



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3798

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JAMES V. LACY

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July 14, 1993

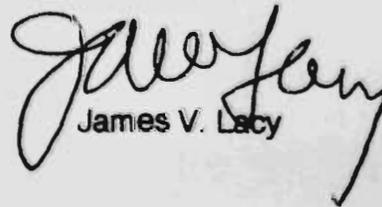
Federal Election Commission  
999 E St., NW  
Washington, D.C. 20463

To Whom It May Concern:

Attached is my complaint before the Federal Election Commission regarding alleged violations of the Federal Election Campaign Act by Representative Jay Kim during the 1992 election cycle.

If you need to contact me, please write to my Yorba Linda address as noted on this stationary. My office telephone number is

Sincerely,

  
James V. Lacy

Enclosure

9704332792

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

No. 5

State of CALIFORNIA  
County of ORANGE

On JULY 14, 1993 before me, LARRY A. REID, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared JAMES V. LACY  
NAME(S) OF SIGNER(S)

personally known to me - OR  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Signature]  
SIGNATURE OF NOTARY

**OPTIONAL SECTION**

**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
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- TITLE(S)
- PARTNER(S)  LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

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THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

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NUMBER OF PAGES ONE DATE OF DOCUMENT JULY 14 1993

SIGNER(S) OTHER THAN NAMED ABOVE None

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

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**BEFORE THE FEDERAL ELECTION COMMISSION**

**COMPLAINT**

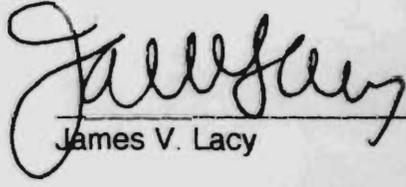
This complaint is filed in accordance with 2 U.S.C. § 437g(a).

During the 1992 election cycle, I was a candidate for the United States Congress in the 41st District, which covers portions of Orange, Los Angeles, and San Bernardino counties of California.

Based upon facts reported in an article entitled, "Rep. Kim Used Improper Funds" (Los Angeles Times, July 14, 1993, page A1), it is my belief that a violation of the Act has occurred. It appears that based on the facts stated in the article that Rep. Kim used corporate funds to pay for campaign headquarters, staff and office supplies, salary and expenses, and other miscellaneous expenses, in violation of 2 U.S.C. § 441b.

The article reporting such facts is attached hereto (see Attachment A).

Based on this information, I request that the Commission conduct an investigation in accordance with 2 U.S.C. § 437g(a).

  
James V. Lacy

7/14/93

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## Los Angeles Times

WEDNESDAY, JULY 14, 1993

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# Rep. Kim Used Improper Funds

■ **Government:** Records, interviews show that O.C. congressman's engineering firm paid more than \$400,000 on campaign expenses, which federal law prohibits.

By CLAIRE SPIEGEL, TIMES STAFF WRITER

Orange County Rep. Jay C. Kim, an outspoken advocate of campaign finance reform, improperly used hundreds of thousands of dollars from his engineering corporation to pay campaign expenses last year, according to records and interviews.

JayKim Engineers Inc. provided the freshman Republican congressman with free space for his campaign headquarters in Diamond Bar, plus staff and office supplies, company documents show. The firm also paid Kim's salary and expenses during the 1992 election, as well as campaign bills ranging from airline tickets to telephone service.

Federal law prohibits corporations from providing funds or free

## ■ FIRST OF TWO PARTS

services to federal election campaigns. And candidates are required to report all contributions.

Kim—whose three-county district includes parts of Fullerton, Yorba Linda, Placentia and Anaheim—did not disclose any contributions from his corporation.

But hundreds of pages of company records obtained by The Times during a two-month investigation show that JayKim Engineers paid more than \$400,000 in campaign-related expenses. Most of this was Kim's salary and other costs of carrying Kim on the payroll during the campaign.

Kim initially denied in an interview that he used corporate money for his 1992 election campaign. "No, that's not true," he said. "Absolutely nonsense."

After a short pause, Kim reversed himself and acknowledged that he had asked his staff to set up a special JayKim Engineers account to track the corporation's spending on the campaign. He estimated that the expenses amounted to no more than \$1,000. His staff was supposed to send the campaign a bill, he said, but never did.

Please see KIM, A12

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# KIM: Records Show Use of Firm's Funds in Campaign

Continued from A1

"Whatever I owe, I'm going to pay right away with interest," Kim said.

A spokesman for the Federal Election Commission, which enforces campaign laws, declined comment on Kim's expenditures. But he said that it is a fundamental doctrine of election law that corporations cannot contribute money or services to federal campaigns and that violations are punishable by civil or criminal penalties.

"If you're using corporate money to pay bills owed . . . by the campaign . . . that's a no-no," said Fred Eiland, press officer for the FEC.

Since 1907, federal election law has barred corporations, national banks and labor unions from making contributions. Congress strengthened the law in 1971

to prohibit corporations from spending any money to influence elections. They can participate in federal elections only by forming political action committees to collect donations from employees.

Corporate ledgers, checks, invoices, memoranda and other internal documents from JayKim Engineers show:

- The firm paid about \$30,000 for mailing, printing, telephone, photocopying, entertainment and travel costs of Kim's campaign. Typically, bills carried a handwritten notation designating them as "campaign" expenses and checks were signed by Kim.

- The campaign received free office space in the company's headquarters in Diamond Bar. Company officials estimated that use of the space was worth about \$17,000.

- The three employees in the marketing division of JayKim Engineers spent about half their time on Kim's campaign, costing the corporation an estimated \$78,000 in salaries, expenses and overhead through 1992.

- The company spent about \$300,000 to pay Kim his full-time salary and his other expenses during the campaign and since his election.

Kim, the first Korean-American to serve in Congress, said he had the right to set his own salary. He said he was entitled to full-time compensation because he estimated he worked 40 hours a week at the company. "I came in every morning and worked on the company," he said. "I spent a lot of time on the campaign, but I thought I gave equal time to the business, including Saturdays and Sundays."

Woo Min, a real estate entrepreneur. Min said in a

sworn statement that Kim's absences during campaign activities "kept him away from the day-to-day management of the company," causing severe financial problems.

Kim's former chief financial officer, Fred Schultz, said the cost of carrying Kim on the payroll was designated on the company's books as a campaign expense because it could not be determined how much time Kim spent on the business. "It was obvious he was running for office," said Schultz. "[Auditors would ask] why is his salary part of [company] overhead?"

FEC spokesman Eiland said a candidate who works part time for a corporation but is paid his full-time salary while campaigning may have, in effect, received an illegal political contribution.

Kim, 54, said he recently sold his business to Sung

As a rule, even an officer of a corporation is barred from campaigning on corporate time, Eiland said. When asked if the regulations apply to the owner of a corporation, he said that only the six members of the FEC can apply the law to the facts of a case and determine whether a violation has occurred.

Kim said his marketing employees did work on the campaign but only on their own time. He blamed any improper campaign expenditures on his financial chief, Schultz, who also served briefly as Kim's campaign treasurer.

"If I've done anything wrong, I believe it's his fault," Kim said. "It's his job to make sure I don't make a mistake."

Kim said he knew that accepting a political contribution from the corporation would be illegal but saw nothing wrong with having the corporation pay political expenses as long as he repaid the firm.

"What's prohibited is campaign contributions by the corporation," he said. "Just borrowing and paying it back is not a permanent contribution."

FEC officials said candidates can buy services from their corporations at fair market value, but any bill of more than \$500 must be paid within 30 days. Otherwise, it must be disclosed as a debt.

Early in his campaign, Kim said, he discovered that the corporation had paid some of his political expenses, such as copying and mailing costs. He said he told Schultz.

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"I want to set up a special account number for . . . Any expenses that our campaign office uses . . . keep track of it and then bill it to us [promptly] so we can pay."

"Well, he hasn't done it," Kim said, adding that he had asked company officials for a bill within the past two weeks.

Schultz could not be reached for comment on Kim's statement. He earlier said that he left JayKim Engineers last spring when the company laid off staff and closed offices to stem severe financial problems that have intensified over the last year.

Born in Korea, Kim came to the United States on a student visa about 30 years ago. He earned advanced degrees in engineering and public administration. In 1978, he incorporated the firm of JayKim Engineering Inc., wholly owned by himself and his wife. He built it into one of the top 500 engineering firms in the country, employing as many as 170 workers in five offices between Sacramento and Phoenix.

The firm specializes in providing consulting services to government agencies, including the Navy, the federal Resolution Trust Corp. and various local municipalities. The company participated in a partnership that recently was paid \$13.4 million to manage post-riot cleanup work in Los Angeles.

Kim's political career was launched in 1990, when he won election to the Diamond Bar City Council and was appointed mayor by his council colleagues.

In February, 1992, he jumped into a wide-open race for the 41st Congressional District seat, created in the reapportionment that followed the 1990 census. After heavily outspending four opponents in the June primary, he narrowly won the Republican nomination, then glided to a 59% victory in November's general election over the Democratic nominee, aerospace employee Bob Baker.

