure much needed rice for Korea

<sup>26</sup> The committee has no evidence that Park in fact had any such influence or that he engaged in any improper conduct with respect to Mr. Laird.

on extremely advantageous terms, but he successfully negotiated with the exporters so as to obtain a reduced price on rice purchased by Korea.

As my late dear friend, Senator Allen J. Ellender, once said, and I agree, "Tongsun Park is a polished diplomat and a fine business executive, and even though he possesses much pride, he always places his country above self." These attributes have demonstrated themselves again during the past several weeks and that is why I thought I should make my observations of this gentleman a part of your file.

Mr. President, the fact that your country made large purchases of rice, cotton and soybeans from my country greatly helped my own State of Louisiana and particularly my own Congressional District. I hope that this mutually advantageous arrangement between our countries, with the help of Tongsun Park, may continue. (H<sub>2</sub> 576-577)

In late April of 1973 Passman traveled to the Far East again. During his trip to the ROK Tongsun Park was at Passman's side most of the time. Park has testified that just prior to departing on this trip he gave Otto Passman \$50,000 on April 11, 1973. (H<sub>2</sub> 92) On that same occasion he gave Passman another \$75,000 intended for Dore as a premium for certain rice Dore sold during a period of short supply. (H<sub>2</sub> 92) Dore testified that he did not receive \$75,000 from Passman at that or any subsequent time. (H<sub>2</sub> 198)

Park's records fully corroborate this testimony. On April 3, 1973, his diary reads "Passman 50 agreed 4/11." (H<sub>2</sub> 835) Park testified that this entry reflected the fact that he had agreed to give Passman \$50,000 on April 11, 1973. (H<sub>2</sub> 91) However, Park was awaiting commissions from Grover Connell to enable him to have the funds for this payment. On April 5th the diary reads, "Met Grover at New York, 80-A.S., 150 Bermuda, Ber, 2G.D." (H<sub>2</sub> 836) Park said that entry memorialized an agreement reached at a meeting he had with Connell during which Connell promised to send \$80,000 to Park's account at American Security and Trust Co. in Washington, D.C. and \$150,000 to Park's Bermuda account. On April 9th Park's diary reads, "Arrived Bermuda, Met Bank official, 150, 130 in cash—75, 50, 2." (H<sub>2</sub> 837) Park said that this entry reflected the fact that he flew to Bermuda and returned the same day with \$130,00 in cash. Finally on April 11th the diary reads, "Delivered 75 plus 50 plus 2 to P." <sup>27</sup> (H<sub>2</sub> 838) This Park testified, memorialized his delivery of the \$50,000 and \$75,000 sums to Passman on April 11, 1973.

In June 1973, as reflected on two check stubs, Park cashed checks of \$20,000 and \$28,000 respectively. The proceeds were given to Passman and this fact was noted on the stubs. (H<sub>2</sub> 612) These payments were the last made in 1973. The \$3,000 in February, \$50,000 in April and \$48,000 in June bring the 1973 total to \$101,000. If Passman retained the \$75,000 given him in April for Dore the 1973 total was \$176,000.

By the fall of 1973, Park had ceased to rely on other Members of Congress for assistance. Passman, as a solid friend, was sufficient to

<sup>27</sup> As to the remaining "2" Park was uncertain as to whether it went to Dore or Passman.

insure Park's position with his Government. Park, when asked whether he was exclusively relying on Passman said,

I think this is a fair statement yes. I felt that I finally found somebody powerful enough and brazen enough to protect my interest, and I was very grateful to Mr. Passman. (H<sub>2</sub> 94)

Prior to Park's departure for Korea in December 1973, Passman provided Park with a letter beginning, "My dear T.P." This letter complimented Park and urged the ROK to buy rice. Four days later Passman sent Park a cable urging the ROK to buy rice. Passman concluded, "I am limiting my intervention to Gordon Dore and Grover Connell only, because they are reliable and likewise appreciate Korea's rice purchases in former years." (H<sub>2</sub> 617)

Why Passman sought to limit his intervention to Dore and Connell is unclear. Several facts, however, are well established. Dore, Connell and Passman were good personal friends. Much of the money Passman received from Park came from commissions Park received from Connell. (See, for example, the April 11th delivery of \$125,000 to Passman which had been transferred to Park a few days earlier by Connell.)

However the Committee has determined that this is just one of many instances in which Passman sought to aid Dore and Connell. For example, on the April 1973 trip Passman and Dore took a side trip to South Vietnam. Passman and Dore met with President Thieu and got President Thieu to agree to open an office in Washington to handle moving supplies from the United States to Vietnam. Upon returning to the United States, Dore told Connell of this meeting. Connell then approached Harry Smith, a long time shipping broker, and suggested that they go into business trying to book Vietnamese freight. Smith owned and operated a company called St. John International. Smith, with Dore and Connell as two silent partners, applied for and got the Vietnamese contract under the name St. John Maritime.<sup>23</sup>

Dore and Connell each made approximately \$875,000 on an investment of \$450 each, in about two years. (H<sub>2</sub> 199-200). However, this did not all come from booking freight for Vietnam. In January 1975 Dore and Passman went to Bangladesh for a day. During discussions Dore recalled that the subject of a shipping broker for Bangladesh arose. As to whether Passman urged the Bengalis to hire St. John Maritime, Dore testified,

I don't recall him to urge St. John, per se. He wanted it to be done by an American company. He wanted it done on this side and in such a way that it was readily accountable and the full knowledge of the thing would be known. But as far as him saying or insisting that it, without a doubt, had to be St. John's, no sir, I have no recollection of that conversation. (H<sub>2</sub> 202)

However, a Bengali official later told the U.S. Embassy in Dacca that Passman, as memorialized in an Embassy cable to the Secretary of

<sup>23</sup> The division of the profits was to be Smith 10 percent, Dore 45 percent, Connell 45 percent. Dore had vigorously denied that he and Connell received a 90 percent share due to inside information received from Passman. He could offer no explanation, however, as to why Smith would give away 90 percent of the profits to Dore and Connell considering the fact that Smith was already established in this business and ostensibly did not need Dore or Connell.

State, "tried to persuade the Bangladesh Government, both in conversation with their ambassador in Washington and during his brief visit here, (Dacca), to place their freight brokerage in Washington in the hands of the St. John Maritime Company." (H<sub>2</sub> 1154) Further, a State Department report of an interview with an official of the Government of Bangladesh, stated that :

The contract with St. John's was not entered into until Passman visited his country's capital in 1974 and, by threatening to hold up all U.S. economic assistance, put direct pressure on that country's President who acquiesced. (H<sub>2</sub> 1156)

Two months after Passman's visit Bangladesh signed a contract with St. John Maritime.

In August 1975, Passman went to Egypt and tried to convince the Egyptians to cease using the shipping broker they had used for many years and use St. John Maritime. Upon Passman's return Dore wrote to Passman.

Welcome back. I hope you and Marion had a pleasant trip—I will be anxious to hear the details. My understanding is that everything was fine in Cairo and Paipai (sic). I hope that will (sic) be able to say the same very soon with regard to Korea. (H<sub>2</sub> 1071)

Dore testified that he couldn't recall if the reference to Cairo had anything to do with St. John. (H<sub>2</sub> 203) Nor was his recollection refreshed when it was pointed out that Passman shortly thereafter did pressure the Koreans, the other country mentioned in the letter, to use St. John Maritime.<sup>29</sup>

Passman did subsequently visit the ROK in January 1976. When interviewed later by an investigator from the Department of Agriculture, Passman said with respect to that trip that he :

Finally took the matter up with the President of South Korea, and he told them that if they did not sign, or if South Korea did not sign a contract with St. John's Maritime Co., he would see to it that they got no more aid from the United States. (H<sub>2</sub> 354)

Korea signed with St. John Maritime one month later in February 1976.

Dore and Connell deny that Passman knew of their interest in St. John Maritime or that he ever received any financial benefit from them or from St. John. However, the staff found some handwritten notes made by Spencer Robbins, an employee of Pacific Development, which read : "Grover asked Passman—Go to Egypt—St. John (Harry Smith)." <sup>30</sup> As to whether Passman received any financial benefit, an official from Bangladesh told a representative of the United States that at a meeting with Passman during which Passman urged St. John

<sup>29</sup> St. John Maritime was unsuccessful in replacing Egypt's broker of many years because the Egyptians insisted that Milton Nottingham, an officer of their old brokerage agency, be included in any new entity. Tongsun Park seized upon this and proposed a new company be formed including himself, Nottingham, and Grover Connell. This hybrid, called Pan Mediterranean Shipping, signed a contract with Egypt. However, USDA refused to approve Pan Med because Pan Med refused to reveal the names of the beneficial owners. Park and Connell used nominees to try to hide their respective interests. USDA's disapproval ended this venture and Egypt went back to its old agency, Peralta Shipping.

<sup>30</sup> When questioned about this notation, Spencer Robbins claimed a total failure of recollection.

Maritime on him, "Passman made it perfectly clear that he would receive a kickback from St. John's which would be used to finance a political campaign." (H<sub>2</sub> 1156)

Another example of the kind of help that Passman rendered Dore is illustrated by Passman's intervention in the case of *Fearn Food International v. Government of Somali* which was pending before the Overseas Private Investment Corporation ("OPIC").

Fearn International is a subsidiary of the Kellogg Co. Kellogg was one of Dore's best customers whom we described in a plea to Passman for help as the "life blood of this (his) organization." (H<sub>2</sub> 1064) Fearn International had a claim against the Somali government which was to be decided by OPIC. OPIC's appropriation was controlled by Passman's Foreign Operations Subcommittee.

On September 24, 1973, Dore wrote Passman asking him to help Kellogg, a company Dore described as, "a reasonable organization which never asked for anything that they did not figure they were entitled to." (H<sub>2</sub> 1064)

Three days later Passman wrote to the President of OPIC, Marshall T. Mays, and after acknowledging receipt of information about the Fearn International claim said:

Things are getting a little tough on the Hill and it is becoming harder and harder to justify any brand of foreign aid. But, since it is my responsibility to handle the Foreign Aid bill, which includes funds for OPIC, I would be most appreciative if you could give me a tighter, fuller and more comprehensive report on the claim of Fearn International, Inc. Conceivably, this will enable me to keep OPIC's request at a higher figure because there is some rather direct criticism against OPIC for the tardy manner in which this claim has been handled. If the settlement could be expedited, it may work to the advantage of all concerned.

May I hear from you again with a more comprehensive report and defining as nearly as possible the date of settlement, or in plainer words, the day of pay off. (H<sub>2</sub> 1065).

Apparently, this letter had its intended effect. On October 3, 1973, Mays wrote to Passman, "[I] can say, however, that the value of the tentative settlement which we hope will become final is significantly in excess of the amount of the claim Fearn has filed with OPIC." (Emphasis in original.) (H<sub>2</sub> 1066)

Passman assisted Connell by intervening with the Government of Indonesia. In 1973 Connell agreed to sell a large quantity of U.S. rice to Indonesia at a fixed price. Connell planned to purchase the rice as the deliveries under the contract became due. After delivering about 25 percent on this contract the U.S. rice market rose dramatically. Thus in order to fulfill his contract, Connell would have had to pay more for the rice than he would receive for selling it. Rice could be obtained outside the United States at a lower rate. On December 17, 1973, Connell wrote to the Indonesians and said,

In order to mitigate the losses we are incurring in fulfilling this contract, we have requested that you permit us to ship rice from any origin in fulfillment of this contract. Your agreement of this request would be in accordance with the

privilege you have granted two of your other suppliers.  
(H<sub>2</sub> 1103)

In January 1974, Passman and Dore went to Indonesia during a trip to the Far East. This trip was at U.S. Government expense. During an official dinner in Indonesia, Passman got into an argument with General Arafin, the Indonesian official with whom Connell had communicated. Donald Richbourg, the Staff Director of the Subcommittee chaired by Passman, was present at the dinner and recalled that,

Well, on several occasions the chairman and Mr. Dore and this General Arifin (sic) would excuse themselves from where we were having cocktails before dinner, would excuse themselves from the area and go out and discuss certain things and come back. And it seemed to me a generally confusing time. There seemed to be some hard feelings during the meeting.  
(H<sub>2</sub> 321-322)

Dore confirmed the fact that the argument described by Richbourg had to do with the question of whether Connell would be allowed to ship non-U.S. rice to Indonesia. (H<sub>2</sub> 201) The Committee has not been able to find any benefit to the U.S. rice industry from Passman's position in this matter, although this trip was paid for by the U.S. Government.

Passman returned home without having obtained an agreement by the Indonesians to accept non-U.S. rice. He cabled the Indonesians on January 30, 1974.

Anxiously awaiting your cablegram confirming rice sale adjustment discussed at length during our meeting in Jakarta. Indeed this will be a good investment for your Government and will be accepted as a very special favor to me. May I have your acknowledgment promptly and favorably.  
Cordially, Otto E. Passman. (H<sub>2</sub> 1104)

When Passman received no reply, he cabled the Indonesian Ambassador.

Mr. Ambassador, as a long time and solid friend of yours and your Government, I respectfully request that you reply to my cablegram of January 30, 1974, which would confirm your promise to me during my brief visit to your country. (H<sub>2</sub> 1105)

Thereafter, there was an exchange of correspondence between the Indonesians and Connell wherein the Indonesians threatened legal action. This was followed by another request from Connell to ship non-U.S. rice. The Indonesians replied that they would accept non-U.S. rice but only if it were sold to them at a reduced price. Connell counter-offered. The Indonesians held firm and on March 14, 1974, again threatened legal action. The next day Passman sent another cable to the Government of Indonesia.

Please refer to our meeting in my Washington office and a subsequent breakfast meeting in Jakarta attended by you, General Arafin, Gordon Dore and myself where an agreement was reached to permit Connell Company to fill remainder of rice contract from offshore sources. After the

breakfast meeting agreement and with Gordon Dore's concurrence we informed Connell that agreement had been reached similar to arrangements with Continental and informed Connell to proceed accordingly. Since the agreement was reached at the breakfast meeting in Jakarta I have cabled you three times for confirmation with no response. Your silence and absence of confirmation of agreement is confusing. Cable me collect when you will be in Washington so that we may discuss this matter with all of those concerned.<sup>31</sup> (H<sub>2</sub> 1106)

Finally, on March 22, 1974, the Indonesian Ambassador replied to Passman stating there had been no agreement reached to alter the contract at the breakfast meeting between Passman, Dore and Indonesian officials. He further stated that all negotiations on this matter would be handled directly with Connell. (H<sub>2</sub> 1107) Three days later Connell agreed to ship non-U.S. rice at the price reduction demanded by the Indonesians.

Passman did go to the ROK in January 1974. He met with KCIA Director Shin Jik Soo. The purpose of the meeting was, according to Tongsun Park, to discuss rice.<sup>32</sup> Passman received a commitment from the KCIA Director that Korea would buy a large quantity of U.S. rice in 1974. This fact is confirmed by Passman in a letter to the KCIA Director some six months later. Passman wrote:

I have fond memories of the very pleasant meeting I had in your office with our mutual wonderful friend, Tongsun Park, back in January when you indicated you would buy a large quantity of rice from my country during 1974. (H<sub>2</sub> 627)

The symbiotic relationship enjoyed by Park and Passman is best demonstrated by two documents which were written in 1974. On June 2, 1974, Park wrote to Passman to inform him that Korea had decided to purchase a large quantity of U.S. Rice. Park went on to say:

Dear Congressman, I want you to share this good news and would suggest you to call or invite Minister Kim of the Korean Embassy in Washington, D.C. and have him convey your deep appreciation to Mr. Shin, Director of CIA, Korea, relative to this decision.

In addition to this, please have Minister Kim also extend your kind recommendation to Director Shin of CIA, Korea, that Mr. Tongsun Park be continuously utilized as an agent for this procurement not only for the most reasonable quotation the Korean Government will have through him but also an advantage the Government will expect from his distinguished performance in association with members from both sides of the United States Congress.

I will be returning to Washington on June 6, 1974, and will look forward to meeting with you as soon as I arrive. Best personal regards. (H<sub>2</sub> 625)

<sup>31</sup> In spite of Passman's reference to Dore's participation and Richbourg's recollection angry rice growers upon his return to Louisiana: "From January 14th to January 16th angry rice growers upon his return to Louisiana: "From January 14th to January 16th we were in Jakarta, Indonesia. At no time during this trip did I speak for or represent Connell Rice & Sugar Co., Inc. of Westfield, New Jersey."

<sup>32</sup> This is the same trip that included the previously discussed stop in Indonesia to help Connell.

This letter makes it clear that Park needed Passman's support to continue as rice agent and that the KCIA was the key Korean Government agency on rice. Passman on the other hand issued a press release a week and a half later announcing the sale of rice and stating that the sale represented the fulfillment of a personal promise made to him by President Park. The unmistakable impression created is that without Passman Louisiana rice would not be sold to the ROK.

Passman acted on Park's advice and wrote to the KCIA Director on June 18, 1974. His praise of Park was effusive. For example,

Mr. Director, you can imagine how pleased I was when I was informed by your fellow countrymen, including our energetic and dynamic friend, Tongsun Park, that you were going to buy 100,000 tons of United States rice.

I marvel at the effective and professional manner in which Tongsun Park operates. He was in rare form in persuading the exporters to reduce substantially the price of the rice that you had authorized to be purchased. He did a very effective job, and I anticipate working with Tongsun in the future. (H<sub>2</sub> 627)

Passman stated that he was going to have this letter delivered by Park and went on to say, "At Tongsun's request, I am also enclosing a letter for your personal information." (H<sub>2</sub> 627)

The committee has uncovered the letter enclosed for the KCIA Director's personal information. (H<sub>2</sub> 626) It is a letter dated June 6, 1974 written by the Acting Undersecretary of State for Security Assistance, George S. Vest, to Passman and details the Security Assistance Program (military aid) for Korea for fiscal 1974.<sup>33</sup> Passman may have had good reason for omitting any description of this letter. For if this letter included information not generally available to the public, Passman may have been guilty of espionage.<sup>34</sup>

Undersecretary Vest's letter was sent to Passman when requested of Vest during his testimony before Passman on the foreign aid bill. Considering that by Passman's own admission this information was requested by Tongsun Park, it is interesting to see the colloquy that gave rise to Passman's request for the letter.

Mr. PASSMAN. Thank you, Mr. Yates.

I want to try to understand something about the military grant aid program and how you actually allocate the funds.

Last year we appropriated \$450 million for military grant assistance. Concerning the P.C.H. & T. item, packaging, crating, handling and transportation, did you add that to the \$450 million or is that a part of it?

Mr. VON MARBOD. Mr. Chairman, that is a part of the \$450 million appropriated for fiscal year 1974.

Mr. PASSMAN. Actually then the hardware itself is only a percentage of the total allocation?

Mr. VON MARBOD. It is, indeed.

<sup>33</sup> Although this letter was written just a few days before the end of fiscal 1974, the State Department has informed the Committee that the final figures for Security Assistance to Korea had not been determined.

<sup>34</sup> Title 18 U.S.C. § 794(a): "Whoever, with intent or reason to believe that it is to be used . . . to the advantage of a foreign nation, communicates, delivers or transmits . . . to any foreign government . . . any information relating to the national defense, shall be punished by death or by imprisonment for any term of years or for life"

Mr. PASSMAN. Let us try to consolidate some of these figures. *I will pick Korea, for instance.* (Emphasis added) One place you give a figure where you include the packaging, crating, handling and transportation item and in another place you do not.

When you are dealing with a recipient country, are you using one figure for the hardware and another figure to cover your P.C.H. & T.?

Mr. VON MARBOD. The figure we use is the total dollar value of assistance to that country.

Mr. PASSMAN. When you are dealing with that country?

Mr. VON MARBOD. Yes, Mr. Chairman.

Mr. PASSMAN. So if a member of this committee elected to tell another member of the Appropriations Committee that country B is going to get this, he uses one figure, he doesn't break out the P.C.H. & T. from the total?

Mr. VON MARBOD. In the Defense Department, we do maintain a separate record showing distribution of supply operation costs so that we can maintain the integrity of various elements of the program and provide better management.

Mr. PASSMAN. That I don't quarrel with. But when you are dealing with a recipient country, you deal with one figure?

Mr. VON MARBOD. Yes, sir.

Mr. PASSMAN. You don't break it down and say \$80 is for equipment and \$20 is for P.C.H. & T. You talk to them about a round figure of \$100.

Mr. VON MARBOD. In Defense, we use a total figure with separate informational breakout of supply operations. I would defer Mr. Vest as to how the figures are actually presented to the country.

Mr. PASSMAN. I would like to have that information, if I may.

Mr. VEST. It's a total figure.

Mr. PASSMAN. When you give me the figure for Korea in a letter tomorrow, would you give me a total figure and show it includes the P.C.H. & T. item?

Mr. VEST. Yes.

Admiral PEET. I am not sure you can do that. We have one basic problem, Mr. Chairman—I have a \$50 million shortfall in the program right now which must somehow be accommodated. That decision is yet to be made.

Mr. PASSMAN. What decision?

Admiral PEET. As to how we are going to cover that \$50 million shortfall.

Mr. PASSMAN. Earlier you told me you would give me a letter showing the allocation to Korea.

Admiral PEET. State may be able to do that.

Mr. PASSMAN. Could we take the uncertainty out of it?

Mr. VEST. We can give you that letter. We will give you the final figure.

Mr. PASSMAN. Tomorrow?

Mr. VEST. Tomorrow, yes.<sup>35</sup>

There is no mention that this information was requested by Tongsun Park or to be passed on to the head of a foreign intelligence service.

Vest and others at State were interviewed and no one was able to tell the Committee whether the information included in the letter was public as of the date Passman sent it to the KCIA Director. Likewise, Admiral Raymond Peet was interviewed but was of no assistance on this matter. However, all parties agree that the usual method of publicizing funding levels is for the State Department to inform the embassy of the country involved. If this had already happened here there would have been no reason for Park to have requested Passman to get this information. Further, there would have been no need for Passman to be so veiled in his letter to the KCIA Director. At a minimum this incident is an example of Tongsun Park acting as an agent of the Korean Government and not merely as a businessman.

KCIA Director Shin acknowledged receipt of Passman's letter on June 30, 1974. (H<sub>2</sub> 628-629) Passman sent copies of the KCIA Director's letter to Connell and Dore. In his cover letter to Connell and Dore he expresses a view of Tongsun Park which is somewhat different than his letters to Korea indicate:

The attached is completely self-explanatory and for your files.

It is perfectly obvious that the second paragraph of the xerox copy explains fully that when the Korean Embassy officials visited my office early in June, that the gentleman mentioned in the first paragraph [Tongsun Park] had no knowledge of the visit whatsoever. It now becomes a matter of fact that this fellow is about one of the most brazen individuals that ever lived, and I must respect him for his astuteness and brass. He successfully used yours truly to get into the picture and to sell it to the people back in Korea. Make no mistake about it that, if he had arrived in the States three days later, the matter would have been disposed of, he would have been left out of the picture; but it suffices to say that he is back in good graces, he is riding high, and he is a successful commissioned agent, and I would assume that all you can do is cooperate with him because you are in business to make money and to make it clean, and that is what it is all about. (H<sub>2</sub> 630)

This letter should be read against a cable Passman sent to Park 3 days later:

Will see Deputy Prime Minister Wednesday July 17. Will express to him my appreciation for the tremendous cooperation you have extended to the rice farmers of Louisiana and the superb manner in which you bargain successfully for your own Government. I send you the greetings of many of your close personal friends in the Congress. Cordially (H<sub>2</sub> 631)

In October 1974, Passman cabled Park to report on the *military situation* (emphasis added) with regard to aid for the ROK. (H<sub>2</sub> 643) In November, Passman made his annual pitch to Park to the effect that the ROK better place its rice order soon. (H<sub>2</sub> 646)

Passman learned in early December 1974 that the ROK had agreed to purchase 400,000 tons of rice. Passman immediately cabled the

KCIA Director to express his extreme gratification for the ROK's purchase having been so informed "through your (the KCIA Director's) special negotiator and my (Passman's) personal friend, T. S. Park." (H<sub>2</sub> 647) Later in December there is a letter to the KCIA Director in a similar vein. (H<sub>2</sub> 648—649) The Committee has in its possession a partial draft of this December letter which was probably supplied to Passman by Tongsun Park. (H<sub>2</sub> 650) However, Passman added a paragraph to Park's draft in which he suggests that Connell is prepared to sell rice under Public Law 480 without an agent.

Park's 1975 commissions were generated, as previously explained, from the 400,000 ton sale of rice to the ROK in December 1974. Also as previously noted 1975 was Park's last big year of commissions. In 1975, the ROK purchased rice from Connell, without an agent.

As previously mentioned Otto Passman had a fascination for watches and jewelry. In this regard there is one transaction in February 1976 which bears mention. Early in the morning of February 27, 1976, Passman appeared in the jewelry store of G. J. Somavilla in Alexandria, Va. Passman had done business with Somavilla in the past and had in fact sold watches to Somavilla on credit, for which Somavilla always paid eventually.

On the morning in question Passman told Somavilla that he had about \$7,000 in cash and asked Somavilla to take the cash and issue Passman a check. When Somavilla explained that he didn't have enough money in his account to cover such a check Passman told him to take the cash he (Passman) had to the bank and deposit it and then write Passman a check. Somavilla deposited \$7,100 and then wrote Passman a check for \$7,000. Somavilla explained that Passman allowed him to retain \$100 for his trouble.<sup>36</sup> The check Somavilla gave Passman has a notation on it that this check is for the purchase of watches from Passman. This was not true and Somavilla's check stub records the true facts. (H<sub>2</sub> 1149) This was an attempt by Passman to conceal the fact that he had received \$7,100 in hundred dollar bills from a source still unknown.

Lastly while on the subject of watches, Passman used the diplomatic pouch to have watches shipped to him in Washington. Jules Bassin, the Deputy Chief of Mission in Geneva, who dared question this unauthorized use (which included double wrapping the package so it would not be readily apparent that Passman was the ultimate addressee) received the following letter dated October 10, 1969, from Passman:

Thank you very much for calling the State Department via long distance to ascertain if I was pulling a fast one in having some antique watches, as well as three other watches I returned to Geneva from Washington for bracelet adjustments, sent to me.

May I assure you politely, factually, and to the point that I consider myself an ethical operator. It certainly goes without saying that the two stickers that I mailed to one of your co-workers to be used in returning my watches was for no reason other than to expedite their return.

I have been in the Congress 23 years, and on the Committee on Appropriations 21 years, and I think my reputation for in-

<sup>36</sup> Interviews with persons acquainted with Passman describe him as a careful spender who would often bargain for long periods of time in order to save \$5 or \$10 on a purchase.

tegrity would stand a fair test, so may I assure you again that my specialty is not pulling tricks. If you need any additional information, write to your own Secretary of State, Mr. Rogers, who is a personal friend of mine, or for that matter, to John Rooney,<sup>37</sup> whom I am sure you know. (H<sub>2</sub> 1140)

Passman's activities with Tongsun Park are the subject of two indictments naming Passman as a defendant. On March 31, 1978, Passman was indicted for conspiracy, bribery and receipt of illegal gratuities. Shortly thereafter Passman was indicted for income tax evasion. He is awaiting trial on both indictments which have been consolidated for trial.

#### 4. *William E. Minshall*

Tongsun Park's relationship with former Congressman William E. Minshall evolved for two reasons: Minshall's prominent position among Republican Members of the House and on the Defense Subcommittee of the Appropriations Committee, and Minshall's friendship with Secretary of Defense Melvin R. Laird. Minshall first became friendly with Park in 1968 or 1969, during the period between the November 1968 elections and the January 1969 inauguration when President Nixon selected his cabinet and Laird became Secretary of Defense.<sup>38</sup> (William E. Minshall deposition, May 18, 1978, pp. 9-15) The relationship between Park and Minshall progressed to the point that, in 1970, Park suggested that Minshall visit Korea. Minshall claims that the trip he eventually took to Korea in September of 1970 was planned and proposed by Chairman George Mahon of the Committee on Appropriations in connection with committee business. Mahon's August 13 letter asking Minshall to travel to Korea shows that there may well have been committee business for Minshall to conduct, and the Appropriations Committee did in fact pay for his travel and per diem expenses.

Other evidence, however, suggests that Minshall may have used the committee business as a public excuse to travel to Korea at the behest of Tongsun Park. Minshall says that he and Park spoke about the trip before the committee authorized it and even before Minshall asked Mahon for the letter.<sup>39</sup> Furthermore, Park gave Minshall \$5,000 in cash on August 26, shortly before Minshall's departure on September 3. Minshall characterized that cash as a campaign contribution, but Park claims that he gave it to Minshall for travel expenses and indicated that Minshall could use whatever remained in the campaign. Minshall himself testified that Park may have paid his bill at the Chosun Hotel in Seoul during that trip. Minshall claims that the purpose of the trip, which lasted from September 3 to September 5, was primarily "congressional" and incidentally to help Tongsun Park. Nevertheless, Minshall admits feeling at the time that Park "wanted me [Minshall] there to show the influence that he [Park] had with the Congress of the United States." (William E. Minshall deposition, May 18, 1978, pp. 50-72)

<sup>37</sup> Then Representative John Rooney chaired the Subcommittee which controlled the State Department's appropriation.

<sup>38</sup> The George Town Club records indicate that Minshall joined the Club in 1966. Minshall however, has no records of dues payments, and his recollection is that he did not join the club until after 1966.

<sup>39</sup> Minshall's office records indicate he and Park met in his office on August 4, 9 days before the date of Mahon's letter.

Minshall apparently agreed, in April of 1972, to make a second trip to Korea this time at Tongsun Park's request and expense. Tongsun Park's records show a payment to Minshall of \$5,000 in April 1972. Minshall claims this was not received by him, and Park apparently feels that this payment noted in his records in April may have, in fact, been paid in August. Minshall claims that Park promised him \$10,000 for his 1972 campaign but that he only received between \$4,000 and \$6,000.<sup>40</sup> According to Minshall, this campaign contribution appeared to be the same as Park's ledger entry of a \$5,000 payment for travel expenses in April.<sup>41</sup> (William E. Minshall deposition, May 19, 1978 pp. 38-66.)

Shortly after the Republican Convention in August, 1972, Minshall went to Korea. He travelled on a commercial airline ticket purchased by Park and stayed in Korea from August 28 to September 4-5, 1972. Minshall acknowledges that his expenses in the ROK were paid by Park but does not recall receiving any spending money from Park. Park, however, has testified to giving—and his records reflect that he gave—\$500 to Minshall on or after August 17 at Minshall's request. (William E. Minshall deposition, May 19, 1978, pp. 38-66)

Tongsun Park claims that, shortly before the 1972 Presidential election, he delivered to Minshall at Minshall's request an envelope containing between \$20,000 and \$25,000 in cash which was to be contributed to President Nixon's campaign committee, the Committee to Re-elect the President. Minshall agrees that he received an envelope containing an unknown sum of cash from Tongsun Park in the Rayburn House Office Building. According to Minshall, he then placed the envelope in his jacket and went immediately to the office of Clark MacGregor, Nixon's campaign director. Minshall testified that he delivered the unknown quantity of cash to MacGregor and said merely that it was from Tongsun Park. MacGregor agrees that, within ten days before the election, he received an envelope from Minshall which contained a cash contribution. MacGregor, however, claims that he did not know the amount of the contribution and that Minshall told him the contribution was from the "officers of the George Town Club." MacGregor testified that he thereafter delivered the contribution to the campaign headquarters. (William E. Minshall deposition, May 19, 1978, pp. 73-75; Clark MacGregor deposition, March 9, 1978, pp. 3-6)

The campaign committee's records at the time do not reflect any such receipt and this Committee has been unable to determine the eventual disposition of the cash.

Park has testified to one payment to Minshall in addition to the payments described above. This was a \$1,000 payment for "spending money", and his 1972 ledger records the date as August 6, 1971. (H<sub>2</sub> 802) Minshall denies receiving this payment. (William E. Minshall deposition, May 18, 1978, p. 102)

While Minshall was in the Republic of Korea both in 1970 and 1972, he spoke with ROK officials and mentioned Tongsun Park's name favorably. Minshall also introduced Park to Secretary of Defense Melvin Laird and facilitated Park's visits with the Secretary

<sup>40</sup> Park's 1972 ledger records a \$10,000 payment to Minshall on August 11, 1972.

<sup>41</sup> The ledger records the first payment on April 13, 1972. On April 27 according to an invoice, Park ordered an airline ticket for a "W. Marshall [sic]" to go from Cleveland to Seoul. Park's diary records that, on the same day, Park learned that Minshall had postponed his trip. The April ledger entry might therefore have recorded an anticipated payment and not an actual one.

at the Department of Defense.<sup>42</sup> Minshall wrote at least six letters to the President of the ROK, the Prime Minister of the ROK, and the Director of the KCIA at Tongsun Park's request. Each of the letters praised Tongsun Park's representation of the ROK in the United States, and, at least to Minshall's knowledge, exaggerated Tongsun Park's influence with United States officials. This Minshall correspondence claimed that Tongsun Park discussed the military security of the Republic of Korea with Secretary of Defense Laird and further that Laird planned to use Minshall and Park as a conduit for sharing information between the Department of Defense and the President of the Republic of Korea. Minshall testified that the letters, which were probably either presented to his office in draft form by Park or one of his employees, or the content of which was suggested by Park, did "puff" and that Laird did not communicate with Minshall as described in the letters. Minshall was further aware of the fact that Park would use the letters, which were either mailed or given to Park or one of his employees for delivery to the addressee, to influence members of the government of the Republic of Korea in favor of Tongsun Park. Minshall claims, that despite the statements contained in these letters he never thought of Park as an agent of the ROK but merely as a businessman and "good friend of Korea and the United States." (H<sub>2</sub> 415, 456, 526, 551, 552, 588)

Minshall testified before this committee under a grant of immunity—only after the Department of Justice had indicated that its criminal investigation of Minshall was closed. Minshall's testimony admitting receipt of large sums of cash in even years only, sums which he now says were campaign contributions, conflicts with Park's testimony. Minshall does not admit to receiving any payments during off-election years. Nevertheless, he accepted cash from Tongsun Park which Minshall characterizes as the largest single contributions to his campaigns of 1970 and of 1972. Furthermore, Minshall failed to report either of the two cash receipts or to detail their use in reports to the Ohio State Election commission or the House of Representatives. Minshall has testified that he used Park's contributions solely for campaign purposes and says he placed the money in his desk and afterwards transferred it to his office safe, from which he personally disbursed it. The Committee has been unable to determine whether he used the money for campaign purposes or for personal purposes, but, in either case, Minshall's treatment of the contributions gives some indication that he himself found them suspect. (William E. Minshall deposition, May 18, 1978, pp. 47-48; Minshall deposition, May 19, 1978, pp. 55, 57)

*5. Sitting Members as to whom the committee instituted disciplinary proceedings*

Park gave cash under differing circumstances to Congressmen Edward R. Roybal, John J. McFall, Charles H. Wilson and Edward J. Patten. After a full investigation of the circumstances surrounding these payments, the committee on July 13, 1978, filed Statements of Alleged Violation (Statements) against each of these Members. None of the Statements charged that the Members had been influenced

<sup>42</sup> A meeting with Secretary Laird arranged by Minshall and witnessed by Col. Lim Kyuil, an agent of the KCIA stationed in Washington, D.C., is recorded in Park's diary on August 11, 1972—the day after Park paid Minshall several thousand dollars (H<sub>2</sub>, 543).

or agreed to be influenced in return for the gifts: and none of the statements charged that the Members knew that Park was acting on behalf of the ROK Government when he made the gifts. The charges dealt in the main with the manner in which the gifts were handled or disclosed.

Roybal was charged with failure to report the contribution; conversion of the contribution to his personal use; and two counts of giving deliberately false testimony under oath.

McFall was charged with accepting the gifts under circumstances which a reasonable person might construe as influencing him in his official duties; failing to report a campaign contribution; and converting the contribution to his personal use.

Wilson was charged with falsely denying that he had received a \$1,000 cash wedding present from Park.

Patten was charged with passing off two contributions from Park to the Middlesex County Democratic Organization as his own.

After public hearings, the committee sustained all charges against Representative Roybal except for one of the two false testimony charges; sustained only the charge against Representative McFall that he had failed to report the campaign contribution; sustained the charge against Representative Wilson; and exonerated Representative Patten. It recommended censure for Roybal and reprimands for McFall and Wilson. The House voted to reprimand all three. Full printed reports on all four cases were submitted to the House and they are hereby incorporated into this report by reference.

*6. Sitting Members who were investigated as to whom the committee did not institute disciplinary proceedings*

Park made campaign contributions to seven other sitting Members: Representatives John Brademas, Eligio de la Garza, Thomas Foley, John J. Murphy, Melvin Price, Frank Thompson, and Morris K. Udall. He also gave two parties for Thomas P. O'Neill Jr., then majority leader. The results of the committee's investigative efforts with respect to these contributions and parties were released on July 13, 1978. These releases are reproduced as appendix A to this report. In each case, the committee concluded that the receipt and handling of those contributions involved no impropriety. The committee noted that the contributions were by check and therefore traceable; that they were reported where required; that there was no evidence that these Members agreed to be influenced in return for the contributions; that there was no evidence that these Members knew or should have known that Tongsun Park was an agent of the ROK; that the contributions were made prior to January 1, 1975, when it became illegal to accept a campaign contribution from a foreign national; and that there was no evidence that the receipt of these contributions was otherwise improper. In addition, Tongsun Park gave Representative Broomfield a check for \$1,000 which was returned to him with a thank you note from Representative Broomfield on November 13, 1970.

### 7. *Other former Members*

Park testified that he also made cash contributions to five additional former Members: Nick Galifianakis—\$10,000 in 1972; John R. Rarick—\$1,000 in 1974; Albert Johnson—\$1,000 in 1974; John J. Rooney—\$2,000 each in 1972 and 1974; and Donald Lukens—\$500 each in 1968 and 1970. (H<sub>2</sub> 21-31) Since these men are no longer Members of the House and are accordingly beyond the jurisdiction of the House, and because none appeared to be active participants in the scheme, the committee went no further than to attempt to ascertain whether money had in fact been paid to them. Albert Johnson disclosed on his questionnaire and during a subsequent deposition that he received \$1,000 from Park in 1974. John Rooney is dead. Galifianakis and Rarick testified that they had not received cash contributions from Park. Their testimony, together with Park's testimony to the contrary and other evidence supporting it was sent to the Department of Justice on July 13, 1978, for consideration by the Department of Justice whether perjury had been committed. Lukens denied in an interview with a member of the special staff that he had received any cash from Park. There is no evidence supporting Park's testimony that he gave Lukens money and, when pressed, Park was not sure whether he gave money to Lukens or not. (Tongsun Park deposition, March 31, 1978, pp. 3-7)

Park testified that he gave small checks to some former Congressmen or candidates for Congress in the year 1970, ranging in amounts from \$300 to \$1,000. The checks were given to Ross Adair (\$500); William H. Ayers (\$500); Peter Frelinghuysen (\$500—this check was never cashed or deposited); Seymour Halpern (\$500); Lawrence J. Hogan (\$500); Thomas E. Kleppe (\$500); Spark Matsunaga (\$500); Cole McMartin (\$1,000); Chester L. Mize (\$500); Robert A. Reveles (\$300), and Nelson Gross (\$100). The committee has copies of all of these checks. (H<sub>2</sub> 21-31)



### III. HANCHO KIM

#### A. INTRODUCTION

From 1970 through 1976, Kim Sang Keun was an agent of the Korean Central Intelligence Agency (the "KCIA") stationed at the Korean Embassy in Washington, D.C. In November, 1976, he defected to the United States. After his defection, Kim Sang Keun (KSK) told the story of how in September 1974 and June 1975 he had given a total of \$600,000 in cash to Hancho C. Kim, a Korean-born American citizen residing in Lanham, Md. This money was to be used to influence, among others, Members of the House of Representatives. KSK testified that Hancho Kim reported to KSK the identity of five Representatives referred to by the code name of "Advance Guard," to whom KSK said Hancho Kim had told him (KSK) that he had paid money: Representatives Tennyson Guyer, Guy Vander Jagt, Benjamin A. Gilman, Larry Winn, Jr., and Robert J. Lagomarsino. (Staff memorandum, August 16, 1977; Executive Session Hearings of the Senate Select Committee on Ethics, Korean Influence Inquiry, April 24, 1978, p. 865)

After comprehensive investigative efforts which are described *infra* at pp. 70-83, the committee found no evidence that Hancho Kim had done what KSK said Hancho Kim claimed he had done; that is, there is no evidence that Hancho Kim paid any money to any Members of Congress. KSK's story and the committee's efforts to corroborate or refute it are the subject of part III of this report.

The committee conducted an in-depth investigation and, although it concluded that KSK had in fact delivered the \$600,000 in cash to Hancho Kim, as he claimed, and that the delivery was part of a plan which included paying Members of Congress, the committee found no evidence that these Members of Congress received any money from Hancho Kim. The investigation remains incomplete, principally because Hancho Kim, even after being granted immunity, refused to say whether he ever received the \$600,000 from KSK. Consequently, he never told the committee what he did with the money and the committee has been unable to determine from independent sources what he did with the money. Nonetheless, the investigation persuasively points to the conclusion that Hancho Kim did not use the money to pay off Members of Congress—particularly not the Members who supposedly made up the "Advance Guard"—but instead swindled the ROK Government out of \$600,000.

The remainder of this section of the report will be divided into two parts: section B which sets forth the evidence that Hancho Kim was given \$600,000 by KSK to pay off Members of Congress and section C which sets forth the committee's efforts to determine whether Hancho Kim carried out the plan, first, through investigating him and then through investigating the Members whom he supposedly paid.

## B. THE PLAN

1. *KSK's evidence*

KSK had the title of "First Secretary" and later "Counsellor" at the Korean Embassy in Washington, D.C. during the period October, 1970 until November, 1976. In fact, since 1961, he had been an agent for the Korean Central Intelligence Agency. In November of 1976, KSK defected after having been warned by a Korean official that he might have to spend 1 year in jail as a result of his participation in the "Koreagate scandal." (H<sub>1</sub> 34-36) After his defection, KSK was questioned before a Federal Grand Jury, by FBI agents, and later by this committee. In October 1977, he testified in public before this committee.<sup>1</sup> (H<sub>1</sub> 32-74)

In his public testimony and in his discussion with the staff, KSK told the following story:

In late August 1974, Hancho Kim called KSK at the ROK Embassy in Washington. Up until that time, KSK barely knew Hancho Kim and had had no official contact with him. Hancho Kim told KSK that KSK had been designated by the KCIA headquarters in Seoul to work with Hancho Kim on an important project (H<sub>1</sub> 37) On September 2, 1974, KSK received a formal instruction from General Yang Doo Won, Director of Planning and Coordination, at KCIA headquarters in Seoul (H<sub>1</sub> 37-39) KSK was familiar with General Yang since, from December 1971 to January 1974, General Yang, using the name Lee Sang Ho, had been the KCIA station chief at the Korean Embassy in Washington, D.C., and as such had been KSK's immediate supervisor (H<sub>1</sub> 35). General Yang's message, a copy of which was retained by KSK, provided in part as follows:

To: Secretary KIM Sang-Keun.

This letter should be burned after you read it thoroughly. You are not allowed to make copies of it.

\* \* \* \* \*

(1) Concerning your reply letters, you should not use regular channels for reports and notifications. A leakage of information is strictly prohibited (only Secretary KIM).<sup>2</sup>

(2) Regarding the operation based in Washington, you, giving appropriate excuses, should not let your supervisor (Minister KIM) [the KCIA Station Chief] notice your performance of duties to utilize and obtain help from company president KIM Han-cho. No one but you should know this.

(3) Consequently you should realize that the utmost security measures should be maintained in utilizing president KIM Han-cho limiting the contacts within the following line: KCIA Director—Office of Chief YANG—Secretary KIM—Company President KIM Han-cho.

(4) All my contacts with company president KIM should be done by letters through Secretary KIM using diplomatic pouch.

(5) Consequently you should secure a contacting point so that constant communication can be made with company president KIM Han-cho. Special security measures should be taken in contacting company president KIM so that no one will notice the contacts.

\* \* \* \* \*

<sup>1</sup> KSK did not mention the names of any Members of Congress in his public testimony. On April 24, 1978, KSK testified in executive session at a deposition conducted by the staff of the Senate Select Committee on Ethics. That testimony was made public in October, 1978 and is reported in executive session hearings before the Select Committee on Ethics of the United States Senate, 95th Cong., 2d Sess., 861 (Vol. 2, 1978).

<sup>2</sup> So far as KSK is aware no one in the Embassy except himself knew of the plan involving Hancho Kim and Yang Doo Won; and he never reported on it to any of his superiors.

(8) All the envelopes containing letters and documents by company president KIM which are addressed to me should not show his name.

(9) You should maintain security measures in communication with company president KIM over there.

(10) Telephone conversations between Seoul and Washington are expected. The following codes have been decided in order to prepare for the future security measures:

Company president KIM, Dr. Hamilton.

Secretary KIM Sang-keum, Professor KIM.

Office Chief YANG, Catholic Father.

KCIA Director, Provincial Governor.

(11) You should bear in mind that the Catholic Father directly instructs company president KIM.

Pray for your good health. (H<sub>1</sub> 215-216)

Kim received a subsequent letter claiming that parts of his report would be forwarded to the President of the ROK, Park Chung Hee. (H<sub>1</sub> 41, 217) KSK learned from Hancho Kim that President Park was referred to as the "Chief Priest of the Bulkook Buddhist Temple." (H<sub>1</sub> 47) In later correspondence, General Yang gave the operation the code name "White Snow." (H<sub>1</sub> 224)

On September 11, 1974, KSK was visited at his apartment by the accounting section chief of the KCIA, who was visiting the United States from the ROK. He handed KSK \$256,000 in \$100 bills wrapped in brown paper. (H<sub>1</sub> 40-42) At the same time, KSK withdrew an additional \$44,000 from his personal checking account at the Dupont Circle branch of the Riggs National Bank. (H<sub>1</sub> 40) This money came from a deposit of \$100,000 he had made previously. That deposit consisted of a check drawn on the account of Tongsun Park. The check had been forwarded to KSK in the summer of 1974 by General Yang Doo Won. (H<sub>1</sub> 44-45, 219-220) The next day, September 12, 1974, KSK delivered the total of \$300,000 in \$100 bills to Hancho Kim's home in Lanham, Md. (H<sub>1</sub> 43)

At the time, KSK received a receipt from Hancho Kim in Korean handwriting which translates as follows:

Receipt

September 12, 1974, 8:00 p.m.

(I) duly received at my home the sum of \$300,000 and promise definitely to deliver it to the designated person(s) by tomorrow (September 12).

Kim Han-Cho" (H<sub>1</sub> 43-44, 221).

KSK's information about Hancho Kim's activities on behalf of Yang Doo Won came from Hancho Kim himself, when Hancho Kim asked KSK to send reports of Hancho Kim's activities (as reported to him by Hancho Kim) to Yang Doo Won. KSK viewed his own function as ministerial and assumed that Hancho Kim and Yang had had conversations to which he was not privy. Hancho Kim told KSK at that time that he was embarking on an important operation to gain influence with, among others, Members of Congress on behalf of the Seoul regime. He said that the money was to be spent to expand his activities in the Congress. (H<sub>1</sub> 43) KSK said that Hancho Kim said he had to help Representative Tennyson Guyer and, through him, four other Members of the House. Later, Hancho Kim referred to this group as the "Advance Guard." The general objective of the "Advance

Guard" was to gain support for the ROK in the Congress. More specifically, it was to counter the activities of the Fraser Subcommittee of the International Relations Committee, which was critical of the ROK Government. (Staff memorandum, August 16, 1977)

According to KSK, though Hancho Kim never said so in so many words, he implied to KSK repeatedly that he was dispensing cash to Congressman Guyer and others members of the "Advance Guard." KSK said Kim told him he did this principally before short recesses of the House when the Congressmen were ready to return to their districts (H<sub>1</sub> 70). In describing the payments to KSK, Hancho Kim used a Korean analogy: he was handing out cash and gifts, he said, like a father marrying off three daughters all at once. KSK explained that he believed that Hancho Kim meant that he was spending money busily and beyond his means. (Staff memorandum, August 16, 1977) It was not until the spring of 1975, however, that KSK saw for the first time the list of the "Advance Guard." Hancho Kim brought the list from Korea. KSK was under the impression that the list was prepared by KCIA officials in Seoul. (*Id.*) On the list were the same five names.

At the time, all were members of the International Relations Committee.

KSK said that he forwarded reports to General Yang Doo Won's office in Seoul relating to the activities of Hancho Kim. (H<sub>1</sub> 54) The reports were based on what Hancho Kim told him. Hancho Kim said he had hosted frequent dinner parties for the five Congressmen and their wives, both in his home as well as at prominent restaurants in Washington, notably Sans Souci. Often, following the dinner parties, according to what Hancho Kim told KSK, Kim showed movies at his home championing the cause of the ROK Government. KSK obtained the movies from the diplomatic pouch and supplied them to Hancho Kim. (Staff memorandum, August 16, 1977) KSK also gave Hancho Kim information which Kim was to transmit to the House Members in an effort to portray Korea in a favorable light.

