

Chun Doo Hwan / US Asset Forfeiture cases

Case ID:

ARW-222

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

South Korea

Position of Public Official(s) (yrs in office):

President (1980-1988)

Jurisdiction of Asset Recovery:

United States

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort; Location of Recovery Effort; Asset Location / Alleged Asset Location

Asset Recovery Start:

2014

Asset Recovery End:

2015

UNCAC Offenses Implicated:

Art.15

Art.18

Art.19

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Non-Conviction Based Asset Forfeiture

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Contributing Factors in Asset Recovery:

The Department of Justice credited the significant assistance provided by the Seoul Central District Public Prosecutor's Office, Korea's Supreme Prosecutor's Office - Anti-Corruption Supervisory Division and the Ministry of Justice's International Criminal Affairs Division in investigating and forfeiting the corruption proceeds. (Source: US Department of Justice Press Release, "Justice Department Returns Forfeited Assets Derived from Public Corruption Scheme to Korean Minister of Justice," November 10, 2015.)

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Assets Returned (USD) - Description:

\$1,126,951.45

Agreement for Returned Assets - Description:

According to a knowledgeable source, half of the funds were recovered as fine in relation to Mr. Chun's prosecution and first remitted to a fund by the Public Prosecutor's Office and eventually to a general fund managed by the Ministry of Strategy and Finance; the other half of the recovered assets went towards payment of owed taxes.

Case Summary:

According to the US Department of Justice Press Release, \$1,126,951.45 in forfeited corruption proceeds related to the former Korean president Chun Doo Hwan's case was returned to the Korean Ministry of Justice. The funds were forfeited pursuant to a settlement agreement with family members of Mr. Chun, against whom the US Department of Justice Kleptocracy Initiative had filed two asset forfeiture proceedings, in the US District Courts for the Central District of California and the Eastern District of Pennsylvania. The Settlement Agreement provided for \$100,000 for the claimants and the US DOJ agreed that should Mr. Chun's daughter in law Sang Ah Park file with the US Department of State an Application to Determine Returning Resident Status, it would not oppose or seek denial of such if filed within 2 years of the Settlement Agreement. (Sources: US Department of Justice Press Release, "Justice Department Returns Forfeited Assets Derived from Public Corruption Scheme to Korean Minister of Justice," November 10, 2015; the March 2015 Settlement Agreement is included as a link in US Department of Justice Press Release of March 4, 2015.)

According to the US in 2014, "The Department of Justice filed a civil forfeiture complaint in the U.S. District Court for the Central District of California seeking to recover more than \$700,000 in alleged corruption proceeds of Chun Doo-hwan, the former president of the Republic of Korea. [] As alleged in the forfeiture complaint, President Chun was convicted in Korea in 1997 of receiving more than \$200 million in bribes from Korean businesses and companies. President Chun and his relatives laundered some of these corruption proceeds through a web of nominees and shell companies in both Korea and the United States.

Through close cooperation between U.S. and Korean law enforcement and prosecution authorities, the \$721,951 sought for forfeiture was identified and seized when President Chun's relatives sold a home in Newport Beach that previously had been purchased with the laundered proceeds of President Chun's corruption." (Source: US Department of Justice Press Release, "U.S. Seeks to Recover Over \$700,000 in Kleptocracy Proceeds of Former South Korean President Chun Doo-hwan," April 24, 2014.)

The complaint details the bribe payments that then-President Chun received from Korean companies, the use of nominees which included family members and close associates, shell companies and trust to conceal the origin and destination of the corruption proceeds including purchase and sale of a Georgia property which was held in a trust with his daughter-in-law's mother as sole trustee and the Newport Beach property which sold for more than US\$2 million. (Source: US v. \$726,951.45 in Uniti Bank Funds, Case No. cv-14-03140 (C.D. Cal), Verified Complaint for Forfeiture In Rem filed April 24, 2014.)

On July 14, 2014, the claimants in the case (members of the Chun family and Port Manleigh Trust) filed an Answer to the complaint, stating that Jae Yong Chun had received bearer bonds from his grandfather and that he and his wife Sang Ah Park subsequently acquired a house in Georgia using funds earned and acquired through legal and legitimate means; they

later sold that house and used to the proceeds to purchase the California house that is the subject of the present action. (Source: US v. \$726,951.45 in Uniti Bank Funds, Case No. cv-14-03140 (C.D. Cal), Answer of Claimants Jae Yong Chun, Sang Ah Park, Yang Ja Yoon, and Port Manleigh Trust to Verified Complaint for Forfeiture In Rem, para 11 and throughout, filed July 14, 2014.)