Running on a pro-business platform, Kim criticized inefficient government bureaucracy and called for higher ethical standards in politics. A newsletter he recently sent to constituents is headlined: "Kim leads

charge to reform Congress." It reports that he has pushed for, among other things, campaign finance reform.

Kim's publicly filed campaign disclosure reports show that he raised \$621,000 from contributors and personally loaned his campaign \$169,000. The 1,000 pages of filings do not report any contributions or loans from JayKim Engineers.

Nor do they show any payment by the campaign to JayKim Engineers for services, such as use of the company's offices and marketing staff.

Kim said the campaign occupied surplus space in his building and it did not occur to him that the campaign should pay rent. "If that's a legitimate [cost], I'm willing to pay right now," he said.

But Kim denied that his marketing department employees spent half their time working on his campaign. "Nobody ever worked on my campaign [on company time]," he said. "I swear to God." Kim said some employees were active in his campaign but only after hours.

Company ledgers show that accountants allocated "half of marketing expenses to [the] campaign project," a cost of \$78,000 during 1992. Kim said he never authorized this.

Sharon Dahlen, a secretary who was laid off last week, said marketing director Carmen Suarez frequently asked her to do typing and office work related to the campaign. "I refused to do it," Dahlen said.

But Suarez, who now also serves as Kim's campaign finance committee chairwoman, said she never asked Dahlen to do campaign work. She said that her own fund-raising for the campaign was conducted on weekends and that the accounting department should not have designated half her salary and overhead as campaign costs.

The expenses for staff and rent are among hundreds

of entries on a six-page computer printout listing campaign expenses paid by the corporation, including payments to telephone companies, office supply companies, janitorial services, credit card companies, Federal Express and \$2,500 in cash withdrawals by Kim.

All are listed in a special company account number 1030.01 and called "1992 Election Campaign," naming Jay C. Kim as the client. Records show that \$481,000 in campaign and post-election expenses were charged to the account. Among them was a \$5,000 bill that included charges for a trip to Washington for Kim and his family so they could attend his swearing-in ceremony. Schultz said Kim repaid the company the \$5,000.

Kim expressed shock when The Times showed him a printout detailing the expenses and he questioned its accuracy. "This is ridiculous, absolutely ridiculous," he said.

The account was set up by Schultz, who screened invoices and flagged expenses that should be allocated to it.

Schultz said he urged Kim to establish the account because he feared campaign expenses might be commingled with corporate expenses and charged off as overhead to government contracts the company has. Under federal regulations, it is illegal to bill political expenditures to government contracts.

Schultz said he used the election account for expenditures that he thought government auditors might challenge, even though they were not necessarily campaign expenses. In fact, he said, perhaps only "one or two" items in the account were campaign-related.

Throughout the invoices spot-checked by The Times, there are notations indicating that the charges were campaign expenses.

Several campaign staff members and employees at

Please see KIM, A13

## KIM: Use of Firm's Funds

Continued from A12

JayKim Engineers said they were advised to use the special account number when charging campaign expenses to the corporation.

Jane Chong, the campaign office manager, said when she used the engineering firm's copying machine, she punched in the special account number.

The idea was "to reimburse the corporation for ink and pages," said Dennis Bustamante, in the corporate marketing department. But he said he never asked if the campaign reimbursed the corporation.

Records show that 43,250 copies were charged to the corporation's 1030.01 campaign account, at a cost of \$2,595.

During a state audit of the company's books after the election, the auditor observed Chong photocopying campaign literature at the engineering firm and expressed concerns.

"I was questioned as to what account was charged for campaign documents," Schultz wrote in a memo to Kim this April. "Reluctantly, I informed the auditor that we charged a specific account to track campaign expenditures."

Kim said that when he got the memo, he "raised hell" and asked Schultz to tally the campaign expenses so he could pay the bill.

The bill, records show, includes \$1,500 that the company paid GTE in February, 1992, to set up a phone system for the "Jay Kim Campaign Committee." Kim said GTE would not accept a check from the campaign committee, so the corporation paid it. He said he would reimburse the company if he had not already.

The company also paid for about \$800 in Federal Express charges that included letters and packages that Kim's campaign staff sent to the Republican National Committee, Voter Contract Services—and the Federal Election Commission, which receives campaign disclosure reports.

About \$12,000 in company credit card charges for meals, airline tickets and gasoline were charged to the election account, records show.

A \$240 dinner charged to a corporate credit card by Suarez, the company marketing director, was flagged as a campaign expense.

Suarez's dinner companion was one of Kim's campaign contributors, banker Gerald Morita, who was recently appointed to serve on Kim's congressional finance committee.

But Suarez said the dinner had "nothing to do with politics." She said they had talked about unspecified business. Morita did not return telephone calls.

About \$1,000 in restaurant charges on Kim's company credit card were paid as election expenses one month last summer. During another month, the company paid \$2,392, including those related to an East Coast trip last September.

Presented with the invoice documenting these expenses, Kim initially denied they were campaign related. After he was reminded that he had attended a fund-raiser in Washington on Sept. 10 and 11, he said he did not deliberately use company funds to pay for the travel expenses.

"I know better than that," he said.

When he signed checks, Kim explained, he did not know whether or not the expenses had been identified by his staff as campaign related. He said he was presented with checks to sign but was not given supporting documentation.

"When you sign a hundred checks, you don't nit-pick," he said. "[If] it looks good, I sign."

Times staff writer Tracy Wood contributed to this story.

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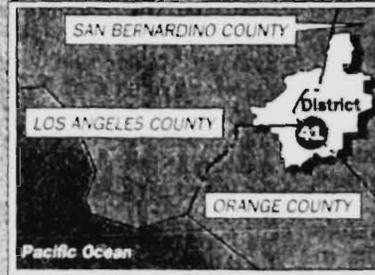
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# Funding Kim's Campaign



STEVE DYKES / Los Angeles Times

Rep. Jay C. Kim (R-Diamond Bar) used corporate funds from his engineering firm, JayKim Engineers Inc, to pay hundreds of thousands of dollars in campaign expenses, records show. Federal election laws prohibit corporations from contributing any money or services to candidates for federal office. Kim, who represents the 41st District, says that he intended to promptly repay the corporation for campaign expenses but was not billed.



A special corporate account, "1030.01: 1992 Election Campaign," below, was set up at JayKim Engineers to track expenditures made by the corporation for Kim's campaign.

JAYKIM ENGINEERS, INC.  
1300 SO. VALLEY VISTA DR.  
DIAMOND BAR, CA 91765

Client: 030 Jay C. Kim

Page: 1  
Report Date: 4/7/93

Among the expenses was \$1,500 that JayKim Engineers paid on Feb. 24, 1992, to a telephone company to set up service in the Kim campaign office.

Reimbursable	Transaction	Date	Units	Cost	Markup	Charge	Charge	RI	Adjust
0002	Nice Printing	21543	1 AP	7/6/92	1.00	324.75 \$	0.00	0.00	324.75 *
0006A	GTE-Centralized Acct.	19593	1 AP	2/24/92	1.00	1500.00 \$	0.00	0.00	1500.00 *

The former chief financial officer, Fred Schultz, signed a form authorizing the corporation to pay the bill for the Jay Kim Campaign Committee.

Make Check Payable to:

Name: GTE - Centralized Accounts Section

Address: P.O. Box 6023

City: CERRITOS CA 90702-6023

State: CA Zip: 90702-6023

Phone: 1-900-472-6112 Contact: Tue South of Alhambra

AP ON BACK OF CHECK: 599 576-5173

Approved by: \_\_\_\_\_  
(Project Manager or CFO's Signature)

A corporate check for \$1,500 was signed by Kim. The front of the check is marked with the campaign headquarters phone number and the back says "Jay Kim Campaign Committee."