Toward the end of 1974 and through the early part of 1975, Hancho Kim repeatedly told KSK he had spent more than \$600,000 to \$700,000 for the "operation" and asked for more money (H<sub>1</sub> 54-55) On one occasion, October 23, 1974, Hancho Kim placed a telephone call to Yang Doo Won in the presence of KSK and demanded \$200,000. General Yang, instead, instructed Hancho Kim to produce "results" within 30 days. (H<sub>1</sub> 52) Shortly afterwards, KSK transmitted a message from Seoul to Hancho Kim instructing him to endeavor to suppress any critical views concerning the extension of military aid to Korea and to broaden support for the ROK in forthcoming congressional debates in the House (H<sub>1</sub> 53). In turn, Hancho Kim supplied KSK with portions of the Congressional Record and House reports. Some of these carried the transcript of the Fraser Subcommittee hearings on Korea; others contained certain House Members' statements supporting the ROK, including statements by Members of the "Advance Guard." (Staff memorandum, August 16, 1977)

On October 10, 1974, according to KSK, KSK received a message from General Yang instructing Hancho Kim to enlist the support of Members of Congress for a national referendum sought by President Park Chung Hee and scheduled for January 1975. (KSK interview

September 28-30, 1977) In early 1975 Hancho Kim told KSK that Congressman Guyer introduced a resolution praising President Park's action. (Staff memorandum, August 16, 1977) He also told him that he had entertained other members of the "Advance Guard" at Sans Souci, and had secured the support of six House Members. (KSK diary, p. 4) Hancho Kim told KSK that his source of congressional information was the "Advance Guard," and that its members were working overtime on Korea's behalf. (KSK interview, September 28-30, 1977; KSK diary, p. 7).

Never at any time, however, did Hancho Kim report to KSK exactly when, how much or to whom he was giving money. Accordingly, KSK reports to Seoul never set forth any specific cash transaction, nor did they make any accounting of how Hancho Kim's money was spent. KSK assumed that Hancho Kim reported this aspect of the operation in person when he was in Seoul. Indeed, each of Hancho Kim's trips to Seoul was followed by a new development. According to KSK, a telex facility was installed in Hancho Kim's home following Hancho Kim's January 1975 trip to Korea. According to KSK, it was hooked up directly with Yang Doo Won's office (H<sub>1</sub> 55). Thereafter, Hancho Kim's reports were cabled through this facility.

On April 21, 1975, Hancho Kim related to KSK that he had met with Secretary of State Henry Kissinger and President Ford on April 17. Thereupon, the two drafted a cable report of the event, the language of which KSK recorded in his diary which he later gave to the committee: "Dr. H[ancho Kim], together with Congressman [Tennyson Guyer] got together with Secretary Henry Kissinger, and met with the President."<sup>3</sup> The following day, Hancho Kim asked KSK to send a written report to Yang Doo Won in the diplomatic pouch in which Kim stated he was spending a lot of money maintaining his contacts with the Congress. (H<sub>1</sub> 58).

From May through the first part of June 1975, Hancho Kim visited Korea again, and upon returning, Hancho Kim told KSK that additional funds for the operation would be forthcoming. KSK received another \$300,000 in cash in the diplomatic pouch soon afterward. In early June 1975, KSK delivered this money to Hancho Kim at his home in Lanham, Md.

Hancho Kim traveled to the ROK in August of 1975. This trip coincided with a Korean visit by a congressional delegation led by Representative Lester Wolff. Hancho Kim told KSK that three members of the "Advance Guard" were in the group.<sup>4</sup> After returning to Washington, Hancho Kim told KSK that while in Seoul he had spent some \$100,000 (H<sub>2</sub> 61) and "took good care" of the visiting Congressmen. (Staff memorandum, August 16, 1977)

As time went by, KSK began to doubt the truthfulness of what Hancho Kim told him. Indeed on April 22, 1975, KSK described Hancho Kim in his diary as "A liar." (KSK diary, p. 10)

In mid-August 1976, Hancho Kim angrily told KSK that the Korean Ambassador at the time, Hahm Pyong Choon, either had given or attempted to give \$20,000 in cash to Representative Guyer. Hancho Kim complained because he thought Representative Guyer was his contact.

<sup>3</sup> Staff investigation established this claim to be false.

<sup>4</sup> Records for the Congressional delegation reveal, however, that of the "Advance Guard" only Representatives Guyer and Gilman were on the trip.

Hancho Kim told KSK that Representative Guyer had told him of Ambassador's Hahn's offer. At Hancho Kim's direction, KSK reported these events to Yang Doo Won. (H<sub>1</sub> 65-67); KSK interview, September 28-30, 1977)

KSK saw Hancho Kim in September 1976 for the last time (H<sub>1</sub> 67). The Korean scandal had then received some press coverage. In November, 1976, after having been informed that he might have to spend a year in jail in Korea to make it appear that the Korean Government was doing something about the Korean scandal, KSK defected. After consulting with a former KCIA Director, General Kim Hyung Wook, KSK met with agents of the FBI on November 26, 1976, and turned over to them copies of some of the letters from Yang Doo Won and the receipt from Hancho Kim he had retained.

## 2. *Evidence corroborating KSK's testimony*

The evidence that KSK did in fact deliver two large sums of cash to Hancho Kim, one in September 1974 and one in June 1975, as he testified, is extremely strong.

There is strong evidence that the receipt in Korean writing which KSK received from Hancho Kim for the first \$300,000, a copy of which KSK turned over to the FBI on November 26, 1977, when he defected, was in fact written by Hancho Kim. The Department of Justice obtained the testimony of a handwriting expert from Hong Kong, who was an expert in analyzing Chinese characters.<sup>5</sup> By comparing the characters contained in the body of the receipt with exemplars written by Hancho Kim, the expert was able to give a positive opinion that Hancho Kim had written the receipt.

In addition, KSK's visits to Hancho Kim's house in Lanham, Md., were observed. John Fyfe, a lieutenant with the Prince George's County Police Department, was a neighbor of Hancho Kim's. From January through July 1975, he noticed KSK's green Chevrolet station-wagon with diplomatic license plates parked across the street from his house many times each week. He saw an Oriental man, who fitted the description of KSK, get out of the car and walk to Hancho Kim's house on another street (*United States v. Hancho C. Kim*, CR 77-558, D.D.C., 1977). Fyfe testified there were plenty of parking spaces in front of Hancho Kim's home, and KSK's attempt to conceal his visits in this manner is independent evidence of the surreptitiousness of the scheme. It shows that KSK was following the KCIA directive that in contacting Hancho Kim he take "special security measures" to assure that "no one will notice the contacts."

Independent evidence also clearly establishes that after March 1975, Hancho Kim was in frequent telex communication with General Yang Doo Won in the ROK. Whenever a telex call is made from a telex machine, a computer automatically records the date, the number that is being called, and the length of the call for purposes of preparing an invoice each month. The records with respect to Hancho Kim's home were subpoenaed from RCA Telecommunications. The records revealed that Hancho Kim did have a telex machine and that the machine had a special device on it, called a Uni-Code, whereby the telex machine was preprogrammed so that if a particular key on the

<sup>5</sup> The Korean language utilizes Chinese characters.

telex machine were depressed, the machine would automatically transmit the message to a particular number. In Hancho Kim's case, that number was 787-28423. A series of events reveals that this number belonged to General Yang Doo Won in Seoul.

The evidence comes from a second plan KSK testified about, in addition to "White Snow," called the "Ice Mountain Operation." In 1975, KSK received a pamphlet from Yang Doo Won which referred to this "Ice Mountain Operation." Though the complete details of the plan have never been fully disclosed, it is clear that KSK met with Tongsun Park in about late August, 1975 and gave him this "Ice Mountain Operation" plan. KSK was to coordinate the communications between Tongsun Park and General Yang Doo Won. He dealt principally, however, with Tongsun Park's employee at Pacific Development, Inc., B. Y. Lee. He assisted B. Y. Lee by teaching him how to use the code in which the messages were to be sent to General Yang. (H<sub>1</sub> 61-65)

B. Y. Lee and Tongsun Park also both told the staff about the "Ice Mountain Operation." B. Y. Lee said he sent telex messages on five different occasions from a telex machine installed at P.D.I. Park and B. Y. Lee agreed that during the summer of 1975 these telex messages were sent to General Yang Doo Won in Seoul, Korea. The telex number was listed in the "Ice Mountain Operation" pamphlet. (H<sub>1</sub> 78-82)

The RCA invoices with respect to the telex machine at Pacific Development Inc. revealed that there were four numbers in the ROK that were called during those months of July, August and September, 1975. One, apparently Park's office in Seoul, was called a total of 55 times. There were two numbers that were called only one time each. The remaining number was called a total of 8 times on five separate dates: July 18, August 6, August 8, four calls on August 21 and August 23, 1975. That number was 787-28423.

That is, of course, the same number that was installed in the Uni-Code on Hancho Kim's machine. It was called 141 times from the telex machine at Hancho Kim's home during the period of March 27, 1975, through June 17, 1976.

Finally, the financial condition of Hancho Kim provides the most dramatic and powerful evidence that, in fact, Hancho Kim came into a large amount of cash on September 12, 1974, as KSK testified, and later in June, 1975. Evidence summarized below regarding Kim's financial condition was introduced at the trial of Hancho Kim. (*United States v. Hancho C. Kim, supra*, TR 950-1364)

In 1972, 1973, and up until September 1974, Hancho Kim had borrowed a lot of money and was unable to meet his payments. In 1972 he had to borrow money on two life insurance policies from the Philadelphia Life Insurance Co. He also obtained small loans from Suburban Trust Co. in Maryland and from American Finance Corp.

In August of 1972, Hancho Kim took out a second mortgage on his home from the University Bank. He received \$19,500. Two months later, in October, he gave a promissory note to People's Supply for \$13,000 because he was unable to pay them for building supplies. Thus, only 2 months after he received the \$19,500 from the University Bank, he was unable to pay People's Supply the money that he owed them.

In 1973, Hancho Kim obtained another loan, this time on a life insurance policy with the Continental Life Insurance Co. Kim was

also again forced to borrow small sums of money from American Finance Corp., and from AVCO Financial Services. Moreover, he was forced to refinance the second mortgage on his home which he had gotten only a year before. In this manner in August 1973, Kim obtained from the United Virginia Mortgage Corp., an additional \$30,000. In December of 1973, Kim got another loan from Suburban Trust Co., in Maryland. It was a \$5,000 loan, which he was able to obtain by agreeing to use \$4,000 to pay off an earlier loan that he had there.

By the beginning of 1974, Hanchu Kim had built up staggering liabilities because of the many large loans he had outstanding. He owed money on his first and second mortgage. He owed money on his personal loans to Suburban Trust Co. He owed money on the financing of his 1972 Cadillac with GMAC. He also had loans at AVCO Financial Services and American Finance Corp. Indeed, in 1974 the payments on his three major liabilities alone—his first and second mortgage and his personal loan at Suburban Trust—amounted to \$1,460 a month.

In July of 1974, however, Kim went back to the American Finance Corp. He owed them money at the time, but he asked them for an additional \$3,500 loan. American Finance turned down Kim's request for more money for two reasons: first, he had been slow in paying off his existing loan and, second, he could not show any income in the United States. Kim told American Finance he was unable to make any profit from John and Bee Dee Co., his only business. He claimed he was receiving \$1,000 a month from an unspecified source in Korea. Kim's business, according to tax returns, lost money during this period. Its principal employee had left in July 1972 leaving Kim's brother-in-law as its only employee.

With respect to his loans from the various financial institutions like Citizens Bank, United Virginia Mortgage Corp., American Finance, and Suburban Trust, Kim was not able to make his monthly payments. Kim's revolving charges at a number of stores—Lord & Taylor, Garfinckel's, W. & J. Sloan—also had large unpaid balances. He frequently missed monthly payments, and the payments he did make were typically small.

In the early part of September 1974, the tuition was due for Kim's two sons at the Landon School. Kim's wife, Soonduk, wrote two checks for a total of \$6,000. Those two checks were sent to the Landon School and were deposited on September 9, 1974. On September 11, both checks bounced. Records of Kim's only personal account which was maintained at Citizens Bank reveal that on that day there was a total of \$65 in Kim's checking account.

The next day, September 12, according to KSK, Hanchu Kim received \$300,000 in cash. Immediately after that, Hanchu Kim had money, much of it in cash, like never before.

On the morning of September 13, 1974, for example, Soonduk Kim appeared at the Landon School with \$3,100 in \$100 bills to pay for the tuition of her two sons.

Kim's monthly payment to GMAC for his Cadillac was \$171.71. He made only four payments in the first 8 months of 1974. On September 13, 1974, Kim paid off the balance of \$686.84.

At Garfinckel's Kim's balance through most of 1974 up to September ranged around \$700 to \$900. He was making payments of about \$60 to \$80 monthly. On September 13, 1974, Kim paid off Garfinckel's the balance of his account: \$897.23.

At W. & J. Sloan furniture store the story was the same. Kim had consistently large outstanding balances. He paid very little each month. In June of 1974, he had a balance of about \$957. He made no payment in July or August of 1974. September 13, 1974, he went to Sloan's and paid off the balance: \$968.80 in cash.

Kim owed Eurasia Global Travel Agency \$1,825 since July 18, 1974. On September 13, 1974, he paid off the balance.

Kim had owed a catering service, Braun's Finest Caterers, \$241 since February of 1974. That bill was not paid until September 17, 1974, when it was paid in full.

Kim made very few payments to Lord & Taylor during the first 8½ months of 1974. Sometime between September 12 and October 12, 1974, however, Hancho Kim paid off the balance of that account of \$731.21.

At the Suburban Trust Co., Kim had a \$5,000 loan and his monthly payments were \$447.34. He made one payment in February, one in May and one in June. Kim made his next payment on September 17, 1974, not for \$447.34, his monthly payment, but for \$4,012.79.

Also, on September 17, 1974, Hancho Kim called Town & Country Motors and agreed to buy a brand new 1975 Cadillac Fleetwood Brougham. He sent them a letter that day confirming the agreement, enclosing a \$500 check and stating, "P.S., final payment will be made by cash and no financing." That same day, Kim bought new business cards and engraved stationery. He also brought his Lincoln Continental in for over \$1,000 worth of repairs.

On September 19, 1974, Findlay College in Ohio received a \$10,000 contribution from Hancho Kim.<sup>6</sup>

St. Andrews Episcopal Church in Findlay, Ohio received a \$1,000 check from Kim on September 20, 1974.

Kim's payments on his first and second trusts to the Citizens Bank and United Virginia Mortgage Co., reveal an identical pattern. In 1973 and the first 8 months of 1974, Hancho Kim was continually late in making payments and had to pay late charges almost every month. After September 12, 1974, there were no more late charges; Kim always paid on time.

A similar pattern of large cash payments occurs in June of 1975 after Hancho Kim received the second \$300,000 cash shipment from KSK. Thus, on June 13, 1975, Hancho Kim purchased furniture at the W. & J. Sloan Furniture Co., which he paid for with \$5,526.34 in cash. Shortly thereafter, on August 5, 1975, he paid them \$6,700 more in cash for additional furniture. Also in the summer of 1975, Soonduk Kim paid for tickets for a trip to Korea on Korea Airlines with \$5,000 in new \$100 bills.

The evidence set forth above was presented to a jury in the perjury conspiracy trial of Hancho Kim. The jury returned verdicts of guilty on two counts, thus finding that Hancho Kim and KSK conspired corruptly to influence members of Congress (without finding necessarily that the conspiracy was carried out) and that Hancho Kim made a false declaration under oath to a grand jury when he denied receiving the money from KSK. The committee wholly concurs in this finding of the jury.

<sup>6</sup> On Oct. 17, 1974, the Board of Directors of Findlay College voted to give Kim, who had attended but one semester at Findlay College, an honorary degree. On Nov. 1, 1974, the college dedicated the Hancho Chris Kim Far Eastern Center. The presentation speech was made by Representative Guyer's administrative assistant, M. E. Monroe. Later, at Kim's urging, Findlay bestowed an honorary degree on the Director of the Korean Central Intelligence Agency, Shin Il-Soo.

In view of this finding, it is essential to determine what Hancho Kim did with the money—that is, whether he gave some of it to any Member of Congress. The committee's investigation on this issue was divided into two parts. First, the staff investigated Hancho Kim and sought to obtain his testimony. Second, the staff conducted an investigation of the five Members of Congress who were alleged to have received money from Hancho Kim.

### C. THE IMPLEMENTATION OF THE PLAN

#### 1. *Hancho Kim's testimony and contempt*

On November 17, 1977, Hancho Kim was called before the committee at a deposition in executive session and granted immunity from prosecution.<sup>7</sup>

Thereafter, Kim appeared before the committee on November 23, and December 9, 1977, and January 12 and May 15, 1978. During his first three appearances, Hancho Kim was asked about his contacts with Members of Congress. The indictment against him was still outstanding, and although Kim was testifying under immunity, the committee, for tactical reasons, did not ask him whether he received the money from KSK. He was not asked, in other words, whether he was guilty of the perjury with which he was charged and on which he would soon be tried. However, during his last appearance which occurred after his trial and after a jury had found that he did indeed receive \$600,000 from KSK and that he did agree to use it corruptly to influence Congressmen, he was asked whether he received the money from KSK. It was a crucial question because unless Hancho Kim admitted receipt of the money and accounted for it, the committee could not know what was done with the money. Hancho Kim refused to answer the question. As a result of his refusal to answer, the Committee concluded on May 17, 1978, that he was in contempt of the Congress and this contempt was referred on September 15, 1978, by the House to the U.S. Attorney for the District of Columbia.

Even without an admission that he received the money and without an accounting of how he spent it, Hancho Kim's testimony was of some assistance to the committee on the question whether he paid any Congressmen. At the outset, it is helpful to take an overview of Hancho Kim's testimony. First, it is important to note that Kim's contacts with Members of Congress other than one seem to have been so fleeting as to make it highly unlikely that he would have attempted to give money to any of them. There seems to have been almost no opportunity, with respect to such Members for Kim to have given them any money. Kim's testimony concerning the number and nature of his contacts with members of the "Advance Guard" is consistent with the testimony of the Members themselves, and is uncontradicted by information received orally or in the form of documents from congressional staff. Kim testified to numerous contacts with the Tennyson Guyers, as did the Guyers. With respect to every other member of the "Advance Guard," Kim's contacts were fleeting or nonexistent. He had two meals with Representative Lagomarsino and his wife; one in Hancho Kim's

<sup>7</sup> Kim raised various objections which were overruled by the chairman and Representative Spence. Ultimately, the committee held Hancho Kim in contempt for his refusal to answer all the questions posed to him. The report of that contempt sets forth in detail the various legal claims made by Kim. See, "Proceedings Against Hancho C. Kim," H. Rept. No. 95-1214, 95th Cong., 2d sess. (1978). Kim also testified pursuant to a grant of immunity before the Senate Select Committee on Ethics. See "Executive Summary: Hearings before the Select Committee on Ethics," H. Rept. No. 95-1214, 95th Cong., 2d sess. (1978).

home and one at Paul Young's restaurant in downtown Washington. (Hanchu Kim deposition, November 17, 1977, pp. 18, 31). There was no other evidence, either in the testimony of Congressman Lagomarsino, in his appointment books, in his correspondence or in the testimony of Hanchu Kim suggesting meetings between the Lagomarsinos and Hanchu Kim.

With respect to the other members of the "Advance Guard," there is no evidence, either from Hanchu Kim's testimony or from the testimony of the Congressmen or from an exhaustive review of their appointment and telephone logs and correspondence or interviews of their staffs, that there was any contact whatsoever between any of them and Hanchu Kim.

Kim was questioned in detail about each Member of Congress who was alleged to be a member of the "Advance Guard" and asked whether he had conferred anything of value on any of them. Kim said he had not, except he had bought dinner for Representative and Mrs. Guyer on several occasions and once for Representative and Mrs. Lagomarsino. More specifically, Kim testified he had never done any of the following with respect to the five individuals named by Kim Sang Keun as comprising the "Advance Guard":

- Given any cash to a member of the "Advance Guard";
- Given cash to anyone else with the understanding that they would deliver it to any member of the "Advance Guard";
- Offered any cash to any member of the "Advance Guard";
- Offered money in any form to any member of the "Advanced Guard";
- Made a political contribution to any member of the "Advance Guard";
- Made a political contribution to someone else at the request of a member of the "Advance Guard";
- Given any gifts to a member of the "Advance Guard";
- Loaned any monies to a member of the "Advance Guard";
- Bought from or sold anything to any member of the "Advance Guard"; and
- Paid any bills for any member of the "Advance Guard," including any campaign bills or debts. (Hanchu Kim depositions, November 17, 1977, p. 51; November 23, 1977, pp. 96-97)

Kim was then asked the same questions with respect to the families and staffs of these Members of Congress and gave the same answers. (Hanchu Kim deposition, November 23, 1977, p. 98)

Kim was asked in detail about his contacts with members of the "Advance Guard." He said that Congressman Guyer had been to his home, always accompanied by his wife, on approximately six occasions. On one occasion, he was accompanied by Congressman Lagomarsino and his wife, Kim testified, consistently with Congressman Guyer's testimony, that it was Congressman Guyer's idea to invite the Lagomarsinos and not Hanchu Kim's. (Hanchu Kim deposition, November 17, 1977, pp. 16-17) The only other Member of Congress who was at Kim's home was former Representative Jackson E. Betts, who retired in 1972, long before Kim was alleged to have started his activities. (*Id.* at 18) The only other person present on any occasion

was Congressman Guyer's Administrative Assistant, Marvin Monroe (*Id.* at 28)

Kim also testified that he had seen the Guyers in Korea. Contrary to Congressman Guyer's testimony (Tennyson Guyer deposition, July 15, 1977, p. 19), Kim said that they had had a conversation about the trip prior to their departure. Kim's testimony was consistent with Guyer's however, that they met there twice and only briefly. (Hancho Kim depositions, November 23, 1977, p. 143) The committee has no evidence to the contrary.

Consistent with the testimony of the Guyers, Kim testified that he had given the Guyers nothing of value other than the dinners and some cosmetics at Christmas time. (Hancho Kim deposition, November 17, 1977, p. 46)

The committee questioned Hancho Kim about whether he had ever had a conversation with Representative Guyer in which the name of Ambassador Hahm came up. Kim testified that there was only one conversation in which Hahm's name came up. In this conversation, Representative Guyer told Kim that he had received an invitation to an Embassy function from Ambassador Hahm. Kim specifically denied that Representative Guyer reported an offer of money from Hahm. (*Id.* at 54-57; Hancho Kim Deposition, November 23, 1978, pp. 60-66).

## 2. *The Korea Exchange Bank*

Hancho Kim's lawyers supplied documents obtained from the Korea Exchange Bank, New York Agency, apparently in order to satisfy the committee, even without Hancho's Kim's testimony about the money, that none of the money received from KSK was used to influence Members of Congress.

The documents purport to show that \$400,000 was deposited in American currency in an account at the Korea Exchange Bank (KEB) in Seoul, Korea, as follows: \$200,000 on January 28, 1975; \$100,000 on May 20, 1975; and \$100,000 on August 7, 1975; and that all \$400,000 was then transferred to Hancho Kim's account in the Suburban Trust Co., Lanham, Md., on January 27, 1977, after this investigation began.

An Internal Revenue Service investigation uncovered \$50,000 in expenditures between September 12, 1974, and the end of 1974; and \$140,000 in expenditures during 1975; and \$10,000 contributed to Findlay College. This total of \$200,000 together with the \$400,000 placed in the KEB adds up to some \$600,000—the amount given to Hancho Kim by KSK. Since Hancho Kim had no other income from his business, the \$400,000 in deposits together with the \$200,000 in expenditures appeared at first to account for all the money.

The committee found this theory implausible, however, for two reasons. First, the timing of the deposits was wrong. Hancho Kim received his second \$300,000 in June of 1975. The only bank deposit after that date is for \$100,000; and the expenditures after June 1975, do not approach the \$200,000 figure necessary to account for all of the second \$300,000. Second, under this theory, Hancho Kim has swindled his Government. If Hancho Kim had planned to swindle the Korean Government and keep the money for himself rather than use it to buy influence as he was supposed to, it is utterly implausible that he would hide the money in the Korea Exchange Bank, which is con-

trolled by the Korean Government and whose currency transactions are closely monitored by the KCIA. Moreover, it just did not make sense that Kim would bundle up American currency and carry it back to Korea with him. It seems more likely that the deposits represented either other money available to Hancho Kim, or money supplied by the ROK Government for the purpose of providing an "innocent" explanation for the use of the money. The refusal of the Korea Exchange Bank when asked to supply original deposit records suggests that the deposits may not have occurred in 1974 and 1975, but rather in recent months so as to supply an innocent explanation for the use of the money.

In December 1977, Hancho Kim's attorneys produced two documents in support of their contention that Kim had deposited \$400,000 of the money he received from KSK in a foreign bank account: a telex from the New York Agency of the Korea Exchange Bank (the "Agency") which had previously been submitted by the Agency to a U.S. Grand Jury in response to a Grand Jury subpoena, and a letter on the letterhead of the bank in Seoul directed to Hancho C. Kim. No records in the nature of business records of the bank, such as deposit slips or account statements, were produced with respect to these transactions, however. Accordingly, we do not have business records created at or about the time of the transactions in question which would verify that the money was actually deposited at the bank in Seoul. What we do have is hearsay statements from the bank and the Agency contained in the letter and telex.

Accordingly, the committee served subpoenas on the New York Agency of the Korea Exchange Bank for records in the possession of the Korea Exchange Bank, New York Agency or any foreign affiliate thereof.<sup>8</sup> The New York Agency is a branch of the Korea Exchange Bank in Seoul licensed as a branch by New York State banking authorities. Thus, the subpoenas served on the Agency in New York City required the production of records physically located in Korea. The law is clear, however, that even though the records are in the possession of the bank in Seoul, they can be subpoenaed by serving an Agency or branch of the bank in the United States.<sup>9</sup>

Nonetheless, the Agency refused to comply with the committee's subpoenas and to supply the underlying documents. It sought to justify its noncompliance by claiming that to comply would be a violation of Korean law and that the Agency should not be compelled to violate a foreign law, and by arguing that, in any event, the committee should rely on letters rogatory seeking the assistance of the ROK Government. To support its claim that to comply with the subpoenas would violate Korean law, the Agency submitted a memorandum of law and the opinion of its Korean Counsel. The Korea Exchange Bank's Korean lawyers sought to justify the Agency's noncompliance with the subpoena by relying on portions of the Korea Bank Secrecy Law. They said that a subpoena from a Korean court would be required. The Korean Bank Secrecy law,<sup>10</sup> however, prohibits disclosure by a bank only with-

<sup>8</sup> In fact, two subpoenas were served on the agency by the committee. The second is somewhat broader. The second subpoena was served merely to assure that all relevant records were covered by a subpoena.

<sup>9</sup> E.g., *First National City Bank v. Internal Revenue Service*, 271 F. 2d 616, 619 (2d Cir. 1959), cert. denied, 361 U.S. 948 (1960).

<sup>10</sup> Actually entitled, "Korean Law for Protection of Privacy of Deposits, Installment Deposits, etc." enacted July 29, 1961, revised Jan. 13, 1971.

out "written request or permission of those under whose name the deposit is made." Accordingly, the committee obtained the permission of Hanchu Kim, under whose name the deposit was made, authorizing the bank to give the committee documents requested by the subpoena.

Notwithstanding Hanchu Kim's consent, the Agency continued to refuse to comply with the subpoena. It submitted a second opinion letter from its Korean Counsel. In this opinion letter, the Agency's Korean Counsel took the position that Kim's consent and the committee's subpoena were not enough and that the committee would also need a subpoena from a Korean court.

In view of the opinions of Korean Counsel, the chairman wrote to the Library of Congress requesting from it an opinion on the applicable Korean law. By letter and report dated June 9, 1978, Sung Yoon Cho,<sup>11</sup> the acting Chief of the Far Eastern Law Division of the Law Library of the Library of Congress, responded to Chairman Flynt's inquiry. In a detailed and carefully documented opinion, Dr. Cho disagreed with the Korean lawyers for the Agency and concluded that Korean law did not prohibit the bank from disclosing the records demanded by the committee subpoenas.

Thereafter, both the bank and Dr. Cho submitted additional opinions in which, in effect, they merely restated their earlier conclusions. On July 18, 1978, lawyers for the Agency and for the committee argued to Representative Preyer whether or not the subpoenas should be enforced. On November 27, 1978, Representative Preyer ruled that the subpoena was valid and ordered production of the documents by December 4, 1978. On December 4, 1978, representatives of KEB appeared and stated that the KEB, Seoul, refused to produce the documents requested.

Thus, the investigation of Hanchu Kim, was, by virtue of his refusal to testify and by virtue of the inaccessibility of documents from the Korea Exchange Bank, not wholly conclusive. However, most signs as well as Kim's testimony point to the conclusion that he swindled the ROK Government out of the entire \$600,000 and paid off no one. The investigation of the individual Members of Congress also failed to yield any evidence that they had been paid.

This report next reviews the investigation conducted by the staff of each of the members of the "Advance Guard."

### 3. *The Investigation of the "Advance Guard"*

#### (a) *Congressman Tennyson Guyer*

The committee conducted an in-depth investigation of Congressman Tennyson Guyer, which included a detailed investigation of Guyer's finances. The committee found no evidence that Guyer received cash from Hanchu Kim. The committee decided early in its inquiry to focus its attention on Congressman Guyer. Guyer was clearly the Member of Congress whom Hanchu Kim knew the best and perhaps the only one whom he knew at all. If Representative Guyer was not paid by Hanchu Kim, it is unlikely that any others were.

<sup>11</sup> Dr. Cho's credentials are impressive. Dr. Cho speaks and reads Korean. He was educated in Korea and has an LL.B. from Seoul National University. He also has an M.A. and Ph.D. from Tulane University and a Masters of Comparative Laws from George Washington University. Moreover, he was the Korean attorney for the United National Civil Assistance Command in Korea from 1953-55 and has been with the Library of Congress since 1959. He is an expert on Far Eastern Law and the author of, among other writings, a book entitled "Japanese Writings on Communist Chinese Law 1946-74" (1977).

In an investigation that took a year and a half, the staff took sworn testimony from Congressman Guyer, obtained boxes of financial and other records, took testimony from Mrs. Guyer, and conducted lengthy interviews with Representative Guyer, his wife and members of his staff. The staff also conducted an in-depth analysis of Representative Guyer's finances. The result of the investigation was that there were none of the indicia which one would expect to find in the case of a Congressman who has received cash from an illegitimate source; there was no particular need for money uncovered; no unusual expenditures uncovered; no unusual or unexplained deposits of cash; and no indication that the expenditures of which we have records are insufficient to maintain the Guyers at their standard of living.

(i) *The Investigation.*—At his deposition, Representative Guyer testified he first met Hanchu Kim in March 1973 at a Findlay College alumni fundraising dinner in Washington, D.C. The President of Findlay College, Dr. Glenn Rasmussen, introduced Kim to Representative Guyer. Congressman Guyer's father had been President of Findlay College and the Congressman graduated from Findlay in 1934. He retains close ties to the college. Moreover, his administrative assistant, Marvin E. Monroe, is a trustee of the college, and still teaches there. Kim had spent one semester at Findlay and Monroe had been his teacher. Because of Kim's alleged success as a businessman, Monroe told the staff he considered Kim a prime target for Findlay's fundraising program.

Thereafter, the Guyers and the Kims became friendly and socialized with each other (Tennyson Guyer deposition, July 15, 1977, p. 5). Representative Guyer took Mr. and Mrs. Kim to the Capitol Dining Room for a number of meals. At one lunch, sometime in 1974, Representative Guyer introduced Hanchu Kim to Congressmen Peter Frelinghuysen and Vernon Thomson. Representative Guyer said he was aware of the interest they all had in the ROK, but he did not formally invite the Congressmen to eat with Hanchu Kim. Congressman Broomfield was also there, Representative Guyer recalled. The luncheon was only 35 to 40 minutes long because the Congressmen were interrupted by a rollcall. Matters relating to the ROK were discussed, Representative Guyer remembered, but he recalled specifically only a discussion of border incidents. (*Id.* at 6-8)

According to Guyer, Kim never asked Representative Guyer to introduce him or his wife to any other Congressmen and did not show any particular interest in getting to know Congressmen. Representative Guyer described Kim as a loner. Representative Guyer did introduce Kim to Congressman Lagomarsino and his wife, when they accompanied the Kims and the Guyers to dinner at Paul Young's sometime in 1975. Representative Guyer said it was his idea to invite the Lagomarsinos. (*Id.* at 9) So far as Representative Guyer was aware, Kim did not personally know any other Members of Congress, although they had discussed Representatives Fraser and Morgan. (*Id.*) Kim may have casually met other Members, Representative Guyer said. Except for two dinners with the Kims and the Lagomarsinos, one at Paul Young's, the other at Kim's home, however, Representative Guyer did not attend any functions where Kim and other Congressmen were present. (*Id.*) M. E. Monroe and his wife have also dined at the Kims (*Id.* at 11)

A box of cologne at Christmas was the only other thing of value Representative Guyer or his family has ever received from Kim.

Representative Guyer testified that he has never seen Kim with large amounts of cash (*Id.* at 14), nor has he ever had any business transactions with Kim. (*Id.* at 15)

The most significant incident that KSK remembered was Hanchu Kim's complaint that Representative Guyer had told him that Korean Ambassador Hahm Pyong Choon had offered or given Representative Guyer \$20,000 in cash. This incident, according to KSK, angered Hanchu Kim because he felt he had a special and exclusive relationship with Representative Guyer and that Hahm was interfering with this relationship. Kim asked KSK to send a report to the KCIA complaining of Hahm's actions. This incident was of particular importance because, although Hanchu Kim had a possible motive falsely to claim that he paid off Members of Congress, there was no apparent motive to complain falsely about an offer of money by Hahm to Representative Guyer since that could easily be verified. Further, he most certainly would not ask KSK to forward a false complaint to the KCIA. Thus, Representative Guyer's relationship to Ambassador Hahm Pyong Choon was the subject of inquiry by the committee. Guyer testified that he met Hahm at the first formal occasion held at the Embassy after Hahm took over as Ambassador when the International Relations Committee was invited. Representative Guyer saw him again at a committee function at the Embassy when films on the ROK were shown. He also saw Hahm at a club across from the "Jockey Club." Representative Guyer testified that he never met alone with Hahm, and that neither he nor any member of his family ever received anything of value from Hahm. (*Id.* at 15-16)

As a member of the Subcommittee for Future Foreign Policy Development, Representative Guyer went to Korea on the delegation led by Representative Wolff in August 1975. Hanchu Kim was also there, and they met twice briefly. (*Id.* at 20).

Representative Guyer inserted several items with respect to the ROK in the Congressional Record. He testified that he inserted them on his own initiative and testified that Hanchu Kim had neither asked him to nor offered him compensation to make the entries. Some of what the entries contained was based on information Representative Guyer got from Kim, however, in conversation or from Kim's articles on the "Op-Ed" page of the New York Times. Kim did not bring Representative Guyer material to be inserted or supporting documents. Representative Guyer would tell Kim that he or the ROK was in the Record, but Guyer believed Kim received the Record and read it on his own. Representative Guyer personally drafted the entries he made in the Record. His secretary helped write them occasionally and typed them (*Id.* at 26-30).

Representative Guyer's first Korean entry was many months before Kim got the money from KSK. In July of 1974, M. E. Monroe prepared an entry for the Congressional Record which was inserted by Congressman Guyer.

Former Congressman Vernon Thomson made an entry in the Congressional Record, November 11, 1974, following a Korean border incident. Representative Guyer had written the statement, based in part on information he got from Kim and asked Representative Thomson to insert it. The statement refers to a meeting the week before of a few

members, including Representative Thomson, with Hanchu Kim. Representative Guyer said that meeting was the luncheon in the Capitol Dining Room mentioned earlier. According to Representative Guyer, Representative Thomson did not have a clear recollection of the luncheon, but in inserting remarks in the Record took Guyer's word about the circumstances of the meeting.

Representative Thomson, now a member of the Federal Election Commission, told the staff and later testified at the trial of Hanchu Kim that he was quite certain that he had never met Hanchu Kim (Vernon Thomson interview, June 10, 1977; *United States v. Hanchu C. Kim*, supra, TR <sup>12</sup> 921-925). Asked about the statement in the Record to the contrary, he said that Representative Guyer had drafted the statement and that he had not reviewed it carefully before inserting it in the Record.

Representative Guyer seemed to remember press statements that he had issued on January 28 or January 29, 1975, in response to press criticism of ROK President Park Chung Hee's Emergency Decree No. 5. He did not remember if anyone else signed the statement. He did not recall who had initiated or drafted the statement. He did not think Kim had a hand in it. (Tenneyson Guyer deposition, July 15, 1977, pp. 32-34.)

Representative Guyer also sent a memo to and made an oral request of Vern Loen and Max Friedersdorf, White House Congressional liaison, to arrange a meeting between President Ford and Hanchu Kim. The White House denied the request. He also sent a letter along to the White House that Kim wanted delivered to President Ford (*United States v. Hanchu C. Kim*, supra, TR 866-867).

(ii) *Financial Analysis*.—As a further part of its investigation into whether Hanchu Kim had made cash payments to Representative Guyer, an extensive investigation of Representative Guyer's finances was conducted. That investigation revealed no evidence to support the allegation that Guyer received moneys from Kim. Indeed, the picture which emerged convinces the committee to the contrary.

The financial investigation was as thorough as the committee could possibly make it, and so far as the committee can determine, Mr. Guyer was thoroughly cooperative. Mr. Guyer's income tax returns were obtained and reviewed; records of all his checking and savings accounts were obtained and reviewed; records of his real estate holdings and transactions were obtained and reviewed; records of all his investments were obtained and reviewed; records of all loans received were obtained and reviewed; and the staff searched for other kinds of expenditures and other sources of income. These records were reviewed with three purposes in mind. First to determine whether Congressman Guyer had a need for cash such that he might be susceptible to an offer of cash; second, to determine whether there were any deposits or expenditures or other use of cash the source of which is unexplained and which might have been Hanchu Kim; and third to determine whether expenditures from known sources—that is, bank accounts—accounted not only for major expenses, but also for the many minor expenses of living which might otherwise have been paid for out of illegitimately received cash.

<sup>12</sup> "TR" refers to the trial transcript.

The investigation revealed that the Guyers were at no time under any pressure for money. Their savings were ample, their expenditures normal and their charitable contributions well above average.

The investigation revealed no unexplained use of cash or any other unexplained income. The source of all bank deposits, all stock purchases, all loan payments, all pension plan deposits, all real estate purchases were traced. The timing and amount of all cash deposits suggested that they came from certain honoraria which, the investigation revealed, were received in the form of checks but which were later cashed by Mr. Guyer. Indeed, when questioned with regard to these deposits, Mr. Guyer testified that they came from the cashed honorarium checks. Moreover, the cash deposits were part of a pattern—which existed before KSK gave Hanchó Kim the first \$300,000 in September 1974. Finally, there was no discernible increase in Mr. Guyer's net worth in 1974-75, the period in which Hanchó Kim claimed to have been paying Congressmen.

The staff's financial investigators then did a "sources and applications of funds" analysis on Mr. Guyer's finances. The conclusion was reached that the expenditures of which the staff had records—consisting mainly of cancelled checks—accounted for all of the expenditures which would be expected of a person enjoying Mr. Guyer's standard of living. Thus, it appeared unlikely that Mr. Guyer was also spending illegitimately received cash.

Two additional areas of investigation should be mentioned.

Shortly after Hanchó Kim was to start his activities, from January 5 to January 9, 1975, Representative Guyer and his wife went to Las Vegas. Because of the date of this trip, the committee sent investigators to Las Vegas to see if the Congressman had perhaps spent large amounts of cash in Las Vegas. The Congressman paid for his room by check and charged no gambling expenses to his room. Interviews of executives and floor personnel and an examination of microfilmed hotel records where the Guyers stayed revealed no cash expenditures. Indeed, the Congressman took the trip with his wife and daughter and with friends from Findlay, Ohio. There is no evidence that the trip was paid for by anyone other than Representative Guyer or was anything more than a vacation.

In addition, there was always the possibility that Representative Guyer had received money from Hanchó Kim and used it, not for personal purposes, but in his campaign. Since Hanchó Kim's payoffs were to start around September 13, 1974, the 1974 campaign became a matter of particular interest. What emerges, however, is that Representative Guyer's seat has always been a safe one and that both his own campaign expenses and those of his opponents have been extraordinarily low. Thus, in 1974, Representative Guyer spent \$26,471. His opponent spent \$8,704. Representative Guyer won with 62% of the vote.<sup>13</sup> The 1976 election yields a similar picture: he received \$36,175 and spent \$22,789.

Representative Guyer was unopposed in the primary and his opponent in the general election spent \$1,256. In 1976, Representative Guyer increased his percentage to 70 percent of the vote.<sup>14</sup>

<sup>13</sup> See generally, M. Barone, *et al.*, "The Almanac of American Politics 1978," pp. 659-60 (1977).

<sup>14</sup> Figures are from the Congressional Quarterly.

Thus, given the low level of his campaign expenditures, Representative Guyer had little motive to accept funds from Hancho Kim for campaign purposes. In any event, Hancho Kim is not listed as a contributor to Guyer's campaign.

(b) *Representative Guy Adrian Vander Jagt*

The committee conducted an in-depth investigation of Representative Vander Jagt. The result was that the committee found no evidence that Vander Jagt received any money from Hancho Kim.

Congressman Vander Jagt, at a deposition before a member of the committee, testified that he did not recall having met Kim. (Vander Jagt deposition, November 8, 1977, p. 36) Hancho Kim testified that, if he had met Vander Jagt, it was only briefly (Hancho Kim deposition, November 23, 1978, pp. 85-86). Moreover, interviews of Congressman Vander Jagt's staff and others disclosed no contact between Hancho C. Kim and Congressman Vander Jagt.

Congressman Vander Jagt's appointment books reflect one meeting in 1970, five meetings in 1971, one meeting in 1972 and one meeting in 1975 with a "Mr. Kim." Independent investigation identified that "Mr. Kim" who appears in Congressman Vander Jagt's appointment books is Kim Young-ho, a Korean-American who met Congressman Vander Jagt through Edward Frederick, a mutual friend. Staff interviews revealed that Mr. Frederick knew Congressman Vander Jagt when the Congressman was a Michigan State Senator, and Kim Young-ho was Mr. Frederick's language instructor at the Foreign Service Institute.

Congressman Vander Jagt's campaign, office and personal finances were examined in minute detail in the same manner as Congressman Guyer's. The investigation uncovered no unexplained deposits or other uses of cash, and there is no evidence that Vander Jagt received any money from Hancho Kim.

(c) *Representative Benjamin A. Gilman*

The committee conducted an in-depth investigation of Representative Gilman. The result was that the committee uncovered no evidence that Gilman received any money from Hancho Kim. As in the case of the other alleged members of the "Advance Guard," the committee made an extensive request for documents from Representative Benjamin Gilman, and he provided the committee with voluminous records. An exhaustive review was made of these documents, which included but was not limited to appointment books, visitor cards, visitor log sheets, campaign records, correspondence, public statements, Congressional Record entries, and Federal income tax returns and other financial records. In addition, numerous interviews of present and former staff members both in Washington, D.C., and Mr. Gilman's Congressional District were conducted.

At one of his depositions, Hancho Kim, was shown a photograph of Representative Gilman. He testified that to the best of his recollection he had never met Representative Gilman, either in the United States or the Republic of Korea (Hancho Kim deposition, November 23, 1978, pp. 94-95). This testimony is consistent with that of Congressman Gilman, his wife and the information obtained from the members of his staff. Moreover, it is not contradicted by any of the records obtained by the committee.

Both Representative Gilman and his wife, from who he is now separated, Jane Prizant Gilman, were deposed by the committee. On November 8, 1977, Mrs. Gilman testified that she did not recall ever meeting Hancho Kim in Korea or at any other time. (Jane Prizant Gilman deposition, November 8, 1977, p. 36) On August 9, 1978, Representative Gilman stated under oath that he did not think that he had ever met Hancho Kim. He was shown a photograph of Kim, and he said he did not recall meeting Kim. To the best of Gilman's knowledge, neither Hancho Kim nor a person by that name ever visited his office. Furthermore, Gilman stated that to the best of his knowledge he had never corresponded with Hancho Kim. In addition, Gilman said he had never received a campaign contribution or anything of value from a Korean or a U.S. citizen who was a Korean native. Gilman testified he had not been introduced to Hancho Kim by Representative Guyer (Benjamin Gilman deposition, August 9, 1978, pp. 3-5).

Representative Gilman was also interviewed by Justice Department attorneys and a Special Agent from the Federal Bureau of Investigation on March 1, 1977. His statements at that time, as recorded in the FBI 302 Report of Interview, are consistent with his testimony. Furthermore, it was noted in the report that Gilman was a member of the Wolff Delegation which visited the Republic of Korea in 1975. While in Seoul they stayed at the Chosun Hotel. Gilman stated that he did not recall meeting any American or Korean friend of Representative Tennyson Guyer there. Furthermore, Gilman said he was unaware that Hancho Kim had claimed an association with him and he could not suggest any explanation for that claim.

In conclusion, there appears to be no substance to the allegations that Mr. Gilman was influenced by Hancho Kim. The exhaustive investigation conducted by the committee reveals no relationship between Mr. Gilman and Hancho Kim.

*(d) Representative Larry Winn*

The committee conducted an in-depth investigation of Representative Larry Winn. The result was that the committee uncovered no evidence that Winn received any money from Hancho Kim. In an effort to determine what, if any contacts Mr. Winn had with Hancho Kim, a request was made of Representative Larry Winn that he provide the committee with certain documents. He provided the committee with the documents he had available, and a review was made of this material. This review included but was not limited to the analysis of appointment books, guest registers, correspondence, personal calendars, invitations, campaign records, and financial records.

At his deposition on November 23, 1977, Hancho Kim stated he did not recall ever meeting Congressman Winn. Kim was shown Winn's photograph and responded that he had never met Winn. (Hancho Kim deposition, November 23, 1978, pp. 84-85) In addition, Kim stated he had never seen or met Winn in the Republic of Korea. Kim testified that he had never done any of the following:

- Given cash to Winn;
- Given cash to anyone with the understanding that they would deliver it to Winn;
- Offered any cash to Winn;
- Offered Winn money in any form;
- Made a political contribution to Winn;

Made any political contribution at Winn's request;  
 Given any gifts to Winn;  
 Loaned any money to Winn;  
 Loaned anything of value to Winn;  
 Bought from or sold anything to Winn; or  
 Paid any bills for Winn including any campaign bills or debts.

All of the above negative responses are applicable with respect to Winn's family and members of his official staff according to Kim's testimony. Finally, Kim stated he had never asked Winn to make any entries in the Congressional Record.

On May 10, 1978, Representative Larry Winn was deposed under oath. At that time, Winn was asked if he knew Hancho Kim and he responded that he did not think so, but he went on to relate that he once met a Kim who was with Representative Tennyson Guyer in the Rayburn Room. Winn testified that this was the one and only time he met this Kim, and, according to Winn, Guyer introduced Kim to Winn by saying, "I want you to meet a friend of mine, a college friend of mine." Winn added that this conversation concerned their college days, and he thinks they attended a college somewhere in Ohio. Winn went on to testify that Guyer stated about Kim, "I have known him for a long time and we have had a long-time relationship", and "We have been to his house and he has been to our house." Winn told the staff that the conversation was strictly small talk, and he did not know who Kim was except a friend of Guyer's. According to Winn's testimony, this entire episode took about 30 seconds and Winn said he did not have the date on which it happened but said it occurred maybe 2 or 3 years ago. In addition, Winn stated that this Kim never contacted him again. Furthermore, Winn testified that Kim never offered him anything of value either for himself or for his campaign. (Larry Winn deposition, May 10, 1978, pp. 10-12.) The investigation of Mr. Winn's finances disclosed no unexplained deposits or other uses of cash.

In summary, exhaustive analysis of Representative Winn's records at hand have not revealed any connection with Hancho Kim. It is extremely unlikely that he ever received any money from Hancho Kim.

*(e) Congressman Robert J. Lagomarsino*

The committee conducted an in-depth investigation of Representative Robert Lagomarsino. The result was that the committee uncovered no evidence that Lagomarsino received any money from Hancho Kim. Representative Lagomarsino, Representative Guyer, and Hancho Kim were all questioned about Representative Lagomarsino's relationship to Hancho Kim. Similar interviews were held with members of Representative Lagomarsino's staff and documentary evidence was obtained as with other members of the "Advance Guard." The testimony of all of them is, in substance, consistent and establishes that Representative Lagomarsino's contacts with Hancho Kim were fleeting. Indeed, from the evidence gathered by the staff it appears that Representative Lagomarsino was not with Hancho Kim alone at any time and that, accordingly, there was no opportunity for a transfer of cash to take place.