In a second case in the Eastern District of Pennsylvania, in September 2014, the Department of Justice announced that approximately \$500,000 had been seized from an investment allegedly made by the former President's daughter-in-law in a Pennsylvania limited partnership. (Source: US Department of Justice, "Justice Department Seizes an Additional \$500,000 in Corrupt Assets Tied to Former President of Republic of Korea," September 3, 2014; US v. A Limited Partnership Interest held in the Name of or for the Benefit of Sang Ah Park in the Philadelphia U.S. Immigration Investment Fund, Case No. 2:14-mj-833 (E.D. Pa.)).

Disposition of Criminal Case(s):

According to the April 2014 civil asset forfeiture complaint filed by the US, Mr. Chun was convicted in 1996 by Seoul District Court of accepting domestic bribes and murder and insurrection and was sentenced to death (later commuted) and ordered to pay \$229 million. (Source: US v. \$726,951.45 in Uniti Bank Funds, Case No. 14-cv-03140, Verified Complaint filed April 24, 2014, paras 16-18)

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Supreme Prosecutor's Office, Ministry of Justice, Seoul Central District Prosecutor's Office

Jurisdiction of Origin: Courts Involved:

Seoul District Court

Jurisdiction of Asset Recovery: Investigative Agency:

FBI's Kleptocracy Program of the International Corruption Unit within the Criminal Investigation Division and the West Covina Resident Agency of the Los Angeles Division and HSI Attaché Seoul, with assistance from HSI Miami; HSI Philadelphia






Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

Kleptocracy Asset Recovery Initiative, Department Justice, Criminal Division's Asset Forfeiture and Money Laundering Section

Jurisdiction of Asset Recovery: Courts Involved:

US District Courts for the Central District of California and Eastern District of Pennsylvania

Documents:

Attachment	Size
 Chun_US_CDCA_Complaint_Apr_24_2014.pdf	5.53 MB
 Chun_US_CDCA_Claimants_Answer_Jul_14_2014.pdf	133.86 KB
 Chun_US_EDPA_Seizure_DOJ_PR_Sep_3_2014.pdf	368.36 KB
 Chun_US_Settlement_DOJ_PR_Mar_4_2015.pdf	133.97 KB
 Chun_US_DOJ_executed_agreement_Mar_2015.pdf	434.69 KB

Attachment	Size
 Chun_US_CDCA_Notice_of_settlement_Mar_2015.pdf	135.2 KB
 Chun_USDOJ_Settlement Agreement_2015.pdf	434.69 KB
 Chun_USDOJ_Asset Return_PR_Nov10 2015.pdf	143.68 KB

Other Sources:

US Department of Justice Press Release, "Justice Department Returns Forfeited Assets Derived from Public Corruption Scheme to Korean Minister of Justice," November 10, 2015, at <http://www.justice.gov/usao-cdca/pr/justice-department-returns-forfeited...> US Department of Justice Press Release, "United States Assists Korean Authorities in Recovering Over \$28.7 million in Corruption Proceeds of Former President of the Republic of Korea," March 4, 2015, including links to the Settlement Agreement, at <http://www.justice.gov/sites/default/files/opa/press-releases/attachment...>

US v. \$726,951.45 in Uniti Bank Funds, Case No. 14-cv-03140 (C.D. Cal), Verified Complaint for Forfeiture In Rem filed April 24, 2014 and Answer of Claimants Jae Yong Chun, Sang Ah Park, Yang Ja Yoon, and Port Manleigh Trust to Verified Complaint for Forfeiture In Rem, filed July 14, 2014 and Court Docket Report as of January 26, 2015; US Department of Justice Press Release, "U.S. Seeks to Recover Over \$700,000 in Kleptocracy Proceeds of Former South Korean President Chun Doo-hwan," April 24, 2014, accessed at <http://www.justice.gov/opa/pr/2014/April/14-crm-430.html>; Victoria Kim, "Search for S. Korean official's secret funds leads to O.C.," Los Angeles Times, April 24, 2014.

US Department of Justice, "Justice Department Seizes an Additional \$500,000 in Corrupt Assets Tied to Former President of Republic of Korea," September 3, 2014, at <http://www.justice.gov/opa/pr/justice-department-seizes-additional-50000...> US v. A Limited Partnership Interest held in the Name of or for the Benefit of Sang Ah Park in the Philadelphia U.S. Immigration Investment Fund, Case No. 2:14-mj-833 (E.D. Pa.), Court Docket Report;

See also, Korea Times, "Ex-president's forfeited US assets returned," November 10, 2015, at http://koreatimes.co.kr/www/news/nation/2015/11/113_190621.html