JAYKIM ENGINEERS INC  
2032 GOLDEN SPRINGS DR., STE. 110  
OCCIDENTAL BUILDING  
DIAMOND BAR, CA 91765

February 24, 1992

PAY TO THE ORDER OF: THE SUM 1500.00 DOLLARS 1,500.00

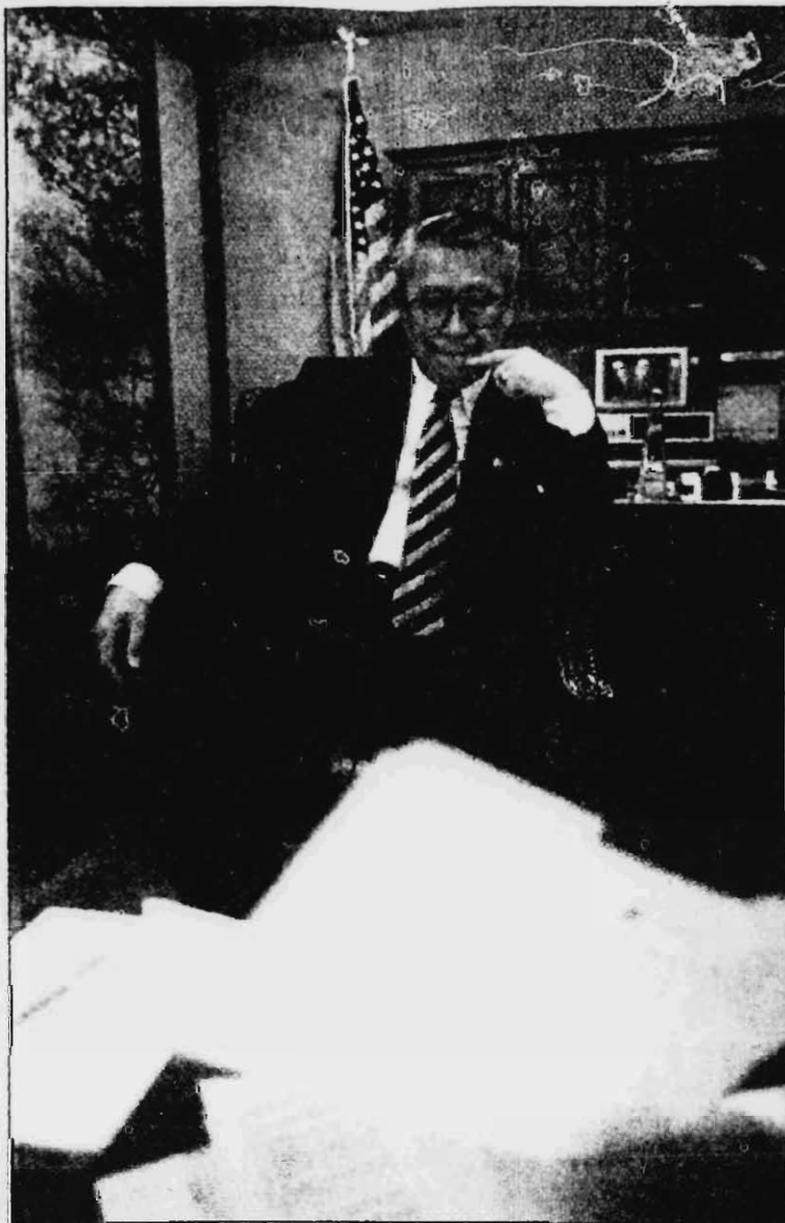
TO THE ORDER OF: GTE-Centralized Accounts Section  
P.O. Box 6023  
Cerritos, CA 90702-6023

ENDORSED TO: Jay Kim Campaign Committee  
714-971-4173

FOR DEPOSIT ONLY  
GTE TELSYS  
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AP/WIDEWORLD Los Angeles Times

Rep. Jay C. Kim (R-Diamond Bar), confronted with a printout detailing campaign expenses from a special account, questioned its accuracy.

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# Firm Repaid Rep. Kim for Donations

■ **Contributions:** JayKim reimbursed the congressman and employees for money given to other candidates, records show. He denies intentional wrongdoing.

By **CLAIRE SPIEGEL**  
TIMES STAFF WRITER

A month after taking office in January, freshman Rep. Jay C. Kim (R-Diamond Bar) stepped up to the microphone in the House of Representatives, denounced the "arrogant attitude" of his congressional colleagues and called for stricter limits on campaign financing.

A few weeks later, records show, Kim's engineering corporation issued a \$500 check reimbursing a company official for a personal campaign contribution she made to U.S. Sen. Phil Gramm (R-Texas).

"It's a violation" if a corporation repays an employee for a federal campaign contribution, said Fred Eiland, press officer for the Federal Election Commission. He declined to comment on this case.

Federal election laws prohibit corporations from donating directly or indirectly to candidates for federal offices. In some cases, local ordinances also prohibit such contributions.

During the last four years, records show, JayKim Engineers Inc. reimbursed Kim on two occasions for personal contributions he made to other politicians — one a U.S. congressman, the other a City Council member in San Diego, where corporate contributions are prohibited.

In addition, state tax auditors recently alleged that the firm had improperly taken tax deductions on legitimate contributions the company had made to state and local politicians in 1989 and 1990. About

\$7,000 in political contributions to unnamed recipients was challenged by the auditors.

Kim blamed his staff for deducting the contributions and said he would pay any back taxes he owes as a result.

He said he knows that "it's wrong" to use corporation funds to reimburse employees for making political contributions and said he never intended to do so.

Records show that he has used corporate money to reimburse himself — and signed the checks.

The corporation repaid Kim in 1989 for his \$2,000 donation to Rep. David Dreier (R-San Dimas). The Times obtained copies of Kim's personal check to Dreier as well as a corporate check to Kim.

Kim said his contribution paid for a half-table of tickets to a Dreier breakfast fund-raiser.

He said he thought that the company check he signed was a year-end bonus for himself, even though attached to the check was a typed notation: "Support of Congressman David Dreier."

A spokesman for Dreier said the congressman had no knowledge of the reimbursement.

On June 24, 1991, Kim wrote a \$250 personal check to Wes Pratt, who was running for reelection to the San Diego City Council.

The campaign had sent Kim a letter informing him that only personal checks could be accepted. San Diego had banned political donations by corporations.

On this letter, obtained by The Times, Kim jotted and initialed a note to his staff: "Please write me a

**Please see LAWMAKER, A13**

## LAWMAKER

Continued from A12

check for reimbursement." A corporate check was issued to Kim the next day.

Kim said getting reimbursed for the contribution was "a mistake on my part."

This March, two months after Kim was sworn in as a congressman, JayKim Engineers issued a check reimbursing the firm's marketing director, Carmen Suarez, for a political contribution. Suarez also serves as Kim's campaign finance committee chairwoman.

On March 19, Suarez wrote a \$500 check to Gramm, who had recommended her for a job in the Clinton Administration. That same day, Suarez wrote a request for reimbursement "per Jay's request and OK." The company's former chief financial officer, Fred Schultz, promptly wrote Suarez a check.

Suarez said she did not recall asking the company for reimbursement. She said she made the contribution because "I wanted to do it out of my own heart and goodwill for Phil Gramm."

Gramm's spokesman said he had no knowledge that Suarez's contribution was reimbursed by JayKim Engineers.

Kim recalled talking to Suarez before she made a donation. "I said go ahead and donate it," he said.

But the congressman said he did not authorize repayment by the company. He blamed the reimbursement on a miscommunication.

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# Questionable Political Donation

**JAYKIM ENGINEERS, INC.**  
 22632 GOLDEN SPRINGS DR., STE. 110  
 OCCIDENTAL BUILDING  
 DIAMOND BAR, CA 91765

**Southwest Bank**  
 Airport Office  
 4770 Campus Drive  
 Newport Beach, CA 92660

9819  
 00 2500/12

March 19 1993

PAY THE SUM 500 DOLLARS 00 CENTS DOLLARS \$500.00

TO THE ORDER OF  
 Carmen Suarez

*[Signature]*

Shortly after Kim took office, the marketing director of his engineering corporation, Carmen Suarez, wrote a \$500 personal check, right to Sen. Phil Gramm (R-Tex.). That day she sought reimbursement from the company. The company immediately issued a check, above, describing it as a "political contribution." Kim said the payment resulted from miscommunication. Federal law prohibits direct or indirect political contributions by corporations.

CARMEN E. SUAREZ  
 HIGH RESOLUTION BANK  
 DIAMOND BAR, CA 91765

8/19 '93

812  
 00 2500/12

PAY TO THE ORDER OF Gramm '96 Committee \$500.00

Five hundred dollars and no/100

**COAST FEDERAL BANK**  
 DIAMONDED BAR OFFICE & BR  
 314 SOUTH LA BOMBE BAR IN LES VARI  
 DIAMONDED BAR, CA 91765-1000

*[Signature]*

Los Angeles Times

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BEFORE THE FEDERAL ELECTION COMMISSION

JUL 19 9 46 AM '93

COMPLAINT MUR 3798

This complaint is filed in accordance with 2 U.S.C. § 437g(a).

During the 1992 election cycle, I was a candidate for the United States Congress in the 41st District, which covers portions of Orange, Los Angeles, and San Bernardino counties of California.

Based upon facts reported in an article entitled, "Rep. Kim Used Improper Funds" (Los Angeles Times, July 14, 1993, page A1), it is my belief that a violation of the Act has occurred. It appears that based on the facts stated in the article that Rep. Kim used corporate funds to pay for campaign headquarters, staff and office supplies, salary and expenses, and other miscellaneous expenses, in violation of 2 U.S.C.

§ 441b.

The article reporting such facts is attached hereto (see Attachment A).

Based on this information, I request that the Commission conduct an investigation in accordance with 2 U.S.C. § 437g(a).

*James V. Lacy*  
James V. Lacy

7/14/93

I swear that the contents of this complaint are true, and I make these statements subject to the statutes governing perjury and to 18 U.S.C. Section 1001.