Representative Lagomarsino first met Hancho Kim on June 24, 1975, at the Sans Souci Restaurant in Washington, D.C. According to Kim, Representative Guyer extended the invitation to Representative

Lagomarsino and his wife and later asked Kim for permission to bring the Lagomarsino's. (Hanchu Kim deposition, November 17, 1978, p. 32.) Although Representative Guyer recalls that the dinner occurred at Paul Young's,<sup>15</sup> he has acknowledged inviting Representative Lagomarsino to join Kim. (Tennyson Guyer deposition, July 15, 1977, p. 9.) Records of the Sans Souci show that Hanchu Kim made reservations that evening for eight people, but neither he, nor Representative Guyer nor Lagomarsino recall anyone else attending except their wives. According to Representative Lagomarsino's office records, the dinner followed a reception at the Korean Embassy, probably for some visiting Korean defense ministry officials. In his interviews with the committee and the Department of Justice and in his deposition before the committee, Representative Lagomarsino testified that, although Korea was discussed generally, no lobbying of any kind occurred and that he and Hanchu Kim were never alone together (Robert Lagomarsino deposition, December 1, 1977, p. 5) Hanchu Kim paid the dinner bill with a credit card.

Representative Lagomarsino did not meet Kim again until January 22, 1976, when Representative Lagomarsino and his wife dined at Kim's home in suburban Maryland.<sup>16</sup> As before, Representative Guyer extended the invitation to Representative Lagomarsino with Kim's approval. In this instance, however, Representative Lagomarsino has told representatives of the Department of Justice that Hanchu Kim offered to send a chauffeur to pick up him and his wife. Representative Lagomarsino refused the offer and, according to the recollection of a former staff member who spoke with Mrs. Lagomarsino shortly after the dinner, arrived late because he lost his way and was stopped by the police. Present at this dinner, in addition to the six who attended the dinner at the Sans Souci, were Hanchu Kim's children, Representative Guyer's daughter and nephew, and a bartender. Representative Lagomarsino states that, during the evening, Kim mentioned Korea generally and his friendship with President Park Chung Hee of Korea but did not lobby Representative Lagomarsino or offer him any gifts or money (*Id.* at 6-9).

Finally, Representative Lagomarsino has testified he saw Hanchu Kim on only one other occasion, when he and Mrs. Lagomarsino saw Kim and his family eating with the Guyers in the House dining room. The encounter was apparently a chance one and no significant conversation took place (*Id.* at 8-9).

KSK testified that Hanchu Kim, in addition to claiming he made payments to the "Advance Guard," also boasted of having caused members of the "Advance Guard" to make statements favorable to Korea on the House floor. Kim's statements appear false or exaggerated.

Representative Lagomarsino made his only floor statement regarding Korea on June 2, 1976, during the debate on the Foreign Assistance Act. Representative Lagomarsino's statement, which opposed the ceiling set by the International Relations Committee on military aid

<sup>15</sup> Tennyson Guyer has probably confused the place of the dinner with that of a dinner that he and his wife had with Hanchu Kim. Congressman William S. Broomfield, and their wives. Broomfield has testified that this other dinner occurred at Paul Young's in August of 1975.

<sup>16</sup> Hanchu Kim recalled the dinner occurring shortly following a special election, and Representative Lagomarsino was first elected by special election on March 5, 1974. As Kim states positively that he had no more than two dinners with Representative Lagomarsino, however, the date suggested by Representative Lagomarsino's appointment book and Representative Lagomarsino's recollection seems more accurate.

to Korea, closely resembles a statement made shortly afterward by Congressman Gilman. In his interview with the Justice Department and in his testimony before the committee, Representative Lagomarsino maintained that he drafted the statement from material he obtained from the staff of the International Relations Committee (*Id.* at 13). Representative Lagomarsino's staff, Representative Gilman's staff, and Representative Gilman himself have corroborated this testimony and established that the material probably came from either the Defense or State Departments. As for the January 1975 press statement, Representative Lagomarsino vaguely recalls signing such a statement at the time at the request of Representative Guyer<sup>17</sup> and has always assumed that Representative Guyer drafted the statement (*Id.* at 17-18). Representative Guyer himself doubts that Hancho Kim played any role in drafting it and didn't recall that anyone else had signed it.

Overall then, Representative Lagomarsino has told the committee he never met Hancho Kim alone or in his congressional office, never received from or been offered by Kim anything of value other than the two dinners, never spoke to Kim on the telephone, never made any public statements either on behalf of Kim or based on material provided by him, and was never lobbied by Kim. Furthermore, Kim testified before the committee that he never met Representative Lagomarsino except at the two dinners; had no correspondence or telephone conversations with Representative Lagomarsino, his family, or his staff; gave neither cash, money in a form other than cash, nor political contributions to Representative Lagomarsino; never gave Representative Lagomarsino any gifts; and never paid any of Representative Lagomarsino's bills or campaign debts (Hancho Kim deposition, Nov. 23, 1977, pp. 95-98). The committee has uncovered no evidence which contradicts in any significant respect this testimony of Representative Lagomarsino and Hancho Kim.

The committee has concluded that it is extremely unlikely that Representative Lagomarsino has received any money from Hancho Kim.

<sup>17</sup> In fact, the Jan. 31, 1975 issue of the Korean newspaper *Dong-a Ilbo* carried a story on a statement issued the previous day by Representatives Guyer, Lagomarsino, and Vander Jagt.



#### IV. PAYMENTS TO MEMBERS OF CONGRESS AND THEIR FAMILIES BY OFFICIALS OF THE KOREAN GOVERNMENT

In addition to the activities of Tongsun Park and Hancho Kim, both private citizens, the committee is convinced that the Government of the Republic of Korea adopted and implemented a plan to influence the policy of Congress towards the Republic of Korea by paying, directly through officials of the ROK Government, large amounts of U.S. currency to Members of the House of Representatives. The basis for this judgment follows.

##### A. PUBLICIZED INFORMATION

Dr. Jai Hyon Lee was employed by the Korean Embassy in Washington, D.C., from January 1970 through June 1973. He worked under Kim Dong Jo who was the ROK Ambassador to the United States from 1967 until December 1973. In June 1973, Lee resigned his post in the Embassy to seek political asylum in this country, and is presently an associate professor of Journalism at Western Illinois University. He testified under oath in public session in October 1977, that in the spring of 1973 he and about 10 other officials in the ROK Embassy attended a series of meetings called by Ambassador Kim Dong Jo and presided over by KCIA station chief Le Sang Ho. These meetings were attended by officials at the Embassy, including Jai Hyon Lee, who were not members of the KCIA; and part of the purpose of the meetings was to enlist support from non-KCIA officials for KCIA programs. Dr. Lee did not know to what extent these programs had been in operation previously. At the meetings, documents were distributed by the KCIA station chief to each person present for discussion purposes. The documents were serially numbered and were re-collected at the end of the meeting. One such document recalled by Dr. Lee contained a number of proposals for action, one of which was a proposal for "seduction and buying off of American leaders, particularly in the Congress." The KCIA Station Chief referred briefly to this proposal, saying that its implementation would be left to the Ambassador and the KCIA people so that the other Embassy employees need not know about it.

At or about the same time, Dr. Lee, who was one of five or so people in the Embassy who had access to Kim Dong Jo's office, walked into the Ambassador's office unannounced. He saw Kim Dong Jo stuffing \$100 bills into envelopes and saw him putting the envelopes into his pockets and into his attaché case. According to Lee, Kim explained that he had to deliver "these things" and that he was on his way to "the Capitol." (H<sub>1</sub> 20-32)

Dr. Lee's testimony was originally viewed with some skepticism by both the staff and the committee. It was not easy to picture an Ambassador personally delivering envelopes full of money to Members of Congress. However, Nan Elder, personal secretary to Representative Larry Winn, Jr., testified under oath in public session in October 1977, that in September 1972, Kim Dong Jo, whom she identified

positively from a photographic spread, dropped in to Mr. Winn's office without an appointment and handed him an envelope containing a stack of \$100 bills about 1-inch thick. Ms. Elder testified that she returned the money to Ambassador Kim a few minutes later at Winn's direction. (H<sub>1</sub> 16, 17) Ms. Elder's testimony was later corroborated under oath by Representative Larry Winn, Jr.

Although this event occurred before the series of meetings testified to by Dr. Lee, and before Dr. Lee saw Kim Dong Jo go "to the Capitol" with envelopes filled with cash, in the committee's opinion it establishes the reliability of Dr. Lee's testimony. It also suggests that Kim Dong Jo carried envelopes of cash "to the Capitol" on more than one occasion.

Further credibility was lent indirectly to Dr. Lee's testimony by the testimony of the wives of two Congressmen who were traveling in Korea in August of 1975, at a time when Kim Dong Jo was no longer Ambassador but was the ROK Minister of Foreign Affairs. Mrs. Kika de la Garza and Mrs. John T. Myers were visited in their hotel rooms on the same night by a Korean lady who gave each of them envelopes containing stacks of U.S. currency. Mrs. Myers did not know the lady who delivered the money. Mrs. de la Garza did. It was the wife of Kim Dong Jo. The money was returned the next day, in each case by the Congressmen. The exact amount of money offered in each case is unknown. However, Representative de la Garza, when returning the money to Kim Dong Jo, the then Korean Minister of Foreign Affairs, suggested that the money be given to a school in the ROK in which the Congressman had taken an interest. Mr. de la Garza furnished the committee with a letter he subsequently received from the head of the Korean school confirming receipt of \$2,000 from the Korean Ministry of Foreign Affairs, and thanking Mr. de la Garza for his efforts. Mrs. Myers was told by her husband that the currency in the envelope was in \$100 bills, and Representative Myers subsequently told committee investigators that he believes that envelope to have contained \$10,000. (H<sub>1</sub> 90-100) ; (John T. Myers interview, October 26, 1977.)

Kim Dong Jo's penchant for distributing cash to U.S. politicians was further demonstrated by the fact that two honorary Korean Consuls—Donald Clark of Atlanta, Ga., and Dwight Hamilton of Englewood, Colo.—were each given \$3,000 in cash by Kim Dong Jo, then ROK Foreign Minister in October 1974, while at a conference of Honorary Consuls in Washington, D.C.

Each was asked by Kim Dong Jo to distribute the money to pro-Korean candidates for State or Federal office. Each did so, one making extremely small contributions to each such candidate, the other giving the money to the State Republican Party, and concealing from such candidates the true source of the money. (Dwight Hamilton interview, November 9, 1978; Donald Clark interview, December 5, 1978.)

In addition to the information set forth above pertaining to Kim Dong Jo, the committee has also considered information about Row Chin Hwan, a member of the Korean National Assembly who had once lived in this country. Row offered to make a campaign contribution to Congressman Charles Wiggins, with whom he had previously become acquainted, in 1972 or 1974. Congressman Wiggins provided the committee with this information but was not sure of the year. The offers were made on behalf of "people in Korea." When Wiggins told Row

that it was illegal to accept contributions from a foreign national, Row suggested that the money could be routed through an intermediary. Wiggins persisted in declining the offer. (Charles Wiggins interview, February 2, 1978.)

Row also approached John Nidecker, then a special assistant to President Nixon, in June 1974, during a visit by Row to Washington, D.C. Row offered to contribute \$5,000 to the campaign of Members of the House designated by Nidecker and from \$10,000 to \$30,000 to Members of the Senate so designated. Nidecker also refused. (See Korean Influence Inquiry, Report of the Select Committee on Ethics, 95th Cong., 2d sess. Report No. 95-1314, p. 159.)

#### B. NON-PUBLICIZED INFORMATION

The committee has had access to information in the possession of the intelligence community. The information indicates that during the period after Kim Dong Jo became Minister of Foreign Affairs (following his Ambassadorship to the United States), others operating from the ROK Embassy in Washington, D.C., made payments of money in four figure amounts to four current Members of Congress whose names were reported to the committee, and planned to pay to two other Members of Congress money in five figure amounts. In some cases, the information is specific and detailed. In others, the information is much less so. For reasons spelled out infra at p. 58, this information is not sufficient to support a disciplinary charge against any Member, and the committee's considerable efforts to corroborate this information, set forth below, also was insufficient to support such a charge. It is not known whether these Congressmen are the same or in addition to those to whom Kim Dong Jo allegedly paid money.

In addition, a document entitled "1976 Plan for Operations in the United States," obtained by the Subcommittee on International Organizations of the House Committee on International Relations from a confidential source, was identified by a KCIA defector, Sohn Ho Young, who in sworn testimony linked this document to the KCIA Station Chief in Washington, Kim Yung Hwan. The document, which bears a notation that it had been processed through the office of the Director of the KCIA on December 15, 1975, clearly indicates that the KCIA had a plan to continue its efforts as late as 1976 to influence the U.S. Congress through payments of money. According to Mr. Sohn, the 1976 plan accurately reflected the operational objectives of the KCIA in the United States. Mr. Sohn explained that "there was great concern in Korea" at this time that the United States might withdraw from the ROK in the same way that it had from Vietnam; he said that the 1976 plan "was drafted in order to get the firm support of the United States for Korea." (Hearings before the Subcommittee on International Organizations of the Committee on International Relations, House of Representatives, 95th Cong., First Sess., Part 3, Nov. 29 and 30, 1977, pp. 10-27).

One section of the 1976 plan is entitled "Operations in the Congress." It describes the Koreans' "targets" for their lobbying in the Congress and, in a column headed "The Plan To Be Promoted," it outlines the strategy for achieving these goals. In the "Remarks" column, cost estimates are provided for many of the operations outlined. According to Mr. Sohn, these planned expenditures had to be approved in

Seoul because the money came from the KCIA budget. (This portion of the plan is attached hereto as exhibit 5).

One planned expenditure involved a \$5,000 campaign contribution to a Member of Congress in connection with a fundraising dinner. The Member had only one such fundraising dinner—in August 1976. All available records relating to the dinner were reviewed; other campaign records of the Member were reviewed for the 1976 election and the Member's deposition was taken. The committee found no evidence that this proposed contribution was ever made or offered.

### C. INVESTIGATIVE EFFORTS

Based on the information set forth above, the committee pursued the task of attempting to obtain usable evidence of payments of money to identifiable Members of Congress in two ways. First, it conducted investigations of the contacts of certain Members with ROK officials and investigations of such Members finances. Members to be investigated were selected because they were known to have had substantial contacts with Kim Dong Jo—and thus were the most likely recipients of envelopes of cash; or because their names were learned from the intelligence community. Second, the committee made efforts to obtain the testimony of the ROK officials who allegedly made the payments.

#### 1. *Investigation of Members' finances and contacts with Korean officials*

In each case, the investigation proceeded as follows:

The Member was hand-delivered a letter from the committee, a sample of which is attached hereto as Exhibit 6, which called for production of appointment diaries; correspondence; telephone logs; and campaign records and informed the Member that the committee wished to take his deposition. A deposition was then taken in which the Member was asked, among other things, the following questions:

(a) Whether the Congressman had supplied all of the documents requested;

(b) Where the Congressman kept his money—bank accounts and brokerage accounts; copies of statements, cancelled checks and deposit tickets;

(c) Whether the Congressman had made any purchases, deposits, investments, loans or gifts using more than \$500 in cash, since 1967; or whether the Congressman had placed \$500 or more in cash in a safe or safety deposit box;

(d) Whether the Congressman or one of his campaign committees had been offered or received money from a Korean official, Tongsun Park or Hancho Kim;

(e) Whether the Congressman had ever placed a statement favorable to Korea in the Congressional Record;

(f) Whether the Congressman had been to Korean Embassy parties; and

(g) Whether the Congressman knew any former or current Korean officials, Tongsun Park or Hancho Kim.

Following this deposition, the financial records which were inquired about were obtained either by subpoena from the financial institution in question or voluntarily from the Congressman. The records were then studied to determine whether the Congressman had

unexplained deposits or expenditures of cash which could be used to corroborate the testimony of ROK witness should such testimony be obtained and should the witness claim to have given money to the Member in question. At the same time, each member of the Congressman's staff who was employed during the relevant time periods was interviewed and, in some key situations, testified under oath.

*2. Efforts to obtain testimony from officials of the ROK Government*

Early on in the investigation, it became apparent that the investigation could not be completed and the truth could not be exposed unless the committee obtained testimony from witnesses who were in Korea, beyond the jurisdiction of the committee, and whose testimony could not be obtained by compulsory process. Tongsun Park was such a witness and efforts by the Justice Department and the State Department to obtain his testimony through means other than compulsory process were already underway by August 1977. However, the committee believed and still believes that Tongsun Park was not the most significant of such witnesses—the more significant former officials stationed in the ROK Embassy in Washington, D.C.—and the committee commenced efforts to obtain their testimony. It was determined that efforts should begin by publicizing the need for such testimony so that the assistance of the leadership and the Members of Congress and the State Department could be obtained, and the ROK ultimately persuaded that it was in its interest to make these witnesses available.

In some ways the problem of obtaining testimony from these officials was aggravated by the public attention on Tongsun Park. The press had exhibited an enormous amount of interest in Park and created an enormous amount of pressure to obtain his testimony. The committee's Special Counsel felt that it was of critical importance to create the same kind of interest and pressure with respect to other Korean witnesses. Accordingly, the Special Counsel made numerous and widely reported statements to the press regarding the need for testimony from witnesses in Korea. During the period prior to the committee's first set of public hearings on October 19, 20, and 21, 1977, no particular Korean officials were mentioned by name. The purposes of the hearings were (1) publicize the efforts by the ROK Government to influence the Congress by payments of cash to its Members; (2) to establish the existence and implementation of these efforts so that identification by Korean witnesses of the Congressmen paid would cause no public relations damage to the ROK which had not already resulted from the hearings; and (3) to focus attention particularly on Kim Dong Jo as a witness. Testimony and evidence was presented showing that Kim Dong Jo had planned and executed the payment of money to Members of Congress; that officials of the KCIA stationed in Washington, D.C., had participated in similar plans and that Tongsun Park had participated in such plans. Following these hearings, the House of Representatives, at the committee's urging adopted House Resolution 868 (95th Cong., 1st Sess., October 31, 1977), which called for the ROK to "cooperate fully and without reservation with the committee" in this investigation. Following these hearings, the special counsel repeatedly mentioned former Ambassador Kim Dong Jo as one of the ROK officials whose testimony was needed.

In spite of the prominence of the role played by Kim Dong Jo and other officials of the ROK in the public hearings, press attention con-

tinued to focus primarily on Tongsun Park. It was the strategy of the committee to refuse to enter into any agreement with the ROK Government with respect to the testimony of Tongsun Park unless that agreement also satisfactorily resolved the committee's need for testimony from Kim Dong Jo and others. Various Departments of the executive branch, however, effectively precluded this strategy. Over the public and private objection of the committee, the Department of Justice, through the Department of State, unilaterally negotiated an agreement with the ROK Government for the testimony of Tongsun Park in connection with criminal investigations then being conducted by the Justice Department. The agreement called for Park's testimony to be taken in Seoul, Korea, in January 1978, in the first instance, and for his testimony to be taken in this country, should it ever be needed, in criminal trials to be conducted later. The agreement called for no testimony from any former officials of the ROK Government.<sup>1</sup> One of the effects of this agreement was the one which the committee had sought to avoid: the ROK could claim that they had "cooperated" adequately and that at least one branch of the U.S. Government—the branch with which the ROK chiefly deals—was satisfied with their cooperation without having to produce any ROK officials. The problem was substantially aggravated by the private and later the public stance taken by the State Department that the Vienna Convention, to which both the United States and Korea are signatories, protected Ambassadors and other Embassy officials from compulsory testimony and that the Vienna Convention would be violated if such officials were pressured into testifying.<sup>2</sup> Thus, the State Department opposed the committee's efforts to obtain Kim Dong Jo's testimony through use of political pressure and further lent support to the ROK's position that the agreement relating to Tongsun Park constituted adequate cooperation.

The committee was faced with a *fait accompli*, however. Thus, when the ROK Government offered on January 31, 1978, during Park's testimony in Seoul, to produce Park for the committee, the committee accepted the offer. This offer was made by Ambassador Kim Yong Shik to Speaker O'Neill, Chairman Flynt, Ranking Minority Member Spence and Deputy Special Counsel Peter A. White. Ambassador Kim stated at the time that the ROK would not produce Kim Dong Jo for the committee. The Speaker and the Chairman, however, prevailed upon the Ambassador not to "close the door" on testimony from Kim Dong Jo.

<sup>1</sup> It should be noted that the committee in no way questions the good faith of the Department of Justice. The Department of Justice had reason to believe, as did the committee, that Tongsun Park's testimony might establish significant criminal relationships with several former Members of Congress over which the Department of Justice, but not the committee, had jurisdiction; and that Park's testimony might establish no criminal or unethical relationships of significance with any sitting Members of Congress over whom the committee did have jurisdiction. Thus, Park was a more significant figure for the Department of Justice than he was for the committee.

<sup>2</sup> In fact, the Vienna Convention's assurance to diplomats physically stationed in our country is an assurance against compulsory legal process, i.e., testimony pursuant to a subpoena which Congress could, absent the Vienna Convention, serve on a diplomat so long as he is physically present within our borders. The Vienna Convention does not speak to the issue of efforts to obtain testimony which do not rest on compulsory legal process; and which are not based on an assertion of jurisdiction resting on the diplomat's physical presence within our borders. The committee never asserted the legal right to compel Kim Dong Jo's testimony, and the Vienna Convention was and is a red herring. The committee sought Kim Dong Jo's testimony on the basis of international comity among nations, and sought to use political, not legal, pressures to obtain it. So far as only political pressure is concerned Kim Dong Jo stands on no different footing than, for example, Row Chin Whan who was never a diplomat and to whom the Vienna Convention does not apply.

Efforts to obtain testimony from former officials of the ROK Government continued. The State Department's representatives told committee representatives that—notwithstanding its public opposition to the committee's efforts to obtain Kim Dong Jo's testimony—it was privately working to obtain such testimony. Its representatives informed the committee's special counsel that the Koreans would be much more likely to produce Kim Dong Jo if they could be assured that following his testimony the committee would not ask for testimony from any further witnesses. The State Department reasoned that the incentive for cooperation from the ROK point of view was the hope of having the investigation behind it. Thus, an agreement to limit further investigation to Kim Dong Jo would increase this incentive. On March 1, 1978, the special counsel met with the Secretary of State and informed him that he would recommend to the committee that further requests for cooperation be limited to Kim Dong Jo if Kim Dong Jo testified fully and truthfully. On March 10, 1978, the Speaker once again met with Ambassador Kim Yong Shik and informed him in the strongest terms of the committee's need for Kim Dong Jo's testimony.

On April 25, 1978, the Special Counsel and the Deputy Special Counsel met with Ambassador Kim. The Ambassador offered to have Kim Dong Jo interviewed by telephone so that he could "clarify" information in the committee's possession. The Special Counsel rejected the offer as wholly unsatisfactory and made a counter offer—that Kim Dong Jo answer questions under oath posed by a questioner who would be in an adjacent room but who would not directly confront Kim Dong Jo. Ambassador Kim agreed to take the counter offer under advisement. On May 3, 1978, the Special Counsel advised the Secretary of State that he must have an answer to his offer by May 10, 1978. On May 8th The Speaker called Ambassador Kim, urged acceptance of the counter offer, and emphasized that the ROK would experience difficulties in connection with legislation if it did not accept the counter offer. On May 10, 1978, the Special Counsel met with Ambassador Kim. The Ambassador rejected the counter offer. On the same day the Special Counsel publicly announced that the ROK had refused to cooperate and had refused to make Kim Dong Jo available.

On May 18, 1978, a resolution—House Resolution 1194—sponsored by the majority leader and the minority leader of the House of Representatives and every Member of the Committee on Standards of Official Conduct was introduced. It expressed the sense of the House that Kim Dong Jo must be made available for testimony under oath or the House would refuse to appropriate nonmilitary funds for the ROK. The resolution was referred to and reported out favorably by the House Committee on International Relations. The resolution was amended slightly so that instead of stating that the House would cut off nonmilitary aid if Kim Dong Jo would not come forward, the resolution expressed that it would "be prepared" to do so. Instead of insisting that Kim's testimony be taken under oath, the requirement was broadened to include "affirmation, or comparable means of assuring reliability." The resolution passed the House on May 31, 1978, by a vote of 321 to 46.

Following the passage of the resolution, several meetings were held with representatives of the ROK Embassy at which it was emphasized

that it was the substance of Kim Dong Jo's testimony, not its form, with which the committee was primarily concerned. In other words, if the ROK Government could assure the committee in advance that Kim Dong Jo would testify truthfully, the committee would be willing to forego the requirement of the oath. The ROK Embassy officials indicated that they would not assure the committee of the reliability of Kim Dong Jo's answers and would not agree to provide these answers under oath. The committee members were so informed, as was the House, and on June 22, 1978, the House voted to eliminate economic nonmilitary aid to the ROK (See amendment to H.R. 13125, June 22, 1978).

The process of public education, congressional pressure, negotiation, more congressional pressure, more negotiation, and finally congressional reprisal had run its course over a period of nearly one year. During this tortuous period, numerous concessions were made and incentives to cooperate were offered. But the Korean position changed only once: when it was decided in April to make Kim Dong Jo "available" under a procedure designed to assure his ability to falsify his answers with immunity and to preclude the committee from having any ability to expose his lack of candor.

By cutting off economic aid, the House followed through on its admonition implicit in House Resolution 868 (October 31, 1977) and explicit in House Resolution 1194 (May 31, 1978). But in a sense, this action exhausted the sanctions against the ROK that were immediately available to the committee. The remaining point—a very valid one—was that relationships between the United States and the ROK could only deteriorate further in the future if a solution to the Kim Dong Jo issue were not found.

This was a point that could most effectively be made by the leadership of the House, Speaker O'Neill and Minority Leader Rhodes, who communicated directly to President Park Chung Hee their desire to send emissaries personally to him so that discussions on this crucial issue could be held directly and at the highest levels.

When a favorable response was not forthcoming, the special counsel resigned in the belief that there was no realistic chance that the ROK would ever cooperate and that everything which could be done to obtain such cooperation had been tried. Shortly thereafter, representatives of the U.S. Department of State reported to committee representatives that its new Ambassador to Seoul, William Gleysteen, had for the first time obtained from high officials in the ROK Government certain representations regarding the responses Kim Dong Jo would give if the committee were to submit questions to Mr. Kim in writing. The representations, couched in diplomatic language, were interpreted by the State Department as assurances that Kim Dong Jo "would supply new and concrete factual information regarding his financial transactions with Members of Congress," and representatives of the Department of State so informed the committee. In light of the representations made by high ROK officials to the Department of State concerning the truthfulness of his answers, the committee agreed to send written interrogatories to Kim Dong Jo and agreed that the answers need not be under oath. This committee's agreement on these points was announced on August 3, 1978, and a formal agreement was reached in Korea on August 19, 1978. The committee reserved the right to seek further access to Kim Dong Jo after receipt of the answers. The committee did agree, however, that if Kim Dong Jo supplied

truthful answers, then it would make no requests of the ROK for additional witnesses. Representatives of the U.S. Department of State thereafter repeatedly informed representatives of the committee that the relevant officials of the ROK Government had been repeatedly and emphatically told that the committee expected Kim Dong Jo to name names and amounts of money paid to Members of Congress and that the failure of Kim Dong Jo to give full and truthful responses to the questions asked of him would result in a long term diplomatic problem and aggravate the ROK's relationship with the legislative and executive branches of the U.S. Government.

The questions were then prepared and delivered to the ROK Minister of Foreign Affairs in Seoul, Korea, by the U.S. Ambassador to the ROK on August 19, 1978. Kim Dong Jo's answers were delivered to the Ambassador by the Foreign Minister on September 18, 1978. The questions sent to Kim Dong Jo are attached hereto as Exhibit 7. Kim Dong Jo's Korean language responses are attached hereto as Exhibit 8. A cover letter from a representative of the State Department to the chairman of this committee and an accompanying *aide-memoire* are attached hereto as exhibits 9 and 10 respectively. The English translation of the response is attached hereto as Exhibit 11. The answers are totally unsatisfactory and insulting. They (1) supply no "new and concrete" information and are not, in the committee's judgment, either (2) truthful or (3) complete. First, Kim Dong Jo denies offering or giving any cash to any Member of Congress. Second, this denial is contrary to the testimony under oath of Larry Winn, Jr., and Nan Elder and contrary to the clear inference to be drawn from the testimony of Jai Hyon Lee. Kim Dong Jo has denied giving money to any U.S. citizen for the purpose of having that person transfer the money to any candidate for political office. This denial is squarely contrary to statements of former honorary Korean consuls. Dwight Hamilton of Colorado and Donald Clark of Georgia have both stated that Kim Dong Jo gave them each \$3,000 in cash asking them to use the money to make political contributions. Third, Kim Dong Jo refused to answer any questions relating to the period of time after he resigned as ROK Ambassador to the United States. Such questions were posed because of the fact that Mrs. de la Garza testified that Kim Dong Jo's wife had offered cash to Mrs. de la Garza in October 1975, and because of certain information received from the intelligence community.

Finally, instead of responding in a cooperative tone, Mr. Kim Dong Jo has delivered with his response a lecture on the unfairness and misguided nature of the committee's inquiry.

The committee views the response as an insult. It submitted the questions to Kim Dong Jo on August 19, 1978, because it believed the ROK Government to be acting in a good faith effort to cooperate. This belief has been proved wrong. The committee decided that any further pursuit of information from the ROK Government would, under the circumstances, be fruitless.

#### D. CONCLUSIONS

The committee finds that the ROK Government adopted a plan or series of plans at least as early as 1972 under which persons stationed in the Embassy in Washington, D.C., notably Ambassador Kim Dong Jo and KCIA operatives stationed here were to obtain influence in Congress by making gifts of cash to U.S. Congressmen. The committee believes that the plan was implemented. However, the committee is

unable to produce evidence which would substantiate charges against any individual Member of Congress for receipt of such a gift. The reason for this inability is as follows.

The committee believes that any gifts of money were made directly to the Member of Congress with no one else present except the ROK official making the gift. This was the almost unvarying pattern followed by Tongsun Park; it was the pattern followed by Kim Dong Jo in the one case of which we have direct proof; and it makes sense as a matter of prudence and Korean custom. Koreans view the giving of cash gifts as a very personal and intimate event.

The Congressmen who received the gifts—assuming that some did—have not admitted such receipt. The ROK officials who made the gifts—assuming that some did—have either refused to testify or—in the case of Kim Dong Jo—given written answers not under oath not subject to cross-examination which the committee views as wholly unreliable. Thus, the committee has available to it no direct testimony from anyone with first-hand knowledge of a payment. Principles of fundamental fairness almost always require that adjudications of misconduct be based, at least in part, on testimony under oath and subject to cross-examination by someone with first-hand knowledge of the misconduct. Under our legal system, statements by people who cannot be confronted and cross-examined by an accused are almost always an insufficient basis on which to bring a charge of misconduct. Release and use of intelligence information would not, in the committee's opinion nor that of its chief counsel, make up this deficiency—that is, the deficiency created by the absence of any live witnesses to testify to payments to Congressmen. This being the case, it is the committee's conclusion that the benefits to be gained by publicizing the information in the possession of the intelligence community are outweighed by the costs of the disclosure of intelligence sources and methods which would necessarily be involved.

## V. SUZI PARK THOMSON

The activities of Suzi Park Thomson, as reported by the media, were among the reasons an investigation was authorized pursuant to House Resolution 252. A review of newspaper accounts indicated that she had widespread social contacts among Congressmen and was also in contact with ROK Embassy officials including KCIA officers. The implication of this media coverage was that she may have been utilized by the ROK Government to unduly influence Congressmen in connection with their decisions regarding legislation involving the ROK. It was therefore decided to include a specific question concerning Suzi Park Thomson in the questionnaire to Congressmen in connection with attendance at parties hosted by her. In response to the questionnaire, 44 sitting Members and eight former members reported that they had attended parties hosted by Suzi Park Thomson. However, no Congressman reported any gifts or offers of gifts from Suzi Park Thomson.

Suzi Park Thomson was born at Tongyung, Korea, on October 31, 1931. Her legal name in Korea was Park Sook Nai. She was first admitted to the United States as a student on October 3, 1954. She thereafter attended Columbia College in South Carolina and the University of South Carolina at Columbia, S.C. On October 17, 1959, she was married to William Campbell Thomson, a U.S. citizen. On March 25, 1969, she petitioned for naturalization as a U.S. citizen.<sup>1</sup> She was subsequently separated from William Thomson in January 1971 and divorced in April 1975. (William Campbell Thomson deposition, Nov. 28, 1977, p. 3)

In sworn testimony before the committee, Ms. Thomson stated that she was first employed by the House of Representatives in March of 1965 in the office of Representative Patsy Mink. In 1967 and 1968 she worked for then Representative Herbert Tenzer. She thereafter worked for a short period of time in 1968 for then Representative William Hungate. She was employed by Congressman Lester Wolff from 1968 until January 1971, after which time she became employed by Speaker Carl Albert at a salary of \$12,500 a year. She remained with Speaker Albert's staff until he left Congress in 1976. Her top pay during this period was a little less than \$15,000 a year. (Suzi Park Thomson deposition, August 25, 1977, pp. 93-97).

Suzi Park Thomson's bank records were reviewed to determine whether her assets as therein reflected were commensurate with her known sources of income. This review revealed that prior to 1971 she experienced financial difficulties from time-to-time as established by the fact that her bank on occasions refused to honor her checks because of an insufficiency of funds. She frequently made deposits into her savings account in amounts as low as \$2. Judging from those financial records which were made available, it appears that until 1971 her

<sup>1</sup> This information is based upon a review of Suzi Park Thomson's Immigration and Naturalization Service file.

banking records were about as expected given her stated income. However, a sudden change in her financial affairs occurred in 1971. Her \$2 savings deposits ceased and deposits in even figures ranging from \$200 to \$600 appeared. These deposits, some of which were in cash, continued until 1976. The committee could not determine whether any of them were by check or what the source of these were. It should be noted that this apparent change in her financial status coincided with her employment by Mr. Albert and the separation from her husband, both of which occurred in January 1971.

The committee has determined that there were certain years after 1971 during which Suzi Park Thomson had income from sources other than her congressional salary and alimony. For example in 1975 she made two deposits to two different savings accounts on the same day totaling almost \$5,400. One of \$3,250 was made to her account at the Jefferson Federal Savings & Loan Association and one of \$2,145 to her account at the Wright Patman Congressional Credit Union. Both deposits were made on October 6, 1975. None of this money was reported on her income tax return for 1975. When questioned under oath Ms. Thomson said she could not recall the source of those deposits. (Suzi Park Thomson deposition June 26, 1978 pp. 2-6).

Suzi Park Thomson's parties ranged from informal, pot luck dinners for 6 to 10 people in her apartment, to New Year's celebrations at nearby restaurants with 200 to 300 people in attendance. There were also other parties with attendance ranging between 50 to 100 people at other places such as in the recreation room in her apartment building: Her parties were often described as being informal and relaxing. Suzi Park Thomson became well known for her culinary expertise. A number of people who attended her parties stated that there were frequently two or three Koreans in attendance at parties which also included Congressmen and congressional employees. On occasion the guests brought food or drink to the parties. On other occasions when Suzi Park Thomson hosted parties in honor of certain Congressmen's birthdays, the Congressman whose birthday was being celebrated reimbursed her for the expense. There were other times, however, when witnesses have stated that an unidentified Korean male paid the restaurant bill.

In sworn testimony, Suzi Park Thomson explained that she enjoyed entertaining and frequently held parties at which Congressmen and congressional staff members were in attendance. She said that she frequently included Koreans in such affairs because she wanted them to learn about U.S. democracy. She stated that Ambassador Kim Dong Jo, KCIA officers Col. Kim Kyu Il, Col. Choi Yae-Heun, and Minister Kim Yung Hwan attended her parties. The last named three have been identified as KCIA agents. She stated that her relationship with Ambassador Kim Dong Jo evolved through a distant family relationship which she has with the Ambassador's wife. She denied receiving any money or liquor in quantity from the Korean Embassy or from any Korean to be utilized in connection with these parties or in any other respect. She did admit receiving some liquor and Korean food from Mrs. Kim Dong Jo every few months. (Suzi Park Thomson deposition, Aug. 25, 1977 pp. 5, 7-8, 11, 14, 26, 31, 34)

Suzi Park Thomson denied any official or unofficial involvement with the ROK Government. She denied that anyone from the ROK Embassy or any Korean consulted with her with regard to which Congressman should be invited to her affairs or on how any Congressman

should be approached or lobbied in regard to Korean interests. She denied ever paying any Congressmen any money and denied having knowledge of any such gifts or offers to any Congressmen by any Korean. She stated that she was never employed by the Korean Government or by the KCIA. She further denied that she was ever asked by the KCIA to work as an agent. She denied ever receiving any money from any Korean Government official or officer other than from her late father, who was at one time a Korean official. She insisted that she gave a great number of parties because she enjoyed cooking and Congressmen came to her parties because they were fun and relaxing. She stated it did not occur to her that the Koreans were using her to meet Congressmen. (Suzi Park Thomson deposition, Aug. 27, 1977, pp. 31, 33, 57)

However, Chung In Shik, Information Officer, Embassy of Korea, Washington, D.C., July 1973 to July 1975, testified that he recalled accompanying KCIA Station Chief Kim Yung Hwan to a small party in Suzi Park Thomson's apartment between 1973 and 1975. He recalled that approximately five Congressmen and five young girls were in attendance. He and Kim were the only two Koreans in attendance and they left about an hour later. After leaving, Kim told Chung that the KCIA paid Suzi Park Thomson \$300 to \$400 for each party she held. (Chung In Shik deposition, June 15, 1978, pp. 3, 8)

Margaret Jean Heffron, who served as secretary to Ambassador Kim Dong Jo from 1970 to 1973, advised that Speaker Albert and Suzi Park Thomson were entertained frequently by Mrs. Kim. Mrs. Heffron also stated that Kim Dong Jo visited Congressmen in their offices. Prior to such meetings, Suzi Park Thomson would call and ask for the Ambassador and he would then go to the Hill. Suzi Park Thomson attended most Embassy parties and was escorted on various occasions by Mr. Albert, former Representative Hugh Carey or Representative Lester Wolff. Mrs. Heffron stated that she would send invitations to Congressmen for Embassy affairs and later Ms. Thomson would call and tell her which Congressmen would attend. (Margaret Heffron interview, Nov. 21, 1977, p. 4)

Kim Sang Keun, former KCIA agent stationed in the Korean Embassy in Washington from 1970 to 1976, recalled accompanying Colonel Lim, a senior KCIA officer stationed in Washington, to Suzi Park Thomson's apartment in 1971, at which time he delivered one or two cases of liquor to her. He recalled that in 1972, at Lim's instruction, he delivered a case of liquor to Ms. Thomson in the basement of the Rayburn Building. He transferred the case from his car to the car of Suzi Park Thomson. Lim once complained to Kim that he had a problem controlling Suzi Park Thomson as she was continually asking for more liquor and that her connection with Mrs. Kim Dong Jo reduced Lim's control over her. Kim received the impression from these comments of Colonel Lim, who handled congressional liaison for the KCIA, that Lim, in speaking of "control" was referring to his efforts to utilize her in connection with his duties. Kim Sang Keun recalled once stopping at Lim's apartment and departing shortly thereafter when he discovered that Ms. Thomson was visiting. He recalled that Suzi Park Thomson maintained a close relationship with KCIA Station Chief Kim Yung-Hwan (1974-1976). Kim Sang Keun recalled that Kim Yung Hwan once told him that he had to, or was going to, give Suzi Park Thomson liquor. Kim Sang Keun further recalled that shortly after the first delivery to Suzi Park Thomson, Colonel Lim

took him to a party in a building in Southwest Washington near Hogates Restaurant. He recalled that about 70 to 80 people were present. The only Congressman he recognized as being present was Carl Albert. Colonel Lim and Kim Sang Keun were the only Korean guests. They did not mix with the others and left after a short while. (Kim Sang Keun interviews, October 6, 1977, p. 2; August 18, 1977, p. 4)

Ms. Thomson testified to six trips she took to Korea while employed by the House of Representatives. The first was in 1970, and she paid her own expenses for this trip. The five trips subsequent to 1970 were either at U.S. Government expense, or at the expense of an organization in Taiwan or a Korean veterans organization. She traveled with Members of Congress on all five of these trips. (Suzi Park Thomson deposition, Aug. 25, 1977, pp. 62-69).

The wife of one Congressman reported that while in Korea on one such trip in August 1975, Suzi Park Thomson, who was also a member of the delegation, gave her a gold bracelet and said it was from Mrs. Kim Dong Jo who had entertained the congressional wives during the visit. (Mrs. Norman Mineta interview, Dec. 7, 1977) Mrs. Mineta and another Congressman's wife who had also been on the trip, recalled that a few months after this trip, Suzi Park Thomson invited the two Congressmen and the wives to a dinner at a Chinese restaurant in Virginia. (Mrs. Norman Mineta interview, Dec. 7, 1977; Mrs. Paul Simon interview, Nov. 1, 1977) The dinner was apparently in honor of a visiting Korean Congresswoman and her husband, 10 or 11 persons, including Koreans from the ROK Embassy, attended. The bill was paid by one of the individuals from the Embassy. Mrs. Mineta recalled another party subsequently hosted by Suzi Park Thompson in honor of another visiting Korean Congressman at which at least two U.S. Congressmen were present. She could not recall who paid the bill for this party.

Representative Charles Wiggins told the staff that Suzi Park Thompson urged him to introduce Ambassador Hahn to Representative Morris Udall in August 1974. (Charles Wiggins interview, Feb. 2, 1978, pp. 6-7). Representative Udall said that such a meeting took place August 2, 1974. The discussion with Ambassador Hahn dealt with hearings then being held by a subcommittee of the Committee on International Relations which concerned alleged violations of human rights in the ROK. The specific topic of interest was a joint statement by Representative Udall and Representative Lloyd Meeds which eventually was presented on August 5, 1974, at the hearing and which criticized repression by the ROK regime. Representative Udall said that Ambassador Hahn unsuccessfully made the usual arguments in defense of the regime in the ROK. Mr. Udall said the Ambassador's conduct was correct and proper and there was no intimation or offer of any money or support. (Morris K. Udall deposition, May 12, 1978 pp. 12 *et seq.*)

Finally, in the 1976 KCIA Plan of Operations, described, *supra* at p. 87, Sue Thomson of the House of Representatives is mentioned as a person who was utilized in the past and who was targeted for utilization in 1976.

In summary, this investigation has established that starting about 1971 Suzi Park Thomson entertained Congressmen extensively, that the Korean Embassy, through the KCIA agents stationed therein, supported her activities with liquor and probably with cash, and attempted to control her activities.

## VI TRIPS

Because of considerable publicity surrounding trips to Korea taken by Congressmen and congressional staff members, the committee from the outset sought to determine whether or not any such trips were illegal or improper. The first part of the committee questionnaire of June 1977 inquired specifically about travel to Korea by Congressmen, their families, or their staff members since 1970. The special staff also conducted a thorough search of the Congressional Record, the Congressional Quarterly, and records maintained by the Clerk of the House, the State Department and various committees of the House. From the questionnaire responses and this research, the committee was able to compile an extensive chronology of congressional trips to Korea from the end of 1967 through 1976. These trips fall into two categories: (1) those arranged through and funded by the U.S. Government; and (2) those sponsored and funded at least partially by such non-U.S. Government sources as foreign governments, foreign universities and private organizations.<sup>1</sup> The committee felt that a complete study and analysis of all such trips was an essential ingredient of an accurate and thorough investigation.

The committee has found no reason to question most of these trips by Members of the House of Representatives. Obviously, it is not improper for a Member of the House of Representatives to take a trip sponsored, approved, and paid for by the U.S. Government. Also, existing laws and rules of the House have never forbidden trips sponsored by foreign universities or foreign private organizations and, prior to 1974, did not even forbid trips sponsored and paid for by foreign governments. As there were no such prohibitions and as for most of the trips, the committee has found no evidence of illegal or unethical acts committed by Members of the House of Representatives or staff members visiting the Republic of Korea, trips made by Members of the House of Representatives to Korea generally did not differ from congressional trips to any other country.<sup>2</sup>

In the course of the investigation, however, the committee obtained several KCTA reports which claimed, in part, that the Government of Korea formulated and attempted to implement plans to influence

<sup>1</sup> The committee's evidence indicates that, between November 1967 and December 1976, 264 Members of the House visited Korea on 93 separate official delegations under U.S. Government sponsorship. The committee did not attempt to determine how many Congressional staff members traveled on these delegations. Because of last-minute changes of plans, irregular procedures for publicly reporting official trips, and the unavailability or insufficiency of some records, the committee considers these figures to be only roughly accurate. The committee has also determined that, since 1970, 22 Representatives and 37 Congressional staff members traveled to Korea on trips funded to some degree by private or non-U.S. Government sources. These sources are the Government of the ROK (one Representative, one staff member prior to 1974), the Government of the Republic of China (1 Representative), the Korean-U.S. Economic Council (2 Representatives, 1 Senator, 25 staff members), the Pacific Cultural Foundation (9 Representatives, 10 staff members), Hanyang University (3 Representatives), the Committee of Civic Organizations of the Republic of China (1 Representative), and personal funds. The trips sponsored by the Korean and Taiwanese Governments occurred before the House prohibited trips paid for by foreign governments.

<sup>2</sup> The evidence shows that certain trips—notably those taken by former Representatives Passman, Gallagher, Hanna and Minshall—benefitted Tongsun Park. The evidence also shows that officials of the Korean Government attempted to give large amounts of cash to two of the wives accompanying the Congressional delegation led by Representative Wolf in August 1975. See the discussion of these trips elsewhere in this Report.

Members of the House and staff members by extending hospitality while such Members and staff members were visiting in the Republic of Korea. The KCIA reports described these plans as "Invitation Diplomacy" and claimed that such diplomacy had succeeded in prior years. Although the evidence suggests that some parts of the KCIA reports are either unfounded or exaggerated, the Committee has been able to determine that the ROK Government did to a certain extent embark upon a form of "Invitation Diplomacy" which the ROK Government undoubtedly felt, would augment the overall efforts of the ROK to win support in the Congress of the United States. Thus, this section of the report centers upon this "Invitation Diplomacy" as it relates to trips funded both by the U.S. Government and to those sponsored by diplomatic and/or foreign private organization and universities.

#### A. CONGRESSIONAL DELEGATIONS SPONSORED BY THE U.S. GOVERNMENT

Among the documents seized in Tongsun Park's house in Washington were three Korean language reports which significantly dwell upon Congressional travel to Korea. Two of these are the reports (referred to in this section as the Plan Reports) described earlier, which, the Committee has concluded, outline Tongsun Park's lobbying plan to use his rice agency to influence the Congress, the intelligence community, and the American press.<sup>3</sup> (H<sub>2</sub> 995-998, 1005-1019) The notation in Park's handwriting on one plan report and the similar content of the other suggest that the two were prepared either by Park or with his knowledge in late 1970. The third Korean language report dealing with Congressional travel is entitled "The U.S. Congressional delegation's visit to Korea" (referred to in this section as the O'Neill Delegation Report) and was apparently prepared shortly before April 1974, when the then House Majority Leader Thomas P. O'Neill, Jr., led a large Congressional delegation to Korea. (H<sub>2</sub> 1029-1034) Although Park denies he wrote the O'Neill Delegation Report, he suggested in executive session that Steve Kim—a KCIA agent who periodically lived with Park—knew enough to have prepared the Report and might have written it to impress his superiors in the KCIA. (Tongsun Park deposition, March 31, 1978, 48-54) In public testimony, however, Park refrained from naming Kim and instead suggested that someone had planted the Report in his house "to zing" or discredit him. (H<sub>2</sub> 107)

Despite denying authorship of all three reports, Park has acknowledged they reflect his belief that encouraging and bringing Congressmen to visit the ROK would aid efforts to win their support of the ROK. (H<sub>2</sub>-110-111) This belief the two plan reports call "Invitation Diplomacy." They state that congressional leaders are "of vital necessity" to the ROK's foreign policy toward the United States and that "Invitation Diplomacy" provides "opportunities to persuade [Congressmen] effectively." Furthermore, the reports claim "Invitation Diplomacy has enjoyed "almost 100 percent successful" results in the past.

In discussing the past successes of "Invitation Diplomacy," the three Reports elaborate on only two types of trips by Congressmen.<sup>4</sup>

<sup>3</sup> See supra. p. 10.

