



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice
U.S. Attorney's Office
Central District of California

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Justice Department Returns Forfeited Assets Derived from Public Corruption Scheme to Korean Minister of Justice

LOS ANGELES – The Department of Justice has returned \$1,126,951.45 in forfeited assets to the government of the Republic of Korea.

The forfeited assets – which were returned yesterday – were the profits of a public corruption scheme orchestrated by former Korean President Chun Doo Hwan in the 1990s, and were laundered to the United States by Chun's family members and associates. The assets were forfeited in two recent civil forfeiture actions filed in Los Angeles and Philadelphia as part of the Department of Justice's Kleptocracy Asset Recovery Initiative.

"The return of these assets is a powerful vindication of the rule of law, and an important victory for the people of the Republic of Korea," said Attorney General Loretta E. Lynch.

"The Department of Justice is committed to ensuring that the proceeds of corruption have no safe haven in this country," said United States Attorney Eileen M. Decker. "We will vigilantly pursue such proceeds and return them to the victims of the corruption."

U.S. Immigration and Customs Enforcement's Homeland Security Investigations and the Federal Bureau of Investigations investigated the cases leading to the U.S. forfeiture of the assets being returned to Korea and served as the seizing agencies.

In 1997, a criminal court in Korea convicted former President Chun of accepting more than \$200 million in bribes from Korean corporations and ordered him to pay approximately \$212 million in criminal penalties. In 2013, the Anti-Corruption Division of the Korean Supreme Prosecutor's Office opened a money laundering investigation regarding the potential laundering of the bribery proceeds into the United States by Chun and his associates through the acquisition of U.S. real estate and opening of U.S. bank accounts.

In February 2014, FBI agents seized \$726,951.45 in a California escrow account. Those funds represented the net proceeds from the sale of a Newport Beach house that

President Chun's son, Chun Jae Yong, had purchased in 2005 with proceeds traced to his father's corruption scheme. In April 2014, the U.S. Attorney's Office in Los Angeles filed a civil forfeiture action against the \$726,951.45.

In February 2015, a second civil forfeiture action was filed in the Eastern District of Pennsylvania against a secured investment worth approximately \$500,000 in a Pennsylvania company, which also was traced to Chun's corruption scheme.

In March 2015, the government reached a settlement agreement of the two civil forfeiture actions, resulting in the forfeiture of a total of \$1,126,951.45, which was returned to the government of the Republic of Korea yesterday.

The case filed in Los Angeles was prosecuted by the United States Attorney's Office and United States Department of Justice, Criminal Division, Asset Forfeiture and Money Laundering Section.

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