Date 7/17/93

*James V. Lacy*  
James V. Lacy

James V. Lacy  
21520-G Yorba Linda Blvd., #542  
Yorba Linda, CA 92687

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JUL 19 1993

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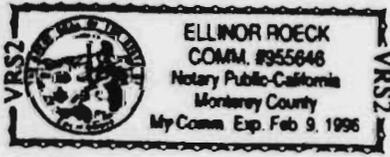
NC 5 93

State of California  
County of Monterey

On July 17, 1993 before me, ELLINOR ROECK  
DATE NAME TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared James V. Lacy  
NAME(S) OF SIGNER(S)

personally known to me **OR**  proved to me on the basis of satisfactory evidence to be the person ~~(s)~~ whose name ~~(s)~~ is ~~are~~ subscribed to the within instrument and acknowledged to me that he ~~she~~ ~~they~~ executed the same in his ~~her~~ ~~their~~ authorized capacity ~~(ies)~~, and that by his ~~her~~ ~~their~~ signature ~~(s)~~ on the instrument the person ~~(e)~~, or the entity upon behalf of which the person ~~(e)~~ acted, executed the instrument.



WITNESS my hand and official seal.  
Ellinor Roeck  
SIGNATURE OF NOTARY

**OPTIONAL SECTION**

**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)  
TITLE(S)
- PARTNER(S)  LIMITED  GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(ES)  
\_\_\_\_\_  
\_\_\_\_\_

**OPTIONAL SECTION**

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Complaint  
NUMBER OF PAGES 1 DATE OF DOCUMENT 7/17/93  
SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_

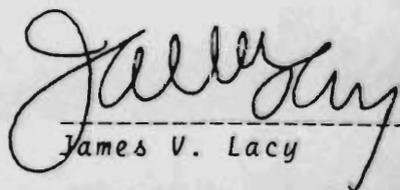
Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

BEFORE THE FEDERAL ELECTION COMMISSION  
AMENDED COMPLAINT

The complaint signed by James V. Lacy and dated July 14, 1993 is hereby amended to request a review of the legality of acceptance of a \$1,000 contribution from Korean Airlines, reported by Jay Kim during the 1992 primary election, and whether this, or any other contributions reported, originated from a foreign national or foreign source, in violation of Federal election law.

I hereby swear that the contents of this amended complaint, and the complaint dated July 14, 1993 are true, and I make these statements subject to the statutes governing perjury and to 18 U.S.C. Section 1001.

97040032805  
Date 7/17/93

  
James V. Lacy

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

No. 513

State of California  
County of Monterey

On July 17, 93 before me, ELLINOR ROECK  
NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"  
personally appeared James V. Lacy  
NAME(S) OF SIGNER(S)

personally known to me OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**OPTIONAL SECTION**

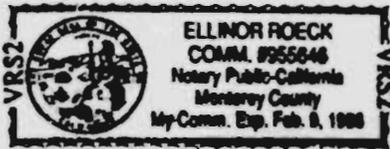
**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)  
TITLE(S) \_\_\_\_\_
- PARTNER(S)  LIMITED  
 GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_



WITNESS my hand and official seal.

Ellinor Roeck  
SIGNATURE OF NOTARY

**OPTIONAL SECTION**

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Amended Complaint

NUMBER OF PAGES 1 DATE OF DOCUMENT \_\_\_\_\_

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 26, 1993

James V. Lacy  
21520-G Yorba Linda Blvd, #542  
Yorba Linda, California 92687

RE: MUR 3798

Dear Mr. Lacy:

This letter acknowledges receipt on July 19, 1993, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act") by Jay Kim for Congress and Jane Y. Chong, as treasurer, Representative Jay C. Kim, Carmen Suarez, JayKim Engineers, Inc., Korean Air and Fred Schultz. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3798. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa E. Klein", is written over the typed name.

Lisa E. Klein  
Assistant General Counsel

Enclosure  
Procedures

97043632807



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 26, 1993

Korean Air  
6101 W. Imperial Highway  
Los Angeles, California 90045

RE: MUR 3798

Dear Sirs or Madams:

The Federal Election Commission received a complaint which alleges that Korean Air may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Korean Air in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 / 0 4 3 0 3 0 0

Page 2  
Ltr. to Korean Air

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704063609



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 26, 1993

Fred Schultz  
c/o JayKim Engineers, Inc.  
1300 South Valley Vista Drive  
Pomona, California 91765-3910

RE: MUR 3798

Dear Mr. Schultz:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 / 0 4 3 3 0 1 0

Page 2  
Ltr. to Fred Schultz

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

97043832811



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 26, 1993

Representative Jay C. Kim  
502 Cannon HOB  
Washington, D.C. 20515-0541

RE: MUR 3798

Dear Mr. Kim:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

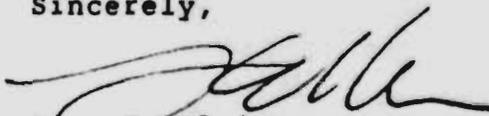
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Page 2

Ltr. to Representative Jay C. Kim

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

97043032813



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 26, 1993

Jane Y. Chong, Treasurer  
Jay Kim for Congress  
1300 South Valley Vista Drive  
Diamond Bar, California 91765

RE: MUR 3798

Dear Ms. Chong:

The Federal Election Commission received a complaint which alleges that Jay Kim for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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Page 2  
Ltr. Jane Y. Chong

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

  
Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

97043832815



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 26, 1993

Jay C. Kim, President  
JayKim Engineers, Inc.  
1300 South Valley Vista Drive  
Pomona, California 91765-3910

RE: MUR 3798

Dear Mr. Kim:

The Federal Election Commission received a complaint which alleges that JayKim Engineers, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against JayKim Engineers, Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

97043032816

Page 2

Letter to Jay C. Kim

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704332817



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 26, 1993

Carmen Suarez  
14174 Deckbrook Lane  
Chino Hills, California 91709

RE: MUR 3798

Dear Ms. Suarez:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3798. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

97043632816

Page 2  
Ltr. to Carmen Suarez

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

**Enclosures**

1. Complaint
2. Procedures
3. Designation of Counsel Statement

97043332819

OGC 9621

**MORGAN, LEWIS & BOCKIUS**

PHILADELPHIA  
LOS ANGELES  
MIAMI  
LONDON  
FRANKFURT

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 467-7000  
FAX (202) 467-7176

WASHINGTON  
NEW YORK  
HARRISBURG  
SAN DIEGO  
BRUSSELS  
TOKYO

August 5, 1993

Lisa E. Klein  
Assistant General Counsel  
Federal Election Commission  
Washington, DC 20463

Re: MUR 3798

Dear Ms. Klein:

As counsel on behalf of Korean Airlines Co., Ltd., ("Korean Air") we submit that the facts presented below demonstrate that the Commission is justified in determining to take no action in accordance with 2 U.S.C. 437g(a)(1) and 11 C.F.R. 111.6 in this matter. We therefore, request that the Commission adopt such a decision.

Korean Air acknowledges that as a foreign national a contribution in the amount of \$1000 by check dated March 16, 1992 was made to Jay Kim, then a candidate for election to Congress. A copy of the check is attached to this letter (Exhibit A).

As indicated in the attached letter (Exhibit B) dated July 26, 1993 from Jong Bok Kim, General Manager, Legal Affairs, American Regional Office, Korean Air, to Jay Kim Elect Committee, the making of such a contribution was unintentional and without knowledge of the legality as they had no prior experience or involvement in the area; and a refund of the contribution has been requested. Further, as stated in the letter, Korean Air apologizes for the misunderstanding and inconvenience.

The contribution made by Korean Air was in response to a solicitation in the Korean language inviting attendance at a fund-raising dinner party for \$200 per person (Exhibit C). A translation of the invitation prepared by the Firm into the English language is attached (Exhibit D). No one from Korean Air attended the fundraiser.

93 AUG 11 3:00

MORGAN, LEWIS & BOCKIUS

Lisa E. Klein  
August 5, 1993  
Page Two

Under the provisions of 2 U.S.C. 437g(a)(1) and 11 C.F.R. 111.6, the Commission may grant a request that no action be taken. The facts of this case demonstrate that such a request is warranted:

- (1) The violation was unintentional and without knowledge of the legality;
- (2) There was no prior experience or involvement by Korean Airlines in making contributions to federal election campaigns;
- (3) The contribution was sent in response to an invitation in the Korean language, and no one attended the fundraiser;
- (4) When the matter was brought to the attention of Korean Airlines, a good faith effort was made to cure the violation through return of the contribution;
- (5) The matter involves a single contribution of \$1,000; and
- (6) There is no showing of bad faith or willful attempt to circumvent the law, and Korean Air apologizes for the unintentional violation.

Since there are no disputed facts, and Korean Airlines has made a good faith effort to cure the violation through a return of its contribution, further proceedings are not necessary or justified, and the Commission should grant the request to take no action.

A designation of counsel statement signed on behalf of Korean Airlines is attached (Exhibit E).