<sup>4</sup> One Plan Report claims additionally that "we achieved to bring 20 Senators and some 200 Congressmen to visit Korea." The committee finds this claim grossly exaggerated. The

One type includes trips taken individually by the Congressmen with whom Tongsun Park was most involved financially. These trips and their importance to Tongsun Park's lobbying plan are discussed elsewhere in this report.<sup>5</sup> The other type of congressional trips elaborated on by the reports are the so-called Speaker's trips—the three large delegations of 1969, 1971, and 1974 led in each instance by a member of the House leadership. The reports do not allege that the Speaker's trips themselves were improper or illegal, and the evidence gathered by the Committee in its investigation of all the trips funded by the U.S. Government indicates that, during most of them, no improper or illegal activity occurred.<sup>6</sup> The Reports, however, claim that the Speaker's trips—particularly the first trip in 1969—resulted from the "Invitation Diplomacy" which Tongsun Park incorporated into the lobbying plan proposed to and adopted by the ROK Government. The Committee's investigation of the Speaker's trips establishes that Tongsun Park, although only superficially involved in the final two trips, was in fact involved in bringing about the first one in 1969. Because the Speaker's trips traveled at U.S. Government expense and because many similar, large delegations customarily travel to other countries around the world, the committee concludes that this "Invitation Diplomacy" was an entirely acceptable means of lobbying.

*(i) Speaker's Trips—1969 Albert Delegation*

In its investigation of the three Speaker's trips the committee found much evidence that both Park and former Representative Hanna played active, though not necessarily improper, roles in the planning of the delegation which then-Majority Leader Carl Albert led in 1969. Park testified before the committee that, because of his long-standing desire to enhance Korean relations with the United States, he felt in 1968 that a congressional delegation should visit Korea. Consequently, he suggested to Hanna and other Representatives the idea of such a delegation. (Tongsun Park deposition, March 7, 1978, pp. 671-677)

For his part, Hanna acknowledged discussing such a trip with Park and other Korean officials. Hanna testified before the committee that, on March 2, 1967, he wrote a letter to then-Korean Prime Minister Chung Il Kwon in which he sought Chung's advice on improving Korean-American relations through the U.S. Congress. The 1969 Albert Delegation, Hanna stated, grew out of his subsequent discussions with Chung and other Korean politicians about exchanges between U.S. and Korean Parliamentarians. (Richard T. Hanna dep-

committee's evidence shows that only 101 Representatives traveled to Korea between November 1967, approximately when Park devised his Plan (which the ROK Government did not even adopt until almost a year later), and October 1970, the approximate date of the Plan Report. Furthermore, virtually all of these Congressmen traveled on U.S. Government funds. Moreover, the committee has found no evidence that Park or any Korean "achieved to bring" these 101 Representatives to Korea. There are, however, indications that Park and possibly other Korean nationals, some of whom may have been Korean officials, had advanced, though not always accurate, information through access, direct or indirect, to committee and executive department or agency files as to which Members of the House of Representatives were planning or anticipating trips which included Korea as a part of the itinerary.

The two plan reports also propose various Congressmen who should be targeted by Invitation Diplomacy. The committee has no evidence that any of the proposed Representatives—with the exception of Passman, Gallagher, Hanna and Minshall—took trips at the urging of Tongsun Park.

<sup>5</sup> See part II C. 1-4, supra, pp. 23-55.

<sup>6</sup> The exceptions are, of course, the trips taken by Congressmen Gallagher, Hanna, Passman and Minshall to support Tongsun Park and the 1975 delegation during which the wife of Kim Dong Jo attempted to give cash to the wife of Representative de la Garza. See supra, pp. 23-55.

osition, September 19, 1977, pp. 87–91, 93–94, 154–155) One such discussion evidently occurred during Hanna's August 1968 trip, for on December 19, 1968, he wrote Chang Kyung Soon, the Vice Speaker of the Korean National Assembly, that he had been working to set up an interparliamentary exchange according to Chang's advice during Hanna's last trip. In the letter, Hanna says he has discussed the trip "in detail" with House Majority Leader Albert. Hanna then relays the Majority Leader's recommendation that, "with the support of Mr. Kim [Hyung Wook, the KCIA Director]," Chang sent a formal invitation to then-Speaker John McCormack and suggests that Majority Leader Albert be designated to head the delegation. Hanna closes by pledging that he will discuss the invitation with Speaker McCormack and by suggesting that Chang discuss the details of the delegation's agenda with Tongsun Park. Hanna also sent a copy of the letter to Prime Minister Chung (Dec. 19, 1968 letter from Representative Hanna) Four days after the letter to Vice Speaker Chang, Hanna wrote a letter to General Kim Hyung Wook, Director of the KCIA, to notify him of the upcoming Congressional delegation. (H<sub>2</sub> 390) In the letter, Hanna says that Park "will be working as a liaison and of course . . . has all the detailed information." Finally, Hanna says he is relying on the KCIA Director for his "whole support for this particular project."

Hanna's letters to Chang and Kim notwithstanding, the delegation never considered Park the "liaison" for the trip. Former Speaker Albert and those most intimately involved with the details of the trip deny that Park was ever a liaison after then-Speaker McCormack had asked then-Majority Leader Albert to head the delegation. According to former Speaker Albert, he and former Speaker McCormack selected the delegation members, and the State Department kept the then-Majority Leader informed of the plans. (Former Speaker Albert deposition, December 12, 1977, 46–50, 136–137) Hanna flatly testified that Park played no role whatsoever in making the actual arrangements for the trip. (Hanna deposition, September 20, 1977, 155–157, 160) Even Park himself has testified that, although he had expected to do the liaison work, a strong objection to his involvement—probably lodged with the State Department by Korean Ambassador Kim Dong Jo—caused him to withdraw from the planning sometime after Hanna's December 23 letter to General Kim. (Tongsun Park deposition, March 7, 1978, pp. 671–677)

Although he claims he withdrew from the planning, Park clearly worked through Hanna's office to involve himself once again. Mike Reed, the majority leader's administrative assistant who handled many of the details of the trip, recalls attending a luncheon in January 1969 with Hanna's administrative assistant, Frank Gailor, at which Gailor introduced Reed to Park. During the luncheon, Park and Gailor discussed which Members should be invited and the agenda for the trip. Reed, however, did not participate in the conversation. Later, Majority Leader Albert, Hanna, and the aides working on the trip held a planning meeting in the Majority Leader's office. Park showed up uninvited but was not admitted to the meeting. (Michael Reed interview, June 27, 1977) Park's diary records the date of this meeting as January 8, 1969. In addition to these direct approaches to those planning the trip, Park's 1969 diary bears at least four entries pertaining to the

delegation including two telephone calls to Gailor. The last of the four entries is dated January 15, but, as former Representative Minshall's records indicate, Park invited Minshall on February 19 to accompany the delegation.<sup>7</sup> Park apparently continued his efforts to become involved. (Tongsun Park diary, Jan. 3, 8, 15, 1969; Minshall file memorandum, Feb. 19, 1969)

Park also did not wish the ROK Government to think he was removed from the planning of the trip. In his February 24 cable to Vice-Speaker Chang, Park informs Chang that Hanna has agreed to precede the delegation and assist in the final preparations and ask Chang to inform Majority Leader Albert that Park will be delivering brochures and educational material for the delegation. Park also asks Chang to decide whether Park should accompany Hanna or the delegation. The committee has found no evidence that Chang contacted Majority Leader Albert about either the brochures or Park's travel arrangements. H, 391.

The delegation which eventually visited Korea included 23 Representatives and, except for Hanna, arrived on March 2, 1969. Hanna arrived the previous day, he said, to make final arrangements. (Hanna Deposition, September 19, 1978, pp. 156, 163-164) Park, who testified he never intended to travel with the delegation, arrived separately and met the delegation at the Seoul airport. During the delegation's visit, however, Park was unable to entertain the Congressmen and, indeed, could get no closer to them than the "fringes," according to staff aides who went. (Harry C. Cromer interview, June 14, 1977; Michael Reed interview, June 27, 1977) The visit lasted until March 7, and the Representatives attended briefings, ceremonies, and official functions. They also met many Korean officials and attended several informal dinners for small groups. Although the Korean National Assembly had offered through Vice-Speaker Chang to pay the delegation's expenses in the ROK, the U.S. Government instead paid for all the travel and in-Korea expenses. (Kyung Soon Chang letter, Dec. 30, 1968)

Tongsun Park, then, actively involved himself in proposing the first Speaker's trip to Hanna and other Representatives and indirectly, through his relationship with Hanna and the ROK Government, helped to bring about the trip. The committee has uncovered no evidence that any undue lobbying or other improper activity occurred.

(ii). *Speaker's Trips—1971 Albert Delegation*

On July 27, 1971, Paik Too Chin, the Speaker of the Korean National Assembly, wrote then-Speaker of the House Carl Albert and invited Speaker Albert to head a second parliamentary delegation to Korea. Consequently, from August 9 to August 13, 1971, a delegation of 24 Representatives visited Korea. As it had in 1969, the Korean legislature offered to pay all the in-country expenses of the delegation. The United States Government, however, again paid for the entire trip and all the in-country expenses. (Paik Too Chin letter, July 22, 1971)

Unlike the committee's investigation of the 1969 Albert delegation, the investigation of the 1971 Albert delegation uncovered no evidence of Tongsun Park's involvement during the planning of the trip. In fact, Speaker Albert had tentatively agreed at the time of that first

<sup>7</sup> Minshall declined the invitation.

trip to send a second delegation. The former Speaker testified before the Committee that some Koreans approached him then about setting up a series of interparliamentary exchanges. Because the then-majority leader did not wish to commit the House to a program which might lead to similar programs with other countries, he refused the idea of a series of exchanges but agreed to an exchange in 1971. As for the actual planning in 1971, former Speaker Albert testified he set up the trip by himself and without advice from Representatives Hanna or Gallagher. (Former Speaker Albert deposition, Dec. 12, 1977, pp. 70-71)

In 1971, Tongsun Park had fallen out of favor with the ROK Government and had lost his rice agency. Thus, it is not surprising that there is little evidence showing that Park was to any degree involved with the 1971 Albert delegation. Even the intelligence reports which were seized from Park's house and which so prominently discuss the 1969 Albert delegation barely mention the 1971 delegation. The committee did, however, find evidence that former Representative Gallagher and perhaps Hanna had tried and failed to include Kim Kwang on the delegation airplane. A relative of Tongsun Park, Kim was working on Representative Gallagher's staff in 1971 after having worked on Representative Hanna's staff. Intelligence sources also indicate that Kim was reporting to Tongsun Park and the KCIA, particularly about matters relating to the Foreign Affairs Committee on which Representative Gallagher sat. According to the evidence, Gallagher had insisted to Speaker Albert that Kim be allowed to travel on the delegation airplane and the Speaker tentatively agreed. Speaker Albert, though, asked the State Department for its views and, when he learned they were disapproved, asked a Department official to impress those views on Gallagher. According to the former Speaker, Representative Gallagher eventually relented when the official indicated that a foreign national could not travel on the official plane. (Marshall Green interview, December 7, 1977) Kim nevertheless met the delegation at the Seoul airport, but the Members hardly came into contact with him. Suzi Park Thomson, by then a member of Speaker Albert's staff, accompanied the delegation. Participants in the trip stated, though, that her involvement was limited to assisting and translating for the wives of the delegation members. (Michael Reed interview, June 27, 1977; Marshall Green interview, Dec. 6, 1977; Former Speaker Albert deposition, Dec. 12, 1977, pp. 103-104)

Overall, the committee found no evidence suggesting that the ROK Government used the 1971 Albert delegation to influence any Representatives. Tongsun Park, Suzi Park Thomson, and Kim Kwang were present in Korea during the delegation's visit, but only Thomson came in regular contact with the delegation and then only as an interpreter. As none of the delegation members interviewed by the staff recall any instances of improper lobbying or other activities during the trip, then, the 1971 Speaker's trip appears to have been a normal parliamentary exchange which resulted from the precedent of the first Speaker's trip and not from any specific Korean effort at the time of the second one.

*(iii) Speaker's Trips—1974 O'Neill Delegation*

From April 15 to April 17, 1974, then-Majority Leader Thomas P. O'Neill Jr. led a third and final Speaker's delegation to Korea. The O'Neill delegation report found in Tongsun Park's house implies that

Park played a significant part in arranging the delegation's visit. According to the document, the oil shortage crisis, the Watergate scandals and the election campaigns delayed the trip four times. Nevertheless, "through our persuasion" and with the help of "the most ardent pro-Korean Congressmen, such as Patten, de la Garza, Hanna, Wolff, (and) Speaker Albert," the trip took place.

When first shown this report, Speaker O'Neill immediately and emphatically denied that Patten, de la Garza, Hanna, Wolff or any other person had influenced his planning of the trip. Former Speaker Albert was initially involved, but only because the ROK Government formally issued the invitation to the Speaker of the House. According to Speaker O'Neill, former Speaker Albert merely suggested to then Majority Leader O'Neill that he head the delegation and use it for purposes stemming from his position in the House leadership. (Speaker O'Neill deposition, Apr. 1, 1978, pp. 76-78)

Because there had been a 2-year interval between the previous Speaker's trips, the O'Neill delegation was originally scheduled for 1973. Speaker O'Neill's testimony indicates that only the 2-year interval, and not some third party, dictated the original date. The Speaker verified that the oil crisis had delayed the delegation once, but he emphasized that only those political purposes mentioned earlier by Speaker Albert motivated him to reschedule the delegation's trip. Otherwise, Speaker O'Neill said, he had no interest in heading the delegation. (*Id.*)

As in the previous years, the Korean legislature offered to pay the in-country expenses of the delegation. (State Department telegram Mar. 21, 1974, p. 3) Once again, though, the American Government paid all travel and in-country expenses. By all accounts, the O'Neill delegation did not differ from any of the previous parliamentary exchanges and was entirely proper. Tongsun Park's involvement in the trip was apparently limited to a party he hosted at his home before the delegation left. The committee is therefore unable to find any evidence to substantiate the claims of outside influence on the trip which are contained in the O'Neill delegation report and instead concludes that the idea of the third Speaker's trip grew out of the precedent of the first two such delegations.

#### B. PRIVATELY SPONSORED TRIPS TO KOREA

From information gathered primarily from responses to the committee questionnaire of June 1977, the committee was able to compile a list of several trips funded by non-U.S. Government sources. The chronology of these trips clearly shows that most of these trips were sponsored by foreign private organizations and universities. These organizations and universities began noticeably to sponsor congressional trips at the end of 1974 and during 1975. The committee's investigation of these privately sponsored trips increasingly focused on two organizations—the Pacific Cultural Foundation ("PCF"), which is based in the Republic of China; and the Korean-U.S. Economic Council ("KUSEC"), which is based in Seoul, Korea—for the committee uncovered evidence linking Tongsun Park, the KCIA, and the ROK Government to the trips sponsored by the two organizations. The committee, however, looked as well into trips involving honorary degrees bestowed by ostensibly private Korean universities, and the

evidence again indicates ROK Government complicity. In addition, several of the privately sponsored trips, which increased so noticeably in 1975, closely resemble the congressional trips described in a document recounting KCIA operations during that year.<sup>8</sup>

The committee has concluded that the Representatives and staff members who went on the trips had no reason to suspect the ROK Government and the KCIA were so involved and therefore did not violate any applicable law or Rule of the House. As the sponsoring organizations and universities are located overseas, the committee has no means of convincingly establishing—just as those taking the trips had no means of determining—either that the ROK Government actually financed the trips or that it did not finance those trips. After mid-1974, though, Congressmen and staff members could not accept trips paid for by foreign governments.<sup>9</sup>

(i) *Pacific Cultural Foundation and Korean-U.S. Economic Council*

The committee's investigation of the Pacific Cultural Foundation and the Korean-United States Economic Council revealed that the two organizations are markedly intertwined. Indeed, the evidence shows that PCF and KUSEC cooperated closely in an effort to bring Congressmen and staff members to Asia and then to facilitate their visiting both Korea and Nationalist China. The committee has traced the genesis of the trips sponsored by these organizations to the Taiwanese-based PCF, which originally paid for the in-country expenses of visiting Congressmen and staff members who wanted to take side trips to Korea after visiting Taiwan. Later, PCF apparently enlisted KUSEC to pay the in-Korea expenses. Eventually, KUSEC itself began organizing trips primarily to Korea and began paying the travel costs as well. The committee has also found evidence that the Government of Korea, Tongsun Park, and three former congressional staff members, Edwin J. Feulner, Jr., Tom Cantrell, and William H. Hecht, contributed significantly to the increasing involvement of KUSEC in the free trips and that Feulner and Cantrell aided both organizations' efforts to encourage the trips. The committee has concluded that none of the three staff members acted improperly or illegally.

According to evidence gathered by the committee, the first trip including a visit to Korea which a private organization substantially funded, occurred in August 1973. At that time, a large parliamentary delegation was visiting Nationalist China as guests of PCF. From Taiwan, Representative Leggett and three staff members, including Suzi Park Thomson, continued on to Korea. (Robert Leggett deposition, Dec. 8, 1977 p. 12-15) As Representative Leggett has documented that he personally paid for his stay at the Chosun Hotel in Seoul, the additional expenses, if any, incurred by PCF were probably negligible. (The extra cost of flying to Seoul during a return to the United States from Taiwan is insignificant).

Although this first PCF-sponsored trip including Korea occurred as early as 1973, and although PCF continued to sponsor trips solely

<sup>8</sup> The document is the KCIA's "1976 Plan for Operations in the United States," which is described infra, p. 179 and attached hereto as exhibit 5.

<sup>9</sup> The prohibition is embodied in the Committee's Advisory Opinion No. 3, issued on June 26, 1974, which finds that "acceptance of travel or living expenses in specie or in kind by a Member or employee of the House of Representatives from any foreign Government, official agent or representative thereof is not consented to in 5 U.S.C. 7342, and is, therefore, prohibited."

to Taiwan, the organization did not earnestly begin sponsoring trips including Korea until 1975. In the Spring of that year, PCF issued an invitation to all Members of the House to visit Taiwan in May. According to those who later went, the invitation stated that anyone interested in taking the trip should contact Minister S. K. Hu at the Embassy of the Republic of China. Three Members of Congress did so, and eventually traveled both to Taiwan and Korea. On May 19, 3 days before the group left, William Hecht also met with three representatives of Tongsun Park: Spencer Robbins, the executive vice president of Park's Pacific Development, Inc.; Bong Yang Lee; and Jung Sul Kim. According to the PDI document which records this luncheon meeting, they discussed the ROK Government and economy. (Spencer Robbins deposition, Dec. 2, 1977, p. 73). The PDI document also discloses that B. Y. Lee visited Hecht's office the next day. Hecht himself does not recall either the luncheon or B. Y. Lee's visit. He speculated, however, that Lee was delivering the group's passports, which Minister Hu had forwarded to the Korea Embassy. (William Hecht interview, Oct. 27, 1977.)

The three Congressmen and Hecht left on May 22 and after a 5-day stay in Taiwan, visited Korea from about June 1 to June 3. Tongsun Park evidently knew of their travel plans, for he attended some meetings, a tour of a school, and a dinner with the group. There is no evidence, though, that Park hosted any function or incurred any expenses because of the visit.

At the same time that Hecht and the three Representatives were in Asia, PCF also sponsored a separate group visiting Taiwan and made up entirely of staff members. Before leaving on the trip one of this group, Richard Williamson of Representative Philip Crane's office, made additional plans to visit Korea and sought advice about them from the State Department and the Korean Embassy. Before leaving for Asia, he learned from an Embassy official that the arrangements for the side trip to Korea had been made. On Williamson's arrival in Seoul on June 1, he was met by a man representing the Korean-United States Economic Council, who arranged for Williamson to join Hecht's group. The KUSEC official, however, stayed in contact with Williamson, and KUSEC eventually paid his in-Korea expenses. (Richard Williamson interview, November 4, 1977)

In 1971, 2 years before PCF had ever sponsored a trip which included Korea, a group of Congressional employees travelled to Taiwan as guests of China Airlines. As a result of this trip, one of the group, Edwin J. Feulner, Jr., who also was a member of Congressman Crane's staff, developed a friendship with Minister Hu of the Chinese Embassy. Later, in about 1974, Feulner became acquainted with Dan Fefferman, at that time the head of the political arm of Rev. Sun Myung Moon's Unification Church in the United States, who some time thereafter introduced Feulner to Minister Kim Yung Hwan and First Secretary Park Shin Chun of the Korean Embassy. Although Feulner knew them only by their official titles, Kim at the time was the KCIA Station Chief in Washington, and Park, a KCIA agent. (Edwin Feulner interview, Nov. 10, 1977)

Because of Hu's involvement in the PCF trips, Feulner received an invitation from PCF in June of 1975 to visit Taiwan. When he and the other congressional staff member who accompanied him de-

cided to go to Korea also, Feulner contacted either Kim or Park about the arrangements. Among the people whom Kim or Park said Feulner should contact in Korea was Cho Dong Ha, the Executive Director of the Korean-United States Economic Council. Feulner says, however, that he never met Cho during that PCF-sponsored trip but corresponded with him by letter afterward. As one who, due to his privately funded trips to Taiwan and his friendship with Hu, was periodically advising others about PCF trips geared primarily to Taiwan,<sup>10</sup> and as one who felt strongly about the United States presence in Asia and its interests in Korea, Feulner concluded that a program of privately funded staff trips primarily to Korea would enable the Korean Government to demonstrate to the Congress through its staff the communist threat to Asia and would benefit the anticommunist movement. Subsequently, Feulner told KCIA Station Chief Kim of those beliefs and asked whether KUSEC would be a likely organization to sponsor such trips. Feulner believes this discussion with Kim occurred in the late summer of 1975. (Edwin Feulner interview, Nov. 10, 1977.)

Meanwhile, shortly after his return from Asia in early June, William Hecht by chance encountered Tongsun Park.<sup>11</sup> While generally discussing the recent visit to Korea, the two agreed that the ROK needed an organization which would serve her the way PCF served Taiwan. The committee has uncovered no evidence which directly links Park to Cho Dong Ha or KUSEC. While in Korea during Hecht's visit, however, Park had met and attended meetings and other functions with Williamson, who had been periodically accompanied by a KUSEC official. Furthermore, the 1975 KUSEC directory lists as one of 42 Directors Park Kuhn Suk ("Ken" Park), the older brother of Tongsun Park and a prominent Korean businessman. Finally, on July 29, 1975, according to a shredded memo reconstructed by the committee, Spencer Robbins notified Park of a trip to Korea which Hecht and some staff members were planning, informed him that the financing of the trip was "the prime stumbling block," and asked Park how the trip might be funded.<sup>12</sup> According to Robbins, Hecht also felt Korea should establish an organization similar to Taiwan's PCF. (William Hecht interviews, Oct. 27, 1977 and Dec. 16, 1977; KUSEC directory; PDI shredded document; and Spencer Robbins deposition, Dec. 2, 1977, P. 72-74.)

On September 15, 1975, Kim Tai Dong, the President of KUSEC, wrote Feulner and invited him to visit Korea in October. In the letter, Kim noted that, as KUSEC had no U.S. representative, he had asked the Korean Embassy "to act as liaison" and to coordinate the travel plans. Kim also pledged to "arrange whatever meetings or internal travel" Feulner wanted. (Kim Tai Dong letter, Sept. 15, 1975). Although still technically a member of Representative Crane's staff, Feulner had by this time become the executive director of the Repub-

<sup>10</sup> Feulner, for example, had suggested to Hu or PCF that Williamson be invited. Feulner also told Williamson to contact Counselor Park Kun Woo at the Korean Embassy about the side trip to Korea.

<sup>11</sup> Hecht returned on June 3 and left the House payroll on June 15. Since then, he has worked for the Tobacco Institute.

<sup>12</sup> Just which trip this shredded memo refers to is unclear. Hecht had gone off the payroll on June 15 and, he says, took only the one trip to Korea. A PCF-sponsored group consisting of 3 Members of Congress visited Korea from Aug. 11 to Aug. 15, but no staff member accompanied them. Another PCF-sponsored group consisting of 1 Representative and 3 staff members visited Korea from Aug. 14 to Aug. 18. One staff member thinks KUSEC might have paid for his in-Korea expenses; another says PCF paid them; the third says he paid them himself. This trip, then, might be the one whose financing was a "stumbling block," but there is no evidence linking Hecht to the three in any way.

lican Study Committee ("RSC"), a House research group which proposes and evaluates Republican Party policy. He had also had conversations during the summer with Tom Cantrell, an employee of the Senate Republican Steering Committee (a Senate equivalent to the RSC), in which the two discussed first the need for greater understanding and stronger economic ties between Korea and the United States, and then the willingness of KUSEC to finance a trip to Korea. According to Cantrell, it was primarily Feulner who decided who should receive invitations. Cantrell said, however, that he gave Feulner advice on who might benefit most from the trip and that neither Tongsun Park nor any ROK Embassy officials recommended the people who should receive invitations. Both Feulner and Cantrell negotiated the trip arrangements with Minister Koo Choong Whay and Minister Yang Yoonsae of the Embassy several months before the trip and thus long before KUSEC issued the invitation. In a memorandum to Feulner of a conversation with Yang on August 15, for instance, Cantrell reported that the proposed October trip had received "the unofficial go ahead from the Blue House." On another occasion, according to Feulner, Minister Koo said each traveller would receive \$50 per day and intimated he had the money with him in cash.<sup>13</sup> Finally, on September 25, Feulner had lunch with Koo and made final arrangements for the trip; the next day, Feulner responded on RSC stationery to the KUSEC invitation and accepted on behalf of the group (Edwin Feulner interview, Nov. 10, 1977; Tom Cantrell interview, Aug. 18, 1978; Cantrell memorandum, Aug. 15, 1975; Feulner letter, Sept. 26, 1975). Of the seven who eventually visited Korea from October 13 to October 18, six were congressional employees.

During the next year, KUSEC sponsored five more Congressional trips to Korea. Of those who went on the six trips, only two were House members—and one was a Senator. The other 24 (excluding wives) who traveled on KUSEC-sponsored trips were staff employees. After the first KUSEC trip, PCF involvement in trips to Korea ceased, except for certain trips involving Representative Charles H. Wilson of California and his staff.<sup>14</sup> On their KUSEC-sponsored trips, one Representative and the Senator traveled additionally to Taiwan, where PCF paid their in-country expenses. In addition, the other Representative and 10 of the staff members combined side trips to Taiwan with their visits to Korea.

Feulner and Cantrell plainly influenced the trips which KUSEC sponsored. Feulner has told the committee that, after the first trip, he occasionally met or had meals with Ambassador Hahn Pyong-Choon, Minister Koo, and Col. Choi Yae Heun, the Defense Attaché who was secretly the KCIA's congressional liaison. Cantrell has said not only that he suggested to three Senators and several Senate employees that they visit Korea, but also that he brought together the one Senator who actually went with Feulner and KUSEC. In addition, three staff members who visited Korea as guests of KUSEC were in fact employees of two of those three Senators whom Cantrell approached.

<sup>13</sup> Feulner refused the offer, and KUSEC paid the in-country expenses as the group incurred them.

<sup>14</sup> PCF paid for Congressman Charles H. Wilson's wedding trip to Taipei, Seoul, Tokyo and Honolulu in Oct. 1975. PCF also paid the expenses of Congressman Wilson's wife and those of his administrative assistant on an Armed Services Committee trip which Wilson took in the fall of 1976. (Charles H. Wilson deposition, Feb. 24, 1978, pp. 20, 25-26.)

The committee, then, has found direct and circumstantial evidence that, beginning in mid-1975, the ROK Government, Tongsun Park, Feulner, Cantrell, and Hecht all contributed to the increasing involvement of KUSEC in the sponsorship of privately funded congressional trips to Korea. The above discussion shows that, in the summer of 1975, the ROK Government learned through its Embassy officials and KCIA agents in Washington of Feulner's and Cantrell's desire to establish a program of visits to Korea by Members of Congress and staff members. The discussion also shows that at the same time, Tongsun Park was aware not only of PCF's past sponsorship of trips to Asia which included Korea, but also of Hecht's recommendation that a Korean organization run a program similar to the one run by PCF. Also, Park's brother was in 1975 a Director of KUSEC, an organization which could run such a program. In addition, from mid-July to early October 1975, Park was frequently sending telex messages to the KCIA in Seoul.<sup>15</sup> Finally, the evidence shows that Feulner and Cantrell knew that KUSEC could sponsor the trips which both felt would help United States-Korean relations and favor U.S. interests and that both actively discussed with Embassy officials the arrangements for KUSEC-sponsored trips and suggested which persons KUSEC should invite.

(a) 1976 KCIA "Invitation Diplomacy"

Beginning at the end of 1974, as the committee's investigation of privately funded trips to Korea shows, the Government of the Republic of Korea actively encouraged and participated in programs to bring Congressmen and congressional employees to Korea on trips sponsored by several seemingly private entities. The Korean Government's conception of its involvement in these programs is suggested by the KCIA's "1976 Plan for Operations in the United States", a document obtained and made public by the Subcommittee on International Organizations of the Committee on International Relations investigating Korean-American relations. According to the testimony of KCIA defector Sohn Ho Young, the KCIA in Seoul drafted the plan in mid-to late 1975 and probably based it on information supplied by Kim Yung Hwan, the KCIA Station Chief in Washington. (See Sohn's testimony before the Subcommittee on International Organizations, Nov. 29, 30, 1977). In the section describing programs aimed at the U.S. Congress, the plan claims that during 1975 the KCIA "firmed up" the basis of cooperation with a congressional organization. The plan further claims that this cooperation resulted in trips by 2 Representatives and 13 aides.

Of the 15 who visited Korea as guests of KUSEC before December 1, 1975, two were Congressmen and 13 were staff members. As it based the plan on information supplied by Kim Yung Hwan, who knew of Feulner's interest in setting up the KUSEC-sponsored trips, the KCIA was evidently claiming in the plan to have brought about those trips.

The plan proposed that the KCIA expend \$14,600 in U.S. currency and \$8,000 in Korean currency in an effort to "win over" one congressional organization and proposed a similar expenditure to win over another congressional group. The cost of travel to Korea at the time suggests that the KCIA had targeted 10 individuals in each group. As KCIA defector Sohn felt that the plan had been typically

<sup>15</sup> See supra. p. —

exaggerated and that many of its proposals might not have been carried out, and as the committee has found no evidence of an effort to bring either group to Korea on free trips, the KCIA most likely did not carry out its proposals concerning free trips during 1976. At the end of 1975 and during 1976, though, KUSEC sponsored the trips of 15 more congressional staff members and one Senator.

(b) *Awareness of KUSEC and PCF*

Although the committee now has in its possession both clear evidence of the Korean Government's participation in the congressional trips KUSEC sponsored and vague indications that the KCIA might have allocated funds to pay for some of those trips, the issue of whether or not anyone who took such a trip was at the time aware of the ROK Government's involvement in the KUSEC trips remains. As the only suggestion of the ROK Government's financial involvement is found in evidence not obtained by congressional investigators until late 1977, those who travelled on KUSEC-sponsored trips in 1975 and 1976 cannot be held responsible for knowing of such an alleged financial involvement. However, the committee also sought to determine whether the Congressmen and staff members who accepted free trips from KUSEC had sufficient reason to have been suspicious of ROK Government participation in the organization and to have inquired further into KUSEC's relationship with the ROK Government. Furthermore, because Feulner and Cantrell played such active roles in beginning KUSEC's sponsorship of congressional trips and in enlisting Congressmen and staff members to visit Korea, each one's perception of KUSEC's relationship to the ROK Government is integral to determining the perceptions of the others who went.

In its invitation to Feulner in 1975 and its 1975 Membership Directory, the Korean-United States Economic Council represented itself as "an independent private organization" established in August 1973 to serve "as an information center and clearing house for cooperative undertakings between the two countries in the private sector." One of KUSEC's functions, declared the directory, was "helping various American groups and organizations with exploratory visits in the Republic of Korea." (Kim Tai Dong, letter, Sept. 15, 1975; KUSEC Directory). Based in Seoul, KUSEC had no representatives or offices in the United States.<sup>16</sup> As a result, the involvement of the Embassy officials in Washington—whom neither Feulner nor Cantrell, to the Committee's knowledge, knew to be affiliated with the KCIA—seemed logical. Moreover, according to Feulner, the State Department briefed the first group sponsored by KUSEC and did not warn the members of the trip, including Cantrell, about KUSEC. Meanwhile, in addition to the absence of a State Department warning about KUSEC, Feulner also knew that the Committee on Standards of Official Conduct had not been barring the PCF-sponsored trips to Korea as well as to Taiwan. (Feulner interview, Nov. 10, 1977).

Because of these trips, the committee attempted to determine the relationship of PCF to the Government of the Republic of China.

<sup>16</sup> Because KUSEC has no offices or records in the United States, the committee was unable to investigate KUSEC's finances. The committee did, however, obtain copies of some of the airline tickets purchased by KUSEC for the congressional trips. Also, there is located in New York a United States-Korean Economic Council which is comprised of U.S. corporations doing business with Korea and which has had some contact with KUSEC in the past. The committee has found no evidence that the United States-Korean Council was in any way involved in any congressional trips to Korea.

Like KUSEC, PCF has no offices or representatives in the United States and worked through the Republic of China Embassy. Consequently, the committee found PCF, again like KUSEC, difficult to investigate. Records of airline tickets paid for by PCF are unavailable, and the Republic of China Embassy officials such as Minister Hu declined to meet with staff investigators. The committee did learn, however, that on November 11, 1975, the State Department officially notified the committee that the Department's "impression" was "that the Pacific Cultural Foundation, although ostensibly a private organization, is closely controlled by the Government of the Republic of China." (See Nov. 11, 1975, letter from Gerald W. Scott.) As the State Department could offer no "definite or conclusive information" that PCF was an agent or representative of the Republic of China Government, the committee's standard written response to inquiries about PCF was that the committee could make no determination of the propriety of PCF-sponsored trips.

Feulner himself had sought an opinion from the committee staff prior to his PCF trip to Taiwan and Korea in June 1975. The staff member with whom Feulner spoke advised him that, although it would not say so in writing, the committee did not object to the trip. (Feulner interview, Nov. 10, 1977). In addition, Richard Williamson, with whom Feulner worked until 1974 on Representative Crane's staff, shared with another staff member a letter from the committee which did not object to their PCF-sponsored trip, during which KUSEC paid Williamson's expenses in Korea. (Williamson interview, Nov. 4, 1977). As Feulner knew that the committee was not prohibiting the PCF trips, and as he wanted the KUSEC trips only to be privately funded trips which would serve U.S. interests in Korea the way PCF served U.S. interests in Taiwan, Feulner never sought the committee's opinion and never expressed any doubts about KUSEC to Cantrell. Consequently, Feulner and Cantrell, who engineered most of KUSEC trips, apparently never had any such doubts or relayed them to the Congressmen and staff members receiving invitations from KUSEC. Thus, the committee has been unable to find that those who went on KUSEC trips to Korea had reason to suspect KUSEC was in any way improperly involved with the ROK Government.

*(ii) Trips involving honorary degrees*

Evidence collected by the committee shows that, at the time a program of congressional trips to Korea sponsored by private organizations was beginning in 1975, another program intended to bring Congressmen to Korea by offering them honorary degrees began simultaneously. The evidence further indicates that, as they had with the trips sponsored by the private organizations, the ROK Government and the KCIA encouraged and participated in the honorary degree program. Overall, though, the honorary degree program enjoyed only limited success.

According to the committee's evidence, the bestowal of honorary degrees upon Congressmen visiting Korea occurred only sporadically until 1974. Of the universities bestowing such degrees before then, none bestowed a degree upon more than one Congressman, either in

that period or afterward.<sup>17</sup> Until late 1974, the recipients of these degrees were all traveling to Korea on U.S. Government funds, and the universities apparently did not pay any of the expenses. The universities also passed up opportunities to give degrees to other Congressmen traveling with the delegations. Moreover, the committee has found no evidence suggesting that either the Embassy or the Korean Government had any direct participation in the granting or offering of the degrees. The only evidence that any one not affiliated with the universities had anything to do with the degrees comes from former Representative Thomas Morgan's recollection that, on three or four occasions, former Representative Cornelius Gallagher—himself a frequent traveler to Korea and a close associate of Tongsun Park—urged Morgan to visit Korea and accept an honorary degree. Morgan declined.

At the end of 1974, the incidence of both offers and grants of honorary degrees to Congressmen increased markedly. Within 8 months (late December 1974 to mid-August 1975), Hanyang University alone bestowed degrees upon four Representatives and offered to bestow a degree on one other Member. As for all Korean universities including Hanyang, the committee has evidence that, in all, six Representatives received degrees between December 1974 and early 1976 and another six refused offers during the same period. Of these 12 offers of degrees, 7 were accompanied by offers either of trips or in-Korea expenses.

Not only did the number of offers of trips to receive degrees increase markedly between the end of 1974 and early 1976, but the involvement of Korean officials and certain Koreans figuring in the committee's entire investigation—Ambassador Hahm, KCIA Station Chief Kim Yung Hwan, KCIA Congressional Liaison Choi Yae-Heun and Korean Assemblyman Row Chin Hwan—increased noticeably. In various combinations, these Korean officials participated in 5 of the 12 offers of degrees. All five offers included offers of trips.

The committee's evidence, then, shows that, at the end of 1974, the Korean universities in general and Hanyang University in particular began a program to bring Congressmen to Korea to receive honorary degrees. The committee has uncovered no evidence proving that the ROK Government either paid or offered to pay any of the expenses resulting from this program, but the evidence clearly shows that the Government did in fact involve itself in this program. Although the program did not attract as many Representatives to Korea as the trips sponsored by private organizations, it nevertheless succeeded in bringing three Representatives to Korea who otherwise would not have gone.

<sup>17</sup> Choong-ang University, which had given a degree to Cornelius Gallagher in 1970, later gave one to Dr. Glen Kasmussen, the president of Findlay College and a friend of both Hancho Kim and Congressman Tennyson Guyer.



## VII. FINDINGS, CONCLUSIONS AND RECOMMENDATIONS WITH RESPECT TO EXISTING RULES OF CONDUCT

In parts II through VI, the committee has set forth its conclusion that the ROK Government adopted and implemented plans to influence Members of Congress by giving things of value to them, and the information on which that conclusion is based. The acceptance by a Member of Congress of things of value from a foreign state is illegal.

### A. CRIMINAL STATUTES—BRIBERY

18 U.S.C. Sec. 201 makes it a crime, punishable by up to 5 years in prison, for a public official, including a Member of Congress, to accept anything of value in return for an agreement to be influenced in his official duties. This statute plainly applies to gifts of things of value from foreign states and officials and representatives thereof. There are difficulties in enforcing this statute, however, because it is difficult to prove an agreement to be influenced even where there is one. This difficulty is aggravated in prosecutions of Members of Congress because the speech or debate clause of the U.S. Constitution (which is by its terms inapplicable to an investigation or disciplinary proceeding brought by the Congress or a committee thereof) prevents proof in court of much of the official conduct which a Member may have agreed to perform in return for the money. See, *U.S. v. Brewster*, 408 U.S. 506 (1972).<sup>1</sup>

#### *Campaign laws*

Since 1966 there has been a prohibition against the receipt of campaign contributions from an agent of a foreign government (18 U.S.C. Sec. 613) without regard to any agreement on the part of the recipient to be influenced by the contribution. Since foreign governments can act only through agents, this effectively prohibits campaign contributions by foreign governments. Effective January 1, 1975, this statute was amended so that it also prohibited receipt of campaign contributions from any foreign national—that is, a foreign citizen not admitted in this country for permanent residence. (2 U.S.C. sec. 441 (e)) A violation of this provision could, if more than \$1,000 is involved, result in imprisonment of the recipient for up to 1 year, a fine of \$25,000 and a forfeiture of three times the amount of the contribution. (2 U.S.C. sec. 441 (j)) Thus, the criminal law prohibits even the possibility of foreign influence resulting from gifts from foreign governments or individuals if the influence results from campaign gifts. With respect to gifts to Members of Congress from foreign governments or nationals that are not campaign contributions, the

<sup>1</sup> The difficulty in proving violations of 18 U.S.C. sec. 201, however, has been made less serious in the case of influence-buying by foreign governments because, as noted below, campaign gifts from foreign governments or foreign nationals have since Jan. 1, 1975, been a violation of criminal law without regard to any agreement to be influenced; and all gifts received from a foreign state are illegal—though not criminal—without regard to such an agreement.

criminal law proscribes them only if it can be proved that the Member agreed to be influenced in return.

#### B. THE CONSTITUTIONAL PROHIBITION

The U.S. Constitution, however, forbids receipt of any gift from a foreign state unless consented to the Congress without regard to any agreement to be influenced.

The U.S. Constitution contains a flat prohibition against the receipt by a Member of Congress of a "present" from a "foreign state," without the consent of Congress (article I, section 9, clause 8). Congress has consented by statute only to the receipt of gifts valued at less than \$100 (22 C.F.R. sec. 33(3)). Other gifts may be received only if immediately turned over to the U.S. Government.<sup>2</sup> Of course a foreign State operates only through its representatives, and the Constitutional prohibition applies to the receipt of gifts from a foreign state delivered by any representative thereof. See "Manual of Offenses and Procedures, Korean Influence Investigation," p. 6; 5 U.S.C. sec. 7342(a)(2). The committee concluded that no Member should be disciplined for receipt of a gift from a representative of a foreign State, however, unless the Member knew or should have known that the gift came from the foreign state. "Manual of Offenses and Procedures," supra, at pp. 33-36.

#### C. HOUSE RULES

Clause 4 of the Code of Official Conduct (House Rule VLIII) was amended on March 2, 1977, to forbid the receipt by a Member of the House of a gift of any kind worth more than \$100 in any calendar year from a foreign national.

#### D. EVALUATION

The committee believes that the existing substantive rules are, on the whole, adequate. The existing laws prohibit receipt of gifts of more than minimal value directly or indirectly from a foreign state, thus removing almost all opportunity for improper influence by a foreign government both real and apparent; and existing laws penalize criminally more serious examples of influence buying. The existing laws, however, require proof of some degree of knowledge on the part of a recipient of a gift that the gift came from a foreign state. This created a serious problem for the committee in this investigation. The committee, for example, has evidence that Hanna suggested, and the Koreans adopted, a plan to influence Members of Congress without apparently violating the law by delivering money to them indirectly, that is, through Tongsun Park. Money was then paid in the form of campaign contributions to a number of Members of Congress, see supra at p. 57-59, by Tongsun Park in pursuance of this plan. Absent proof that Park acted as an agent of the ROK Government and absent knowledge of that fact by the Member who received the contribution, actionable violations of law could not be proved. This problem has been sub-

<sup>2</sup> There is no statute which specifically enforces this constitutional prohibition. In other words, there is no penalty for violating it which can be imposed by a court of law. However, a Member who violates it is subject to discipline by the House under House Rule X 4 (e) (2), because the constitutional prohibition is a "standard of conduct applicable to the conduct of [the member] . . . in the performance of his duties or the discharge of his responsibilities."

stantially ameliorated by the change in the law, applicable January 1, 1975, prohibiting receipt of campaign contributions from foreign nationals, and a change in the House rules, applicable March 2, 1977, prohibiting receipt of other kinds of gifts from foreign nationals regardless of whether or not the foreign national is acting as an agent of his Government.<sup>3</sup>

Thus, the committee has only one substantive proposal.

The committee proposes a rule forbidding the receipt of trips by Members, officers or employees of the House of Representatives to and from a foreign country paid for by foreign nationals or foreign organizations, unless the particular trip is specifically exempted in writing by action of the Committee on Standards of Official Conduct.

The committee has information described in part VI of this report that the ROK sought to use trips to Korea by Congressmen and congressional staff members as a method of influencing Congress and that it caused "private" organizations in the ROK to pay for these trips. However, as these organizations are headquartered overseas, there was no way for the committee to prove this fact and no way for the recipient of the trip to learn it. In any event, the committee is of the opinion that there is seldom reason to permit foreign travel funded by a foreign private organization. All foreign travel useful to the United States should be paid for by the U.S. Government unless expressly exempted.

It is worth emphasizing that this proposed change in the rules is an extremely modest one. As set forth above, the difficulties in preventing serious efforts to influence Congressmen arise not from loopholes in the law but from the difficulties in enforcing the law—that is, in obtaining evidence of violations even where they occur.

The committee also has one procedural proposal. The committee proposes that section 4(a)(1)(A) of House Resolution 252 authorizing the committee to take depositions before a single member of the committee be made a part of the standing Rules of the House applicable to the Committee on Standards of Official Conduct. The committee believes that its ability to gather facts will be substantially impaired if every time a witness' testimony is taken it must convene a quorum of the committee which would otherwise be necessary in order to hold an investigative hearing in executive session.

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<sup>3</sup> It should be noted that Hanchu Kim is not a foreign national. He is a U.S. citizen. Should he have made campaign contributions with the money KSK gave him, such contributions would have violated no law absent proof that he was acting as an agent of the ROK Government. The committee sees no feasible way, however, of preventing naturalized citizens from contributing to the electoral process and thereby obtaining good will for their native country.



## VIII. DISCIPLINARY RECOMMENDATIONS

After a little more than a year of investigating, the committee concluded that there was sufficient evidence of unethical conduct by four present Members of Congress to warrant the bringing of charges against them. Thus, on July 13, 1978, the committee served on each of these four Members a "Statement of Alleged Violation" (Statement) briefly describing the conduct alleged to be unethical and the applicable provision alleged to have been violated. The service of these Statements followed months of investigation done in secret so that apparently incriminating evidence would not be publicized until its reliability had been tested. This investigation included the taking of testimony from the Member involved, so that his version of the facts would be before the committee when it made its decision whether or not to bring charges.

Following the service of the statements, the committee adopted a resolution which granted to the respondent-Members the kind of discovery of the evidence against them which is available to litigants in Federal courts. The attorneys for the respondent-Members then received transcripts of relevant depositions, memoranda of informal witness interviews, documentary evidence and other materials to assist them in preparing their defenses. Answers and motions were then received from the respondent-Members. After considering these answers and motions; after hearing argument in executive session by attorneys for the respondents and for the staff; and after the extraordinary step of hearing from the respondent-Members in executive session not under oath; the committee made its decision whether to proceed to a public disciplinary hearing to resolve the charges in the Statement. In each case, the committee decided to proceed to a public hearing.

Each public hearing was conducted much like the trial of a case in court. The attorney for the staff made an opening statement; the attorney for the respondent was permitted but not required to do so. The attorney for the staff then called witnesses and introduced documents in evidence. The witnesses were subject to cross-examination by the attorney for the respondent-Member; and evidentiary objections were made and ruled on by the chairman subject to an appeal to a majority of the committee members present. The rules of evidence in civil and criminal trials in Federal courts were followed subject to the overriding provision of committee rule 11(a):

Rule 11. Admissibility of Evidence.—(a) The object of the hearing shall be to ascertain the truth. Any evidence that is relevant and probative shall be admissible, unless privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

The provision of the committee's rules authorizing use at the hearing of "depositions, interrogatories and sworn statements" in lieu of a witness live testimony was never utilized.<sup>1</sup>

After the staff introduced the evidence in support of the Statement, the respondent-Member called whatever witnesses he desired—with the assistance of the right to utilize the committee's subpoena power; and in each case chose to testify in his own behalf. The staff attorney was permitted to cross-examine witnesses called by the respondent.

The evidence was taken pursuant to an informal committee rule that at least five committee members must be present for the taking of any testimony and at least seven members must be present for the taking of testimony from the respondent.

Following the taking of all the evidence, the testimony of the witnesses was transcribed. Transcripts of all the testimony and copies of all documentary exhibits were then delivered to each member of the committee together with written arguments in support of and against the charges by the attorney for the staff and the attorney for the respondent respectively. A date was then fixed by the chairman for oral argument by attorneys for both sides. Each was permitted 30 minutes, with the attorney for the staff arguing first and, if he had saved any time for rebuttal, last. Immediately following the argument, the committee, each member having previously read the transcript of any portion of the testimony which he might have missed when it was taken and each member having previously read the written arguments by the attorneys, retired and deliberated in privacy. The committee then considered the evidence relating to each "count" of the Statement and sustained that count if and only if it found that the staff had sustained its burden of persuading the committee that the evidence proved that the respondent had "clearly and convincingly" committed the offense alleged. As soon as the committee reached a decision with respect to each count, if it had been sustained, it proceeded to decide what sanction to recommend. When it had arrived at its conclusions, it went into open session and announced them. Any such decision required an affirmative vote of seven members. The decisions actually reached by the committee are described supra, at part II C(5).

The committee sustained one or more charges against Representatives Roybal, Wilson, and McFall. It sustained no charge against Representative Patten. It recommended that Roybal be censured and that McFall and Wilson be reprimanded.

Reports for the House were then prepared in each of the four cases. Only the House can actually impose discipline. The reports described the procedures followed and contained the evidence and arguments of counsel for each side. The reports were not distributed to the offices of the Members of Congress prior to the time when they were called up in the House. Instead, they were made available to any Member who asked for one prior to the time they were called up, and were available on the House floor during the debate.

When the reports were discussed on the floor of the House, some Members criticized the committee's work generally; some criticized its procedures; no Member not on the committee referred in any way to

<sup>1</sup> Such use would generally violate rules against hearsay evidence if done in a Federal court.

the facts of the cases; many members of the committee remained silent; and those members of the committee who did speak expressed their dislike for the task of investigating and judging their peers. The House rejected the committee's recommendation in one case—amid statements that the committee "appeared" to have recommended the higher sanction for racial reasons, and without any discussion or evaluation of the facts, which were substantially uncontradicted.

The committee believes that much needs to be done to improve the procedures for bringing the committee's recommendations to the House floor. If the House is unwilling to support the committee, it should assign this task elsewhere.

#### A. RECOMMENDED PROCEDURAL REFORMS

Some of the criticisms of the committee's procedures voiced on the floor of the House were valid. If the House is to accept or reject the committee's recommendations as to discipline for reasons having to do with the facts rather than for political considerations, the committee must communicate the facts to the other members in a useful way. To this end the committee recommends that the following provisions be made part of the House rules in each case in which the Committee on Standards of Official Conduct recommends to the House that it discipline a Member:

(1) The report to the House shall, with respect to each Count of the Complaint or Statement of Alleged Violation which the committee has found to have been proven, contain a statement of that count, a brief but complete statement of the evidence on which the finding is based, together with transcripts of all testimony and copies of all exhibits presented at the disciplinary hearing;

(2) The report to the House shall contain a brief but complete statement of the reasons for the sanction recommended by the committee;

(3) A copy of the report shall be delivered to the office of every Member of the House no less than 3 full days before the report is considered by the House;

(4) With respect to each report, the House will debate on all of the committee's findings of fact and vote on such findings count by count. Then, if the House has adopted the committee's findings with respect to one or more counts, it will debate and vote on the proposed sanction; and

(5) At the outset of the first debate contemplated in proposal (4), supra, the count or counts which the committee found to have been proved will be read together with the committee's statement of the evidence which supported the count. If the House votes to sustain the committee's finding with respect to any count, the committee's statement of reasons for the sanction recommended by it will be read by the clerk at the outset of the debate on sanction.

#### B. RECOMMENDED SUBSTANTIVE REFORMS

The committee commenced this investigation into allegations of ROK Government payments to Members of Congress with the determination of ascertaining the truth. The committee expected that if any

evidence of such payments existed, it might be obtained from one or more of three sources: former officials and agents of the ROK Government; the intelligence community; and congressional employees. This report details elsewhere the information obtained from the first two sources, the limitations thereof and the reasons for those limitations. It is striking, however, that the committee received virtually no evidence of misconduct from congressional employees. Indeed, the committee filed a statement against one employee alleging that she had testified falsely and otherwise obstructed the investigation of her employer; and the committee, in sustaining a charge against one member implicitly found unworthy of belief the testimony of his former employee in defense of the charge. It may be that there are no congressional employees with knowledge of wrongdoing relevant to House Resolution 252. But we believe it is probable that congressional employees in general, like the two described above, hold personal loyalty to the Members for whom they work to be more important than their loyalty to this institution itself.

The committee believes that the support of the Members, officers and employees of the House for the work of this committee is crucial to its continuing effectiveness.

Accordingly, the committee proposes adoption of the following additions to the Code of Official Conduct:

(1) It shall be the duty of every Member, officer and employee of the House of Representatives, who becomes aware of any violation or evidence of a violation of a provision of the Code of Official Conduct, or any other standard of conduct to report such violation or evidence thereof promptly in writing to the Committee on Standards of Official Conduct; and

(2) The committee shall, consistent with the fulfillment of its duties, maintain the confidentiality of information communicated to it pursuant to (1) above, and the identity of the person who communicated it, until such time as a Complaint or a Statement of Alleged Violation is filed with respect to the information. The information shall be kept confidential, both from the public and from the subject of the information until a complaint or statement of Alleged Violation is filed.

The committee is aware of the difficulties both moral and practical of a rule requiring every Member, officer and employee to become an informer on his or her colleagues. These are, however, difficulties inherent in any effort at self-discipline. The Committee on Standards of Official Conduct should not be asked to make this effort alone. Either it must be the effort of every person in this institution, or the effort should not be made at all.

The resolution of this problem is not easy. The committee believes that now is as good a time as any to confront the problem, and to decide whether the House of Representatives wants to discipline itself. If so, it should be the job of every Member, officer and employee. If not, then the House should not ask 12 of its Members to do the job without the support of the House.

STATEMENT UNDER CLAUSE 2(b) OF RULE X

The committee's oversight findings and recommendations are stated in sections VII and VIII of this report.

No budget statement is submitted.

## IX. ADDITIONAL VIEWS

### ADDITIONAL VIEWS OF REPRESENTATIVES LEE H. HAMILTON AND RICHARDSON PREYER

The issue of ethics in the 95th Congress has left us with two basic impressions. The first is that Members of the House of Representatives understand the Code of Official Conduct and the role of the Committee on Standards of Official Conduct in different ways. The second is that procedures for handling ethics cases in the House need significant improvement.

We are pleased to have an opportunity to explain our understanding of the Code and the role of the committee. It is a consequence of our view that the Code is best enforced by the House itself, not by a criminal court, an independent commission, or a Member's constituents. Another consequence is that the denial of official powers and prerogatives to a Member may be a suitable remedy for violations of the Code. The suggestions we make are intended to supplement those of the committee, whose report we endorse without reservation.

#### THE CODE AND THE ROLE OF THE COMMITTEE

The principal rule governing the official conduct of Members states in part: "A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives" (House Rule XLIII, Code of Official Conduct, Clause 1). The rule defining the jurisdiction of the Committee states in part that the Committee shall investigate "... any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities . . ." (House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4 (e) (1) (B)).

Unfortunately, Members differ in their interpretation of these two rules. For example, one often hears the claim that the committee should be concerned only with illegal activity by a Member. When coupled with the commonly held view that all aspects of illegal activity are best left to a court, this claim leads inescapably to the conclusion that the committee should never take any action at all. We believe the argument here to be mistaken for a variety of reasons, not the least of which is the obvious fact that actions other than violations of law cast discredit on the House and adversely affect the ability of a Member to perform his duties and discharge his responsibilities. Moreover, while prosecution of a Member for illegal activity must be left to a court, no court is better able than the House to assess the effects of that illegal activity on the House itself.

Another interpretation of the rules lies behind the claim that a Member should not be expected to comply with ethical standards

other than those implicitly recognized by the public at large. This claim is manifestly misguided for the obvious reason that a Member must comply with the rules of official conduct that apply to him and his colleagues alone. A Member must neither cast discredit on the House nor act so as to prejudice the performance of his duties or the discharge of his responsibilities. The rules of official conduct at once protect the integrity of the House and ensure that the public's business will be done in a satisfactory manner.

Yet another interpretation of the rules gives rise to the claim that a Member should not be held any more accountable for his conduct than an ordinary citizen would be. Those who say this often complain of the unfairness of "high ethical standards" for Members. They are willing to overlook lapses and excuse transgressions on the grounds that "anyone can make a mistake." We believe that the argument here is fundamentally flawed because membership in the House has overriding practical and symbolic consequences.

A Member holds a position of power and leadership in that he makes the law and provides an example that others live by. It is not too much to ask of him that he adhere very strictly to the norms of behavior for which he bears so much responsibility.

Our interpretation of the rules is distinct from these. As mentioned before, we think that it should be within the purview of the committee to look into actions by a Member that are not illegal. Several new rules contained in the Code since March of 1977 are to be understood in this light: they make otherwise legal actions violations of the Code. For example, the House determined that the maintenance of unofficial office accounts casts discredit on the House, so the maintenance of such accounts was prohibited to Members. Likewise, the House judged that excessive employment outside the House lessened the ability of a Member to perform his duties and discharge his responsibilities, so a limit was placed on the amount of income a Member could receive from such employment. There are other examples similar to these.

Notwithstanding the importance of legal and ethical behavior by a Member, we cannot agree that the spirit of the Code and the reach of the committee extend to all illegal and unethical actions whatsoever. Many illegal actions are of no concern at all. For example, if a Member inadvertently turns the wrong way on a one-way street, he has broken the law but has not done anything to justify a committee inquiry. Similarly, many actions that might be considered morally questionable, such as withholding contributions to a needy charity when one could easily afford to make them, fall outside the area of concern. The jurisdiction of the committee with its code does not correspond exactly to that of a court with its law, nor does its role parallel that of a moralist with his precepts. The committee examines only those actions which—whether they are illegal, unethical, or both—cast discredit on the House or diminish the ability of a Member to perform his duties or discharge his responsibilities. In this regard the code and the committee are like the professional standards and the disciplinary board of a medical or bar association. Just as the question for such a board is professional integrity and performance as prescribed by the standards, so the question for the committee is House integrity and performance as prescribed by the Code.

This conception of the Code and the role of the Committee implies that the primary response of the House to violations of the Code is not punishment of an individual. The interest of the House in prescribing a remedy is not reform of a Member's character, and less still is it retribution. Rather, the House is interested mainly in its own integrity and the fitness of its Members. The present remedies of reprimand (whose older meaning is "repression"), censure (like "censor", to remove something offensive), and expulsion make sense in this light. In reprimanding, censuring, or expelling a Member, the House acts to repress or remove a threat to its integrity or to the fitness of its Members.

As we said before, our understanding of the Code and the role of the Committee has two important consequences. One is that the Code is best enforced by the House itself. The other is that a denial of official powers and prerogatives to a Member may be a suitable remedy for violations of the Code. We believe that each of these consequences merits further consideration.

#### CODE ENFORCEMENT BY THE HOUSE

As was previously noted, we have frequently heard the argument that ethics cases in the House should be turned over to civil authorities for resolution. While the House Rules state that the Committee must "report to the appropriate Federal or State authorities, with approval of the House, any substantial evidence of a violation, by a Member, officer, or employee of the House, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation..." (House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4(e) (1) (C)), we cannot accept the proposition that consideration by civil authorities should be the end of such matters. The House is properly interested in unethical actions as well as illegal ones, yet no court would permit prosecution of a Member unless it was alleged that he had violated a law. Even when the actions in question are illegal, the House is the only good judge of their effects on the House itself. The enforcement of ethical standards and the assessment of the effects of illegal actions on the House are simply not jobs that civil authorities can do.

The inadequacy of turning over all ethics cases to civil authorities has a significance that is not always appreciated. It means that the House should not decline to investigate a case solely on the grounds that evidence is insufficient for a criminal indictment. It means that the House should not fail to take action in a case just because another investigation or prosecution is going on. Further, it means that the House should not unthinkingly accept the decisions of prosecutors and courts (one way or the other) as final. Where allegations are made concerning discredit to the House or the unfitness of a Member to perform his duties or discharge his responsibilities, the House should be moved to action irrespective of what the civil authorities do.

Enforcement of the code by an independent commission is often recommended as an alternative to the present scheme of things. The basic idea is that the House should turn over ethics cases to a body

having no institutional connection with the House. This commission, acting in a way not unlike the committee, would investigate each case to determine whether the code had been violated. Other powers the commission might have, and what its composition would be, are matters of debate.

We believe that there could be advantages in an independent commission, not the least of which would be its position outside the personal and political crosscurrents of the House. However, three potential problems make us reluctant to endorse its establishment at this time. First, the question whether an action casts discredit on the House or impairs a Member's ability to perform his duties or discharge his responsibilities is best left to current Members who know the institution intimately because they work in it daily. An independent commission would be little better than a court in this respect. Second, it seems likely that Members would respond more fully to a finding of violation by their colleagues than they would to such a finding by outsiders. Disapproval by peers is especially onerous given the close working relationship that exists among Members of the House. Third, and most critical, there is a profound sense in which an independent commission would be self-defeating. The very existence of the commission would be an admission that the House did not have the resolve and forthrightness to police itself. The implications of such an admission for House integrity would be both clear and painful.

Many well intentioned people suggest that the issue of ethics be left entirely to the voters. If a Member is alleged to have violated the code, they argue, let him explain himself and answer for whatever he did in the next election. On this view, the discipline of the electorate is taken to be a potent threat. Indeed, the remedies of reprimand and censure may seem bland when compared to it.

We do not find ourselves in agreement with this view. To begin, the discipline of the electorate cannot apply evenly to all Members at all times. Retiring Members need not be troubled by it, and those who enjoy great popularity in their districts will fear it less than others will. Another problem is the extreme complexity of the electoral process. The many issues, the candidates' personalities, and the varying levels of voter knowledge and interest make it improbable that the typical congressional election would ever become a clear-cut referendum on a Member's conduct. Yet another problem is the balancing of remedy with violation. Defeat at the polls may be a fitting remedy for some violations, but it may be too strong a remedy for others. A further problem is that a Member's decisions and actions affect the entire Nation, not just his district. Thus, it is not sufficient to leave the question of a Member's possibly irresponsible conduct solely to the voters in his district. Finally, it is apparent that voters do not have the means to sift through all the allegations and information that may be relevant to a particular case. Without a thorough House investigation they would make their judgment largely on the basis of hearsay and innuendo.

While the options offered by civil authorities, an independent commission, and an aroused electorate have their good points, we think it best to start with the assumption that the House should police itself. We take this stance in full recognition that the House has been hesitant in the past to judge the conduct of its Members. It is our opinion,

however, that any hesitancy or questionable judgment in the past was more the fault of incomplete procedures for handling ethics cases than it was the fault of moral weakness on the part of Members. We believe that the House can modify existing procedures or create new ones to ensure that responsible decisions are reached. The committee report recommends many improvements, all of which we strongly support. We submit our suggested improvements to supplement those of the committee.

It seems to us that procedural change is the correct starting point, but we may be wrong. If it turns out that no improvements in procedures will help, we favor the establishment of an independent commission to enforce the code.

#### THE SYSTEM OF REMEDIES

One of the principal aims of the code is to encourage honest and forthcoming conduct by a Member. Consequently, one of our main worries is that the present system of remedies instead encourages an accused Member to distort the facts of his case, misrepresent his role in it, and generally do all that he can to escape House action. Someone who is facing reprimand or censure also has every incentive to downplay or exaggerate the significance of the House decision when that decision is finally rendered. In trying to determine what actions cast discredit on the House or diminish the ability of a Member to perform his duties or discharge his responsibilities, there are really two sets of actions to be considered: the past violation and what the Member now does when confronted with that violation. The character of the past violation cannot be altered by the prospective remedy, but the system of remedies can be restructured to encourage honest and forthcoming conduct by a Member who is charged with a violation.

We believe that an accused Member should be subject to a lesser remedy if he freely and openly admits to a past violation and does not attempt to downplay its significance. For example, if a Member admits to misusing the frank and does not try to represent his action as a trifling lapse, he might receive a reprimand. However, if that same Member covers up his misuse of the frank or tries to convince his colleagues that such an action means little, he might receive a reprimand and also be the focus of some other remedy. If the issues are the reputation of the House and the ability of a Member to perform his duties and discharge his responsibilities, irresponsible conduct in the present may be every bit as important as the past violation. Procedures can be modified so that admission of a violation and acceptance of its significance would weigh very heavily in a Member's favor when the committee sent its recommendation to the floor. Admission and acceptance show integrity in themselves.

Another improvement in the system of remedies has to do with the kinds of remedies that are available and the pairing of those remedies with kinds of violations. On the latter point, the House obviously could not list the precise remedies beforehand for every conceivable unethical action. Nor does it seem wise for the House to try to do so since rigidly fixed remedies would limit the latitude the House must have to deal with the complexity and variety of circumstances surrounding each case. Nonetheless, the House could set out

in a preliminary way the remedies that might be considered for various violations. A consensus of Members and the precedents established by House action would lead to a workable pairing of ranges of remedies with violations.

Many kinds of remedies are either available now or possible in the future. It is helpful to group them into four classes:

#### *Expulsion from the House*

A remedy available under the Constitution is the expulsion from the House of a Member who has violated the code. Expulsion, however, is very drastic and should be used only in the rarest of cases. To our knowledge, it has been used only three times in the history of the House.

#### *Public rebuke*

At present the House can reprimand or censure a Member who has violated the code. Censure is the more severe of the two remedies since the censured Member must present himself to the House for a formal dressing-down. Unfortunately, these remedies are essentially symbolic in the sense that they are as serious as colleagues and the public take them to be. We regret that the public does not perceive them as serious, and we doubt that any acceptable changes in procedures could alter this perception.

#### *Financial penalties*

The House could impose financial penalties on a Member who has violated the code. This form of remedy might include an attachment of congressional salary and benefits, a charge for the costs of ethics proceedings (as is made in some states), or a simple fine. We acknowledge that financial penalties would not fall with equal severity on all Members. Moreover, we are aware that they are clearly punitive in nature and thus seem more appropriate in a legal context than in a context where ethics is the question. In some instances, however, financial penalties might be advisable.

#### *Denial of official powers and prerogatives*

An as yet unformalized remedy is the denial of official powers and prerogatives to a Member who has violated the code. This type of remedy might include the taking away of committee or subcommittee chairmanships, the loss of seniority on committees, or any number of other measures. Such remedies are generally the emphasis of parliaments in the Scandinavian nations: legislators found to have engaged in irresponsible conduct there are deprived of privileges and immunities.

We want to clarify one point in connection with this final form of remedy. The voters may send whomever they wish to the House, provided that the person meets the constitutional requirements of age, citizenship, and residency. Election to the House of course confers certain powers and prerogatives on a person, but none of these do we propose to deny to any Member. We are only concerned with the many powers and prerogatives that cannot be construed as flowing from the voters. These powers and prerogatives are conferred by the House itself or by some entity within the House.

In discussing improvements in the system of remedies, we believe that special attention should be given to the denial of official powers

and prerogatives to a Member. There are three main reasons why we think this. First, the prospect of such a denial would be an effective deterrent to those who might be tempted to violate the code. A Member unconcerned with a reprimand might think again before doing something that could result in the loss of major powers or prerogatives. Then, too, powers and prerogatives are common denominators in the House: all Members seek to acquire and keep them. Second, additional remedies are needed if the House is to have greater flexibility in making the remedy fit the violation. The authority to deny a Member various official powers and prerogatives would make fine distinctions possible and would allow for multiple remedies in a single case. Third, and most central, the denial of official powers and prerogatives to a Member is dictated by logic and common sense in many instances. To find that a Member is in violation of the code is to find that he has cast discredit on the House or has impaired his ability to perform his duties or discharge his responsibilities. What remedy speaks to the violation more directly than a denial of official powers and prerogatives that the House itself, or some entity within it, has conferred on him?

LEE H. HAMILTON.  
RICHARDSON PREYER.

*Lee H. Hamilton*  
*Richard Preyer*

## ADDITIONAL VIEWS OF REPRESENTATIVE BRUCE F. CAPUTO

Congress instructed this Committee to investigate allegations that Members of the House received payments from representatives of the Korean Government and to reveal all pertinent findings. The purpose of the investigation was to stop such payments, prevent them from happening again, and recommend penalties for offenders.

The Committee did not discharge its responsibility fully.

The Committee obtained information from a variety of sources, including intelligence, which is specific, detailed and convincing evidence that four sitting House Members secretly received thousands of dollars in cash from officers of the Korean Government on more than one occasion. The evidence is trustworthy. There is no serious challenge to its reliability. Yet on vague grounds of national-security, the Committee chose to conceal the names of those implicated and all the surrounding evidence.

Failing to disclose the names of those sitting Members who were directly implicated in the receipt of substantial amounts of cash from agents of the Korean Government is wrong—absolutely wrong.

The Committee should start disciplinary proceedings against sitting Members implicated by the information indicating knowing receipt of cash payments.

The American people deserve to know the evidence against these four. The public will justifiably question the courage and sincerity of the Committee now that it has chosen to protect House Members rather than disclose ugly but reliable and pertinent information. Charges of coverup will surely follow.

The Committee has left a heavy cloud over the Congress. Only the Ethics Committee members and some executive branch officials know who these four are. All other Americans will inevitably wonder whether their own Representative is tainted.

I recommend (and continue to recommend) that the four Members be brought before the full Committee and rigorously questioned. They were not. I also believe that the President of the United States, the Speaker of the House, and chairpersons of the appropriate international relations and appropriations committees and subcommittees be advised of the evidence against these four individuals, so that these apparent security risks will be known to those who make sensitive national security decisions.

In addition, equally specific, detailed, convincing and reliable information pointed to two additional sitting Members of Congress as individuals targeted for similar payments. Since this evidence fails to indicate whether payments were actually made, it is less damaging to those accused. Nevertheless, I believe it too should be revealed.

I have recommended (and continue to recommend) that any revelation of such incriminating material by the Committee be accompanied

by explanatory statements by the accused Member, so that the public can read all views on each element of this most serious matter.

To deter future Tongsun Park's and Ambassador Kim Dong Jo's and to discourage Congresspersons from illicit liaisons with lobbyists, the Committee should prove that corrupt Members of Congress can operate in the most surreptitious manner possible and still get caught. Revealing the intelligence information which the Committee chose to keep secret would indicate that even the most carefully hidden corruption can be detected.

I am sensitive to the national security arguments against disclosure, namely, that certain sources and methods of intelligence-gathering might be compromised. In this instance, we are talking about intelligence that was gathered years ago. Therefore the sources and methods in question are most likely no longer in place and no longer in use.

Further, we are talking about tertiary intelligence information. None of the information involved critical defense or security issues like weapons deployments. Indeed, the information is restricted to personal relationships between Members of Congress and agents of foreign governments. The substance of the information is not of military diplomatic or security value. The information itself need not be classified. Had the information been collected by other than intelligence agencies, it would not be classified.

In my view, the national security interest in identifying Members of Congress who corruptly sold their independence of judgement to at least one foreign government dominates any security interest in protecting specific intelligence sources used years ago.

Without revealing security information, I sought opinions of a cross-section of Americans on the disclosure matter and found no one outside the Congress who feels the incriminating intelligence information should remain secret. It is only Members of Congress, apparently, who prefer to conceal the material.

It was my impression from the outset of the probe that all reliable and relevant information tending to show corruption of Members of Congress would be revealed eventually. We have come to the end of the investigation and the most incriminating information is being kept secret. I cannot agree to do that and register formally in these additional views my strong disagreement both with the decision of the Committee to withhold the damaging information and with related components of the final report.

In addition to disclosing the intelligence information, I believe the Committee should commence disciplinary proceedings against the four Members whom the evidence implicates with direct cash payments. If the Ethics Committee fails to act, the 96th Congress should commence appropriate proceedings from the House floor.

In the case of CIA materials, at least, disclosure requires requesting CIA authority to disclose and appealing negative CIA responses to the President. The Committee chose not to undertake those steps. The failure to disclose was the Committee's decision, not the President's. Mr. Carter could, of course, disclose the information at his own discretion.

The work of the Committee is otherwise incomplete. The intelligence agencies are likely to know a good deal about improper liaisons be-

tween Members of Congress and representatives of the Korean Central Intelligence Agency, the Korean diplomatic community and the Korean Government broadly. We know that intelligence information provided some evidence of payments by Korean Government officials directly to Members of the American Congress. The evidence that the intelligence community did provide was some of the most important, specific and detailed information the Committee obtained.

However, no member of the United States intelligence community ever appeared before the full Committee for questioning—not Stansfield Turner nor anyone with intelligence operational experience.

Intelligence agencies are, to their credit, reluctant to release any information. The experience of the Pike intelligence committee reflects the difficulty of obtaining information from intelligence agencies even for clearly legitimate Congressional purpose. The Ethics Committee would have to fight tough procedural and bureaucratic battles to obtain all the relevant intelligence information. It would be understandable and pardonable if the Committee fought hard and well and failed to extract important information from the intelligence community.

But the Committee did not fight. The intelligence agencies did not have to appear before the full Committee. No documents were specifically requested, far less subpoenaed. No challenge was issued. The intelligence community rolled over the Ethics Committee and, in the process over the people of the United States.

In addition to the formal components of the intelligence community, there was a special intelligence group in the Nixon and Ford White Houses. The so called "back channel" of intelligence included Messrs. Highland, Scowcroft, Eagleburger, and Marsh. Their function was to receive intelligence of a political nature directly from the field. U.S. intelligence operatives, learning of questionable contacts between government officials and American Congresspersons, would report such information to the White House back channel as well as to conventional U.S. intelligence channels.

Obviously, all back channel members were likely to know information relevant to the Committee's investigation. Yet no member of the back channel appeared before the full Committee for questioning.

The back channel reported to Henry Kissinger, who undoubtedly learned what the back channel was learning. But Mr. Kissinger did not appear before the full Committee. Surely Mr. Kissinger relayed some of what he learned to Presidents Ford and Nixon, neither of whom appeared before the full Committee.

Much of what Tongsun Park and other Korean operatives did transpired before August 1973 and hence occurred while the tapes were running in the Nixon White House. Mr. Kissinger might well have talked about back channel discoveries to Mr. Nixon at Camp David or in the Oval Office or Executive Office Building presidential suite where the tapes were operated. The Committee did not listen to any section of any White House tape.

Defense Secretaries Laird, Clifford, and Schlesinger, all of whom had access to full range of U.S. intelligence, probably would have learned about any intelligence discoveries of illicit relations between Members of Congress and Korean Government agents. No Defense Secretary past or present was called to testify before the full Committee.

On balance, the full Committee failed to search the areas where it was most likely to find incriminating information against Members of Congress. I cannot support what I view as transparent failure of diligence.

Efforts to obtain cooperation from the State Department were also incomplete. Former U.S. Ambassadors to Korea—Habib, Porter, and Snyder—were never asked to appear before the full Committee. These gentlemen were in a position to learn first hand what the Koreans were doing with visiting Americans, what our intelligence operation was discovering, and the form of Korean efforts to influence Americans in Korea and elsewhere.

The State Department specifically resisted Committee efforts to obtain the testimony of former Korean Ambassador to the United States, Kim Dong Jo, and resisted efforts even to request testimony from former Korean Ambassador to the United States Hahn Pyong Choon and various KCIA officials such as Lee Hu Rak.

Unlike Committee efforts with the intelligence community, the Committee did try with the State Department. But it failed, and faced with failure, did not confront the State Department strenuously.

No Secretary of State, present or past, appeared before the full Committee, nor did any assistant secretary or other official of the State Department.

The Committee did not request an audience with key White House officials in an effort to persuade the State Department and the White House to assist Committee efforts to learn what the State Department officials knew. There is evidence that the State Department knew well what the Koreans were trying, what the Koreans succeeded in doing, and why the Koreans were operating to influence American Congresspersons. The Committee failed to probe who, in our State Department or other branches of the United States Government, knew of these Korean plans to subvert Congress, and why those persons failed to reveal their knowledge to appropriate Congressional officials.

Congressman Fraser and his subcommittee on International Relations went materially further than the Ethics Committee in this regard, but, due to jurisdictional limits, did not probe which particular Members of Congress might have been involved in information our Government had as early as 1973.

At the end of his Presidential term, Gerald Ford was presented evidence tending to show a corrupt conspiracy by Korean officials to make questionable payments to United States Congresspersons. As a result, Mr. Ford ordered a Justice Department investigation which eventually led to the conviction of Congressman Hanna, the indictment of Congressman Passman, and other indictments and convictions. The full Committee was never shown the memorandum and other evidence that led President Ford to the rather momentous decision to instruct Attorney General Levi to investigate the United States Congress for possible criminal wrongdoing. Surely that memorandum and its supporting evidence should have been carefully reviewed by the full Committee. It was not.

The Committee has overwhelming evidence that former Korean Ambassador Kim Dong Jo made numerous payments to American Congresspersons and their spouses. Much of that evidence is cited in

the Committee report. Members, congressional staff, and Korean defectors all testified in quite explicit, incriminating terms about Kim Dong Jo's activities.

Everyone familiar with the investigation considers Kim Dong Jo's testimony critical. Mr. Jaworski went to great lengths to obtain Kim Dong Jo as a witness.

Last August, the Korean Government formally rejected a carefully drafted and respectful request by the U.S. Government for an opportunity to question Mr. Kim Dong Jo. Our government's purpose was not to incriminate Korean officials or Korean political institutions. Our purpose was to uncover wrongdoing by American political officials and corruption of American political institutions. We did not seek to embarrass the Koreans. We sought the help of our Korean ally, with whom the United States has been rather generous, in solving an American problem.

The Koreans rejected that request in summary and, in my opinion, insulting language.

At this juncture, one would have thought the Committee would have acted with dispatch by responding promptly and in plain language. The Committee special staff recommended a strong reply to the Korean refusal. Incredibly, the Committee did not respond at all. The fight for the most important witness ended ignominiously, perhaps even humiliatingly, for the Committee. Failing to answer the Korean rejection of our request for a critical witness was a clear mistake.

Finally, I feel the report ungraciously fails to complement and thank the efforts of former special counsels Phil Lacovara and Leon Jaworski. Mr. Lacovara interrupted his private career to serve under extremely trying circumstances and demonstrated impartiality, skill, courage, and needed independence. Mr. Jaworski, who served for no compensation at great personal inconvenience, ably confronted, along with his able assistant, Mr. Peter White, enormous difficulties obtaining evidence and working with a most unusual Congressional committee.

While I disagreed with all three men on several specific matters, each deserves the gratitude of the Congress and the American people.

The special and permanent staffs also served with energy and enthusiasm.

With the foregoing and other reservations and objections, I voted in favor of the Committee report to disclose what facts are contained in the report.

BRUCE CAPUTO, *Member of Congress.*

## X. APPENDIX

### SITTING MEMBERS AS TO WHOM THE COMMITTEE DID NOT INSTITUTE DISCIPLINARY PROCEEDINGS

#### TONGSUN PARK 1970 CONTRIBUTIONS

*July 13, 1978.*

On October 29 and 30, 1970, Tongsun Park issued checks to campaign committees of the following Members of the current Congress:<sup>1</sup>

E. de la Garza, Thomas S. Foley, John M. Murphy, Frank Thompson, Jr., Melvin Price, and Morris K. Udall.

These checks were all for \$500, except the checks to the campaign committees of Congressman Udall and Congressman Thompson, which were for \$300 and \$100, respectively.

In order to determine whether the receipt of these contributions violated any law or rule of the Code of Official Conduct, the special staff took sworn testimony from Tongsun Park and took testimony from and conducted detailed interviews with the Congressmen whose campaign committees received checks. In some cases key staff members were interviewed. All references to the Congressmen who received these contributions found in documents obtained by the staff, in reports of interviews conducted by the staff and in sworn testimony taken in the course of the investigation, were reviewed. Though the particular facts vary in each case, the evidence thus gathered seems to support the following conclusions: (1) there is no evidence that anyone thought he was doing anything wrong in accepting these contributions, and there was no attempt to conceal the contributions; (2) the Members did not accept the contributions on account of or to influence the performance of their official duties and the contributions could not reasonably be so construed; (3) the Members did not know and had no substantial reason to know Park was acting on behalf of a foreign principal; and (4) Park did not have a "direct interest in any legislation before the Congress," at the time of the contributions and, accordingly, the contributions did not constitute violations of Clause 4 of the Code of Official Conduct.

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<sup>1</sup> Congressman Edward J. Patten also received a check payable to the Democratic Organization of Middlesex County. Congressman Brademas also received a check in 1970 and two subsequent contributions from Tongsun Park. The facts relating to Congressman Patten's and Congressman Brademas' contacts with Tongsun Park are reviewed separately.

The campaign committees of the following former Congressmen also received checks from Tongsun Park in 1970: E. Ross Adair, William Avers, Harry F. Byrd, Jr., Peter H. B. Frelinghuysen, Lawrence Hogan, Thomas Kleppe, Spark Matsunaga, Chester L. Mize, Joseph M. Montoya and Stuart Symington. Four of these—Byrd, Matsunaga, Montoya and Symington—became Senators, and their cases are being considered by the Senate Select Committees on Ethics, which has not yet publicized their final conclusions with respect to them. The Senate Committee has released the following with respect to contacts of Senators with Tongsun Park: 95th Cong., 2d sess., Senate Select Committee on Ethics, Korean-Influence Inquiry, Interim Status Report as of May 22, 1978 (Committee Print 1978) and Executive Session Hearings (Committee Print 1978).

The following unsuccessful candidates for Congress also received checks from Tongsun Park in 1970: Nelson Gross and Cole McMartin. This committee, of course, has no jurisdiction to discipline either them or the former Congressmen.

There is no indication from the way the checks were handled by the Congressmen or by their campaign committees at the time of their receipt to suggest that anyone thought he was doing anything wrong, and there is no subsequent conduct suggestive of an attempt to conceal the existence of the contributions. All were handled as routine campaign contributions. One contribution was acknowledged by letter. Although several of the Congressmen denied that they had received any money from Tongsun Park when first questioned by the FBI or in response to the committee questionnaire,<sup>2</sup> these Congressmen's explanations, that, in some cases, they did not know about the contributions or that, in others, they did not remember the contributions, are credible in view of the fact that (1) many of the contributions were handled routinely by the Congressman's campaign committee; (2) the contributions were made almost 8 years ago; and (3) the amounts involved are not unusually large. Moreover, because they were made by check, the contributions were fully traceable. This further supports the conclusion that neither Tongsun Park nor any of the recipients viewed the transactions as in any way improper.

The majority of the checks were made payable to and were deposited in the accounts of campaign committees located in the District of Columbia. At the time, under both Federal and District of Columbia law, these committees were not required to report the identity of contributors. Those contributions to the campaign committees outside the District of Columbia that were required to be reported under the law of the state where the committee was located were apparently reported.

Some of the recipients of the 1970 checks did perform acts helpful to Park. Some made or were asked to make pro-Korean statements on the floor of the House. And, in June and July of 1971, two of the recipients—Congressmen de la Garza and Price—wrote letters to President Park Chung Hee praising Tongsun Park. There is no evidence, however, either from the timing of the contributions or from any other source, which establishes that one was a *quid pro quo* for the other. Accordingly, the evidence does not suggest the contributions were in the nature of bribes or illegal gratuities. Moreover, receipt of the \$500 contributions from Park in 1970 alone, under the circumstances, would not likely be construed as influencing the performance of the members' official duties in violation of Clause 5 of the Code of Ethics for Government Service.

There is no specific evidence that any of the recipients knew Park was an agent of a foreign principal. Moreover, in 1970, there was not sufficient evidence that Park was a foreign agent to suggest that "the circumstances placed—the Member—on notice that the gift was tendered in an attempt by a foreign government to influence his present or future actions" and accordingly, the Member was not required to take action "to attempt to discover the true nature and purpose of the gift."<sup>3</sup>

Park, according to evidence recently obtained by the staff, had clearly begun his lobbying activities as of this point, however, and in

<sup>2</sup> It should be pointed out that the questionnaire sent to Members by the committee asked if "you or any member of your family" had received anything of value from Tongsun Park. Read literally, it does not include contributions to campaign committees.

<sup>3</sup> Committee on Standards of Official Conduct, Manual of Offenses and Procedures, Korean Influence Inquiry (Committee Print, June 1977) (hereinafter, the "Manual of Offenses") adopted by this committee on Apr. 21, 1977.

connection therewith may have contacted at least three Congressmen—de la Garza, Foley, and Price—of the six members of Congress discussed in this portion of the report.

In December of 1969, there was pending before Congress legislation involving the question whether \$50 million in military assistance for fiscal year 1970 would be specifically earmarked for Korea. During this period, Park apparently visited Congressmen de la Garza, Foley, and Price with respect to military aid for Korea. These visits are recorded in a document apparently prepared under Park's supervision.

In early June, 1978, the Department of Justice furnished the staff documents recently furnished them by Jay Shin Ryu in response to a request that Ryu search his records to make sure that he had produced everything called for in the subpoenas duces tecum served on him by the Department of Justice and the committee. Included among these records is a chart Ryu took from Park while in his employ showing the dates and purpose of Park's lobbying efforts in 1969 and 1970. It indicates that Park was in contact with some 51 Congressmen during this period, including Congressmen Foley, de la Garza, Murphy, and Price.

With respect to Congressman Foley, de la Garza, and Price the document reads as follows:

*Mr. Foley*—December 12, 1969, behind-the-scenes maneuver in connection with military aid. February 28, Visited Korea. Delivered a personal letter and a gift from S. G. (cuffring) <sup>4</sup> August 20, 1970 in connection with F. I. <sup>5</sup>

*Mr. de la Garza*—December 12, 1969 in connection with military aid and delivered a personal letter and gift from S. G. February 28 Visited Korea. March 22 Public Law 480.

*Mr. Price*—December 29, 1969 behind-the-scenes maneuver for special military aid and delivered director's gift. February 28 invitation to Korea. June 2 maneuvered to support the amendment of the Constitution. August 12, 1970 in connection with F.I.

Congressman Murphy was apparently not visited in connection with the 1969 military aid bill and the entry with respect to him reads as follows:

August 14, 1970 in connection with F. I.

Park at first testified that he had had no discussions with any Members of Congress with respect to the 1969 military aid bill. When shown the document he testified, however, he had no specific recollection of any of the discussions set forth in the document. However, he believed that if they were recorded on the document they did take place, with the exception of the meeting on "F.I.", which Park believed involved only his employee.

Generally with respect to the "behind the scenes maneuver" Park testified that this description exaggerated the importance of the meeting

<sup>4</sup> "S.G." refers to the Secretary General of the Opposition Party in Seoul.

<sup>5</sup> "F.I." refers to the "Conference for the Development of Free Institutions" which wanted American and Korean legislators among its members.

The staff is in possession of a typewritten statement of Speaker John W. McCormack dated Mar. 13, 1970, in which Speaker McCormack urges his colleagues to support the Conference for the Development of Free Institutions which he describes as an organization "designed to bring together those concerned with the making of laws in South Korea and the United States." Attached thereto is a list and apparent signatures of some 34 Congressmen including Mr. Foley, Mr. Price, and Mr. de la Garza. Tongsun Park testified that the establishment of the Conference for the Development of Free Institutions was his idea but never proceeded past the organizational stage. Staff investigation indicates that this organization never became active.

and that these meetings ranged from the most casual of conversations to actual discussions of the military aid bill. Accordingly, there seems to be insufficient evidence of lobbying by Park to say that, at this point in time, the Congressmen who got checks from Park should have known Park was acting on behalf of a foreign principal.

Finally, although Park did benefit from legislation passed by the House, in that he received commissions from sales of rice to Korea financed by Public Law 480, he did not have, or certainly the members did not have reason to believe that he had, such "a direct interest in legislation before the Congress" as to make receipt of a contribution from him a violation of clause 4 of the Code of Official Conduct.

When the Code of Official Conduct was adopted in 1968 Representative Teague stated the test of direct interest should be "whether the donor would be personally (or officially) affected in some specific and definable way by the passage or defeat of legislation. The more the donor's interest is shared with a large class of persons. . . the less likely it is that the provision was meant to prohibit the acceptance of the gift. Similarly, if the consequences for the donor are remote or contingent, the rule probably should not apply." 114 Congressional Record 8778 (1968) ; see also, the Manual of Offenses at 29.

The only legislation in which Park, as a rice broker, might be considered to have an interest in 1970 was the appropriation for Public Law 480 contained in the Department of Agriculture and Related Agencies Appropriation Act.<sup>6</sup> However, the legislation containing that appropriation for fiscal year 1971 as for subsequent years appropriates a lump sum amount for Public Law 480.<sup>7</sup> The appropriation is not broken down or segregated by commodity or country. The decision to use a certain amount of money for Korea and specifically for rice for Korea is made by the executive branch with no official supervision by or reporting to Congress.<sup>8</sup> Therefore, Park's interest in the Public Law 480 legislation before the Congress—which he shares with a large class of persons and which is contingent on rice being sold to Korea, being financed by Public Law 480 and on his being named rice agent—would be tenuous at best and not "direct."<sup>9</sup>

The facts relating to the relationship, if any, of Tongsun Park to each of the members whose campaign committees received checks from Park in 1970 follow.

#### *Congressman E. de la Garza, Democrat, of Texas*

On October 29, 1970, Tongsun Park issued a check payable in the amount of \$500 to the K. de la Garza campaign fund, a campaign

<sup>6</sup> The bill passed the House on June 9, 1970, and the conference report was submitted to the House and agreed to on Dec. 7, 1970. Park might also be considered to have an interest in the authorization to expend funds pursuant to Public Law 480. That authorization was to expire on Dec. 31, 1970, but was extended in the Agriculture Act of 1970 to Dec. 31, 1973. The bill passed the House on Aug. 5, 1970, and the House agreed to the conference report on Oct. 13, 1970. Both dates precede the date on which Park rendered his 1970 checks to the various Congressmen. Park, accordingly, cannot be said to have had an interest in legislation before the House at the time of the contribution.

<sup>7</sup> Furthermore, according to the Subcommittee on Agriculture and Related Agencies of the Committee on Appropriations, the appropriation itself is not controlling of the money which may be spent pursuant to Public Law 480 because Public Law 480 permits the Government to enter into agreements involving expenditures which will be financed from subsequent appropriations. Also, if the funds appropriated exceed the amounts actually expended in a particular year, such excess reduces the subsequent year's required appropriation.

<sup>8</sup> In subsequent years in hearings before the Subcommittee on Agriculture, the Department of Agriculture detailed the intended use of the appropriation for Public Law 480 by commodity and by country.

<sup>9</sup> Park furthermore did not receive commissions for rice sold pursuant to Public Law 480 in 1971 and part of 1972, as he had been removed as rice agent during that period of time.

committee located in Texas. Congressman de la Garza has told the staff that records retained by the campaign committee indicate that the campaign committee did not receive the check until December 16. The following day Robert de la Garza, the Congressman's brother and campaign manager, endorsed and deposited the check in a Texas bank.

When first interviewed by the FBI on June 9, 1977, both Congressman de la Garza and Cecilia Martin, his administrative assistant, asserted strongly that the Congressman had never received a contribution from Tongsun Park. He said that only three people—Congressman de la Garza, his brother, and his administrative assistant—had the authority to accept checks, and that he was sure no contribution was received. Furthermore, the Congressman had a policy of discouraging contributions from outside his district. After being shown Park's check, Congressman de la Garza further checked his records and, in an interview with the staff on July 13, 1977, said that it must have been received by his brother without his knowledge and stated that the late date of receipt of the contribution (after the end-of-campaign filing) had caused the campaign committee to include Park's contribution as a carry-over item in the 1971 report instead of including it in the 1970 report. Congressman de la Garza did not know why the contribution, which from the date on the check was apparently made on October 29, 1970, was not received by the campaign committee until mid-December of 1970.

Congressman de la Garza believes he first met Tongsun Park through former Congressman Richard Hanna, from whom Congressman de la Garza once jokingly requested an introduction to Hanna's "high-powered Korean friend." Both Park and Hanna, it should be noted, were in Korea in 1969 at the time of Codell Albert, which included Congressman de la Garza. Congressman de la Garza, however, cannot recall the date of his first meeting with Park, although Congressman de la Garza's office records indicate some sort of contact with Park on April 13, 1969.

On December 11, 1969, Hanna wrote a letter to Korean Prime Minister Chung Il Kwon and stated that Congressman de la Garza (among others) deserved commendation for supporting Korea in the floor fight to restore the \$50 million appropriation to Korea. Hanna has testified that, although he cannot recall specific conversations with those Congressmen (including Congressman de la Garza) he mentioned in his letter, he did in fact contact some of them.

The first meeting between Congressman de la Garza and Tongsun Park reflected in Congressman de la Garza's records occurred on July 11, 1970, when Park visited Congressman de la Garza's office and discussed rice matters long enough to discover that Congressman de la Garza did not represent any rice interests. Two days later, Congressman de la Garza believes, he attended a dinner party at the George Town Club for a Korean flour mills association. (Other evidence suggests this function may have taken place on July 12, 1971.) Congressman de la Garza's office records show that, on July 13, 1970, he sent Park an autographed photograph.

Park maintains that none of the recipients of his 1970 checks performed any actions at his behest to benefit Korea or his rice agency. On July 16, 1971, 4 days after the George Town Club function for the Korean flour mills association, however, Congressman de la Garza

wrote Korean President Park Chung Hee. In the letter, Congressman de la Garza congratulates President Park on his re-election, praises Tongsun Park, commends Korea for purchasing rice and other commodities, and pledges his continued efforts to help Korea "especially through the Public Law 480 program" (Congressman de la Garza sits on the Agriculture Committee). Congressman de la Garza vaguely recalls that Hanna supplied the handwritten draft of this letter. It should be noted that Congressman de la Garza's letter follows closely after a series of Congressional letters (including those of Congressman Price) which were sent at Park's request to help him regain his rice agency.

[The letter referred to follows:]

JULY 16, 1971.

His Excellency Hon. CHUNG HEE PARK,  
*President,*  
*Republic of Korea,*  
*Seoul, Korea*

MY DEAR MR. PRESIDENT: Permit me to extend my congratulations on your reelection. Mr. Tongsun Park always keeps us in the Congress abreast of the Korean situation and never fails to convey his people's aspirations and needs.

Also, I would like to take this opportunity to thank you for purchasing American agricultural products, especially rice, cotton, wheat and other commodities.

As a senior member of the Committee on Agriculture and as Chairman of the Subcommittee on Department Operations, I always endeavor to be helpful to Korea—especially through the Public Law 480 Program.

Please be assured of my continued interest in Korea, and if I can be of any assistance to you or to your government, I hope you will not hesitate to advise me.

With best wishes, I am,  
Sincerely,

E (KIKI) DE LA GARZA.

Hon. Murray H. Fiske  
 President  
 Republic of Korea  
 Seoul, Korea

please prepare letter  
 ↓

1. Contacted him on his collection

- Tongsun Park always keeps as a subject of personal attention
- never fails to convey his people's aspirations and desires

2. Thanking him for participating American agricultural products, especially, rice, cotton, wheat, etc.

3. As a special member and sub-  
 - Chairman of \_\_\_\_\_

I always endeavor to be helpful to  
 Korea especially through the  
 Program

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4. advised him of news concerning  
 interest in Korea - ask him if you  
 could be any assistance to American  
 P. 1. 1. 1. 1.

Congressman de la Garza remembers attending another function hosted by Tongsun Park at the George Town Club (probably the Saxbe party on Jan. 27, 1975) and estimates that, overall, he has met Park himself 4-5 times and an employee of Park's once. The only other gift Park has ever offered to Congressman de la Garza was a vase, worth perhaps \$20 according to the Congressman's estimate, which Park give him in mid-1974. Congressman de la Garza's name appears on several Park documents, including the ABC list (which described Congressmen de la Garza as strongly pro-Korean and lists the intended 1970 contribution as \$200), Park's business and social

list, and other miscellaneous items found in the files of Pacific Development, Inc.

*Congressman Thomas S. Foley, Democrat, of Washington*

Tongsun Park's \$500 check to Thomas S. Foley was made payable to the Thomas Foley committee and was deposited by the finance chairman of the campaign committee, which is located in the State of Washington. No report of the check was filed or required to be filed.<sup>10</sup>

When first asked about the check by the FBI on June 7, 1977, Congressman Foley remembered receiving Park's check because someone at the time of receipt had questioned whether or not Park was a foreign agent. Much later, in his deposition before the committee, Congressman Foley recalled that it was his wife who had questioned the propriety of accepting Park's contribution, and both Congressman Foley and his wife agreed that their doubt stemmed not from whether or not Park was a foreign agent, but rather from whether or not Congressman Foley could legally accept contributions from a foreign national. At the FBI interview, Congressman Foley doubted he had authorized his committee to accept the check, for he had been unable to locate any records of the contribution. Congressman Foley has fully acknowledged its existence in all interviews with the staff and on his questionnaire.

Congressman Foley believes he was introduced to Park by then Congressman David Pryor in late 1968 or early 1969. Park, however, testified in Seoul that he met Congressman Foley through a college friend named Dennis, prior to Congressman Foley's marriage. Park did not recall Dennis' last name. Since the first introduction, Congressman Foley has seen Park at a few social functions at the George Town Club, but, despite the January 31 entry in Park's 1969 diary ("dinner for Cong. Foley and Hanna"), Congressman Foley could not recall attending any function at which he was Park's honored guest. Besides these encounters, Park visited Congressman Foley's office two or three times, usually with an oriental aide.

Park testified that the recipients of his 1970 checks performed no actions on his behalf. Congressman Foley has testified that while Park did request favors of him on three occasions, he did not act pursuant to such requests; on October 15, 1969, Park visited Congressman Foley's office and asked the Congressman to insert in the Congressional Record remarks favoring President Park Chung Hee's Third Term Amendment; in 1971 or 1972, Park asked Congressman Foley to contact someone at the Department of Agriculture or at AID and in or around 1974, Park asked Congressman Foley to write President Park a letter praising Park. In his deposition, Congressman Foley testified that one of Park's aides (perhaps Kim Kwang or perhaps Jay Ryu) might have made one of these requests.

Congressman Foley has also told the FBI and the staff that, in his encounters with Park, Park promoted financial aid to Korea and, in particular, promoted Public Law 480 matters. Congressman Foley states, however, he never knew Park had any vested interest in Public Law 480.

The indictment against Tongsun Park alleges that, "In or around 1971 or 1972 . . . Tong Sun Park did cause Congressman Thomas Foley

<sup>10</sup> Reporting was not required in the State of Washington until Jan. 1, 1973. See Washington Rev. Code Ann. §§ 29.83.080 *et seq.* (1972 Supp.)

to call an official of the Executive Branch of the United States Government." Congressman Foley has testified that Park did ask him to make a call to the Department of Agriculture or AID to tell them he was in favor of continuing Public Law 480 wheat shipments to Korea. Congressman Foley further testified, however, that, though from time to time he made his interest in such matters known to the Department and to AID, he could state "definitely that I made no such call as a result of that conversation" or on behalf of Tongsun Park. The language of the indictment notwithstanding, a representative of the Department of Justice familiar with the case has confirmed that there is no evidence in any way contradictory to Congressman Foley's statement concerning the matter.