If we can supply any further information or you have any questions, please do not hesitate to contact us.

Sincerely,

  
Stanton P. Sender  
Y. Peter Kim

A

**KOREAN AIR**  
WORKING OPERATION ACCOUNT  
6101 W. IMPERIAL HWY.  
LOS ANGELES, CA. 90045  
(213) 417-5800

EL SEBUNDO OFFICE  
FIRST INTERSTATE BANK  
EL SEBUNDO CALIF

18-21/183 CHECK NUMBER 36733  
1220

CHECK DATE  
3/16/92

PAY THIS AMOUNT  
\$1,000.00

THE SUM OF \*\*\*\*\*1,000\*\*\*\*\* DOLLARS NO CENTS

PAY  
TO THE  
ORDER OF:  
JAY KIM

*[Handwritten Signature]*  
**NOT NEGOTIABLE**

**KOREAN AIR**

AMERICAN REGIONAL OFFICE  
5101 W. SAGEBURG HWY., LOS ANGELES, CA 90045  
TEL: (213) 417-6000

July 26, 1993

Jay Kim Elect Committee  
1131 West Sixth Street  
Ontario, CA 91762

Attn : Mr. Seo Kuk Ma  
Special Assistant

Re : Election Contribution

Dear Sir:

9 7 0 4 5 0 3 2 8 2 3

Recently, it was brought to attention of our management that in March, 1992 a contribution to your committee was made by us without knowledge of the legal ramifications of such contribution under the U.S. election campaign laws. We deeply regret that such contribution may not comport with the federal election campaign laws and also that it may have caused an embarrassment to both parties. It was certainly unintentional and without knowledge of the legality as we had no prior experience or involvement in this area. We think that it would be appropriate for you to refund the contribution.

Again, we apologize for the misunderstanding and inconvenience it has caused.

Sincerely yours,



Jong Bok Kim  
General Manager  
Legal Affairs  
American Regional Office

CC. : Mr. Seo Kuk Ma  
3425-F Pomona Boulevard  
Pomona, CA 91768

d

### 초청의 말씀

김창준 (JAY KIM) 미 연방 하원의원 후보를  
위한 모금 만찬회를 아래와 같이 갖고져  
하오니 바쁘신중 꼭 참석하여 후원과  
격려하여 주시기를 바랍니다.

▷ 다음 ◁

- ◆ 일시: 1992년 3월 21일 (토요일)  
오후 6시 30분
- ◆ 장소: 한국 회관  
950 So. Vermont Avenue  
Los Angeles, CA 90006
- ◆ 예약: (213) 380-4180  
- 준비관계상 3월 20일까지  
알려주시기를 부탁드립니다.
- ◆ 찬조금: \$200 per person  
혹 당일 참석치 못하시는 분은 별첨 봉투를  
이용하여 주시면 감사하겠습니다.

초청인: 강득희 김양일 김종진 김창수  
노재민 박경인 방미철 백영준  
오인동 이병항 이연희 정의식

97043632824

D

[English Translation]

INVITATION

You are cordially invited to a fund raising dinner for Jay Kim, a federal congressional candidate. We hope that you will join us to give him support and encouragement.

1. Time: 6:30 p.m., Saturday, March 21, 1992
2. Place: Korean Restaurant, 950 S. Vermont Avenue  
Los Angeles, CA 9006
3. RSVP: (213) 380-4180 by March 20
4. Contribution: \$200 per person (If you cannot attend the dinner, please use the enclosed envelop to mail in your contribution.)
5. Hosts: Deuk Hee Kang, Yang Il Kim, Jong Kun Kim, Chang Soo Kim, Jae Min Noh, Kyung In Park, MI Chul Bang, Young Joon Baek, In Dong Oh, Byung Hang Lee, Yun Hee Lee, Eui Sik Chung

97040632823

E

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3798

NAME OF COUNSEL: Morgan, Lewis & Bockius  
Y. Peter Kim/Stanton P. Sender

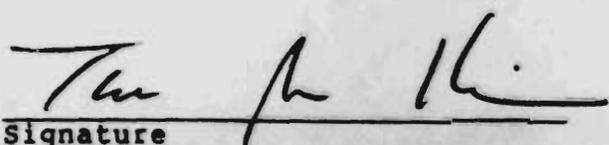
ADDRESS: 1800 M Street, N.W.

Washington, D.C. 20036-5869

TELEPHONE: ( 202 ) 467-7000

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and other  
communications from the Commission and to act on my behalf  
before the Commission.

July 28, 1993  
Date



Signature  
By: T. J. Kim  
Executive Vice President

RESPONDENT'S NAME: Korean Airlines Co., Ltd.

ADDRESS: 6101 W. Imperial Highway

Los Angeles, California 90045

TELEPHONE: HOME (            )           

BUSINESS ( 310 ) 417-5200

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HOUSE OF REPRESENTATIVE

OGC 9717

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIN COPY ROOM

AUG 18 9 47 AM '93

JAY KIM

FORTY-FIRST DISTRICT  
CALIFORNIA

August 17, 1993

Noriega James, Esq.  
Federal Elections Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MURS 3798 and 3796

Dear Mr. James,

I am in receipt of your letters of July 26 and July 27, 1993, regarding the complaints filed by James Lacy and the Democratic Congressional Campaign Committee. On behalf of Congressman Jay Kim and the Jay Kim for Congress Committee, I request extra time to respond.

The Committee and Congressman Kim are in the process of finalizing the retention of legal counsel and attempting to obtain information in order to respond. This will require an additional thirty days up to September 17. We request an extension up to that date.

Sincerely,

Jane Y. Chong  
Treasurer

93 AUG 18 AM 10:16

970400054027

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3798

NAME OF COUNSEL: Jan Baran

ADDRESS: 1776 K Street, N.W.

Washington D.C. 2006

TELEPHONE: (202) 429-7330

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and other  
communications from the Commission and to act on my behalf  
before the Commission.

Aug. 3, 1993  
Date

Jane Y. Chong  
Signature

RESPONDENT'S NAME: Jane Y. Chong

ADDRESS: 1300 S. Valley Vista Dr.

Diamond Bar, CA 91765

TELEPHONE: HOME ( )

BUSINESS ( 909 ) 396 6173

93 AUG 16 PM 3:14

RECEIVED  
FEDERAL COMMISSION

97046032020



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

AUGUST 19, 1993

Jane Y. Chong  
Jay Kim Campaign Committee  
P.O. Box 4353  
Diamond Bar, CA 91765

RE: MURS 3798 and 3796  
Jay Kim for Congress  
Committee, Jay Kim

Dear Ms. Chong:

This is in response to your letter dated August 17, 1993, which we received on August 18, 1993, requesting an extension until September 17, 1993 to respond to the Commission's Notification of Complaint. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 17, 1993.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Erik Morrison".

Erik Morrison  
Paralegal

97040034829

WILEY, REIN & FIELDING

1776 K STREET, N. W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

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SEP 20 1993

JAN WITOLD BARAN  
(202) 429-7330

September 17, 1993

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

Lawrence M. Noble, General Counsel  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Attn: Noriega James

Re: MURs 3796 and 3798 (Jay Kim and Jay Kim for  
Congress and Jane Y. Chong, as Treasurer)

Dear Mr. Noble:

This response is submitted on behalf of Jay Kim and Jay Kim for Congress, and Jane Y. Chong, as Treasurer ("Respondents"), in reply to complaints filed by the Democratic Congressional Campaign Committee and James V. Lacy and designated Matters Under Review ("MUR") 3796 and 3798 respectively. Executed Statements of Designation of Counsel forms are attached or have been transmitted to you by Ms. Chong. For the reasons set forth herein, the Federal Election Commission ("FEC" or "Commission") should find no reason to believe that Respondents have violated any provision of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455 ("Act").

97043832830

Lawrence M. Noble  
September 17, 1993  
Page 2

COMPLAINT

The complaints in these matter are both based on a newspaper article published by the Los Angeles Times. The article claims that Jay Kim for Congress received approximately \$400,000 in corporate contributions from JayKim Engineers for a variety of goods and services. The complaints also allege a \$1,000 contribution from Korean Airlines to the Jay Kim for Congress Committee, as well as corporate reimbursement of contributions in the amounts of \$500 and \$2,000 made by Carmen Suarez and Jay Kim respectfully.

DISCUSSION

Respondents take seriously the allegations of these complaints. Respondents' concern about the seriousness of these allegations has prompted them to undertake an independent audit of the Jay Kim for Congress campaign account in order to ensure compliance with the Act. Respondents have taken action with regard to several matters as a result of this audit. For instance, Respondents discovered that the Committee had received approximately \$12,000 in contributions from churches in California. While receipt of contributions from churches is not illegal for Federal election purposes, Respondents believed that it would

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Lawrence M. Noble  
September 17, 1993  
Page 3

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be best to refund these contributions so that the churches would not jeopardize their tax exempt status. In addition, Respondents identified several questionable contributions. Respondents have therefore, on their own initiative, refunded contributions about which there were questions as to their source. These refunds of contributions have been reported on the Jay Kim for Congress Committee's 1993 Mid-Year Report. Since filing of the Mid-Year report, Respondents have also refunded a \$1000 contribution from Korean Airlines specifically referenced in the Lacy complaint. This reimbursement will be reflected on the Year-End Report to be filed by the Committee. Further, the Jay Kim for Congress Committee is preparing amendments to each of its previously filed reports to the extent necessary so that all of the campaign's financial activities will be completely and accurately reported.

As for the allegation that JayKim Engineers made corporate contributions in the amount of \$400,000, Respondents have obtained a copy of a computer generated printout from JayKim Engineers of all "expenses" which were attributed to a "special campaign account." However, JayKim Engineers has no backup documentation to support any of the itemized entries. Moreover, Fred Schultz, the former Chief

Lawrence M. Noble  
September 17, 1993  
Page 4

Financial Officer of the JayKim Engineers, who was responsible for creating the one printout that does exist, has informed Respondents that he has no backup documentation supporting these claimed corporate contributions. Thus, Respondents are unable to substantiate any of the alleged corporate contributions to Jay Kim for Congress. We note for the record, that Congressman Kim continued to run his business while he was a candidate in 1992. Accordingly, his salary, which constituted the vast majority of this undocumented \$400,000 alleged "corporate contribution" was appropriate and entirely lawful.

Moreover, as reported, the United States Attorney's Office in Los Angeles has started an investigation into these allegations. It is our understanding that JayKim Engineers has turned over relevant documentation to the U.S. Attorney. Further, the Jay Kim for Congress Committee is cooperating fully with the U.S. Attorney and has also turned over subpoenaed documentation to the U.S. Attorney to the extent any existed.

Finally, the Jay Kim for Congress Committee has no information with respect to the alleged corporate reimbursements from JayKim Engineers to Carmen Suarez and Jay Kim. Further, as can be seen from the L.A. Times article

Lawrence M. Noble  
September 17, 1993  
Page 5

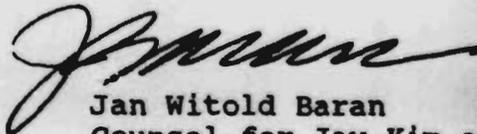
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which formed the basis for these complaints, the alleged reimbursement from JayKim Engineers to Carmen Suarez was made after Mr. Kim had already become a Congressman. As for the alleged reimbursement to Mr. Kim, he was quoted in that very same article as recalling that the \$2,000 company check at issue was in fact a year end bonus to himself, not a reimbursement for any contribution. Thus, Respondents deny any wrongdoing with respect to these allegations.

CONCLUSION

Jay Kim and Jay Kim for Congress have voluntarily conducted an audit of the Jay Kim for Congress campaign accounts and taken remedial action with regard to any potential problems. Further, Respondents are cooperating with the U.S. Attorney's office with respect to alleged violations of the law by JayKim Engineers. We are confident that there is no basis for any prosecution against any of our clients. Given these circumstances, it would be appropriate for the Commission to take no further action with regard to these MURs.

Sincerely,



Jan Witold Baran  
Counsel for Jay Kim and Jay Kim  
for Congress and Jane Y. Chong,  
as Treasurer

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3796 & 3798

NAME OF COUNSEL: Jan Witold Baran

ADDRESS: Wiley, Rein & Fielding

1776 K Street, N.W.

Washington, D.C. 20006

TELEPHONE: ( 202 ) 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

July 28, 1993  
Date

Jay Kim  
Signature

RESPONDENT'S NAME: Jay Kim and Jay Kim for Congress

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE: HOME ( \_\_\_\_\_ ) \_\_\_\_\_

BUSINESS ( \_\_\_\_\_ ) \_\_\_\_\_

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**MORGAN, LEWIS & BOCKIUS**

PHILADELPHIA  
LOS ANGELES  
MIAMI  
LONDON  
FRANKFURT

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 467-7000  
FAX: (202) 467-7176

WASHINGTON  
NEW YORK  
HARRISBURG  
SAN DIEGO  
BRUSSELS  
TOKYO

STANTON P. SENDER  
DIAL DIRECT (202) 467-7252

October 1, 1993

RECEIVED  
FEDERAL ELECTION COMMISSION  
93 OCT -8 AM 10:28

Lisa F. Klein, Esq.  
Assistant General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3798

Dear Ms. Klein:

As counsel on behalf of Korean Airlines Co., Ltd. ("Korean Air"), I ask permission by this letter to supplement the August 5, 1993 response, and add a further reason for granting the request that no action be taken on this matter.

The exhibits attached to the August 5, 1993 response numbered "A" through "E," are hereby supplemented by an Appendix "F." Appendix F contains a copy of a letter dated September 14, 1993 from Jane Y. Chong, Operations Manager, Congressman Jay Kim, and copy of a check in the amount of \$1,000, refunding the full amount of the original contribution.

The refund in full of the original contribution constitutes an additional reason Number 7 for granting the request that no action be taken:

- (7) The refund in full of the original contribution at the request of Korean Air culminates a good faith effort to cure the violation.

Since there are no disputed facts and Korean Airlines has culminated a good faith effort to cure the violation through a refund of the full amount of the original contribution, further proceeding are not necessary or justified, and the Commission should grant the request to take no action.

Sincerely yours,

*Stanton P. Sender*  
Stanton P. Sender  
Y. Peter Kim

9704000000



HOUSE OF REPRESENTATIVE

JAY KIM

FORTY-FIRST DISTRICT  
CALIFORNIA

September 14, 1993

Mr. Jong Bok Kim  
General Manager, Legal Affairs  
American Regional Office  
Korean Air  
6101 West Imperial Hwy.  
Los Angeles, CA 90045

Dear Mr. Kim,

In response to your letter regarding the campaign contribution made to our committee from Korean Air, please find enclosed in this letter a refund check for the full amount of the original donation.

I apologize for the inconvenience that this situation may have caused for either yourself or Korean Air. Please be assured that this mistake was made as a result of our misunderstanding of campaign laws and that it will not occur in the future.

Thank you so much for your support and your understanding in this matter. Congressman Kim and his entire campaign committee look forward to your continued support.

Please feel free to contact me should you have any questions or require further assistance in this matter.

Sincerely Yours,

Jane Y. Chong  
Operations Manager

97043837





MORGAN, LEWIS & BOCKIUS

that each of the three employees request a refund of their contribution (Exhibit C, Jong Bok Kim declaration attached). These three employees have sent letters to the Jay C. Kim Elect Committee requesting a refund of their contributions (Exhibit D, Jong Bok Kim declaration attached).

The initial contribution and these three additional contributions totaling \$6,000 were made to the first Congressional candidate of Korean descent due to the overzealous actions of an employee, and not to influence any elected member of Congress or pending legislation. These contributions were not authorized by Korean Air management, were not part of a pattern or program to make U.S. political contributions, and were isolated instances.

On behalf of Korean Air, we ask that the Federal Election Commission take into account in determining what action to take in this matter, the isolated nature of these instances which were not authorized by Korean Air management, and the notification by Korean Air to its employees, and actions to assure future compliance with U.S. election laws.

Sincerely,



Stanton P. Sender



Y. Peter Kim

DECLARATION OF JONG BOK KIM

I, JONG BOK KIM, declare as follows:

1. I am over the age of 18 and a resident of the County of Los Angeles, the State of California. If I am called to testify in this matter, I would and could testify competently of the following facts, of my own knowledge, unless otherwise indicated.

2. I am presently General Manager, Department of Legal Affairs of American Regional Office of Korean Airlines Co., Ltd. ("Korean Air") and in charge of and responsible for legal matters of the American Regional Office of Korean Air.

3. In July, 1993, it was brought to my attention that a complaint was filed with the Federal Election Commission alleging that Korean Air may have violated the Federal Election Campaign Act of 1971 (the "Act") by a making a \$1,000 contribution to Jay C. Kim Elect Committee in support of Jay C. Kim, a candidate for the United States Congress. I then realized that Korean Air, as a foreign corporation, was not allowed by the Act to make such a contribution and that the contribution was made without knowledge of the Act. I also understood that it was the only incident in which Korean Air was involved in relation to the Act.

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4. In April, 1994, it was brought to my attention that there were three employees of Korean Air who in September, 1992 made a cash contribution to Jay C. Kim Elect Committee in the amount of \$1,000, \$2,000 and \$2,000 respectively. I also found that each of the three employees was reimbursed by Korean Air as a business promotion/public relation expense. I inquired of these employees as to their knowledge of the Act and personally confirmed that they made the contribution and received the reimbursement without knowledge of the prohibition under the Act.