On his ABC list, Tongsun Park described Congressman Foley as a strong supporter of Korea and listed the intended 1970 contribution as \$200. (Congressman Foley's name also appears on TSP's social and business list.)

*Congressman John M. Murphy, Democrat, of New York*

Congressman Murphy describes himself as an avid supporter of Korea and has travelled there several times since his first trip in 1963.

Congressman Murphy met Park at Park's home in 1963 or 1964 but, according to the Congressman, had little contact with him thereafter because Park was always trying to promote his own business ventures with Murphy. Congressman Murphy has had no contact with Park since 1976.

On October 29, 1970, Tongsun Park contributed \$500 by check to the District of Columbia Friends for John Murphy Committee. It was received by the committee the day after the 1970 election and deposited. Congressman Murphy believes the contribution was unsolicited. Congressman Murphy did not see the check when it came in but did become aware of it sometime later in reviewing the campaign records.

Congressman Murphy believes that the contribution was "automatically" acknowledged in writing, though no copy of an acknowledgment has been located. According to Congressman Murphy, Park may have made an earlier contribution to a fundraiser he had in 1968.

On December 12, 1976, Congressman Murphy did acknowledge in a New York Times interview that his campaign committee had received a \$500 contribution from T. S. Park. Congressman Murphy's response dated June 28, 1977, to the committee's questionnaire with respect to whether he received anything of value in excess of \$100 from Park was in the negative. This response is literally correct in that the contribution was received by a campaign committee. At a deposition before a member of the committee, Murphy testified that in 1968 Tongsun Park attended a Murphy fundraiser held in the form of a cocktail party in Washington and that Park purchased a \$50 ticket for it. There are no records of this contribution and no filings were required in connection with it. The staff was unaware of the contribution until Murphy disclosed it. Murphy does not believe that Park was invited but that he just walked into the party. Murphy testified that, other than that \$50 contribution and the previously disclosed \$500 contribution, neither the Congressman, his staff, his family, nor any campaign committee ever received or was offered anything of value by Tongsun Park or any representative of Tongsun Park. The staff is in possession of no evidence to the contrary.

Congressman Murphy's name appears on various Park lists including the ABC list. On the ABC list a "5" appears next to Congressman Murphy's name.

*Congressman Frank Thompson, Jr., Democrat, of New Jersey*

Park also issued a check payable in the amount of \$100 to the "Frank Thompson for Congress" committee. The check was apparently deposited to the account of the committee in Congressman Thompson's home district in New Jersey. Congressman Thompson did not report it on his committee questionnaire of July 11 but did mention a 1972 contribution from Park to Robert Reveles' unsuccessful congressional campaign. Reveles, a former Thompson staff member, was a classmate of Tongsun Park's at Georgetown. Since the committee questionnaire did not require contributions of \$100 or less or contributions to campaign committees to be reported, Congressman Thompson did not have to disclose Park's contribution.

Since the contribution was to a campaign committee, Federal law did not require disclosure. Congressman Thompson testified before the committee on May 12, 1978, that he did not report the contribution in his New Jersey campaign report because he was not required to under New Jersey law.<sup>11</sup> Thompson's conclusion about New Jersey law appears to be correct.<sup>12</sup> Congressman Thompson did produce a card file kept by his campaign committee, which does reflect the contribution but not the date of receipt.

[A copy of the record follows:]

<sup>11</sup> The FBI report, dictated on June 20, 1977, of the FBI interview of Congressman Thompson on June 15, 1977, states as follows: "Thompson advised [that] his campaign contribution financial statement for 1970 revealed that, on an unspecified date in 1970 the 'Thompson for Congress Committee' received a \$100 contribution from T. S. Park Esquire. There is no indication as to whether the contribution was in cash or by check and as to who received it."

<sup>12</sup> Section 19:44-1 of the New Jersey Statutes, as it was in effect during 1970, required certain reporting of campaign contributions. Section 19:44-1, as then in effect, required that reports be filed on behalf of any candidate to be voted for at "any primary, general, municipal or special election." Section 19:1-1, which defined the terms used in title 19 of the New Jersey Statutes, defined the term "election" as "the procedure whereby the electors of this state or any political subdivision thereof elect persons to fill public office." "Public office" was defined as "any office in the government of this state or any of its political subdivisions."

It seems clear from these statutory definitions that the 1970 reporting requirement in New Jersey did not require either candidates for election as Members of Congress or their campaign committees to file reports with the State.

Congressman Frank Thompson, Jr. / Record of campaign contributors for 1970

PARR, Mrs. Louise N. NAJCLUB \$5.00  
 Box 149  
 Columbia, NJ 07832

PARK, T. S., Esq. T for Cong Comm \$100.00  
 1713 22nd St. NW  
 Washington, D. C. 20008

PARSONS, Robert R. NAJCLUB \$10.00  
 RDF Asbury  
 N. J. 08802

+ PASSETT, Mr. and Mrs. B.A. TT \$25.00  
 21 Whittier Ave.  
 Trenton, N. J. 08618

PAZDAN, Mr. and Mrs. Stanley T for Cong Comm \$10.00  
 73 Leavitt Lane  
 Princeton, NJ 08640

Congressman Thompson testified that he never knew of the contribution (until recently) and, indeed, that he has never met Park. Park agrees that he never met Congressman Thompson. Park gave the check to Reveles, who was then working for Congressman Thompson, and the staff has no evidence showing that Reveles told Congressman Thompson of the contribution or that Congressman Thompson ever knew of it.

Congressman Thompson, however, has had contact with one of Park's employees, Jay Shin Ryu. At Park's request, Reveles hired Ryu to work as an intern in Congressman Thompson's office. Park gave Reveles cash

to be paid to Ryu as his salary. Congressman Thompson testified he did not learn of this arrangement until recently. Ryu worked for Congressman Thompson from November of 1970 to February of 1971, when Park arranged for Ryu to intern for the late Senator Joseph Montoya. Ryu denies he was reporting back to Park on the activities in the congressional offices, and Reveles states that Ryu's duties were routine. During Ryu's internship with Congressman Thompson, Park hosted a luncheon at the George Town Club for Congressman Thompson's staff. A letter from Congressman Thompson to Ryu which praises his work appears in Ryu's INS file.

*Congressman Melvin Price, Democrat, of Illinois*

Congressman Price first met Tongsun Park in 1969 or 1970, but he could not remember who had introduced them or any of the circumstances surrounding the meeting.

On October 29, 1970, Tongsun Park contributed \$500 by check to the 24th Congressional District Campaign, the campaign committee for Congressman Price's Illinois district. The contribution was not reported, nor need it have been under Federal or Illinois law. No acknowledgment of the contribution was sent to Park, either. According to Congressman Price's secretary at the time, she would customarily have acknowledged such a contribution and would have remembered a contribution of the size of \$500. She was surprised that it had escaped her notice because Congressman Price's campaign manager at the time ran a "tight ship."

Park's ABC list of 1970 has a "5" next to Congressman Price's name, a reference, Park has said, to an intended contribution of \$500. The "Report of T S Activities," prepared September 30, 1972, also notes that Congressman Price was "paid 5." If that refers to the 1970 contribution, it is one of the few accurately listed payments in the report. When deposed, former Congressman Richard Hanna recalled that Congressman Price was one of the 1970 contribution recipients whose name Park had mentioned to him, perhaps in connection with the contribution.

During an interview with the FBI on June 15, 1977, Congressman Price saw a copy of the cancelled check for Park's 1970 contribution. Congressman Price subsequently acknowledged the contribution to the staff in sworn testimony and in an interview at which he responded orally to the committee questionnaire.

Tongsun Park made periodic visits to Congressman Price's office and, according to a former Congressman Price staff member, received preferential treatment from Congressman Price, who would come from Capitol Hill to see Park in his office.

According to Congressman Price, many of his contacts with Tongsun Park resulted from invitations from Congressmen to attend functions at the George Town Club honoring other Congressmen. Congressman Price would see Park at the Club where Park would initiate conversations with him either generally about good United States-South Korea relations or of a social nature. Congressman Price also saw Park at Embassy functions. They never discussed anything of substance, Congressman Price said. Park himself held functions at the George Town Club and elsewhere, to which he invited Congressman Price. Congressman Price attended at least the birthday party for Congressman O'Neill on December 10, 1973, and the dinner for Frederick Chien on March 10, 1975.

Along with former Congressmen Hanna, Carl Albert, Gerald Ford and Cornelius Gallagher, Congressman Price hosted a luncheon for then-former Prime Minister Chung Il Kwon and then-former KCIA Director Kim Kae Won on January 22, 1971, in the Speaker's dining room. KCIA station chief Yoon and Political Minister of Foreign Affairs Hwan Ho Eul represented the Korean Embassy. Tongsun Park was also present.

Congressman Price's name appears on Tongsun Park's Alaska and ABC lists. A "10" next to Congressman Price's name on the former list represented only a contemplated contribution of \$1,000 in 1972, Park has testified. Park graded Congressman Price's attitudes toward Asia and Korea both as "A" on the ABC list.

[A copy of a letter written on June 24, 1971, to President Chung Hee Park by Congressman Price, praising Tongsun Park, is attached.]

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
*Washington, D.C., June 24, 1971.*

His Excellency Hon. CHUNG HEE PARK,  
*President,*  
*Republic of Korea,*  
*Seoul, Korea*

MR. PRESIDENT: I wish to offer to you my sincere congratulations as you assume another term as head of the government of the Republic of Korea.

For some time I have been one of a growing number of members in the House of Representatives of the United States with a special feeling of appreciation for Korea. As a member of the delegation chosen some time ago for an exchange visit with the Korean Assembly, I was pleased to acquaint myself with the conditions and facts of the new nation which has emerged since the grim days of the early 50's, when last I was in your country. All of my colleagues were impressed by your progress, but none more than myself, for I could realize from my actual experience how far you had come and the great obstacles you had surmounted.

It is therefore especially pleasurable to extend my congratulations for the success you have recently had in gaining for a third term the highest office in the land. Your leadership will, I am confident, continue to serve the best interest of your people and keep the great performance for improvement as the hallmark of the modern history of Korea.

As ranking member of the majority party on the Armed Services Committee, I have had and will have opportunities to consider and move on questions involving our mutual efforts for security and stability in your part of the world. The knowledge and experience I personally have attained supports me in these efforts. I have also had the advantage of a constant and I believe reliable flow of current information relative to Korea from Tongsun Park, a frequent and welcomed visitor here on Capitol Hill. He keeps our attention current and our interest always keen.

I have looked forward to a return visit to Korea but circumstances during the past year have not made this possible. I sincerely hope that within the coming year, however, I will have the opportunity to visit your fine country once again.

I join the legion of friends and well-wishers who hope the future will be kind to your health and bring fortune to your programs.

Sincerely,

MELVIN PRICE,  
Member of Congress.

*Congressman Morris K. Udall, Democrat, of Arizona*

On November 6, 1970, the Udall Campaign Committee deposited a check from Tongsun Park for \$300 in a bank in Tucson, Ariz. The contribution was treated as a routine campaign contribution in all respects and was fully disclosed. The Udall Campaign Committee reported the contribution to the Secretary of State of Arizona. When first questioned on May 31, 1977, about contributions from Tongsun Park, Congressman Udall doubted he had received any contributions because, he said, he had met Park only once. Upon checking further into his records, however, Congressman Udall verified the contribution and, on June 30, disclosed and documented it in response to the committee's questionnaire.

Park contributed to Congressman Udall's campaign through Park's former Georgetown University classmate, Robert Reveles. Reveles worked for Congressman Udall from 1961 to 1963 and was also involved in Park's 1970 contribution to Reveles' employer then, Congressman Frank Thompson.

Three days after Park wrote the check, Congressman Udall sent Park a thank-you note, a carbon copy of which was sent to Robert Reveles. Congressman Udall doubts he dictated the letter but agrees he signed it. A copy of the letter was retained by Udall's office and turned over to the staff.

The November 3 entry in Tongsun Park's 1972 diary reads "Evening—Bob Riberas [Reveles]—Udall and Thompson," but Park cannot recall if this entry records an encounter with all three. Congressman Udall testified it didn't. Park believes he did not contribute to either Congressman's 1972 campaign. The only other encounter between Congressman Udall and Tongsun Park reflected in records obtained by the staff occurred at the December 10, 1973, party at the George Town Club for Congressman O'Neill. Park has testified, though, that he saw the Udalls at various social functions.

Congressman Udall was not a supporter of the Park Chung Hee regime. During the Fraser subcommittee hearings on August 5, 1974, despite urging from then Korean Ambassador Hahm, Congressman Udall and Congressman Meeds submitted a joint statement opposing the Park regime.

Congressman Udall's name appears on various documents recovered from Tongsun Park's house and the offices of Pacific Development, Inc., such as the ABC list (which described Congressman Udall's attitudes toward Korea as anti-Korean and notes an intended 1970 contribution of \$200), a congressional list, and Park's business and social list.

## JOHN BRADEMAS

### INTRODUCTION

Tongsun Park gave Congressman John Brademas three contributions in all. In 1970, the National Friends of John Brademas, a campaign committee located in the District of Columbia, received a \$500 check from Park dated October 30th. This contribution was not required to be reported and was not reported. In 1972, Park forgave \$1,700 in expenses that Congressman Brademas had run up at the George Town Club at a fundraiser he had held there on May 17, 1972. This "in kind" contribution was reported. In 1974, Congressman Brademas again held a fundraiser at the George Town Club. Shortly thereafter, Park gave Congressman Brademas \$2,950 in cash to cover the approximate cost of the event. Congressman Brademas testified that he hoped Park would again pick up the tab. Park testified that he had to give Congressman Brademas the money while Congressman Brademas was getting out of his car so that Congressman Brademas could not refuse the money. This money was also reported.

### *Issues*

The issues raised by these facts are: did Brademas properly report the contributions from Park; did he convert the contributions to personal use; did the contributions constitute illegal bribes or gratuities; did Brademas know that Park was giving him money as a representative of the Government of Korea; and did Park have a direct interest in legislation pending before Congress at the time of any contribution?

### *Facts*

Congressman Brademas and Park both testified that they have known each other since Park was a student at Georgetown University. They were social friends, and Congressman Brademas frequently attended Park's parties and dinners. Park said his contributions to Congressman Brademas were on account of his personal friendship and for no other reason.

The first contribution to Brademas was a \$500 check in October of 1970 to a Brademas campaign committee. This contribution was not required to be reported and was not. This check was one of approximately 15 such contributions made by Park in the two weeks preceding the 1970 election.

In 1971, Brademas, at Park's request and with a blind copy to Park, wrote a letter of congratulations to President Park. (A copy is attached.) This is the only instance where Brademas took action to aid Park. Brademas explains this as an occasion where it was easier to comply with a friend's request than not to comply. Therefore, Brademas consented to write what he considered to be a harmless letter. As to Brademas' general attitude toward Korea, Park points out—apparently correctly—that Congressman Brademas was not a friend of the Park Chung Hee regime.

In 1972, Brademas held a fundraiser at the George Town Club. The expenses incurred were \$1,700. Tongsun Park paid these expenses and forgave the indebtedness. Brademas reported an "in kind" contribution of \$1,700 from Park.

In September of 1974, Tongsun Park gave Brademas \$2,950 in cash. The facts surrounding the receipt and use of the money follow:

On May 14, 1974, Brademas held a fundraiser at the George Town Club. On May 16, 1974, a check was issued to the George Town Club for \$2,006.90 to cover the cost of the fundraiser.

On May 18, 1974, while in Los Angeles to hold hearings on the Museum Services Act, Brademas held a dinner for 18 people at Le Bistro Restaurant. One participant described it as a social/political dinner for persons who had previously supported Brademas and who he hoped would support him in 1974. On May 19, 1974, Brademas paid the bill of \$800 by personal check. Upon his return, Brademas told his aide, James Mooney, about the dinner, according to Mooney, and asked Mooney to have the National Friends of John Brademas reimburse him. Mooney said that he told Brademas that he would have to wait for his money until the campaign was in a better cash position.

On September 23, 1974, Park and Brademas had lunch together and after lunch Park gave Brademas \$2,950 in \$50 bills. On September 23, 1974, Brademas gave his secretary the \$2,950 he had received earlier that day. Brademas asked for and received \$950 back and the \$2,000 was turned over to James Mooney. The \$950 to Brademas was reimbursement to Brademas for the \$800 dinner at Le Bistro and another \$150 in incidental expenses.

Both the receipt of the \$2,950 from Park and the payment to Brademas of \$950 were reported on the next required report following September 23, 1974, namely on October 21, 1974.

Finally as to the 1974 cash contribution, it should be pointed out that in the fall of 1974, Congressman Brademas served on the conference committee for Public Law 93-443, the Federal Election Campaign Act Amendments of 1974. The 1974 act made it illegal both to accept a campaign contribution from a foreign national and to accept more than \$100 in currency. Congressman Brademas supported both of these provisions. The conference committee met on September 17 and 19 and October 1 and 3; Congressman Brademas accepted \$2,950 in cash from Park on approximately September 23, 1974. Congressman Brademas defended his acceptance of cash from a foreign national at the very time he was advocating making such a contribution illegal by pointing out that he nevertheless had acted within the law and that he had reported the contribution. He opposed cash contributions, he said, because they could go unreported, and the 1974 act sought to correct that.

#### *Discussion*

All the contributions received from Park were handled as required by law; the 1970 contribution was not required to be reported and was not; the 1972 and 1974 contributions were required to be reported by sec. 302(b) of the Fair Election Campaign Act of 1971 and both contributions were duly reported.

However, \$800 of Park's 1974 contribution was used to reimburse Brademas for a dinner held 4 months earlier. If, as Brademas claims,

the Los Angeles dinner was a legitimate campaign expense, then the payment by Brademas personally constituted a loan to the National Friends and it should have been reported as such by the National Friends at the reporting period next following the dinner. Section 304(b)(5) required that each loan to or from any person of over \$100 be reported. Clearly, this was not done. Hence, there is a violation of the campaign reporting requirements in that the loan from Brademas to the committee was not reported. However, the violation here appears technical since the reimbursement to Brademas was reported and there was no apparent benefit to Brademas or motive for Brademas to have reported in the manner he did.

Based on the description of the dinner by Brademas and another participant, it seems clear that the dinner was a legitimate campaign expense, and Brademas' reimbursement from the Park money did not constitute an illegal conversion of the funds.

Brademas did write a letter at Tongsun Park's request to President Park in 1971 between the 1970 and 1972 contributions. Clearly this letter was helpful to Park. There is no evidence, however, either from the timing of the contribution or from any other source, which establishes that one was a *quid pro quo* for the other. Accordingly, the evidence does not suggest the contributions were in the nature of bribes or illegal gratuities.

Likewise, there is no evidence, other than the circumstances of Brademas and Park's friendship, to suggest that Brademas knew or should have known that Park was an agent of the Government of Korea (a fact herein assumed). No evidence has been uncovered other than this circumstance which could support a conclusion that Brademas knew or should have known that Park was an agent.

Finally, although Park did benefit from legislation passed by the House, in that he received commissions from sales of rice to Korea financed by Public Law 480, he did not have, or certainly Brademas did not have reason to believe that he had, such "a direct interest in legislation before the Congress" as to make receipt of a contribution from him a violation of clause 4 of the Code of Official Conduct.

When the Code of Official Conduct was adopted in 1968, Representative Teague stated the test of direct interest should be "whether the donor would be personally (or officially) affected in some specific and definable way by the passage or defeat of legislation. The more the donor's interest is shared with a large class of persons . . . the less likely it is that the provision was meant to prohibit the acceptance of the gift. Similarly, if the consequences for the donor are remote or contingent, the rule probably should not apply." 114 Congressional Record 8778 (1968); see also, the Manual of Offenses at 29. A discussion of Park's interest in the annual Public Law 480 appropriation is contained in the summary of information relating to Park's contributions to seven other sitting Members by check in 1970. While Park did benefit indirectly from the yearly Public Law 480 appropriation, his income as a rice broker depended in real effect not in Congress' routine decision to appropriate money for all categories of produce for all countries, but the decision of the executive branch to make a certain amount of such appropriation available for rice purchases by Korea. Thus, Park's interest in that legislation is not "direct."

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
*Washington, D.C., June 28, 1971.*

His Excellency PARK CHUNG HEE,  
*President of the Republic of Korea,*  
*Seoul, Korea*

DEAR PRESIDENT PARK: I should like to take this opportunity to extend to you and the leaders of your party hearty congratulations on your re-election as President of Korea and the retention by your party of a majority of members of the National Assembly.

Only a day or two ago my good friend of many years, Tongsun Park, personally recounted to me the facts of your campaign and your impressive victory.

Although I have not yet had the opportunity of visiting Korea, Tongsun has done a fine job of keeping me and other Members of Congress abreast of developments there and naturally I hope that the bonds of friendship and security between our two countries will be maintained and indeed strengthened in the years ahead.

In the current 92nd Congress, I have had the honor of being appointed, together with my colleague, Congressman John McFall of California, as Majority Floor Whip in the House of Representatives.

It is our responsibility in these positions to assist our Speaker, Congressman Carl Albert; our Majority Leader, Congressman Hale Boggs; and our Whip, Congressman Thomas P. O'Neill, in carrying out their responsibilities of leadership. This new responsibility enables me in a modest way more easily to appreciate the challenges you must face as the Chief Executive of your country.

Please allow me to reiterate my best wishes for success as you undertake your new term.

Sincerely,

JOHN BRADEMAS  
*Member of Congress.*

## JOHN B. BREAUX

### INTRODUCTION

Shortly after Edwin Edwards became Governor of Louisiana in May, 1972, his administrative assistant, John Breaux, announced his candidacy for Edwards' seat. Clyde Vidrine, a one-time aide to Edwards, has stated that shortly after Edwards' inauguration, he was present in the Governor's mansion along with Edwards, Breaux and Gordon Dore, when Tongsun Park handed Breaux \$10,000 in cash for his campaign. All others present, including Park, have denied that this ever took place.

After Breaux was elected, he accompanied Passman, Dore, and others overseas. Tongsun Park testified that while in Korea, he gave Gordon Dore, at Dore's request, a \$5,000 check for Breaux's campaign deficit. Dore denies ever receiving said check or having any knowledge of it. Breaux has denied in his questionnaire and under oath ever receiving any money from Tongsun Park or knowing that his committee received any money.

The issues are: Did Breaux ever receive \$10,000 in the Governor's Mansion; did Breaux ever receive \$5,000 from Park through Dore or have knowledge of receipt of \$5,000 for his campaign by Dore? If the answers to any of the above questions are in the affirmative, it then must be decided whether Breaux perjured himself; violated the campaign reporting requirements; lied on his questionnaire or knowingly received money from the agent of a foreign government.

### FACTS

#### A. *The Vidrine Allegation*

Clyde Vidrine, a one-time aid and constant companion of Edwin Edwards, was interviewed by this committee and testified before the Justice Department. Vidrine and Edwards are now bitter enemies. According to Vidrine, he personally witnessed three payments by Tongsun Park. Two were allegedly made to Edwin Edwards and one to John Breaux.

As to Edwards, Vidrine claims to have been present with Edwards and Park in New Orleans on two occasions when Park handed Edwards \$10,000 in cash. Park has testified that he personally gave Elaine Edwards \$10,000, Edwin Edwards \$5,000 and that his assistant Jay Ryu was instructed to bring two contributions of \$5,000 each to New Orleans for Edwards' campaign. Park further testified that Vidrine was never present when he made any contributions. (Park testimony, March 8, 1978, pp. 921-922; March 9, 1978, pp. 965-966) Ryu testified that he made his contributions to Edwin Edwards and Edwin's brother, Marion Edwards. (Ryu testimony, August 4, 1977, pp. 128-129).

Vidrine has said that he was present at the Governor's Mansion for a breakfast meeting shortly after the inauguration. Present also were

John Breaux, Tongsun Park, Gordon Dore, and Edwards, according to Vidrine. After breakfast everyone went into the living room where Park, according to Vidrine, said to Breaux, "Here is \$10,000 for the new rice Congressman." (Or words to that effect.) Whereupon, Vidrine says, Park handed Breaux a stack of U.S. currency.

All other persons allegedly present have denied under oath that such a meeting occurred. (Edwin Edwards testimony, June 14, 1977, pp. 12-13; Gordon Dore testimony, Aug. 18, 1977, pp. 115-116; John Breaux testimony, Jan. 27, 1978, pp. 14-16) Most significantly, Park, who admits giving Dore a \$5,000 check that Dore requested for Breaux, denies the event, as related by Vidrine. (Park testimony, March 9, 1978, pp. 965-966)

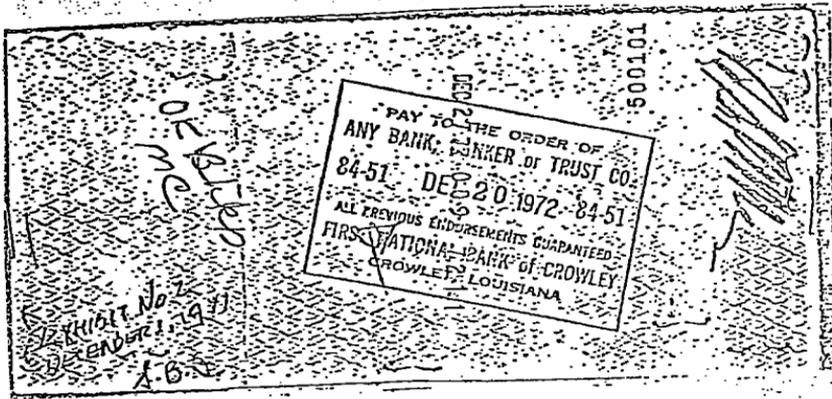
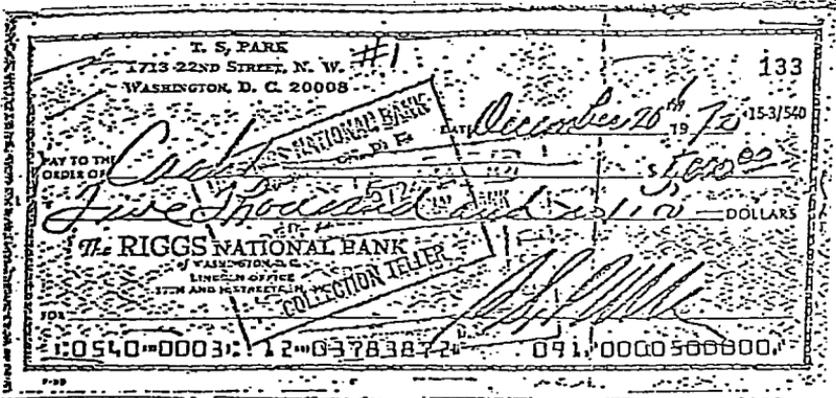
The only time we can prove that Tongsun Park was in Louisiana in the spring of 1972 was in April 1972, when Park, Edwards, Passman, Dore, Breaux, and others went to St. Francesville, La., where Park presented the owner of the Joan of Arc sweet potato factory with a check for the purchase of instant yams. From there Dore, Breaux, and Park toured the rice experiment station in Crowley, La. Breaux was not in Baton Rouge at the Mansion on that occasion. Vidrine told the staff that the Department of Justice gave him a polygraph test concerning his allegations. He admits that "I had a little trouble on Breaux," meaning that the results showed he was not telling the truth.

### *B. The \$5,000 Check*

In November and December, 1972, Breaux travelled overseas with Otto Passman, Gordon Dore, Marion Edwards, and others. The party visited Seoul from December 14 to December 16, 1972. Shortly after arriving, Breaux testified, he became ill and missed some scheduled events. (Breaux testimony, Jan. 27, 1978, p. 26.)

Tongsun Park testified in both public and executive session that while in Seoul, Gordon Dore asked Park to help Breaux with his campaign deficit. Park said he responded by giving Dore a check made out to cash for \$5,000.<sup>13</sup> That, Park testified, is the last he heard of

<sup>13</sup> A copy of that check is attached as exhibit 1.



the matter. He said he never discussed it with anyone and specifically never mentioned it to Breaux nor did Breaux mention it to him. (Park testimony, Mar. 9, 1978, pp. 970-976; Apr. 4, 1978, pp. 246-248)

Park identified a check stub <sup>14</sup> number 133, dated Dec. 16, 1972 (with

<sup>14</sup> A copy is attached as exhibit 2.

133		DEPOSITS		
DATE	12/16 <del>12/20</del> 1972			
ORDER OF	Cash			
FOR	(Dore-Breaux)			
		TOTAL DEPOSITS		
<input type="checkbox"/> CHECK HERE IF TAX DEDUCTIBLE ITEM	AMOUNT THIS CHECK	\$5,000.00		
	CHECK FEE (IF ANY)			
	BALANCE			

12/20 crossed out) with the notation "Cash (Dore-Breaux)" in the amount of \$5,000 (the figure 4000 being written over), as the stub corresponding to the \$5,000 check he gave to Dore. (Park testimony, Mar. 9, 1978, p. 970; Apr. 14, 1978, pp. 249-250)

Dore testified that he never received nor transacted said check or had any knowledge of it prior to it being shown to him during the investigation. (Dore testimony, Jan. 23, 1978, pp. 16-22) His testimony is in direct conflict both with Park's testimony and the check stub which was created long before Park knew it would be significant.

The check which is endorsed by Park and postdated December 20, (although written on December 16) (records of Park's account at Rigg's indicate that he didn't have enough funds to cover this check until a deposit made on December 19) bears the stamp of the First National Bank of Crowley. According to the stamp on the check it was presented to the bank on December 20, 1972. Park was still in Korea on that date according to records in the committee's possession. Neither the bank teller nor the bank manager remembers who presented it. Based on records of the Riggs Bank on which the check was written it has been established that the check was sent for collection by mail rather than through the Federal Reserve System.<sup>15</sup> Thus, according

<sup>15</sup> The First National Bank of Crowley's request for collection is attached as exhibit 3. The Riggs Bank cover memo and enclosed cashiers check are attached as exhibits 4 and 5.

#3  
**THE RIGGS NATIONAL BANK**  
 OF WASHINGTON, D. C.

THE DISPOSITION OF THIS ITEM IS INDICATED AT BOTTOM.

DATE: December 27, 1972

YOUR NUMBER	DRAWER OR PAYEE	DUE DATE	AMOUNT	EXCHANGE	NET
4519	Cash	sight	\$5,000.00		

First National Bank of Crowley  
 P.O. Box 267  
 Crowley, Louisiana 70526

DRAWEE OR MAKER

T.S. Park

ENCLOSED FIND OUR ~~LOCAL~~ DRAFT  
 Cashier's check #171259  
 NUMBER

- WE CREDIT YOUR ACCOUNT.  
 WE RETURN HEREWITH.

WE HAVE REMITTED 014666  
 FOR YOUR CREDIT AND ADVICE.

FORM 238-SM-2-70

#2  
**FIRST NATIONAL BANK**  
 OF CROWLEY  
 CROWLEY, LOUISIANA

No. 5519

TO → The Riggs National Bank  
 Washington, D.C. 20008

We enclose for collection and ~~CHECK~~ REMITTANCE check attached. Deliver only on payment.

DATE SENT	DRAWEE OR MAKER	PAYABLE AT	DUE	PROTEST	AMOUNT
12-20-72	T. S. Park	U	sight	no	5,000.00

OWNER

Ourselves

remit at par

014666

PLEASE ADVISE BY  
 ABOVE NUMBER

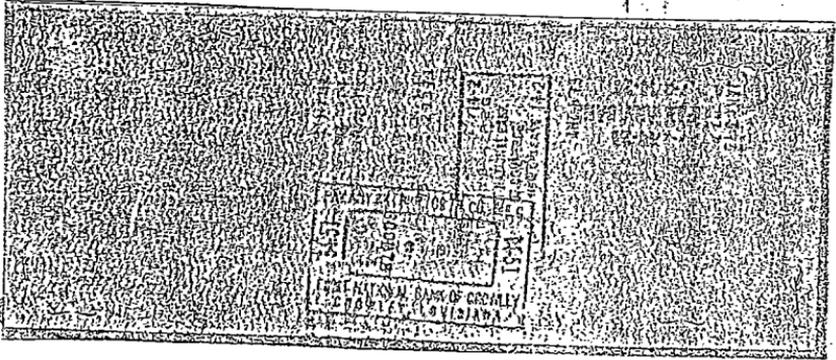
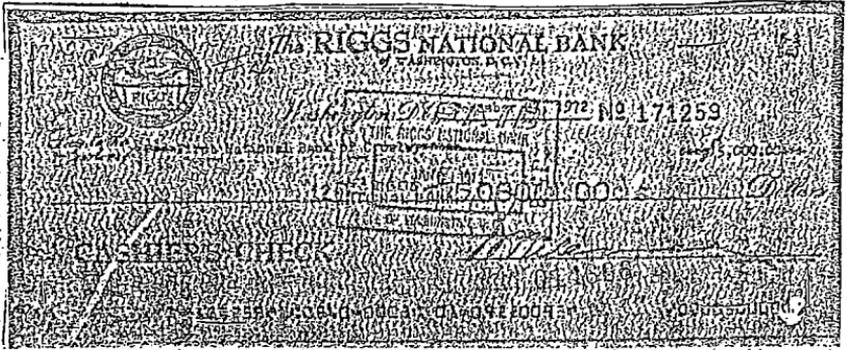


EXHIBIT 5

to Crowley bank teller George Hoffpauir, it was not first credited to someone's account in the Crowley bank. Instead, cash was given to the person who presented the check, but only after the Riggs Bank paid the Crowley bank on the check. Such records of the identity of the person presenting the check as are created in such a transaction were destroyed by a flood in the basement of the First National Bank of Crowley according to both Seale, the bank president, and Hoffpauir.

On January 3, the First National Bank of Crowley's proof tape indicates that it received a \$5,000 cashier's check from Riggs and paid out \$5,000 in cash.<sup>16</sup> No one at the bank remembers to whom the cash was paid.

<sup>16</sup> The proof tape is attached as exhibit 6.

6660000	13	195.80	
6660000	13	195.80 (20)	#0
6660000	13	39,765.90	
6660000	13	39,765.90 (20)	
6660000	13	100.50	
6660000	13	100.50 (20)	
6660000	13	30.00	
6660000	13	30.00 (20)	
6660000	13	1,105.68	
6660000	13	1,105.68 (20)	
6660000	13	44,522.28	
6660000	13	44,522.28 (20)	
6660000	13	109.78	
6660000	13	109.78 (20)	
6660000	11	.00	+E
6660000	10	.00	+E
6660000	4	30,243.24	+S
6660000	4	30,243.24	+S
6660000	11	.00	+E
6660000	10	.00	+E
6660000	11	13,094.32	+E
6660000	10	14,102.75	+E
6660000	4	30,243.24	+S
6660000		.00	+E
6660000	13	15.00	
6660000	13	15.00 (20)	
6660000	13	.00	
6660000	13	52,066.26	
6660000	13	123,535.77	
6660000		175,602.00 (20)	
6660000	2	5,000.00	
6660000	2	2,995,800.00	
6660000	2	39.47	
6660000	11	.87	
6660000	16	578.51	
6660000	9	618.25	+
6660000	9	452.52	+
6660000	9	2,997,547.46	+
6660000		.02	+E
6660000	4	3.50	
6660000	11	2.50	
6660000	16	446.52	
6660000	9	452.54	+
6660000	2	249.90	
6660000	9	249.90	+
6660000	10	77.16	
6660000		77.16 (20)	
6660000	11	123.45	
6660000		123.45 (20)	
6660000		.00	+E
6660000	13	2,995,800.00	✓
6660000		3,496.51	



## DISCUSSION

Disciplinary proceedings cannot be justified unless there is some credible evidence that Breaux (1) received the \$10,000 as alleged by Vidrine; or (2) received the proceeds of Park's \$5,000 check, or knew that the proceeds of the \$5,000 check were received on his behalf by another.

(1) As to the Vidrine allegation, there is no evidence other than Vidrine's statement that the event, as alleged by Vidrine, ever took place. Additionally, Park, who has admitted many contributions, and, in fact, admits a \$5,000 payment to Dore for Breaux, categorically denies this allegation. Vidrine also apparently failed a lie detector test on this subject.

(2) The \$5,000 check, on the other hand, definitely was written and cashed. There are only three people who were in Seoul, Korea, when the check was written and Crowley, La., when the check was presented. The evidence is compelling that one of the three has committed perjury. Park has testified that he gave the check to Dore. The bank records, such as they are, support Park's testimony since Dore is one of only three people who could have transacted the check.

The committee cannot prove that Breaux cashed the check and there is no direct evidence that Breaux was aware of the Park contribution or even that it was used in his campaign or given to him. If Park is to be believed, Dore could inform the committee whether Breaux received the money or knew of it. However, Dore has denied receiving it and has not, therefore, told us what occurred after he received it.

Based on the state of the evidence, or lack thereof, this matter cannot now be satisfactorily concluded. That someone committed perjury is almost certain. However, the evidence is insufficient to proceed further against Congressman John Breaux.

CONTACTS OF CONGRESSMAN (LATER SPEAKER) THOMAS P.  
O'NEILL, JR. WITH TONGSUN PARK

INTRODUCTION

The special counsel and special staff conducting the Korean Influence Inquiry submit this report to the Committee on Standards of Official Conduct summarizing all pertinent information obtained by the staff relating to contacts between Tongsun Park and Congressman (later Speaker) Thomas P. O'Neill, Jr.

As in the case of each current Member of Congress who had any significant contacts with Tongsun Park or representatives of the Korean government, the staff obtained and analyzed correspondence, appointment books, invitations, and boxes of other records kept in storage by Speaker O'Neill and took sworn testimony from him at a deposition before a Member of the Committee. The staff reviewed Mr. O'Neill's financial disclosure forms and campaign records. It took extensive testimony from Tongsun Park in executive session depositions and at public hearings inquiring of Park concerning his relationship with Mr. O'Neill. The staff reviewed documents seized from Tongsun Park's house, documents taken from Park by his former employee, Jay Shin Ryu, documents contained in over two file cabinets of records of Park's company, Pacific Development, Inc. (PDI), bank records of Park and PDI, and subpoenaed extensive other records relating to Mr. O'Neill. All references to Mr. O'Neill in documents obtained by the staff or in interviews or depositions conducted by the staff were reviewed.<sup>18</sup> The staff also reviewed tape recordings made by one of Park's employees at the birthday party Park gave for Mr. O'Neill at the Madison Hotel in December 1974, and at the party for William Saxbe in 1975. The staff also interviewed important staff members of Mr. O'Neill. All allegations relating to Mr. O'Neill's relationships to Tongsun Park were investigated, even when the source was of questioned reliability.

Having reviewed evidence thus gathered, the staff was unable to find any evidence that in his dealings with Tongsun Park Mr. O'Neill violated the Code of Official Conduct of the House of Representatives, or any law, rule, regulation or other standard of conduct applicable to his conduct as a Member and officer of the House of Representatives.

The investigation covered various sub-areas, which are reviewed separately: (1) parties and gifts received from Tongsun Park; (2) statements contained in documents seized from Tongsun Park's house; (3) statements contained in documents taken from Park by his former employee, Jay Shin Ryu; (4) the participation of Mr. O'Neill's son with Tongsun Park on the Board of Directors of McLaughlin Fisher-

<sup>18</sup> A computerized index of each reference to a current or past Member of Congress in documents obtained by or memorandums prepared by the staff was maintained and reviewed to assure that no reference to a Member of Congress was overlooked.

ies; (5) statements of Jack Kelly with respect to Mr. O'Neill and (6) allegations that Tongsun Park obtained or paid for an apartment for the use of Mr. O'Neill and Congressman Edward Boland.

### *1. Parties and Gifts Received from Tongsun Park*

Tongsun Park hosted birthday parties for Mr. O'Neill on December 10, 1973, at the George Town Club and on December 16, 1974, at the Madison Hotel.<sup>19</sup> The parties were large and expensive.

George Town Club records indicate that 86 persons attended the 1973 party. Each dinner cost \$23 per person. The affair, therefore, cost Park a minimum of \$1,978. The press reported 22 Congressmen attended and that a set of hurricane lamps was presented to Mr. O'Neill. In addition to Tongsun Park, Congressmen Richard Hanna and William Minshall were listed as hosts of this affair. Park testified that he expected them to pay their share of the expenses after the party, but they did not and he, therefore, absorbed the entire cost.<sup>20</sup> Records of R. Harris Co., Washington, D.C., reflect that Virginia Piersol, an employee of the George Town Club, purchased \$263.55 worth of "silver" from their store located on Wisconsin Avenue a block from the George Town Club on December 10, 1973. Ms. Piersol says this purchase represents the hurricane lamps for Mr. O'Neill.

PDI records contain a bill from the Madison Hotel for the December 16, 1974, party in the amount of \$5,597.86 for 140 persons.

In order to determine whether the parties thrown by Park for Speaker O'Neill and the gifts that Park gave to Mr. O'Neill would be considered campaign contributions, which would have had to be reported, guest lists, photographs taken at the parties and a tape recording made by one of Park's employees at the Madison Hotel party were reviewed to determine whether the parties and gifts were "made for the purpose of influencing the . . . election of"<sup>21</sup> Mr. O'Neill. The staff concluded that the parties and gifts could not be considered as fundraisers or campaign contributions.

The parties and gifts by Park were handled openly and were widely reported in the press. There appears to be no doubt, therefore, that both Speaker O'Neill and Tongsun Park viewed the parties and gifts as proper. Mr. O'Neill testified that, at the time of the parties, he probably assumed the George Town Club and, ultimately, Tongsun Park would pay for the parties. O'Neill testified further, however, that he did not agree to attend the parties until persuaded, in 1973, by Congressman John Brademas and former Congressman Richard T. Hanna and, in 1974, by former Congressman William E. Minshall.<sup>22</sup> As for the gifts, Mr. O'Neill testified that he assumed that Park paid for the lamps, but that the Congressmen attending the second party had paid for the golf clubs.<sup>23</sup> A tape recording made by one of Park's employees at the second birthday party was obtained by the staff and it corroborates Mr. O'Neill's testimony; indeed, it suggests that even the hurricane lamps may have been presented as gifts from Members of Con-

<sup>19</sup> Park also gave a party for the entire Congressional delegation which Mr. O'Neill headed prior to the delegation's departure for Korea, in April of 1974.

<sup>20</sup> Tongsun Park Deposition, Feb. 8, 1978, pages 120-122; Mar. 9, 1978, page 964.

<sup>21</sup> The law applicable at the time was section 301(e) of the Federal Election Campaign Act of 1971, Public Law 92-225.

<sup>22</sup> In his deposition, Speaker O'Neill also testified that he said he would not attend the 1973 party until the Massachusetts delegation was invited and would not attend the 1974 party unless he could invite 50 percent of the guests.

<sup>23</sup> Thomas P. O'Neill, Jr., Deposition, Apr. 1, 1978, pages 69-75.

gress at the 1973 party. At the 1974 birthday party Congressman Silvio O. Conte acted as the master of ceremonies and called three Congressmen forward to present Mr. O'Neill with the set of golf clubs. The distinct impression a listener gets from the tape recording is that although Tongsun Park hosted the party, the present was from Mr. O'Neill's congressional friends. Mr. Conte referred to hurricane lamps which had been given in the same manner to Mr. O'Neill at the party in December of 1973.

Further, whether or not Park was acting on behalf of a foreign principal in giving the parties, there is not enough evidence in the staff's view to support the conclusion that Mr. O'Neill knew or had reason to know it. Consequently, a complaint charging Mr. O'Neill with receipt of gifts from a foreign state, in violation of the U. S. Constitution, does not seem warranted. The evidence with respect to Mr. O'Neill's knowledge of Park's relationship to the Korean government is set forth in section 3, below. It also appears that Park did not have a sufficiently "direct interest in any legislation before the Congress" such that the gifts would have constituted violations of clause 4 of the Code of Official Conduct.

## *2. Statements Contained in Documents Seized from Tongsun Park's House*

The most serious allegation concerning Speaker O'Neill is contained in a report in Korean entitled "United States Congressional Delegation's Visit to Korea," seized from Tongsun Park's house.<sup>24</sup> The report, apparently prepared in connection with Codel O'Neill, which took place in April of 1974, contains various claims with respect to Mr. O'Neill, including the following:

*Recommendations.*—(1) Congressman O'Neill's Request for Funds: The fellow Congressmen who have accompanied O'Neill, the delegation leader, to Korea, contributed decisively in installing him as the majority leader and, therefore, Mr. O'Neill specifically requested us to provide those Congressmen with election campaign funds and their wives with necessary expenses. This will be an ideal opportunity to hand them the funds, but should it not be possible, we recommend that you pay them in the near future.<sup>25</sup>

Evidence made public by the committee in October, 1977, disclosed that on a later congressional delegation to Korea in August of 1975 the Korean government did in fact make attempts to pay the wives of at least two Members of Congress.<sup>26</sup>

Park was examined in executive session about the authenticity of this document. He testified that, notwithstanding the fact that the document was obtained from his home, he did not know how the document had been created and he had never seen it. Park's testimony is not credible, however, in view of the fact that he also denies any

<sup>24</sup> The document was marked as exhibit 232 and the translation as exhibit 233 at the public hearings held by the Committee in April. These exhibits are reprinted and set forth as follows: 95th Cong., 2d sess., Hearings Before the Committee on Standards of Official Conduct, Korean Influence investigation part 2, exhibit Nos. 232 and 233, pages 1020 and 1029, respectively (Committee Print 1978) (hereinafter referred to as "hearings, part 2").

<sup>25</sup> Hearings, part 2, at 1031.

<sup>26</sup> 95th Congress, 1st sess., hearings before the Committee on Standards of Official Conduct, Korean Influence investigation, part 1, pages 90 through 100 (Committee Print 1977) (hereinafter referred to as "hearings, part 1").

knowledge of other documents seized from his home, which bear his fingerprints and handwriting.<sup>27</sup>

Both Park and Speaker O'Neill have testified that the statement contained in the document is not true, i.e., that Mr. O'Neill did not make a request that the Koreans pay money to Codel O'Neill members. The staff has uncovered no evidence to contradict Park or Mr. O'Neill. The document has not been authenticated, and may be another example of Park's "puffing" his relationship with important Congressmen. In all likelihood the document was prepared under Park's supervision to be transmitted to the KCIA but was false. In any event, it cannot form the basis of a charge against Mr. O'Neill, since there is no evidence that the statements in it are true.

*3. Statements Contained In Documents Taken From Park by His Former Employee, Jay Shin Ryu*

Additional documents were obtained which had apparently been written by Tongsun Park or under his direction. Jay Shin Ryu, an employee of Park's company, PDI, until approximately September 1972, took and retained various documents he had seen during the course of his employment. Two of these contain references to Mr. O'Neill. The first is a draft of a letter to Korean President Park Chung Hee for Mr. O'Neill's signature.<sup>28</sup> (The letter is set forth in its entirety as hearing exhibit No. 32, page 433 of part 2 of the public hearings held by this Committee.) The actual letter was apparently never sent but it contains a factual recitation which, assuming the letter was prepared under Park's supervision with the intention that Mr. O'Neill be asked to sign it, Park must have believed to be true since he would not ask Mr. O'Neill to sign a letter which he knew contained factual misstatements. The draft of the letter begins:

DEAR MR. PRESIDENT: Having had the great and enduring pleasure of one official and a private visit to your country, my interest in Korea and her affairs, especially in your personal leadership, has been heightened, and my concern has also been continued.

Mr. O'Neill was asked about the "private visit" to Korea both under oath and in an interview with staff investigators. Mr. O'Neill testified that this was in fact a trip to the Far East which was not scheduled to stop in Korea, but diverted to Korea because of a typhoon. The staff also determined that the trip was not paid for by the Korean Government or any agency thereof.

Recently, Ryu was asked to make another search of his records to make sure that he had produced everything called for in the subpoenas duces tecum served on him by the Department of Justice and the Committee. On or about the second week of June, 1978, the Department of Justice furnished the staff documents recently furnished them by Jay Shin Ryu.

<sup>27</sup> Hearings, part 2, exhibits 231 and 235, pages 1004 and 1040, respectively, bear Park's fingerprints; exhibit 231 bears Park's handwriting.

<sup>28</sup> A reading of the letter establishes that it was intended for Mr. O'Neill's signature. The letter refers to both "your successful election" and the writer's recent election as "majority whip." President Park was re-elected in May of 1971 and Mr. O'Neill became Majority Whip in January of 1971.

Included among these records is a chart showing the dates and purpose of Park's lobbying efforts in 1969 and 1970. It indicates that Park was in contact with some 51 Congressmen, including Mr. O'Neill.