5. Upon confirming what happened, I reported to the Executive Vice President of Korean Air who then circulated an internal memorandum to all of the department heads of Korean Air and published a bulletin to all employees of the American Region of Korean Air to advise them of the legal prohibitions of the Act and also ascertain whether there was any other involvement by a non-U.S. national employee of Korean Air or itself. Copies of the internal memorandum and bulletin are attached hereto respectively as Exhibits A and B. I have thus far confirmed that there was no other incidents whereby a non-U.S. national employee of Korean Air or Korean Air funds were involved in connection with any election campaign.

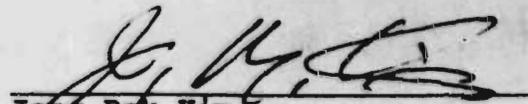
6. In order to remedy the possible violation of the Act, Korean Air made demand upon each of the three employees to return the money received in reimbursement for the contribution

and Korean Air has also suggested that each of the three employees also request a refund of their contribution. Copies of Korean Air's internal memorandum to each of the contributors are attached hereto as Exhibit C and copies of letters by the three contributors to Jay C. Kim Elect Committee are attached hereto as Exhibit D.

7. In addition, Korean Air has set and proclaimed a company policy that no non-U.S. national employee shall engage in any election campaign activities in violation of the Act and that any employee who violates such a policy shall be subject to disciplinary action.

Executed this 20th day of April, 1994, at Los Angeles, California.

I declare under the penalty of perjury that the foregoing is true and correct.

  
Jong Bok Kim

97045532843

EXHIBIT A

97043032844

**KOREAN AIR**

AMERICAN REGIONAL HEADQUARTERS  
8181 W. IMPERIAL HWY., LOS ANGELES, CA 90045  
TEL: (310) 417-5200 • FAX: (310) 417-3051

**T O : All Department Heads**  
**From : DAR/Senior Vice President**  
**Subject : Political Election Campaign**

9 7 0 4 0 0 3 2 8 4 5

Recently, it was brought to attention of the management that certain non-U.S. national employees had engaged in the political election campaign activities, including making contribution for political candidates for any government offices, including federal and state legislatures. As a foreign based company, Korean Air had no prior experiences or interests in this area until recently, but we now realize that this is an area where our company policy should be clearly stated and all employees need to be educated with such policy and the U.S. election campaign laws.

It is in violation of the U.S. laws that any foreign national employees (or company itself) to engage in political campaigns in connection with elections and to make political contributions to any candidates in the U.S. It is therefore our company's policy that all non-U.S. national employees are prohibited from engaging in such activities and that anyone who violates the U.S. election laws will be subject to disciplinary action. We are in process of amending our employee manual in this regard and publishing a bulletin, but you are urged to notify all of your employees of this policy and see to it that this policy be strictly complied with by all foreign national employees.

It is also equally important that you personally make inquiries to all non-U.S. national employees in your department to find any political campaign activities in which they may have been engaged in the past and you immediately report them to J.B. Kim, General Manager of Legal Affairs, by April 12, 1994.

EXHIBIT B

9 / U A 0 0 3 2 0 4 6

# KOREAN AIR

AMERICAN REGIONAL HEADQUARTERS  
8101 W. IMPERIAL HWY. LOS ANGELES, CA 90045  
TEL: (310) 417-3028 • FAX: (310) 417-3051

**T O : All Employees**  
**From : DAR/Senior Vice President**  
**Subject : Political Election Campaign**

Recently, it was brought to attention of the management that certain non-U.S. national employees had engaged in the political election campaign activities, including making contribution for political candidates for any government offices, including federal and state legislatures. As a foreign based company, Korean Air had no prior experiences or interests in this area until recently, but we now realize that this is an area where our company policy should be clearly stated and all employees need to be educated with such policy and the U.S. election campaign laws.

It is in violation of the U.S. laws that any foreign national employees (or company itself) to engage in political campaigns in connection with elections and to make political contributions to any candidates in the U.S. It is therefore our company's policy that all non-U.S. national employees are prohibited from engaging in such activities and that anyone who violates the U.S. election laws will be subject to disciplinary action. We are in process of amending our employee manual in this regard, but you are urged to immediately cease and desist from any of such activities and to notify by April 12, 1994 J.B. Kim, General Manager of Legal Affairs, of any of such activities in which you have engaged in the last three years. It is very important that we know of your such past activities and we encourage you to do so. We will provide you with legal advice and other assistance if you let us know.

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EXHIBIT C

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# KOREAN AIR

AMERICAN REGIONAL HEADQUARTERS  
8101 W. IMPERIAL HWY. LOS ANGELES CA 90045  
TEL (310) 417-5200 - FAX: (310) 417-3051

**T O : I. J. Kim (DJR)**  
**From : T. J. Kim (DAR)**  
**Subject : Reimbursement of Political Contribution**

Recently, it was brought to attention of the management that in October 1, 1992 you were reimbursed by the company for a political contribution made by you to Jay Kim Elect Committee in the amount of \$2,000. The reimbursement was made without knowledge of legal ramifications thereof under the U.S. election campaign laws and we now realize that the contribution made by you as a foreign national, as well as reimbursement by the company, may not comport with the federal laws.

We therefore suggest that you take immediate action to contact the Jay Kim Committee to notify it of your nationality status and take all actions to correct the non-conformity, including refund of the contribution made. You are also required to return to the company by April 30, 1994 the amount of \$2,000 which was paid to you as the reimbursement.

97043632849

# KOREAN AIR

AMERICAN REGIONAL HEADQUARTERS  
8101 W. IMPERIAL HWY LOS ANGELES, CA 90045  
TEL (310) 417-5200 • FAX (310) 417-3051

**T O : J. S. Won**  
**From : T. J. Kim (DAR)**  
**Subject : Reimbursement of Political Contribution**

Recently, it was brought to attention of the management that in October 1, 1992 you were reimbursed by the company for a political contribution made by you to Jay Kim Elect Committee in the amount of \$2,000. The reimbursement was made without knowledge of legal ramifications thereof under the U.S. election campaign laws and we now realize that the contribution made by you as a foreign national, as well as reimbursement by the company, may not comport with the federal laws.

We therefore suggest that you take immediate action to contact the Jay Kim Committee to notify it of your nationality status and take all actions to correct the non-conformity, including refund of the contribution made. You are also required to return to the company by April 30, 1994 the amount of \$2,000 which was paid to you as the reimbursement.

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**KOREAN AIR**

AMERICAN REGIONAL HEADQUARTERS  
6101 W. IMPERIAL HWY. LOS ANGELES CA 90045  
TEL (310) 417-5208 • FAX (310) 417-3051

**T O : H. K. Lee**  
**From : T. J. Kim (DAR)**  
**Subject : Reimbursement of Political Contribution**

Recently, it was brought to attention of the management that in October 1, 1992 you were reimbursed by the company for a political contribution made by you to Jay Kim Elect Committee in the amount of \$1,000. The reimbursement was made without knowledge of legal ramifications thereof under the U.S. election campaign laws and we now realize that the contribution made by you as a foreign national, as well as reimbursement by the company, may not comport with the federal laws.

We therefore suggest that you take immediate action to contact the Jay Kim Committee to notify it of your nationality status and take all actions to correct the non-conformity, including refund of the contribution made. You are also required to return to the company by April 30, 1994 the amount of \$1,000 which was paid to you as the reimbursement.

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EXHIBIT D

970400324852

April 11, 1994

Jay Kim Elect Committee  
1131 West Sixth Street  
Ontario, CA 91762

Attn: Mr. Seo Kuk Na  
Special Assistant

Re: Election Contribution

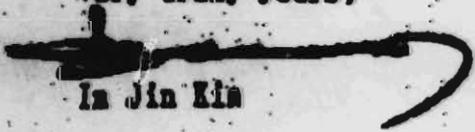
Dear Sir:

9 / 0 4 3 0 2 8 5 3

Recently, it was brought to my attention that on September 30, 1992, I made a contribution in the amount of \$2000.00 to your committee without knowledge of the legal ramifications of such contribution by a foreign national under the U.S. election campaign laws. I deeply regret that such contribution may not comport with the federal election campaign laws and also that it may have caused an embarrassment to Mr. Kim. It was certainly unintentional and without knowledge of the legality as I had no prior experience or involvement in this area. I think that it would be appropriate for you to refund the contribution.

Again, I apologize for the misunderstanding and inconvenience it has caused.

Very truly yours,



In Jin Kim

cc: Mr. Seo Kuk Na  
3425-F Pomona Boulevard  
Pomona, CA 91768

April 11, 1994.

Jay Kim Elect Committee  
1131 West Sixth Street  
Ontario, CA91762

Attn : Mr. Seo Kuk Ma  
Special Assistant

Re : Election Contribution

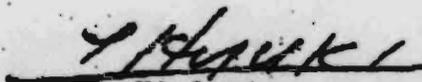
Dear Sir :

97043332854

Recently, it was brought to my attention that on september 30, 1992 I made a contribution in the amount of \$1000.00 to your committee without knowledge of the legal ramifications of such contribution by a foreign national under the U. S. election campaign laws. I deeply regret that such contribution may not comport with the federal election campaign laws and also that it may have caused an embarrassment to Mr. Kim. It was certainly unintentional and without knowledge of the legality as I had no prior experience or involvement in this area. I think that it would be appropriate for you to refund the contribution.