With respect to Mr. O'Neill, the document read as follows:

December 12, 1969, in connection with military aid and delivery S. G.'s<sup>29</sup> personal letter and gift. February 28 invitation to Korea. June 2 maneuvered to support the Constitution. July 14, 1970, in connection with F. I.<sup>30</sup>

Mr. O'Neill was interviewed with respect to this document on June 29, 1978. Mr. O'Neill reviewed the page in the document concerning himself. He stated he had absolutely no recollection of any of these contacts and doubted that they all could have taken place. He stated the February 28, 1969, invitation to Korea might have been in connection with his visit to Korea as a member of Codel Albert. The alleged June 2, 1969, contact in connection with supporting the constitution, he does not recall. Mr. O'Neill stated that he had no recollection of legislation in December of 1969 involving a guarantee of \$50 million to Korea. He has recently read about this matter but states he knew nothing about it at the time that the controversy and struggle over this bill was in process. Concerning the July 14, 1970, visit regarding "F.I.", he stated he did not know what this meant. It was explained to Mr. O'Neill that it was in connection with forming an organization linking U.S. and Korean parliamentarians. Mr. O'Neill stated he could not recall any such organization or any visit by Tongsun Park in this regard. He reiterated that he never had any conversation with Tongsun Park of a substantive nature.

Tongsun Park's testimony differed slightly. He had no specific recollection of any of these discussions with Mr. O'Neill. However, he believed that if they were recorded on the document they did take place, with the exception of the meeting on "F.I.", which Park believed involved only his employee and an O'Neill staffer. Mr. O'Neill did place a statement in the Congressional Record supporting the constitutional amendment which permitted Park Chung Hee to run for a third term. The statement appeared on October 14, 1969. Generally, Park recalled more meetings and conversations of substance with Mr. O'Neill than did Mr. O'Neill.

The staff is in possession of a typewritten statement of Speaker John W. McCormack dated March 13, 1970, in which Speaker McCormack urges his colleagues to support the Conference For the Development of Free Institutions which he describes as an organization "designed to bring together those concerned with the making of laws in South Korea and the United States." Attached thereto is a list and apparent signatures of some 34 Congressmen, including Mr. O'Neill's. Tongsun Park has testified that the establishment of the Conference For the Development of Free Institutions was his idea but never proceeded past the organizational stage. Staff investigation indicates that this organization never became active.

#### *4. The Participation of Mr. O'Neill's Son with Tongsun Park on the Board of Directors of McLaughlin Fisheries*

In the course of the investigation staff lawyers and investigators reviewed over two file cabinets of PDI documents. In the course of

<sup>29</sup> "S.G." refers to the Secretary General of the Opposition Party in Seoul.

<sup>30</sup> "F.I." refers to the "Conference For the Development of Free Institutions" which wanted American and Korean legislators among its members.

this review, Chief Investigator Robert Bermingham located a folder indicating that Tongsun Park was associated with McLaughlin Fisheries, Ltd., in 1973 as a member of the Board of Directors. Thomas P. O'Neill, III, Congressman O'Neill's son, was also listed as a member of the Board.

This discovery was a matter of immediate concern to the staff because, when asked in the committee questionnaire, "Have you or any member of your immediate family<sup>31</sup> had any commercial business dealings with Tongsun Park?" Mr. O'Neill did not set forth his son's service on the Board of Directors of McLaughlin Fisheries, Ltd., with Tongsun Park. Moreover, the staff surmised that McLaughlin Fisheries, Ltd., could have been used as a conduit for funds from Park to Mr. O'Neill's son. Accordingly, a complete investigation of McLaughlin Fisheries, Ltd., and its relationship to Park and the two O'Neills was immediately begun.

The investigation established that neither Mr. O'Neill nor his son received any financial benefit from the younger O'Neill's association with McLaughlin Fisheries. Tongsun Park also so testified. Mr. O'Neill testified he did not know of his son's service on the Board of McLaughlin Fisheries with Tongsun Park. His son stated he was not aware of Park's involvement in McLaughlin Fisheries.<sup>32</sup> Accordingly, it appears that there never were any "commercial business dealings," in the words of the questionnaire, between Tongsun Park and Mr. O'Neill's son, and, in any event, Mr. O'Neill apparently did not know of the relationship and therefore could not have set it forth in response to the committee questionnaire.

The PDI files also contained correspondence involving PDI, McLaughlin Fisheries, Ltd. (an Irish corporation), its president, Francis X. McLaughlin ("McLaughlin"), and Celtic Investment and Trading Co., Inc., (a Massachusetts company operated by McLaughlin to handle McLaughlin Fisheries, Ltd., business in the United States). These documents indicate that McLaughlin and PDI, particularly J. S. Kim of PDI, explored possibilities of a joint venture. On November 26, 1973, McLaughlin gave Tongsun Park exclusive rights to market products of McLaughlin Fisheries in Southeast Asia. It appears that no business was generated by these efforts, however, and no monies passed between Tongsun Park or his companies and McLaughlin or his companies. Relations between Park and McLaughlin Fisheries, Ltd., ceased following a PDI letter signed by J. S. Kim to McLaughlin, dated March 14, 1974, pointing out that PDI had furnished services since September, 1973, and suggesting a formula for payment by McLaughlin for these services. Documents furnished by McLaughlin also indicate that Tongsun Park interests and McLaughlin interests failed to materialize in a joint venture. These documents contain no indication that any money passed between Tongsun Park interests and McLaughlin interests. The PDI documents and documents supplied by McLaughlin do not contain any reference to Thomas P. O'Neill, Jr., or his son other than the above-mentioned newspaper article and the listing of Thomas P. O'Neill's son as a member of the Board of Directors of McLaughlin Fisheries.

<sup>31</sup> The term "member of your immediate family" is defined elsewhere in the questionnaire to include the Member's "spouse, parent, sibling, or child" and would without question cover Thomas P. O'Neill, III.

<sup>32</sup> Thomas P. O'Neill, Jr., deposition, Apr. 1, 1978, pp. 64-68; Tongsun Park deposition, Mar. 9, 1978, pp. 1045-47; staff memorandum of interview with Thomas P. O'Neill, III (staff number 100478), Apr. 5, 1977.

McLaughlin, in two interviews with the staff and by letter, told the staff that he initiated a fish business in Ireland know as Galway Bay Fisheries and later changed its name to McLaughlin Fisheries and moved it to Killala, County Mayo. He also formed and registered in Massachusetts, Celtic Investment and Trading Company, Inc., to handle interests of these companies outside Ireland. McLaughlin told of efforts he made to obtain investments in and loans to this venture. Loans were secured from the National Bank of Washington and the American Security Bank in Washington. According to McLaughlin, Tongsun Park did not invest in or loan money to him or to his companies. He further stated that Speaker O'Neill, his son and his relatives never invested in, loaned any money to or received anything of value from him or his companies. He explained that he was an old friend of the O'Neill family and put Thomas P. O'Neill, III, on the Board of Directors in the hope that he could secure investors. He put Tongsun Park on the Board in the hope that Tongsun Park would join in a joint venture or otherwise invest in his businesses. McLaughlin states that Tongsun Park, Speaker O'Neill and his son never invested in nor received any funds from McLaughlin or his businesses. McLaughlin stated he first contacted Tongsun Park in 1973, personally and without any intermediary after reading about him in the newspapers. He denied that anyone, especially Thomas P. O'Neill, Jr., introduced him to Tongsun Park.

The investigation included subpoenaing and reviewing records of the National Bank of Washington and PDI records, interviews of Directors of McLaughlin Fisheries, including Thomas P. O'Neill, III, an interview of McLaughlin Fisheries attorney in Ireland, a review of Massachusetts state corporate records and a review of bank credit records of McLaughlin. This investigation failed to develop any indication that Thomas P. O'Neill, Jr., Thomas P. O'Neill, III, or any member of their families were financially involved with McLaughlin Fisheries or McLaughlin with Tongsun Park through either McLaughlin Fisheries or McLaughlin.

PDI records also contained a copy of a June 15, 1973, newspaper article from the Philadelphia Daily News indicating that Edward J. Pizek, president of Mrs. Paul's Kitchens, Inc., was then in Ireland looking into the possibility of investing in McLaughlin Fisheries, Inc. The article, referring to McLaughlin Fisheries, Inc., states "Tip O'Neill, the democratic congressional whip from Boston, is a partner in this outfit."

Pizek related that at one time he employed Ernest Cuneo to represent him in Washington on Capitol Hill. Cuneo, in about 1973, mentioned McLaughlin and McLaughlin Fisheries and said that McLaughlin had access to crabs and crabmeat, which were then in short supply. Cuneo suggested that Pizek purchase the entire McLaughlin operation. Cuneo intimated that Mr. O'Neill had some connection with the operation but did not go into any detail. When Pizek visited the McLaughlin operation in Ireland, he decided not to buy or invest in it.

Ernest Cuneo was thereafter interviewed. He denied telling Pizek that Mr. O'Neill had any money or monetary interest in McLaughlin Fisheries. Cuneo recalled bringing the McLaughlin venture to Pizek's attention because Pizek needed crabmeat and McLaughlin apparently had a supply. Cuneo stated that although he met McLaughlin

through Mr. O'Neill, he never received any information or impression that Mr. O'Neill was in any way involved with McLaughlin's business.

*5. Statements of Jack Kelly With Respect to Mr. O'Neill*

Jack Kelly was associated with Tongsun Park from 1964 to 1973. He says he served as a financial advisor to Park and was principally employed in securing loans and fending off creditors. When first interviewed, Kelly was evasive and somewhat irrational in his movements; he interrupted the interview and left the room without explanation; he searched his desk or pockets for objects and avoided answering questions directly, particularly relating to payments by Tongsun Park to Congressmen. It was subsequently determined that Kelly is destitute and suffers from alcoholism.

In the second interview with Kelly, on July 5, 1977, Kelly stated that Mr. O'Neill was a friend of Tongsun Park's. He recalled that Tongsun Park stayed at Mr. O'Neill's house in Massachusetts on at least one occasion and that Mr. O'Neill visited the George Town Club. Shortly after this interview the staff received a telephone call from a free-lance writer who has written for Playboy and other publications. He stated that he had been in touch with Jack Kelly, Tongsun Park's former accountant, and that Kelly alleged that he delivered sums of money to the "Speaker." The writer further stated that he had a tape recording of Kelly in which Kelly states he delivered money to House Speaker O'Neill. The writer stated further that Kelly went to Hustler magazine with the allegation regarding the delivery of money to Mr. O'Neill. Hustler asked the writer to pursue the matter but declined to publish Kelly's allegations because of Kelly's unstable condition and apparent unreliability. A news service apparently received the same information and asked the same writer to interview Kelly. The writer claimed he spent 4½ days talking with Kelly and is convinced of his credibility. The staff requested the writer to supply the tapes but he failed to do so. After having been served with a committee subpoena duces tecum commanding production of the tapes, the writer in question stated that he had apparently misplaced them. He did not publish the story. Further interviews with Kelly followed, however.

Kelly repeatedly denied that he had personally delivered any money to Mr. O'Neill. During one interview, Kelly mentioned Mr. O'Neill, however, and stated that he was afraid of him. Efforts to elicit from him the reasons for his fear were fruitless. At this interview, Kelly proposed being hired by the staff as a consultant and stated he had an idea how the staff could kidnap Tongsun Park out of Korea. He was not hired. His suggestion was rejected.

On a subsequent contact with Kelly, he stated that \$20,000 was wired out of Tongsun Park's account at Equitable into Park's account at Riggs National Bank and that shortly thereafter he went to Riggs to cash a check for Tongsun Park. After cashing the check, he gave the cash to Tongsun Park who put it in a briefcase and took the briefcase with him to Massachusetts. He recalls riding to National Airport with Tongsun Park in a chauffeur-driven limousine and that Tongsun Park was going to Massachusetts to spend Thanksgiving Day with Mr. O'Neill. Tongsun Park purchased a ticket from Washington to New York for cash at the airport. Kelly said that Tongsun Park had the briefcase with him when he got on the airplane and that he

returned to Washington about 2 days later. It seemed surprising that Park would fly to New York to go to Boston, but Kelly said Tongsun Park told him he was staying with Mr. O'Neill in Nantucket, and would fly from New York to Boston and use a private automobile to get from Boston to Nantucket. Kelly stated that this incident took place in 1971.

A review of Tongsun Park's bank records suggested the transaction Kelly referred to took place in 1972.<sup>33</sup> Accordingly, it was pointed out to Kelly that the bank transactions he referred to as occurring in 1971 probably occurred in 1972. He nevertheless continued to insist that the events occurred in 1971 even though it was pointed out to him that Riggs bank records do not substantiate his story. Interviews of various persons who were acquainted with Tongsun Park during this period of time indicated that none of them had any knowledge of any trips Tongsun Park might have made to Massachusetts around Thanksgiving Day in any of the early years of the 1970's. Inquiry at airlines serving the relevant routes revealed that flight manifests were not available for the years 1971 and 1972.

Continued investigation and the testimony of Tongsun Park enabled the staff to resolve Kelly's allegation. In fact, Kelly appears to have been right about the amount and the date of the payment but wrong about the recipient. There is no evidence that Mr. O'Neill ever received any cash from Tongsun Park. But, on November 23, 1971—Thanksgiving that year was November 25—Park paid Cornelius Gallagher \$20,000. The amount of the payment and the date are set forth in Park's 1971/72 ledger.<sup>34</sup> A withdrawal of \$25,000 in cash by Park from the Equitable Trust Company is confirmed by copies of Park's bank records.<sup>35</sup> Moreover, Park testified in executive session that he did visit Gallagher to deliver \$20,000 in cash around Thanksgiving, 1971, and that he never spent a Thanksgiving holiday with Mr. O'Neill.<sup>36</sup> Park also testified that he never gave Mr. O'Neill any campaign contributions.<sup>37</sup> The explanation for Kelly's story appears simple: Park must have told Kelly he was going to deliver the money to "Neil" [Gallagher]. Kelly must have thought he said "O'Neill." The flight to New York which Kelly recalled makes sense if Park was visiting Gallagher in New Jersey. It would make no sense if Park were in fact going on to Massachusetts.

#### *6. Allegations That Tongsun Park Obtained or Paid For an Apartment For the Use of Mr. O'Neill and Congressman Edward Boland*

On June 23, 1977, a Capitol Hill staffer who prefers to remain anonymous, relayed a rumor to the staff to the effect that Congressman Edward Boland and Speaker O'Neill shared a house in George-

<sup>33</sup> Bank records collected by the staff reveal that on Nov. 20, 1972, \$20,000 was wired out of Equitable Trust to Tongsun Park's Riggs account. There was only about \$13,000 in the account at the time of the transfer. On Nov. 22, 1972, two checks both written to cash in the amount of \$1,500 and \$2,000 were cashed. One check cleared that same day, Nov. 22, and the other on Nov. 24. Both checks are endorsed by Park. Kelly's endorsement is on the \$1,500 check as well. It should be noted that Thanksgiving Day that year fell on Nov. 23. Review of the George Town Club records reflects that Park was in Washington, D.C., on Nov. 23, 1972. According to travel records, Park purchased an airline ticket on Nov. 22 for travel from New York to Seoul with stops in Washington, Los Angeles, etc. The departure date from New York was listed as Nov. 24, 1972. Immigration records indicate Park entered Korea on Nov. 26, 1972.

<sup>34</sup> Hearings, part 2 exhibit No. 219, p. 793-799.

<sup>35</sup> Hearings, part 1, exhibit No. 29, p. 254-256.

<sup>36</sup> Tongsun Park deposition, Mar. 8, 1978, pp. 894-896.

<sup>37</sup> Tongsun Park deposition, Feb. 28, 1978, pp. 122-123.

town which had been obtained for them by Tongsun Park. The investigation revealed that both Mr. O'Neill and Congressman Boland then resided at 2601 Woodley Place, NW., Washington, D.C., the Cal-Woodley Apartments. In 1968 Mr. Boland and Mr. O'Neill signed a lease and moved into an apartment at this address. According to an official of the company handling these apartments, an attorney by the name of Paul J. McGowan rented the apartment in question in September, 1963. At that time he listed Congressman Boland as a reference. Sometime thereafter McGowan subleased this apartment to Congressman Boland. Between 1968 and 1972 Mr. Boland and Mr. O'Neill signed leases for the apartment. It, therefore, appears that Boland obtained the apartment through his friendship with McGowan and not through Tongsun Park. The resident manager for the apartment for the last 2 years stated that checks that were used to pay the rent on this apartment were congressional checks, and that Congressmen O'Neill and Boland alternately paid the rent on the apartment on a month to month basis. By letter dated October 12, 1977, Mr. O'Neill furnished the staff with copies of checks reflecting payments of the rent on this apartment which he shared with Congressman Boland for the past 10 years.

#### SUMMARY

In summary, the only thing the evidence shows Mr. O'Neill to have done of questionable propriety is to accept two parties in his honor paid for by Tongsun Park. The value of the parties to O'Neill is difficult to measure. He (as well as the other guests) received food and drink worth about \$50 plus the psychic pleasure of being the guest of honor. The parties were well publicized at the time, however, and were obviously not considered improper by the participants, who included prestigious persons from the legislative and executive branches, including, in 1973, the then Vice President of the United States. The evidence that the parties were given indirectly by the Government of Korea, or that O'Neill was aware of it, is slim. Although, judged by today's standards it may be unwise for an important Congressman to permit either a foreigner or a suspected lobbyist to give him a party, there appears to be no warrant for disciplinary proceedings.

## XI. EXHIBITS

### EXHIBIT 1

[H. Res. 252, 95th Cong. 1st sess.]

### RESOLUTION

Whereas article I, section 9, clause 8 of the United States Constitution prohibits any person holding Federal office, including Members of Congress, from accepting any present, emolument, office, or title from any foreign government without the consent of Congress; and

Whereas Congress has forbidden the receipt of political contributions from a foreign national, including a foreign government (2 U.S.C. 441e); and

Whereas the Federal Criminal Code prohibits the receipt of anything of value by any Member of Congress to influence his performance of his official duties or to reward or compensate him, other than as provided for by law, for the performance of those duties (18 U.S.C. 201, 203); and

Whereas rule XLIII of the Rules of the House of Representatives sets forth the Code of Official Conduct for Members, officers and employees of the House of Representatives and, among other things, prohibits the acceptance of any gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress; and

Whereas information has come to the attention of the House of Representatives alleging that Members of the House of Representatives have been the object of efforts by certain foreign governments or persons and organizations acting on behalf of foreign governments (including the Government of the Republic of Korea) to influence the Members' official conduct by conferring things of value on them or on members of their immediate families or their business or political associates; and

Whereas clause 4(e)(1) of rule X of the Rules of the House of Representatives entrusts the Committee on Standards of Official Conduct with particular responsibility—

(A) to recommend to the House of Representatives from time to time such administrative actions as it may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives;

(B) to investigate any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities, and after notice and hearing, to recommend to

the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances; and

(C) to report to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation, by a Member, officer or employee of the House of Representatives, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation: Now, therefore be it

*Resolved*, That the Committee on Standards of Official Conduct be and it is hereby authorized and directed to conduct a full and complete inquiry *and investigation* to determine whether Members of the House of Representatives, their immediate families, or their associates accepted anything of value, directly or indirectly, from the Government of the Republic of Korea or representatives thereof. The scope of the inquiry *and investigation* shall be determined by the committee in its discretion and may extend to any matters relevant to discharging its responsibilities pursuant to this resolution.

SEC. 2. The committee shall report to the House of Representatives any findings, conclusions, and recommendations it deems proper with respect to the adequacy of the present Code of Official Conduct or the Federal laws, rules, regulations, and other standards of conduct applicable to the conduct of Members of the House of Representatives in the performance of their duties and the discharge of their responsibilities (1) to protect the House of Representatives against the exertion of improper influence by or on behalf of foreign governments and (2) to prohibit Members of the House of Representatives from receiving things of value under circumstances that conflict, or appear to conflict, with their obligations to perform their constitutional duties without regard to private gain or benefit.

SEC. 3. The committee, after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such action, if any, that the committee deems appropriate by the House of Representatives as a result of any alleged violation of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities.

SEC. 4. (a) For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to require—

(1) by subpoena or otherwise—

(A) the attendance and testimony of any person at a hearing or at the taking of a deposition by any member of the committee; and

(B) the production of such things; and (2) by interrogatory, the furnishing under oath of such information as it deems necessary to such inquiry or investigation.

(b) The authority conferred by subsection (a) of this section may be exercised—

(1) by the chairman and the ranking minority member acting jointly, or, if either declines to act, by the other acting alone,

except that in the event either so declines, either shall have the right to refer to the committee for decision the question whether such authority shall be so exercised and the committee shall be convened promptly to render that decision; or

(2) by the committee acting as a whole.

(c) Subpenas and interrogatories authorized under this section may be issued over the signature of the chairman, or ranking minority member, or any member designated by either of them. A subpoena may be served by any person designated by the chairman, or ranking minority member, or any member designated by either of them and may be served either within or without the United States on any national or resident of the United States or any other person subject to the jurisdiction of the United States.

(d) In connection with any inquiry or investigation pursuant to this resolution, the committee may request the Secretary of State to transmit a letter rogatory or request to a foreign tribunal, officer, or agency.

(e) Subpenas for the taking of depositions or the production of things may be returnable at specified offices of the committee or at a scheduled hearing, as the committee may direct.

(f) The chairman, or ranking minority member, or any member designated by either of them (or, with respect to any deposition, answer to interrogatory, or affidavit, any person authorized by law to administer oaths) may administer oaths to any witness.

(g) For the purposes of this section, "things" includes books, records, correspondence, logs, journals, memorandums, papers, documents, writings, drawings, graphs, charts, photographs, reproductions, recordings, tapes, transcripts, printout, data compilations from which information can be obtained (translated, if necessary, into reasonably usable form), tangible objects, and other things of any kind.

SEC. 5. For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to sit and act, without regard to clause 2(m) of rule XI of the Rules of the House of Representatives, during the present Congress at such times and places within or without the United States, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings, as it deems necessary.

SEC. 6. The committee is authorized to seek to participate and to participate, by special counsel appointed by the committee, on behalf of the committee and the House of Representatives in any judicial proceeding concerning or relating in any way to the inquiry or investigations conducted pursuant to this resolution.

SEC. 7. The authority conferred by this resolution is in addition to, and not in lieu of, the authority conferred upon the committee by the Rules of the House of Representatives. In conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to adopt special rules of procedures as may be appropriate.

SEC. 8. Any funds made available to the committee after the adoption of this resolution may be expended for the purpose of carrying out the inquiry and investigation authorized and directed by this resolution.

## EXHIBIT 2.—MOTION BY MR. BENNETT

(Contingent Upon House Adopting H. Res. 252)

## COMMITTEE RESOLUTION

AS AMENDED FEBRUARY 8, 1977

Whereas the House, pursuant to House Resolution 252, adopted February 9, 1977, authorized and directed the Committee on Standards of Official Conduct to conduct a full and complete inquiry into allegations that the Government of the Republic of Korea directly or indirectly has sought or is seeking to exert influence upon Members of the House of Representatives through the conferral of anything of value on Members, their immediate families, or their associates, and to render appropriate reports; and

Whereas the committee has legislative jurisdiction and general oversight responsibilities under clauses 1 (t) and 2 of rule X of the Rules of House of Representatives with respect to the Code of Official Conduct of the House of Representatives, which is set forth in rule XLIII of the House of Representatives; and

Whereas clause 4 '(e) (1) of rule X of the Rules of the House of Representatives entrusts the committee with additional responsibilities: Now, therefore, be it

*Resolved*, That the Committee on Standards of Official Conduct promptly initiate a thorough development and examination of the facts that indicate whether or not the present Code of Official Conduct or the Federal law, rules, regulations and other standards of conduct applicable to the conduct of Members of the House of Representatives in the performance of their duties and the discharge of their responsibilities are adequate (1) to protect the House of Representatives against the exertion of improper influence by or on behalf of foreign governments and (2) to prohibit Members from receiving anything of value under circumstances which conflict, or appear to conflict, with their obligations to perform their constitutional duties without regard to private gain or benefit.

SEC. 2. For purposes of making the determination referred to above, the committee will consider allegations that Members and employees of the House of Representatives and other Federal officers and employees have received anything of value from the Government of the Republic of Korea, nonaccredited Korean Government officers or agents, or any private Korean citizens, organizations, or institutions.

SEC. 3. Whenever, at any time during the course of the inquiries referred to above, or after their completion, the committee determines that it has information indicating that any individual Member, officer or employee of the House has violated the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to the conduct of that Member, officer or employee in the discharge of his responsibilities, the committee on its own initiative may undertake an investigation relating to the official conduct of that Member, officer or employee.

SEC. 4. The committee shall proceed in accordance with Committee Rule 9 of the Committee's Rules of Procedures relating to the service of a statement of alleged facts and violation upon the Member, and the

Member's opportunity to answer and to submit appropriate motions. All further proceedings relating to the individual Member shall be conducted in accordance with the Committee's Rules of Procedure and H. Res. 252.

SEC. 5. For the foregoing purposes, the committee will retain outside special counsel to advise the committee on the design and conduct of the inquiries and to propose the members of a special professional staff. The special staff will be separate and distinct from the committee's permanent staff. In conjunction with the special staff, outside special counsel and the Staff Director of the committee will have the following authority and responsibility: to supervise the gathering, organization, and assessment of pertinent information; to propose and participate in appropriate hearings; to represent the committee before other departments or agencies of the government, including the courts; to prepare a report to the committee on the basis of the information finally developed; and to suggest changes for the committee's consideration in the Code of Official Conduct or in Federal laws or regulations. In any investigation or hearings conducted pursuant to section 4 of this Resolution and Committee Rules 9 and 10 of the Committee's Rules of Procedure, the special staff, under the direction of the outside special counsel and the Staff Director, shall exercise the responsibilities that otherwise would be performed by the committee's permanent staff.

SEC. 6. The outside special counsel, the Staff Director and the special staff, in conducting any inquiries or investigations on behalf of the committee pursuant to this resolution, will comprehensively and diligently pursue all information related to the subject matter of the inquiries and investigations authorized herein. The activities of both present and former Members of the House of Representatives may be included, to the extent relevant. Relevant evidence, whether testimonial or documentary, as well as information that may lead to the discovery of relevant evidence, will be sought by the outside special counsel, the Staff Director and the special staff, irrespective of the location, status, or office of the person who may be in possession of the evidence or information.

SEC. 7. Subpenas and interrogatories may be issued, upon application by the special staff, in accordance with House Resolution 252, adopted February 9, 1977, and may be made returnable at the offices of the special staff. Depositions may be taken by any member of the committee at any place in the District of Columbia, or wherever the witness resides, transacts business, or may be found, as directed in the subpoena. No subpoena shall be issued, or deposition or interrogatory taken, unless authorized by a majority of the members voting a majority being present.

SEC. 8. In developing information through the inquiries referred to above, the Committee will cooperate with any other committee of either House with jurisdiction over related matters.

SEC. 9. Upon the completion of any inquiries and investigations conducted pursuant to this resolution, the committee shall report to the House of Representatives in accordance with House Resolution 252.

SEC. 10. The chairman, in consultation with the outside special counsel, will promulgate procedures to protect against the unauthorized disclosure of confidential information obtained by the committee and the special staff.

## EXHIBIT 3.—COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Response of Representative\_\_\_\_\_

Since January 1, 1970:

1. Have you, or to your knowledge, has a member of your official staff, visited the Republic of Korea while you were a Member of Congress?

Yes\_\_\_\_\_ No\_\_\_\_\_

2. Have you or any member of your immediate family (spouse, parent, sibling, or child), or to your knowledge has any member of your official staff or any person with whom you are a business partner or co-venturer been offered anything of value in excess of \$100 by, or received anything of value in excess of \$100 from:

(a) Any person known by you to have been a representative of of the Government of the Republic of Korea at the time of the offer or receipt, or

(b) Any person now suspected by you to have been a representative of or affiliated with the Government of the Republic of Korea at that time?

Yes\_\_\_\_\_ No\_\_\_\_\_

3. Have you or any member of your immediate family, or to your knowledge has any member of your official staff or any person with whom you are a business partner or co-venturer

(a) been offered anything of value in excess of \$100 by,

(b) received anything of value in excess of \$100 from,

(c) attended a function (other than at an Embassy or official residence) given by, or

(d) had any commercial business dealings with

(i) Tongsun Park,

(ii) Kim Dong Jo,

(iii) Suzi Park Thomson,

(iv) Hancho Kim, or

(v) Kim Sang Keun.

Yes\_\_\_\_\_ No\_\_\_\_\_

If your answer to any of these questions is yes, please furnish complete details.

\_\_\_\_\_  
Signature\_\_\_\_\_  
Date

[If you would prefer to discuss your answers to these questions directly, rather than complete this questionnaire, please telephone the Committee's offices (225-7984) to arrange for members of the special staff to meet with you.]

EXHIBIT 4.—KOREAN INFLUENCE INVESTIGATION PURSUANT TO HOUSE  
RESOLUTION 252U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,  
*Washington, D.C.*

DEAR CONGRESSMAN : House Resolution 252 directs this committee to perform several distinct but related responsibilities. One is to ascertain whether Members of the House have violated the standards of legitimate conduct in their dealings with representatives of the Government of the Republic of Korea or with Korean nationals. That phase of our investigation is being pursued actively through a variety of means and channels.

In addition, the committee is given the responsibility to assess the allegations that Members of the House have been "the object of efforts" by the Government of the Republic of Korea to influence congressional action by conferring things of value on them, their immediate families, or their business and political associates. This function is coupled with a directive to report to the House the committee's conclusions about the adequacy of existing laws and standards "to protect the House of Representatives against the exertion of improper influence by or on behalf of foreign governments."

In order to discharge our responsibilities the committee must attempt to ascertain the existence—or non-existence—of a concerted pattern of efforts by the Korean Government or its alleged agents to influence the House. As the alleged "objectives" of Korean "efforts" Members and former Members of Congress are uniquely situated to furnish this committee with information about the existence or nonexistence of such efforts. Only with collective, comprehensive information can the committee gauge the nature and scope of those efforts, if any, and fulfill its responsibilities under House Resolution 252.

Accordingly, in order to assist this committee in gathering information necessary in discharging our responsibilities under House Resolution 252, and in order to channel the investigation so that it may more quickly be concluded, we are asking each person who is or was a Member of Congress during the past 7 years to fill out the enclosed brief, confidential questionnaire. We request that you take a few minutes to do so and return the completed questionnaire within 14 days of the receipt of this letter. If you would prefer to discuss these questions directly, instead of completing the questionnaire, members of the committee's special staff will be available to meet with you.

We emphasize that it is important for the committee to receive a prompt reply to these questions, even if the answers are negative. We also emphasize that affirmative answers would not imply any misconduct. The committee is simply attempting to gather facts which will assist us in this inquiry; and we will not be able to responsibly account to the House or to the public without surveying Members (and former Members) of the House on some basic questions.

In accordance with rule XI 2.(e) (2) of the Rules of the House, the information you furnish is confidential and is not available to anyone outside this committee, except pursuant to an affirmative vote by this committee.

Sincerely,

PHILIP A. JACOVARA

# SENSITIVE

unexpurgated  
version

6

EXHIBIT 5

## 2. Operations in Nation of Residence

### A. Operations in the Congress

Target	The Plan to be Promoted	Remarks
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#### 1. Democratic Party Forces in the Congress

	Dem.	Rep.	Total
Senate	62	38	100
House	290	145	435

#### 1. Win over the key forces of the Democratic Party Policy Research Committee

	Chairman	Members	Researchers	Specialists	Subjects of Co-optation
Senate	Mahsfeld	6	7	9	
House	Albert	11	12	4	

\* Regular contact \$7200

# Representatives 4  
Specialists 4

\* Invitations to visit Korea \$14,600; 4,000,000#-

\* Special Manipulation: \$6,000 (\$1,500 X 4 people)

# The Administration's authority is diminished (In the House they exceed two-thirds)

# Increase pro-ROK Forces, Induce pro-ROK policy.

# During 1975 we firmed up the basis of co-operation with the Policy Research Committee of the Republican Party. (2 representatives and 13 aides visited Korea.)  
Newly won over:  
Senate - 8 members  
House - 18 members

#### 2. Key forces of the Liberal-Progressive Faction

	Dem	Rep	Important Individuals
Senate	20	10	
House	143	11	

#### 2. Co-optation of the Key Forces of the Liberal-Progressive Faction.

	No. of Members	Subjects of Co-optation
Senate	5	
House	7	

\* Regular contact \$14,400 (\$100 X 12 persons X 12 months)

\* Invitations to visit Korea \$14,600, 4,000,000#-

# SENSITIVE

Target	The Plan to be Promoted	Remarks																					
# DSG Members 203	# The principal targets are key members, aides, and specialists	# 3 members 5 aides																					
# Manipulation and cooptation by dispatched officials - 12	# Sue Thomson, Waldie, Pike, etc. utilize constituents of members to be co-opted.	* Special manipulation \$9,000 (\$1,500 X 6 people)																					
* Progressive Faction members to visit Korea - 10 (Intelligence officer contacted - 6)		* Support for campaign funds \$5000 X 1 = \$5000 (Philip Burton Dinner)																					
3. Anti- ROK Members	3. Conversion of Anti-ROK Members	* Regular contact \$10,800																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Dem.</th> <th>Rep.</th> <th>Important Individuals</th> </tr> </thead> <tbody> <tr> <td>Senate</td> <td>10</td> <td>3</td> <td></td> </tr> <tr> <td>House</td> <td>18</td> <td>1</td> <td></td> </tr> </tbody> </table>		Dem.	Rep.	Important Individuals	Senate	10	3		House	18	1		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>No. of Members</th> <th>Subjects of Conversion</th> </tr> </thead> <tbody> <tr> <td>Senate</td> <td>2</td> <td></td> </tr> <tr> <td>House</td> <td>7</td> <td></td> </tr> </tbody> </table>		No. of Members	Subjects of Conversion	Senate	2		House	7		* Support for campaign funds \$15,000 (\$5000 X 3 people)
	Dem.	Rep.	Important Individuals																				
Senate	10	3																					
House	18	1																					
	No. of Members	Subjects of Conversion																					
Senate	2																						
House	7																						
# I/O is in the process of contacting and converting: 2 people		# Cranston, Udall, Kohū (Solarz)																					
# Northern Puppet contact detected: Solarz, Badillo																							
# Anti-ROK members to visit Korea: Fraser, etc. ___ persons																							
4. Members Already Contacted	4. Strengthen ties with those members already contacted and create a pro-ROK atmosphere.	* Utilization of Jewish Lobbyists \$1200																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Pro-ROK</th> <th>Interested</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Senate</td> <td>18(7)</td> <td>8(1)</td> <td>26(8)</td> </tr> <tr> <td>House</td> <td>36(15)</td> <td>34(21)</td> <td>70(36)</td> </tr> </tbody> </table>		Pro-ROK	Interested	Total	Senate	18(7)	8(1)	26(8)	House	36(15)	34(21)	70(36)											
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Senate	18(7)	8(1)	26(8)																				
House	36(15)	34(21)	70(36)																				

# SENSITIVE

Target	The Plan to be Promoted	Remarks
<ul style="list-style-type: none"> <li># I/O has contact with 44 members - 18 members to visit Korea</li> <li># Newly created friendly relationships; 32</li> <li># Pro-ROK statements (in Congress) 16 times</li> <li># Utilize in countermeasures against human rights hearings</li> </ul>	<ul style="list-style-type: none"> <li>A. Continue contact with members interested in Korea and create friendly relations (22 persons)</li> <li>B. Create a pro- ROK atmosphere and promote understanding of the ROK                             <ul style="list-style-type: none"> <li>* Pro-ROK statements, discussion meetings, showing of movies, distribution of materials</li> <li>* Write letters, distribute publicity materials</li> <li>* Operations to counter various kinds of hearings</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>* Countermeasures and letter campaigns against hearings (\$3000)</li> <li>* Support for campaign funds; separate plan</li> </ul> <p style="margin-left: 20px;"><i>we don't have it</i></p>
<p>5. Important organizations within the Congress</p> <ul style="list-style-type: none"> <li>* office of the speaker (Senate and House), office of secretariat(?)</li> <li>* standing committees; Foreign Relations, Armed Services, Ways and Means</li> <li>* Aides and specialists</li> <li># Collaborators already secured: 40</li> <li>* Senate: Badaeo [?], Cole [?], etc. 7 persons</li> </ul>	<ul style="list-style-type: none"> <li>5. Implantation of a network of collaboration                             <ul style="list-style-type: none"> <li>A. Hire paid collaborators; 3 persons                                     <ul style="list-style-type: none"> <li># Collection of intelligence; Development of the conditions for contacting members</li> </ul> </li> <li>B. Targets for the implantation of an intelligence network (additional)                                     <ul style="list-style-type: none"> <li>* Senate: Office of Secretariat, Foreign Relations Committee, Armed Services Committee, Finance Committee, ...</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>* pay for collaborators \$18,000 (\$500 X 3 persons X 12 months)</li> <li>* Expenses for Regular contact \$6000 (\$50 X 10 persons X 12 months)</li> <li># Targets for new co-optation in 1976; 40 persons</li> <li>* Members: 25 (Senate 6, House 18), Aides, Specialists: 15</li> </ul>

SENSITIVE

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Target	The Plan to be Promoted	Remarks
* House: Sue Thomson, Vander Shaff[?], etc. 31 people	* House: International Relations, Foreign Aid Subcommittee, Armed Services	* Organizations of Members, aides, specialists; 4 units

EXHIBIT 6.—KOREAN INFLUENCE INVESTIGATION PURSUANT TO H.  
RES. 252

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,  
*Washington, D.C.*

DEAR: In connection with the Korean Influence investigation, the Committee on Standards of Official Conduct has directed that your testimony be taken. We desire that a mutually convenient date be arranged between you and attorneys for my staff.

At the deposition, the Committee also desires that the following be produced:

- (1) All appointment diaries for the years 19— through the present;
- (2) All telephone logs or messages from January 1, 19— through the present;
- (3) Correspondence of any nature between you or your office and any Korean Government official, Tongsun Park or Hancho Kim between January 1, 19— and this date;
- (4) Any record of campaign contributions made from 19— to this date.

Sincerely,

LEON JAWORSKI,  
*Special Counsel.*

EXHIBIT 7.—QUESTIONS TO MR. KIM DONG JO

1. Please give the name of each person to whom or for whose campaign you transferred amounts of U.S. currency during the period January 1, 1967 to January 1, 1977, either in the United States or in Korea, who at the time of the transfer was a Member or employee of the United States House of Representatives.

2. In the case of each person named in response to question 1, please state the approximate number of occasions on which you transferred such currency.

3. With respect to each transfer set forth in answer to questions 1 and 2, please state to the best of your recollection:

- a. When the transfer took place;
- b. How much money was transferred;
- c. Where the transfer took place;
- d. Who else, if anyone, was present;
- e. Whether you made any record of the transfer at or about the time of the transfer; and,
- f. Whether the transfer was made in response to a request and, if so, who made the request.

4. In the case of each transfer set forth in answer to questions 1 and 2, please state:

- a. Whether you requested or the Congressman agreed to do anything in return. If yes, please state what you requested or the Congressman agreed to do;
- b. Whether the transfer was made in order to assist the Congressman in an election;
- c. Whether the transfer was a personal gift to the Congressman: or

- d. Whether the transfer was made for some other purpose, and, if so, what purpose.
5. Other than in the publicized case of Congressman Larry Winn, Jr., did you ever offer to transfer U.S. currency to a U.S. Congressman under circumstances in which the offer was declined or the money returned? If yes, please state:
- When the money was offered and declined;
  - To whom the offer was made;
  - How much was offered;
  - Where it was offered and declined;
  - Who, if anyone, else was present; and,
  - Whether a record of such offer was made at or about the time of the offer.
6. Other than a \$2,000 check to Jerome Waldie in May, 1973, did you ever transfer money to a U.S. Congressman or a campaign committee for such Congressman by check during the period January 1, 1967 to January 1, 1977? If yes, please state:
- To whom the check was made out;
  - The amount of the check; and,
  - The approximate date of the check.
7. Please state whether you ever transferred any item of value in excess of \$100, other than U.S. currency or checks, to any person who was then a U.S. Congressman or congressional employee, from January 1, 1967 to January 1, 1977, either in the United States or in Korea. If yes, please state:
- When the transfer took place;
  - To whom the transfer was made;
  - What you transferred;
  - The value of the item at the time of the transfer; and,
  - The purpose of the transfer.
8. Please state:
- The name of the Congressman whose office you were in when the secretary for Congressman Winn sought to return the money to you;
  - The purpose of your visit to that office; and,
  - What took place in that office.
9. What did you do with the money returned to you by the secretary for Congressman Larry Winn, Jr.?
10. Please state:
- When did you next speak to Congressman Larry Winn, Jr. following the return of the money;
  - What was said on the subject of the money;
  - Whether you offered the money or other money to him again and whether he accepted; and,
  - Whether he had previously accepted any money from you?
11. Did you ever give any U.S. currency to any Congressman or any other U.S. citizen for the purpose or with the expectation that that person would in turn transfer the money to any political office holder or any candidate for political office or to any political party? If yes, to whom did you give it?
12. With respect to Suzi Park Thomson:
- Did you ever ask her to arrange meetings between you and any Members of Congress? If yes, please state with whom.

b. Did you transfer any money to her or direct anyone else to transfer any money to her for any purpose while you were Ambassador for the Republic of Korea to the United States? If yes, please state:

1. On how many occasions such transfers were made;
2. How much was transferred on each occasion;
3. What was the purpose of the transfer;
4. What did you understand she would do with the money;

and,

5. What, if anything, did she report to you that she had done with the money?

c. Did you supply to her, or direct anyone else to supply to her, any food or liquor for parties attended by U.S. Congressmen; and,

d. Did you pay, or direct anyone else to pay, any expenses incurred by Suzi Park Thomson in entertaining Members of Congress?

13. On November 19, 1969, the foreign assistance and related programs bill for fiscal year 1970 (H.R. 14580) was reported to the House of Representatives by the Foreign Affairs Committee, containing a \$50 million authorization earmarked for the Republic of Korea. From March 1, 1969, to November 19, 1969, please state:

a. Which members of the Foreign Affairs Committee you met with?

b. Which members of the Foreign Affairs Committee you offered or gave money to during this period?

14. On December 9, 1969, the foreign assistance and related programs appropriations bill for fiscal year 1970 (H.R. 15149) was passed by the full House after debate on the floor, containing an appropriation of \$50 million earmarked for Korea. Please state:

a. With what members of the leadership in the House (both parties) did you meet during the period December 6 through 15, 1969?

b. To what members of the leadership in the House (both parties) or any other members of the House did you give, offer or promise money during the period December 6 through 15, 1969?

15. Senate action on the foreign assistance and related programs appropriations bill differed from that of the House. A conference ensued. On December 18, 1969, the conference report recommended no earmarking of funds for Korea—but retained earmarked funds for Taiwan. The Senate refused to adopt the conference report. A second conference ensued. On January 27, 1970, the conference report recommended no earmarking of funds for Taiwan but returned to a recommendation of \$50 million earmarked for Korea. This report was adopted by both the House of Representatives and the Senate. Please state:

a. Which Members of the House who were appointed to the conference did you meet with during the period December 18, 1969 to January 27, 1970.

b. Which Members of the House who were appointed to the conference you gave, offered or promised money to during the period December 18, 1969 to January 27, 1970.

16. Please state to which Members of the full Foreign Affairs Committee you gave campaign contributions or otherwise transferred

17. In December, 1970, the Foreign Affairs Committee reported a bill authorizing \$150 million in supplemental military aid for, plus the transfer of defense articles to, the Republic of Korea. Please state:

a. With which Members of the Foreign Affairs Committee you met during November and December, 1970.

b. To which Members of the Foreign Affairs Committee you gave, offered or promised money during November and December, 1970.

18. In July, 1971, the Foreign Affairs Committee of the House of Representatives voted not to authorize \$50 million to be earmarked for the Republic of Korea for fiscal year 1972. Please state:

a. With which Members of the House Foreign Affairs Committee you met in June or July, 1971.

b. To which Members of the House Foreign Affairs Committee you gave, offered or promised money during June or July, 1971.

19. In July, 1972, the Foreign Affairs Committee of the House of Representatives voted not to authorize \$50 million to be earmarked for the Republic of Korea for fiscal year 1973. Please state:

a. With which Members of the House Foreign Affairs Committee you met in June or July, 1972.

b. To which Members of the House Foreign Affairs Committee you gave, offered or promised money during June or July, 1972.

20. Please state to which Members of the full House of Representatives you gave campaign contributions or otherwise transferred money in connection with the 1972 congressional elections.

21. Please state the names of the Congressmen to whose offices you went on the day that Lee Jai Hyon saw you in your office filling envelopes with U.S. currency.

22. In July, 1973, the Foreign Affairs Committee of the House of Representatives voted not to authorize \$50 million to be earmarked for the Republic of Korea for fiscal year 1974. Please state:

a. With which Members of the House Foreign Affairs Committee you met during June or July, 1973.

b. To which Members of the House Foreign Affairs Committee you gave, offered or promised money during June or July, 1973.

23. In August, 1974, joint hearings on the Republic of Korea were held by two subcommittees of the House Foreign Affairs Committee. Please state:

a. With which members of the full Foreign Affairs Committee you communicated by mail during the period July 1 to September 1, 1974.

b. With which members of the full Foreign Affairs Committee you met in the United States during the period September 20 to October 9, 1974.

c. With which members of the full Foreign Affairs Committee you met outside of the United States during the period July, 1974 to January, 1975.

d. To which members of the full Foreign Affairs Committee you transferred, offered or promised money during the period July, 1974 to January, 1975.

미합중국 하원

Thomas P. O'Neill 의장

친애하는 의장 귀하

본인은 귀원에서 외교 경로를 통하여 보내 집행문서를 1978년 8월 19일 접수하고 집행 이에 대한 본인의 회신을 보내는 바입니다.

본인은 소위 한국관계 의후사건이 언론에 보도되기 시작한 이래 이 사건의 추이에 대하여 깊은 관심을 가지고 주시하여 왔습니다. 이는 이 의후사건의 대상이된 시기가 대체로 본인의 주미대사 재임기간이었으며, 본인의 주미대사 재임중의 제반활동이 직접 또는 간접으로 논의의 대상이 되어 왔을 뿐만 아니라, 나아가서는 이 사건이 한·미양국간의 전통적 우의와 협력관계에 영향을 미칠 것임을 우려하였기 때문입니다.

귀원 윤리위원회가 특별조사를 결정하고 본격적 조사를 시작하였을 때 본인은 긍정적 조사를 통하여 진실이 밝혀지고, 또한 본인이 명시 존경하는 미의원중 부당한 혐의를 받고 있는 분들의 명예가 조속히 회복됨으로써 한·미양국간의 상호신뢰와 존경의 관계를 입시적으로나마 가리고 있었던 의후의 구름이 걷혀질 것을 충심으로 기대하였습니다.

궂

그러나 본인은 이 조사가 그 진액과정에 있어서나 언론에 보도됨에 있어서 진실성을 밝히려는 커녕 오히려 많은 한.미양국의 인사들의 명예와 공지를 부당하게 손상시킴으로써 한.미양국간의 우호 신뢰관계에 까지 좋지 못한 영향을 주었던 것을 매우 유감스럽게 생각하였습니다.

본인이 주미한국대사로서 Johnson 대통령에게 신임장을 제정한 것은 1967년 11월 9일입니다. 그 당시 한국은 미국정부의 요청에 따라 월남에 한국군 2개사단을 파병하였고 이들은 미군과 어깨를 나란히 하여 싸우고 있었습니다.

한편 한반도에 있어서 북괴 김일성은 한반도 조화를 위하여 그 군사력을 증강하고 무력통일을 위한 경정적인 시기를 노리고 있었습니다. 본인이 주미대사로 부임한지 불과 3개월후인 1968년 1월 27일에 북괴는 우리 대통령관저를 습격할 목적으로 특수부대를 침투시켜 대통령관저로부터 불과 150여미터까지 접근해 온일이 발생하였고 그로부터 불과 2일후인 1월 23일에는 Pueblo 호를 원산앞바다에서 강제로 납치하였고 1969년 4월 15일에는 미군정찰기 EC-121을 격추하는 등 도발을 자행함으로써 김일성은 그의 무력적화통일의 야욕을 만천하에 드러내었습니다.

그런데 1969년 7월에는 Nixon 독트린이 발표됨으로써 미국의 태 아시아 공약이 약화되지 않았나 하는 우려를 불어 일으켰으며, 10월에는 당시 Laird 미국방장관이 의회증언에서 주한미군을 점차적

으로 감축시킬 계획을 발표하였습니다. 그후 미군감축 계획은 곧 심천에 옮겨져서 주한미 제7사단이 감수되었습니다.

이러한 일련의 사태발전의 직면하여 주미대사로서 본인의 임무와 활동목표가 한국의 안보 특색강화를 위하여 미국의 기밀한 협조를 확보하는데 있어야 한다는 것은 두말할 나위도 없습니다.

그러나 당시 미국에서는 원남전으로 인한 반전 및 해외불개입사조가 팽배하고 있었으며 이러한 분위기를 반영해서인지 의회에서는 행정부의 대한 안보지원을 일차하여 지지하지는 않았고, 따라서 미국행정부와 유사한 대한지원 계획은 원활히 이행되지 못하고 차질을 빚어냈던 것입니다.

이러한 상황에서 본인은 미국의 행정부, 입법부, 학계, 언론계, 경제계등 각계의 지도층에 대하여 한반도의 안정과 평화는 동북아 전체의 안정과 평화뿐만 아니라 나아가 미국의 국익에도 직결된다는 것을 인식시킴으로써 이들의 적극적인 지원을 확보할 필요성을 절감하였으며, 또한 그렇게 하는 것이 주미한국대사로서 해야 할 지구적 당연한 임무라고 확신하였던 것입니다.

본인은 의의원들과 푸닛은 접촉을 가지려고 하였으나 435명의 학원의원 전원과 모두 접촉하는 것은 사실상 불가능하였습니다.

따라서 본인은 학원의 중건을 비롯한 외교위원회, 군사위원회, 세출위원회 소속의원들과 적극적으로 접촉하고 그들의 이해와 지원을 얻고자 노력하였습니다. 기실에 있어서 미행정부추도 본인의 이와 같은 대외활동이 의회가 한국안보에 대한 올바른 인식을 하는데 도움이 되었다고 말한바 있으며 1972년 12월 18일자 Newsweek 지도 Washington D.C. 주제 외교사절에 관한 루잡기사에서 Rabin 이스라엘 대사, Ushiba 일본대사, Bogdan 루마니아 대사 및 Dobrynin 소련대사등과 함께 본인을 가장 능률있게 일하는 5명의 대사중 한사람으로 선정 보도하면서 루미 본인의 활동을 긍정적으로 평가한 바 있습니다.

그러나 놀랍게도 귀원의 윤리위원회는 본인의 대사로로서의 활동 전반에 대하여 의원 전원에게 일정 양식의 질문서를 배포하여 회답을 구함으로써 본인의 정상적인 외교활동을 부당한 행위로 간주하고 이를 조사하려는 인상을 주었습니다.

또한 미의회 윤리위원회는 장기간의 조사과정을 통하여 아무런 객관적 증거도 없이 일부인사의 일방적 주장만을 근거로 본인이 존경하는 미의원들과 본인 및 본인의 가족을 여러모로 괴롭히고, 그 명예를 훼손시켰을 뿐 아니라 심지어는 한국정부가 미의회를 부패시킬 계획을 가지고 있었다는 허황된 주장등을 함으로써 우리 한국정부의 이미지까지 손상한 것은 심히 유감된 일이라 아니할 수 없습니다.

그런 한국정부는 한·미 우호관계의 유지라는 대국적인 견지에서 국제법과 외교 관례상 허용되는 범위내에서 의회의 조사에 최대한의 협조를 해온 것으로 알고있으며, 본인으로서도 의회원과 본인에 대한 법의에 관하여 자진하여 사신의 형식으로 해명하여 주겠다고 제의하였으나 의회측은 이를 거부하면서 본인의 직접 출두 및 신서증언을 부당하게 요구하였습니다.

한국정부는 그렇게 하는 것이 국제법과 국제관례에 위배되는 것이며 주권국가로서 그러한 부당한 요구에 응할 수 없다는 입장을 밝혔고 미국무성도 국제법상 외국의 대사에 대하여 증언을 강요할 수 없다는 견해를 공식으로 밝힌 것으로 알고 있습니다. 그러나 의회측은 한국정부가 전혀 협조하지 않는 것처럼 언론을 오도하였을 뿐만 아니라 하원에서는 이와같은 일방적인 요구를 관철하는 압력수단으로 한국에 대한 잉여농산물 차관자금을 중단하도록 결의함으로써 의회의 양상에 대한 한국국민의 깊은 회의를 불러 일으켰던 것입니다.

또한 귀원 윤석위원회는 미국 조야의 많은 고명한 인사들이 소속해 있고 본인도 소속해 있던 유명한 Burning Tree Club, 그리고 본인이 계정을 가지고 있는 American Express Company 에 대하여 본인에 관한 기록을 제출토록 소환장을 발부함으로써 본인의 사생활까지 침해하기도 했습니다.

금번 귀원의 질문서도 그 구성과 내용에 있어서 우방국의 전직 외교관에게 물을 수 있는 많은 질문을 포함하고 있는 것이 사실입니다. 그러나 본인은 첫째 한·미 양국간의 전통적인 우의관계를 생각하고, 둘째로 본인이 사실을 바탕으로 존경하는 미하원의원들의 명예와 미의회외 워신을 회복하여 주는 것이 미국에서 6년 이상이나 살았고 미국을 사랑하는 본인으로서 마땅히 해야 할 인간적 의무라고 생각하고, 셋째로 본인과 본인가족의 명예를 회복하기 위하여 귀질문서에 답하기로 결심하였습니다. 다만 귀질문서는 신문의 형식으로 되어 있기 때문에 이에 신문법도 답하는 것은 그 신문에 응하는 겁과가 되는 것으로서 그렇게 할 수는 없으며, 본인은 귀질문의 내용을 참작하여 본질적인 사항에 대하여 포괄적으로 양심에 따라 발언과 같이 밝혀두는 바입니다.

본인은 본인의 이 회답이 유감스러웠던 금번의 사건에 하루속히 종지부를 찍는데 기여하기를 바라며 이를 계기로 앞으로 한·미 양국간의 전통적인 우의와 안보유대가 더욱 튼튼히 되기를 바라는 바입니다.

1978년 9월 18일

김 동 조

김 동 조

전 주미합중국 대한민국 대사

발부 : 타보서

(첨 부)

## 답 변 서

## 1. 미학원의원에 대한 "금전제공" 여부에 관하여 :

본인은 외국대사가 주재국 정치인에게 금전수수를 통하여 영향을 미치도록 기도한다는 것은 한국이나 미국 뿐만 아니라 어느 나라에서도 불법적인 행위인 것으로 압니다.

귀집문서는 1967년 1월 1일부터 1977년 1월 1일까지의 기간에 걸쳐 본인이 의원에게 금전을 제공하였는지를 문의하고 있는 바, 1967년 1월부터 1967년 10월까지 본인은 주일대사로 있었으며, 1973년 12월부터 1975년 12월까지는 외무부장관으로, 1976년 4월부터 1978년 6월까지는 대통령 외교담당 특별보좌관으로 재직함바 있어 Washington D.C. 에 주재하지 않았다는 사실을 상기시키고자 합니다.

귀집문서에서 반복하여 문의한 금전제공 여부에 대하여 본인은 미국의 의원 또는 기타 어떤 공직자에 대하여도 직접 또는 간접으로 금전을 제공한 것이 없으며 금전제공을 시도한 것도 없음을 명백히 합니다. 다만 Jerome Waldie 의원에 관하여는 아랫에 별도로 설명코자 합니다.

2. Jerome Waldie 의원에 대한 만찬 티켓트 대금지불에  
관하여 :

본인이 Jerome Waldie 의원과 알게된것은 동의원이 California 주의 동의원 선거구 출신의 한 병사에 관하여 본인의 도움을 청한 것이 계기가 되었습니다.

당시 동병사는 한국에서 살인강도의 중범으로 사형을 선고받고 있었으나 동의원의 간구한 요청으로 본인이 한국정부에 건의하여 동병사의 신병을 미국으로 이송·수감케 하였던 것입니다. 본인은 그후 Waldie 의원과 비교적 친근한 관계를 유지하고 그와 사고 전 모임에서 자주 접촉을 가졌었습니다.

1973년 5월경 Jerome Waldie 의원이 California 주 지사 후보 선출을 위한 민주당 예비선거에 출마하였을 때 그를 위한 모금위원회 명의로 된 2천불에 상당하는 만찬 티켓트를 사무실로 송부 받고 본인은 당황하였으며 그 처리에 관하여 고심한 바 있습니다. 본인은 Waldie 의원이 본인의 가까운 친구였던 점에 비추어 동모금위원회로 부터의 지원요청을 정면으로 거절하기 어려운 심정에서 숙고한 끝에 동만찬 티켓트를 동의원의 출신구인 California 의 한국교포를 위하여 구입하였던 것이며 따라서 이는 실제 만찬에 참가한 한국교포에 대한 지원이 되었던 것입니다.

이를 제외하고는 본인이 직접으로나 또는 대리인을 통하여 선거 모금관찰 또는 다른 방법으로 국회의원에게 자금을 제공한 적이 없었던 것으로 기억합니다.

### 3. Larry Winn 의원 사무실 방문주장에 관하여 :

Larry Winn 의원 어비서가 학원온리위원회 증언에서 한국 대사관원이 금전제공을 기도하였다고 주장하면서 14개 사진중 본인을 지적하였다고 하나 본인은 문제된 시기인 1972년 9월 또는 10월에

Larry Winn 의원 사무실을 방문한 적이 없으며 더우기 금전 제공을 기도한 적이 없습니다.

본인은 국회의원을 사전 약속없이 방문한 적이 없으며, 본인의 방문사실은 해당의원의 일과기록에 명시되어 있을 것입니다.

Larry Winn 의원은 본인과 평소 잘 아는 사이도 아니었으며 1972년 당시 동인은 학원에서 과학기술위원회와 원호위원회 소속 의원으로 한국의 안보문제와 직접적인 관계도 갖고 있지 않았읍니다.

## 4. 선물제정에 관하여 :

본인은 주미대사로 재임하는 동안 미의회의원, 행정부 지도자 그리고 언론등 미국사회 각계각층의 지도자로서 본인과 개인적으로 친근한 인사들에게 그들의 생일, 자녀들의 결혼등 가족의 경사와 성탄절 같은 때에 선물을 주었으며, 또한 본인도 그들로부터 선물을 받았읍니다. 임례로 본인이 Washington D.C. 에 있을때 Nixon 전대통령 영양의 결혼선물로 나전칠기 과자함을 보낸바 있으며, 또한 본인의 딸의 결혼식 많은 미국 친구로부터 선물을 받은 기억도 있습니다.

그러나 본인이 강조하고자 하는것은 선물교환은 동서양을 무론하고 우의를 표시하고자 하는 인간사회의 아름다운 관습이란 점입니다.

본인은 만약 어떠한 물품이 대가를 무적으로 제공된다면 이것은 선물이 아니라 뇌물이 된다고 생각합니다. 본인은 이러한 뇌물을 누구에게도 준 바 없고 또한 받은 바도 없습니다.

또한 본인은 지나친 고가의 선물제정은 오히려 걸레가 된다는 확고한 개인적인 신조를 가지고 있습니다.

본인은 선물을 주었을 때나 받았을때 그 가치를 산정해 본 기억은 없으나, 그 중에는 지나치게 고가의 물품은 없었을 것 입니다.

본인은 선물을 제공할때 이를 기록하지 않았으며, 따라서 누구에게 어떤 선물을 제공하였는지를 현재 기억할 수 없으나, 본인의 사고범위가 광범하였던 만큼, 많은 사람에게 선물이 제공되었을 것이라고 생각합니다.

이러한 선물의 내용은 한국산 실크천이 대부분이었으며, 그외 한국인형, 인삼, 인삼차, 토산장식품, 자개확병등이 있었습니다.

#### 5. Suzi Park Thompson 에 관하여 :

Suzi Park Thompson 의 부모와 본인의 처의 부모는 경남 송무의 한 고향사람입니다. 그러한 관계로 본인의 처와 Suzi Park Thompson 은 미국에 오기전부터 잘 아는 사이였으며, 따라서 Washington D.C. 에 와서도 비교적 친근한 관계를 유지하여 왔습니다. 양인은 서로가 우의의 표시로 선물을 교환하는 경우가 있었고, 이러한 선물은 경우에 따라 음식물 또는 주류를 포함할 수도 있었다고 봅니다. 그러나 양인의 관계는 사적인 관계였으며 이를 떠나 본인이나 본인의 가족중 누구를 막론하고 Suzi Park Thompson 에게 직접, 간접으로 금전을 주거나 의회위원에 대한 면담 또는 연회를 주선토록 요청한 적은 없습니다.

6. 하원의원들과의 접촉에 관하여 :  
(1969년 - 73년의 의원심의회와 관련)

1969년은 한국에서 대통령관저 폭습 사건 및 Pueblo 호 납치사건이 있었던 다음 해로 한국 정부는 미국 정부에 대하여 한국의 방위력 증강을 위하여 일반군원에 대하여 특별 추가군원을 요청하였던 해입니다.

이때 하원에서는 Carl Albert 민주당 원내총무, Gerald Ford 공화당 원내총무 등의 지원으로 특별군원안이 가결되었으나, 상원에서는 James Fulbright 의원, Mike Mansfield 의원 등의 반대로 특별군원안이 통과되지 못하여 이 문제는 결국 상하양원 협의회에서 격렬한 논쟁의 대상으로 되었었습니다.

1970년부터는 1971년 - 75년간에 걸쳐 시행될 한국군 현대화 계획에 대한 지원문제가 매년 의회회의 대한군원안 토의의 주내용이 되고 있었는데, 의회는 이 계획의 지원에 있어서 초년도인 1971년만을 제외하고는 매년 행정부 요청액의 거의 절반을 삭감함으로써 동 현대화 계획의 추진에 커다란 차질을 초래케 하였던 것 입니다.

또한 1972년에는 일반적인 의원 삭감추세에 대하여 의원수의 10% 연차 동화예치안이 채택됨으로써 수원국 특히 한국에 대하여는 상당한 문제점을 제기하였습니다.

본인은 이러한 상황하에서 부끄러움부터 심각한 위협을 받고 있는 대한민국의 주미대사로서 미국 의회 상하양원의원들에게, 특히 그 중에서도 한국의 군원문제에 직접적인 발언권을 가진 상하양원 원내총무, 외교위원회, 군사위원회, 세출위원회소속 의원들에게 한국의 실정을 설명하고 한국에 대한 군원승인에 협조할것을 적극 요청하는 것이 본인의 중요한 임무라고 생각하였습니다.

이미 6-9년이 지난 지금 그 당시의 상세한 상황이나 본인이 만났던 인사의 이름이나 대화내용을 구체적으로 기억하지 못하나 학원의 중간의원들과 외교위원회, 군사위원회, 세출위원회에 소속된 많은 학원 의원들을 만나 한국에 대한 투범군원의 승인, 10% 예치제의 폐지, 또는 한국군 현대화 계획을 지원하여 줄 것을 당부하였었습니다.

이러한 설득노력을 함에 있어서 본인은 그들과 사무실에서 만나 진지한 토의도 하였으며, 또한 오찬, 단상 및 기탁 사교적인 모임을 통하여 그들과의 개인적인 친교를 도모하기도 했습니다.

또한 본인은 미의원을 접촉함에 있어서 한국에 대하여 우호적인 의원만을 접촉한 것이 아니라, 한국에 대하여 비판적인 의원 또는 대한국 군원을 사납코자 주동한 의원들도 접촉하였습니다.

그러나 그 어느때를 막론하고 본인과 미의원과의 접촉은 외국대사와 주재국 공직자간의 정상적인 관계의 상계를 벗어난 적이 없으며

더우기 미국법규나 도덕적인 기준에 위배된 경우는 없었음을 분명히 하고자 합니다.

#### 7. 이재연의 증언에 관하여 :

본인이 현금을 봉투나 가방에 넣어 의뢰로 들고 가는 것을 무척 하였다는 이재연의 주장은 일고의 가치도 없는 허위진술이며 포함이라 아니할 수 없습니다.

본인은 주미대사로 6년이상 Washington D.C. 에 근무하였으나 의뢰는 고사하고 그 누구의 사무실도 돈 봉투나 가방을 들고 출입한 적이 없습니다.

이재연은 주미대사관 공보관으로 재직시에 조국에 대하여 거친 충성을 다한 자이며 이람직전에 귀국명령을 받게되자 자기의 공무원으로서의 장래에 전망이 없는 것으로 판단하여 미국정착을 위한 방편으로 조국을 비방, 배신한 기회주의자로서 소위 자신의 정치적 명명을 합리화하기 위하여 의도적으로 무의적 진술을 계속 조작, 자행하는 인물로 밖에는 보지 않을 수 없습니다.

8. 1974년 - 75년간의 미의원 접촉에 관하여 :

귀질문서에 언급된 1974년 - 75년의 기간, 본인은 한국 외무부 장관으로 재직중이었음을 상거서하고자 합니다.

## EXHIBIT 9

SENSITIVE

DEPARTMENT OF STATE

Washington, D.C. 20520

September 19, 1978

Dear Mr. Chairman:

On September 18, 1978, U.S. Ambassador Gleysteen in Seoul received from the Foreign Ministry of the Republic of Korea the response by former Ambassador KIM, Dong-jo to the interrogatory submitted by the House Committee on Standards of Official Conduct. The response was written in the Korean language, and transmitted under cover of an official aide memoire from the Foreign Ministry.

The text of the aide memoire, together with an informal English text of Mr. Kim's statement as translated by the U.S. Embassy in Seoul are enclosed. The Korean-language original will follow by courier. I have not examined the text of Mr. Kim's sealed statement, which in accordance with our agreement with your Committee has been handled by the absolute minimum number of persons in the Executive Branch. However, I understand Mr. Kim addressed his response to Representative O'Neill as Speaker of the House. The material is thus being delivered to you with the concurrence of the Speaker and under his auspices.

The Korean Government plans to make no announcement that the responses have been transmitted. Ambassador Gleysteen recommends that any necessary follow-up or clarification questions to Kim, Dong-jo be dealt with prior to public discussion or characterization of the response. We are prepared to forward any desired request for clarification to Kim through the Korean Government at such time as the Committee wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Holbrooke".

Richard Holbrooke  
Assistant Secretary for East  
Asian and Pacific Affairs

The Honorable

John J. Flynt, Chairman  
House Committee on Standards  
of Official Conduct

Enclosures:

1. Aide Memoire
2. Response from Ambassador KIM, Dong-jo (sealed translation)

cc: Speaker of the House  
(w/enclosure #1 only)

EXHIBIT 10

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Republic of Korea  
Ministry of Foreign Affairs

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AIDE-MEMOIRE

Upon receiving on August 19, 1978 the "questions" that the Congress of the United States wished to have submitted to former Ambassador Kim Dong-jo, the Foreign Ministry promptly conveyed them to Ambassador Kim.

At the same time, the Foreign Ministry properly informed him of the contents of the understanding reached between the two governments in handling the said Congressional inquiries.

As Ambassador Kim has now completed his replies, the Foreign Ministry is pleased to transmit them to the American Embassy with the request that they be forwarded to their respective destinations.

September 18, 1978.

EXHIBIT 11



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Department of State  
**INCOMING TELEGRAM**

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C O N F I D E N T I A L SECTION 1 OF 4 SEUL 0323

NODIS CHEROKEE

E.O. 11652: XGDS-1  
TAGS: PGOV, KS, US  
SUBJECT: KIM DONG-JO'S RESPONSE TO HOUSE QUESTIONNAIRE

FOLLOWING IS INFORMAL EMBASSY TRANSLATION OF FORMER AMBASSADOR  
KIM'S RESPONSE TO HOUSE QUESTIONNAIRE, ORIGINAL SIGNED TEXT IN  
KOREAN BEING POUCHED.

BEGIN TEXT:

TO: SPEAKER THOMAS P. O'NEILL  
U.S. HOUSE OF REPRESENTATIVES

DEAR MR. SPEAKER:

ON 19 AUGUST 1978, I RECEIVED THE QUESTIONNAIRE THAT YOUR  
HOUSE FORWARDED TO ME THROUGH DIPLOMATIC CHANNLES. I AM FORWARDING  
MY REPLY TO IT TODAY.

SINCE THE PRESS BEGAN PUBLICIZING THE SO-CALLED SUSPICIOUS  
CASE CONCERNING KOREA, I HAVE PAID ATTENTION TO THE DEVELOPMENT  
OF THIS CASE WITH DEEP CONCERN. I DID IT NOT ONLY BECAUSE OF THE  
FACT THAT THE TIMING OF THE CASE HAPPENED TO GENERALLY  
COINCIDE WITH MY TENURE AS AMBASSADOR TO THE UNITED STATES  
AND, AS A RESULT, MY ACTIVITY AS AMBASSADOR TO THE UNITED  
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STATES HAS BECOME THE TARGET OF DEBATE DIRECTLY OR INDIRECTLY, BUT ALSO BECAUSE OF MY FEAR THAT THE CASE WOULD ADVERSELY AFFECT THE TRADITIONAL FRIENDSHIP AND COOPERATION BETWEEN THE U.S. AND THE ROK.

WHEN THE HOUSE ETHICS COMMITTEE DECIDED ON A SPECIAL INVESTIGATION AND BEGAN EARNEST INVESTIGATION, I SINCERELY HOPED THAT THE TRUTH WOULD BE UNCOVERED THROUGH FAIR AND JUST INVESTIGATION AND THE HONOR OF SOME OF THE U.S. CONGRESSMEN, WHOM I HAD ALWAYS RESPECTED AND WHO WERE UNDER UNFAIR SUSPICION, WOULD BE RESTORED SO THAT THE CLOUD OF SUSPICION THAT MARRIED THE MUTUAL TRUST AND RESPECT BETWEEN THE U.S. AND THE ROK EVEN TEMPORARILY COULD BE CLEARED AWAY. ✓

ON THE OTHER HAND, I REGRETTED THAT THE INVESTIGATION DURING ITS COURSE AND THROUGH RELATED PRESS REPORTING, INSTEAD OF BRINGING THE TRUTH TO LIGHT, RATHER UNJUSTLY DAMAGED THE HONOR AND PRESTIGE OF MANY OFFICIALS OF THE TWO GOVERNMENTS. THIS ADVERSELY AFFECTED THE FRIENDSHIP AND TRUST BETWEEN THE U.S. AND THE ROK.

IT WAS ON 9 NOVEMBER 1967 THAT I PRESENTED MY CREDENTIALS AS AMBASSADOR TO THE UNITED STATES TO PRESIDENT JOHNSON. AT THAT TIME, THE ROK HAD DISPATCHED TWO ARMY DIVISIONS TO VIETNAM AT THE REQUEST OF THE U.S. GOVERNMENT AND THE ROK SOLDIERS WERE FIGHTING THERE SHOULDER TO SHOULDER WITH AMERICAN SOLDIERS.

ALSO AT THAT TIME, KIM IL-SONG OF NORTH KOREA WAS INCREASING HIS MILITARY POWER IN ORDER TO COMMUNIZE THE KOREAN PENINSULA AND WAS WAITING FOR A DECISIVE MOMENT FOR UNIFICATION OF THE COUNTRY BY FORCE.

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ON 21 JANUARY 1968, ONLY THREE MONTHS AFTER I WAS ASSIGNED AS AMBASSADOR TO THE UNITED STATES, NORTH KOREA DISPATCHED A SPECIAL FORCE UNIT FOR THE PURPOSE OF ATTACKING THE RESIDENCE OF OUR PRESIDENT AND THE UNIT APPROACHED AS CLOSE AS 150 METERS TO THE PRESIDENTIAL RESIDENCE. ONLY TWO DAYS LATER, ON 23 JANUARY, NORTH KOREA CAPTURED THE PUEBLO BY FORCE IN FRONT OF WONSAN HARBOR AND, ON 15 APRIL 1969, THEY SHOT DOWN A U.S. EC-121 RECONNAISSANCE PLANE. THROUGH THESE PROVOCATIVE ACTS, KIM IL-SONG EXPOSED HIS GREED FOR COMMUNIZED UNIFICATION BY FORCE TO THE WHOLE WORLD.

IN JULY 1969, THE U.S. ANNOUNCED THE NIXON DOCTRINE WHICH GENERATED A CONCERN THAT THE U.S. COMMITMENT IN ASIA MIGHT HAVE BEEN WEAKENED. IN OCTOBER OF THE SAME YEAR, THEN SECRETARY OF DEFENSE LAIRD ANNOUNCED A PLAN TO GRADUALLY REDUCE THE U.S. FORCE IN THE ROK. SUBSEQUENTLY, THE REDUCTION PLAN WAS PUT INTO EFFECT AND, AS A RESULT, THE U.S. 7TH DIVISION WITHDREW FROM THE ROK.

UNDER THESE CIRCUMSTANCES, IT WAS OBVIOUS THAT MY RESPONSIBILITY AND THE GOALS OF MY ACTIVITY AS AMBASSADOR TO THE UNITED STATES WERE TO SECURE CLOSE U.S. COOPERATION IN ORDER TO STRENGTHEN THE ROK'S NATIONAL SECURITY POSTURE.

AT THAT TIME, BECAUSE OF THE VIETNAM WAR, THE U.S. WAS RIDDEN WITH ANTI-WAR SENTIMENTS AND A TREND FOR NON-INVOLVEMENT IN FOREIGN COUNTRIES. PROBABLY BECAUSE OF THIS CLIMATE, BOTH HOUSES OF THE U.S. CONGRESS DID NOT COME TOGETHER INSUPPORTING THE ADMINISTRATION'S AID TO THE ROK'S NATIONAL SECURITY AND, AS A RESULT, THE ROK AID PLAN, WHICH THE ADMINISTRATION HAD PROMISED, COULD NOT BE MATERIALIZED AND INSTEAD WENT ASTRAY.

UNDER THESE CIRCUMSTANCES, I FELT A STRONG NEED TO  
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SECURE POSITIVE SUPPORT (FOR THE ROK) BY CONVINCING THE LEADERS OF THE EXECUTIVE AND LEGISLATIVE BRANCHES OF THE U.S. GOVERNMENT AND THE ACADEMIC, JOURNALISTIC AND ECONOMIC FIELDS THAT STABILITY AND PEACE IN THE KOREAN PENINSULA WOULD NOT ONLY AFFECT THE STABILITY AND PEACE IN NORTHEAST ASIA AS A WHOLE, BUT ALSO WERE DIRECTLY LINKED TO THE INTEREST OF THE U.S. AS WELL. I WAS CONVINCED THAT TO DO SO WAS A VERY NATURAL MISSION OF MINE AS AMBASSADOR TO THE UNITED STATES.

I WANTED TO HAVE WIDE CONTACT WITH THE MEMBERS OF BOTH SENATE AND HOUSE BUT IT WAS PRACTICALLY IMPOSSIBLE FOR ME TO CONTACT ALL OF THE 435 HOUSE MEMBERS.

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C O N F I D E N T I A L SECTION 2 OF 4 SEUOL 8323

NODIS CHERDKEE

CONSEQUENTLY, I TRIED TO HAVE A POSITIVE CONTACT WITH THE PROMINENT HOUSE LEADERS AS WELL AS THE MEMBERS OF THE FOREIGN AFFAIRS, MILITARY AND BUDGETARY COMMITTEES AND TO SEEK THEIR UNDERSTANDING AND SUPPORT. AS A MATTER OF FACT, THE U.S. ADMINISTRATION AUTHORITIES ONCE COMMENTED THAT MY ACTIVITY WITH CONGRESS AS ABOVE WAS HELPFUL IN BRINGING ABOUT A CORRECT UNDERSTANDING OF THE ROK'S SECURITY ON THE PART OF THE CONGRESS. ON 18 DECEMBER 1972 THE NEWSWEEK MAGAZINE, IN A SPECIAL ARTICLE ON THE FOREIGN DIPLOMATIC COPRS IN WASHINGTON, D.C., SELECTED AND PUBLICIZED ME AS ONE OF THE FIVE MOST EFFICIENT AMBASSADORS TOGETHER WITH ISRAELI AMBASSADOR RABIN, JAPANESE AMBASSADOR USHIBA, ROMANIAN AMBASSADOR BOGDANI AND SOVIET AMBASSADOR DOBRYNIN, AND GAVE A PARTICULARLY POSITIVE COMMENT TO MY ACTIVITY.

ON THE OTHER HAND AND TO MY SURPRISE, THE ETHICS COMMITTEE OF YOUR HOUSE DISTRIBUTED UNIFORM QUESTIONNAIRES ON MY OVERALL ACTIVITIES AS AMBASSADOR TO ALL MEMBERS OF THE HOUSE AND ASKED THEM TO ANSWER THEM. IT GAVE ONE AN IMPRESSION THAT THE COMMITTEE CONSIDERED MY NORMAL DIPLOMATIC ACTIVITY AS IMPROPER AND WANTED TO INVESTIGATE IT. THE ETHICS COMMITTEE, IN THE COURSE OF THE LONG-DRAWN OUT INVESTIGATION, AGONIZED THE RESPECTABLE MEMBERS OF CONGRESS, MYSELF AND MY FAMILY MEMBERS AND

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DAMAGED THEIR REPUTATION WITHOUT ANY OBJECTIVE EVIDENCE AND BASED SOLELY ON ONE-SIDED INFORMATION BY SOME INDIVIDUALS. THE COMMITTEE EVEN DAMAGED THE "IMAGE" OF THE ROK GOVERNMENT BY MAKING AN UNFOUNDED CLAIM THAT THE ROK GOVERNMENT HAD A PLAN TO CORRUPT THE U.S. CONGRESS. THIS WAS EXTREMELY REGRETTABLE.

IT IS MY UNDERSTANDING THAT THE ROK GOVERNMENT HAS SO FAR RENDERED MAXIMUM COOPERATION TO THE U.S. CONGRESS FROM A BROAD VIEW OF MAINTAINING FRIENDLY RELATIONS BETWEEN THE U.S. AND THE ROK BUT WITHIN THE LIMIT OF INTERNATIONAL LAWS AND DIPLOMATIC PRACTICES. I MYSELF HAD EARLIER PROPOSED THAT I WOULD VOLUNTARILY OFFER MY EXPLANATIONS IN THE FORM OF PERSONAL LETTER CONCERNING THE SUSPICION OF CONGRESSIONAL MEMBERS AND MYSELF. THE CONGRESS REJECTED MY PROPOSAL AND INSTEAD DEMANDED UNFAIRLY THAT I SHOULD APPEAR PERSONNALLY AND TESTIFY UNDER OATH.

THE ROK GOVERNMENT MADE ITS POSITION KNOWN THAT SUCH A DEMAND CONSTITUTED VIOLATION OF INTERNATIONAL LAW AND DIPLOMATIC PRACTICE, AND THEREFORE, IT AS A SOVERIGN STATE, COULD NOT POSSIBLY RESPOND TO SUCH AN UNFAIR DEMAND. I ALSO UNDERSTAND THAT THE U.S. STATE DEPARTMENT MADE PUBLIC ITS OFFICIAL VIEW THAT UNDER INTERNATIONAL LAW A FOREIGN DIPLOMAT COULD NOT BE REQUIRED TO TESTIFY. HOWEVER, THE U.S. CONGRESS NOT ONLY MISLED THE PRESS, AS IF THE ROK GOVERNMENT DID NOT COOPERATE AT ALL, BUT SOME CONGRESSMEN THREATENED THE SUSPENSION OF THE SURPLUS AGRICULTURAL PRODUCTS LOAN FOR KOREA AS A MEANS TO ENFORCE THE ONE-SIDED DEMAND. THIS ACTION GENERATED A DEEP SKEPTICISM AMONG THE KOREAN PEOPLE ABOUT THE WISDOM OF THE U.S. CONGRESS.

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ALSO, THE ETHICS COMMITTEE OF YOUR HOUSE SERVED A SUBPONE TO THE FAMOUS BURNING TREE CLUB, WHERE MANY DISTINGUISHED PEOPLE IN AND OUT OF THE U.S. GOVERNMENT AND I MYSELF WERE MEMBERS, AND THE AMERICAN EXPRESS COMPANY WHERE I HAD AN ACCOUNT, AND REQUESTED THEM TO SUBMIT THEIR RECORDS CONCERNING ME, THUS INFRINGING UPON EVEN MY PRIVATE LIFE.

IF IS A FACT THAT, FROM THE COMPOSITION AND CONTENTS, THE QUESTIONNAIRE OF YOUR HOUSE CONTAINED MANY QUESTIONS THAT COULD NOT POSSIBLY BE ASKED OF A FORMER DIPLOMATIC OFFICIAL OF A FRIENDLY NATION, HOWEVER, I HAVE DECIDED TO ANSWER THE QUESTIONNAIRE OF YOUR HOUSE BECAUSE FIRST, I AM CONCERNED ABOUT THE TRADITIONAL FRIENDSHIP BETWEEN THE U.S. AND THE ROK; SECOND, I CONSIDER IT MY DUTY AS A HUMAN BEING, WHO LIVED IN THE U.S. MORE THAN SIX YEARS AND WHO LOVES THE U.S., TO HELP RESTORE THE REPUTATION OF THE RESPECTABLE U.S. CONGRESSMEN AND THE DIGNITY OF THE U.S. CONGRES; AND THIRD, I WANTED TO RESTORE MY REPUTATION AND THE REPUTATION OF MY FAMILY MEMBERS. HOWEVER, YOUR QUESTIONNAIRE IS IN A FORM OF INTERROGATION AND I CANNOT ANSWER QUESTION FOR QUESTION BECAUSE IT WOULD CONSTITUTE A RESPONSE TO INTERROGATION. INSTEAD, I AM ANSWERING THE SUBSTANTIVE PROVISIONS OF THE QUESTIONNAIRE COMPREHENSIVELY, TAKING THE CONTENTS INTO CONSIDERATION, AND AS FAR AS MY CONSCIENCE DICTATES.

I HOPE THAT MY ANSWERS WILL CONTRIBUTE IN BRINGING THE REGRETTABLE CASE TO AN END AS SOON AS POSSIBLE. I ALSO HOPE THAT MY ANSWERS WILL PROVIDE AN OCCASION ON WHICH THE TRADITIONAL FRIENDSHIP AND SECURITY COOPERATION BETWEEN THE U.S. AND THE ROK CAN BE FURTHER STRENGTHENED IN THE FUTURE.

SINCERELY YOURS,  
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KIM TONG-CHO

FORMER AMBASSADOR TO THE U.S.

SEPTEMBER 18, 1978

(ANSWER ATTACHEMENT FOLLOWS)

ATTACHEMENT ANSWERS

1. REGARDING MY "MONETARY OFFER" TO THE MEMBERS OF THE HOUSE.

I CONSIDER IT ILLEGAL FOR FOREIGN AMBASSADOR TO ATTEMPT TO INFLUENCE HOST COUNTRY POLITICIANS THROUGH OFFERS OF MONETARY PAYMENTS, WHETHER IT BE IN THE ROK, THE U.S. OR ANY OTHER COUNTRY. YOUR QUESTIONNAIRE ASKED WHETHER I EVER OFFERED MONEY TO U.S. CONGRESSMEN DURING THE PERIOD FROM 1 JANUARY 1967 TO 1 JANUARY 1977, BUT I

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C O N F I D E N T I A L SECTION 3 OF 4 SEUL 8323

NODIS/CHEROKEE

WOULD LIKE TO REMIND YOU THAT I WAS THE AMBASSADOR TO JAPAN FROM JANUARY 1967 TO OCTOBER 1967, FOREIGN MINISTER FROM DECEMBER 1973 TO DECEMBER 1975, SPECIAL ADVISOR TO THE PRESIDENT ON FOREIGN AFFAIRS FROM APRIL 1976 TO JUNE 1978, AND I WAS NOT IN WASHINGTON DURING THIS PERIOD. REGARDING THE REPEATED QUESTIONS IN YOUR QUESTIONNAIRE ABOUT MY MONETARY OFFER, I WOULD LIKE TO STATE THAT I NEVER OFFERED OR ATTEMPTED TO OFFER ANY MONEY DIRECTLY OR INDIRECTLY TO ANY U.S. CONGRESSMEN OR OTHER PUBLIC OFFICIALS. HOWEVER, I WOULD LIKE TO EXPLAIN AS FOLLOWS REGARDING THE QUESTION OF JEROME WALDIE.

2. REGARDING PAYMENT FOR TICKETS ON BEHALF OF JEROME WALDIE:

I BECAME ACQUAINTED WITH CONGRESSMAN JEROME WALDIE AFTER HE REQUESTED MY HELP CONCERNING A SERVICEMAN FROM HIS CONSTITUENCY IN CALIFORNIA. AT THAT TIME THIS SERVICEMAN HAD COMMITTED THE CRIME OF MURDER IN KOREA AND RECEIVED A DEATH SENTENCE. ON AN EARNEST REQUEST FOR HELP FROM THE CONGRESSMAN I PROPOSED TO THE ROK GOVERNMENT TO TRANSFER THE SERVICEMAN TO THE U.S. THEREAFTER I MAINTAINED RELATIVELY CLOSE RELATIONS WITH CONGRESSMAN WALDIE AND SAW HIM OFTEN AT SOCIAL GATHERINGS. IN ABOUT MAY 1973, WHEN CONGRESSMAN WALDIE

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RAN IN THE DEMOCRATIC PARTY PRIMARY FOR GOVERNOR OF CALIFORNIA, HIS FUND RAISING COMMITTEE SENT DINNER TICKETS COSTING APPROXIMATELY \$2,000 TO MY OFFICE. I WAS SURPRISED BY THE RECEIPT AND AGONIZED ABOUT THE DISPOSITION OF THE TICKETS. BECAUSE I WAS A CLOSE FRIEND OF CONGRESSMAN WALDIE, I WAS IN A DIFFICULT POSITION IF I TURNED DOWN THE REQUEST FOR SUPPORT FROM THE FUND RAISING COMMITTEE. AFTER CAREFUL CONSIDERATION, I DECIDED TO BUY THE TICKETS ON BEHALF OF KOREAN RESIDENTS IN HIS CONSTITUENCY IN CALIFORNIA. ACCORDINGLY, THIS WAS IN FACT TO SUPPORT THE KOREAN RESIDENTS WHO PARTICIPATED IN FUND RAISING DINNERS, OTHER THAN THIS I DO NOT REMEMBER IF I GAVE ANY MONEY TO CONGRESSMAN WALDIE EITHER DIRECTLY OR THROUGH SOMEONE ON MY BEHALF OR THROUGH A FUND RAISING DINNER OR SOME OTHER MEANS.

3. REGARDING THE ALLEGATION ABOUT MY VISIT TO CONGRESSMAN LARRY WINN'S OFFICE:

ALTHOUGH CONGRESSMAN LARRY WINN'S SECRETARY ALLEGED DURING HER TESTIMONY TO THE HOUSE ETHICS COMMITTEE THAT A KOREAN EMBASSY OFFICIAL ATTEMPTED TO OFFER MONEY AND SHE IDENTIFIED ME AS THAT PERSON FROM AMONG 14 PICTURES, I NEVER VISITED CONGRESSMAN WINN'S OFFICE DURING THE ALLEGED PERIOD, IN SEPTEMBER OR OCTOBER 1972, NOT TO MENTION THE MONETARY OFFER. I NEVER VISITED ANY CONGRESSMEN'S OFFICES WITHOUT AN ADVANCE APPOINTMENT AND I BELIEVE THAT ANY OF MY VISITS MUST HAVE BEEN RECORDED IN THE VISITORS' ROSTERS OF THE CONGRESSMEN CONCERNED. I WAS NOT WELL ACQUAINTED WITH CONGRESSMAN WINN. IN 1972 HE WAS A MEMBER OF BOTH THE SCIENCE AND TECHNOLOGY AND WELFARE COMMITTEES OF THE HOUSE AND HE HAD NO DIRECT RELATIONS WITH KOREA'S SECURITY AFFAIRS.

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4. REGARDING THE OFFER OF GIFTS:

DURING MY TENURE AS AMBASSADOR TO THE U.S. I GAVE GIFTS TO MY PERSONAL FRIENDS AMONG CONGRESSMEN, ADMINISTRATION OFFICIALS AND LEADERS OF VARIOUS SOCIAL SECTORS, INCLUDING THE PRESS, ON THE OCCASIONS OF THEIR BIRTHDAYS, CHILDREN'S WEDDINGS, HAPPY FAMILY OCCASIONS, AND CHRISTMAS. I ALSO RECEIVED GIFTS FROM THEM. FOR EXAMPLE, I SENT LACQUER WARE AND A COOKIE BOX AS WEDDING GIFTS TO FORMER PRESIDENT JOHNSON'S DAUGHTER, AND I RECEIVED GIFTS FROM MANY AMERICAN FRIENDS ON THE OCCASION OF MY DAUGHTER'S WEDDING. I WOULD LIKE TO MAKE IT CLEAR THAT GIVING GIFTS IS A GRACIOUS CUSTOM TO EXPRESS FRIENDSHIP IN HUMAN SOCIETY WHETHER IT IS IN THE WEST OR THE EAST. I BELIEVE THAT IF A GIFT IS GIVEN FOR THE PURPOSE OF RECEIVING A RETURN, IT IS A BRIBE AND NOT A GIFT. I HAVE NEVER GIVEN A BRIBE TO ANYONE NOR RECEIVED ONE FROM ANYONE. I ALSO FIRMLY BELIEVE THAT GIVING OVERLY EXPENSIVE GIFTS IS RATHER DISCOURTEOUS.

I DO NOT RECALL THAT I EVER FIGURED OUT HOW MUCH THE GIFTS THAT I GAVE OR RECEIVED WERE WORTH, BUT I BELIEVE THEY WERE NOT OVERLY EXPENSIVE. I MADE NO RECORD OF GIFTS THAT I OFFERED AND AS A RESULT I DO NOT REMEMBER WHAT GIFTS I GAVE TO WHOM, BUT I BELIEVE I GAVE GIFTS TO MANY PEOPLE BECAUSE MY SOCIAL ACTIVITIES WERE WIDE. MOST GIFTS THAT I GAVE WERE KOREAN-MADE SILK MATERIAL AND OTHERS INCLUDED KOREAN DOLLS, JINSEN, JINSEN TEA, NATIVE ORNAMENTS AND LACQUER VASES.

5. REGARDING SUZI PARK THOMSON:

THE PARENTS OF SUZI PARK THOMSON AND THE PARENTS OF

MY WIFE ARE FROM THE SAME HOMETOWN IN CH'UNGMU, KYONGSANG

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NAMDD. BECAUSE OF THIS RELATIONSHIP, MY WIFE AND SUZI PARK THOMSON KNEW EACH OTHER WELL BEFORE THEY WENT TO THE U.S. AND THEY CONTINUED TO MAINTAIN RELATIVELY CLOSE RELATIONS IN WASHINGTON. AS AN EXPRESSION OF FRIENDSHIP, THEY OFTEN EXCHANGED GIFTS WHICH SOMETIMES INCLUDED FOOD AND LIQUOR. THE RELATIONSHIP BETWEEN THE TWO WAS STRICTLY PERSONAL, AND NEITHER I NOR ANY MEMBER OF MY FAMILY EVER OFFERED MONEY TO SUZI PARK THOMSON EITHER DIRECTLY OR INDIRECTLY OR REQUESTED HER TO ARRANGE MEETINGS OR PARTIES ON BEHALF OF ANY CONGRESSMEN.

6. REGARDING MY CONTACT WITH HOUSE MEMBERS IN CONNECTION WITH THE CONGRESSIONAL FOREIGN AID DEBATES BETWEEN 1969 AND 1973:

THE YEAR OF 1969 FOLLOWED THE YEAR WHEN THERE WAS THE BLUE HOUSE RAID AND THE PUEBLO WAS CAPTURED.

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NODIS/CHEROKEE

IN THAT YEAR (1969), THE ROK GOVERNMENT REQUESTED FROM THE U.S. GOVERNMENT SPECIAL MILITARY ASSISTANCE, IN ADDITION TO THE GENERAL MILITARY ASSISTANCE, SO THAT THE ROK'S DEFENSE CAPABILITY COULD BE REINFORCED. THE SPECIAL MILITARY ASSISTANCE BILL FOR KOREA PASSED THE HOUSE THROUGH THE SUPPORT OF DEMOCRATIC PARTY WHIP CARL ALBERT AND REPUBLICAN PARTY WHIP GERALD FORD, BUT IT COULD NOT PASS THE SENATE BECAUSE OF THE OPPOSITION BY WILLIAM FULBRIGHT, MIKE MANSFIELD AND OTHERS. AS A RESULT, IT BECAME AN OBJECT OF HEATED DEBATE IN A JOINT CONFERENCE BETWEEN THE TWO HOUSES. IN EVERY YEAR SINCE

1970 THE SUPPORT TO THE ROK ARMY MODERNIZATION PLAN TO BE IMPLEMENTED BETWEEN 1971 AND 1975 BECAME THE SUBJECT OF THE CONGRESSIONAL DEBATES ON KOREAN MILITARY ASSISTANCE. IN SUPPORTING THE PLAN, THE CONGRESS REDUCED BY ONE-HALF THE AMOUNT REQUESTED BY THE ADMINISTRATION FOR EVERY YEAR EXCEPT FOR THE INITIAL YEAR, 1971, AND AS A RESULT THE PURSUANCE OF THE PLAN WAS HAMPERED. DUE TO THE GENERAL TREND FOR REDUCTION IN FOREIGN AID, THE TEN PERCENT LOCAL CURRENCY DEFICIT SYSTEM WAS ADOPTED IN 1972 WHICH CAUSED CONSIDERABLE PROBLEMS FOR AID RECEIVING COUNTRIES, PARTICULARLY THE ROK. UNDER THESE CIRCUMSTANCES, I, AS AMBASSADOR OF THE ROK FACING THE GRAVE THREATS FROM NORTH KOREA, FELT IT WAS MY DUTY TO  
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EXPLAIN THE KOREAN SITUATION TO THE MEMBERS OF THE CONGRESS, PARTICULARLY THE WHIPS OF BOTH POLITICAL PARTIES AND MEMBERS OF THE FOREIGN AFFAIRS, MILITARY AND BUDGETARY COMMITTEES OF BOTH HOUSES WHO WERE DIRECTLY CONCERNED WITH THE MILITARY ASSISTANCE MATTERS FOR THE ROK, AND TO REQUEST THEIR SUPPORT FOR MILITARY ASSISTANCE FOR THE ROK. I DO NOT REMEMBER THE SPECIFIC DETAILS OF WHAT TOOK PLACE, WHOM I MET AND WHAT I DISCUSSED NINE YEARS AGO, BUT I PROBABLY HAVE MET WITH THE PROMINENT CONGRESSIONAL LEADERS AND MANY MEMBERS OF THE HOUSE FOREIGN AFFAIRS, MILITARY AND BUDGETARY COMMITTEES AND REQUESTED THEIR SUPPORT FOR SPECIAL MILITARY ASSISTANCE FOR KOREA, FOR ABOLITION OF THE TEN PERCENT RESERVE SYSTEM AND IMPLEMENTATION OF THE ROK ARMY MODERNIZATION PLAN. IN SO DOING, I SOMETIMES MET THEM IN THEIR OFFICES AND ENGAGED IN CORDIAL DISCUSSIONS OR TRIED TO PROMOTE PERSONAL FRIENDSHIP WITH THEM THROUGH SOCIAL GATHERINGS SUCH AS LUNCHEON OR DINNER PARTIES. I CONTACTED NOT ONLY THOSE MEMBERS WHO WERE FRIENDLY TOWARD THE ROK BUT ALSO THOSE MEMBERS WHO WERE CRITICAL TOWARD THE ROK AND WHO WERE PLAYING LEADING ROLES IN REDUCING THE MILITARY ASSISTANCE TO THE ROK. I WOULD LIKE TO MAKE IT CLEAR THAT MY CONTACT WITH THE CONGRESSIONAL MEMBERS ALWAYS REMAINED WITHIN THE LIMIT OF NORMAL RELATIONS BETWEEN A FOREIGN AMBASSADOR AND HOST COUNTRY PUBLIC OFFICIALS AND IT NEVER VIOLATED THE U.S. LAW OR MORAL STANDARDS.

7. REGARDING THE TESTIMONY BY YI CHAI-HYON:

I CAN ONLY SAY THAT YI'S ALLEGATION THAT HE SAW ME STUFF CASH IN A BRIEFCASE AND CARRY IT TO CONGRESS WAS A LIE NOT WORTHY OF ANY COMMENT. I STAYED IN WASHINGTON FOR SIX YEARS AS AMBASSADOR TO THE U.S., DURING WHICH

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TIME I NEVER CARRID A BRIEFCASE TO ANY OFFICE, NOT TO MENTION CONGRESSIONAL OFFICES. WHEN HE WAS WITH THE ROK EMBASSY AS PUBLIC INFORMATION OFFICER, YI CHAE-HYUN DID HIS BEST TO OFFER FALSE LOYALTY TO THE FATHERLAND. WHEN HE RECEIVED RECALL ORDERS, HE JUDGED THAT HE WOULD HAVE NO FUTURE AS A PUBLIC OFFICIAL AND DECIDED TO SETTLE IN THE U.S. HE WAS AN OPPURTUNIST WHO BETRAYED AND CRITICIZED THE FATHERLAND AND CONTINUED TO OFFER MALICIOUS TESTIMONY ONLY TO JUSTIFY HIS POLITICAL ASYLUM ACTION.

B. REGARDING MY CONTACT WITH CONGRESSIONAL MEMBERS IN 1974 AND 1975:

I WOULD LIKE TO REMIND YOU THAT DURING THE PERIOD FROM 1974 TO 1975 I WAS THE FOREIGN MINISTER.

END TEXT.  
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