Again, I apologize for the misunderstanding and inconvenience it has caused.

Very truly yours,

  
Hyuk Ki Lee

cc: Mr. Seo Kuk Ma  
3425-F Pomona Boulevard  
Pomona, CA91768

April 11, 1994

Jay Kim Elect Committee  
1131 West Sixth Street  
Ontario, CA 91762

Attn: Mr. Seo Kuk Ma  
Special Assistant

Re: Election Contribution

Dear Sir:

97043032855

Recently, it was brought to my attention that on September 30, 1992, I made a contribution in the amount of \$2000.00 to your committee without knowledge of the legal ramifications of such contribution by a foreign national under the U.S. election campaign laws. I deeply regret that such contribution may not comport with the federal election campaign laws and also that it may have caused an embarrassment to Mr. Kim. It was certainly unintentional and without knowledge of the legality as I had no prior experience or involvement in this area. I think that it would be appropriate for you to refund the contribution.

Again, I apologize for the misunderstanding and inconvenience it has caused.

Very truly yours,

Jong Saung Won



cc: Mr. Seo Kuk Ma  
3425-F Penona Boulevard  
Penona, CA 91768

WILEY, REIN & FIELDING

1776 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

JAN 27 9 19 AM '94

JAN WITOLD BARAN  
(202) 429-7330

January 25, 1994

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

ATTN: Noriega James, Esq.

Re: MUR 3796 and 3798 (Jay Kim and Jay Kim for Congress  
and Jane Y. Chong, as Treasurer)

Dear Mr. Noble:

This is to note for the record our objections to your continued proceedings in the above-captioned matter due to the United States Court of Appeals' decision in FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993). As you have noted in recent FEC filings, the Commission lacked authority to determine for itself the constitutional issues decided in NRA, so raising these matters with the Commission prior to that ruling would have been futile. Also, some of the "remedial" actions, such as purported "ratification," just occurred. However, now that the decision has been handed down and the Commission's initial response to it has been outlined, we wish to be clear that we object to any Commission action inconsistent with the NRA rationale.

Accordingly, please be advised that we object to all past and future activity in this matter attributable to the actions of the unconstitutional agency. Our objections include, but are not limited to, enforcement of rules not adopted by a constitutional agency, purported "ratification" of rules and actions, without findings or compliance with procedural steps mandated by the Administrative Procedures Act or the Federal Election Campaign Act, as well as "ratification" of actions tainted by deliberations influenced by the presence of non-executive branch personnel. Additionally, we believe that the Commission improperly reconstituted itself in response to the NRA decision and therefore its current proceedings are likewise constitutionally suspect. We expressly do not waive any objections to the present form of the Commission and suggest that continued proceedings in this matter under these circumstances are not substantially justified.

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WILEY, REIN & FIELDING

Lawrence M. Noble, Esq.  
January 25, 1994  
Page 2

We are confirming these objections to provide formal notice that the Commission's present make-up and/or its actions based on precedents of the judicially declared unconstitutional Commission may be invalid. While I know that you already are familiar with the issues raised in this letter -- indeed, your staff has focused on little else these past few months -- I am prepared to discuss these matters with you in more detail at your convenience. Also, I would welcome any procedural guidance you may offer on how these issues might most efficiently be pursued.

Sincerely,



Jan Witold Baran

97043032857

OG C# 1489

**MORGAN, LEWIS & BOCKIUS**

PHILADELPHIA  
NEW YORK  
MIAMI  
PRINCETON  
BRUSSELS

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE (202) 467-7000  
FAX (202) 467-7176

WASHINGTON  
LOS ANGELES  
HARRISBURG  
LONDON  
FRANKFURT  
TOKYO

May 27, 1994

Lisa Klein  
Assistant General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: Supplemental Response to MUR-3798 Addendum

Dear Ms. Klein:

In the supplemental response filed on behalf of Korean Air dated April 28, 1994, we indicated that the three Korean Air employees, In Jim Kim, Jong Sung Won and Jyuck K. Lee had requested a refund of their contributions from the Jay Kim for Congress, 1992 Committee.

We wish to advise that the three employees have received the requested refund checks as shown in the attached Exhibit A.

As Counsel on behalf of Korean Air, we ask that this addendum be included and considered in the disposition of MUR-3798.

Sincerely,



Y. Peter Kim  
Stanton P. Sender

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COMMISSION

JAY KIM FOR CONGRESS, 1992, INC.  
P.O. BOX 4888 714-888-8178  
DIAMOND BAR, CA 91768

1727

Pay to the order of

H. K. Lee

4-21 1994

\$ 7,000.00

THE BANK OF CALIFORNIA  
City of Industry Office  
1070 Hanover Rd.  
City of Industry, CA 91748



⑆001729⑆ ⑆122001055⑆ 206-426379⑆

JAY KIM FOR CONGRESS, 1992, INC.  
P.O. BOX 4888 714-888-8178  
DIAMOND BAR, CA 91768

1725

Pay to the order of

Jay Kim

4-21 1994

\$ 2,000.00

THE BANK OF CALIFORNIA  
City of Industry Office  
1070 Hanover Rd.  
City of Industry, CA 91748



⑆001725⑆ ⑆122001055⑆ 206-426379⑆

JAY KIM FOR CONGRESS, 1992, INC.  
P.O. BOX 4888 714-888-8178  
DIAMOND BAR, CA 91768

1726

Pay to the order of

Jay Sung Won

4-21 1994

\$ 2,000.00

THE BANK OF CALIFORNIA  
City of Industry Office  
1070 Hanover Rd.  
City of Industry, CA 91748



⑆001726⑆ ⑆122001055⑆ 206-426379⑆

1 NORA M. MANELLA  
United States Attorney  
2 RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division  
3 STEPHEN A. MANSFIELD  
EDWARD B. MORETON, JR.  
4 Assistant United States Attorney  
Public Corruption & Government Fraud Section  
5 1300 United States Courthouse  
312 North Spring Street  
6 Los Angeles, California 90012  
Telephone: (213) 894-5615  
7

8 Attorneys for Plaintiff  
United States of America

*mur's 3798*

9 UNITED STATES DISTRICT COURT

10 FOR THE CENTRAL DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA, ) No. CR 95-1134  
12 )  
Plaintiff, ) NOTICE OF FILING PLEA  
13 ) AGREEMENT  
v. )  
14 )  
KOREAN AIRLINES CO., LTD., )  
15 )  
Defendant. )  
16 )

17 The government hereby files the plea agreement entered  
18 into in the above-captioned case. Due to the agreement's  
19 having been faxed, the agreement may be difficult to read in

20 //

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
FEB 21 8 59 AM '96

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1 parts. Accordingly, a clean, unsigned copy of the agreement is  
2 also attached.

3 DATED: December 5, 1995.

4 Respectfully submitted,

5 NORA M. MANELLA  
6 United States Attorney

7 RICHARD E. DROOYAN  
8 Assistant United States Attorney  
9 Chief, Criminal Division

10 

11 STEPHEN A. MANSFIELD  
12 Assistant United States Attorney  
13 Senior Litigation Counsel

14 

15 EDWARD B. MORETON, JR.  
16 Assistant United States Attorney  
17 Public Corruption and Government  
18 Fraud Section

19 Attorneys for Plaintiff  
20 United States of America

9 / 0 4 3 3 2 8 6 1

PLEA AND SENTENCING AGREEMENT

1. Introduction

The United States Attorney's Office for Central District of California and Korean Airlines Co., Ltd. ("Korean Air") agree to the following preindictment plea and sentencing agreement regarding the federal grand jury investigation relating to Korean Air, In Jin Kim and other employees of Korean Air in connection with suspected violations of the Federal Election Campaign Act and the conspiracy, false statement and obstruction of justice statutes relating to illegal contributions by Korean Air to the Jay Kim Campaign Committee and related cover-up and concealment activities. The signatures of a corporate officer, duly authorized by the Board of Directors of Korean Air, and the signature of counsel for Korean Air by or before the expiration date set below will indicate your acceptance of this preindictment plea agreement. Also, the waiver agreements attached as Exhibits A and B must be signed.

2. Expiration Date

This offer expires as of noon, December 5, 1995. No extensions will be granted. The charging and sentencing terms of this preindictment plea agreement will not be available post-indictment.

3. Scope

This agreement will dispose of all criminal violations committed by Korean Air and its employees arising from Korean Air's illegal contributions to the Jay Kim For Congress Committee and all related obstruction and cover-up activities, including violations under the Federal Election Campaign Act and the conspiracy, false statement, mail fraud and obstruction of justice statutes. Upon execution of this agreement the government's grand jury investigation into the above-described activities of Korean Air will cease.

4. Plea Terms and Cooperation

In exchange for a corporate plea pursuant to Federal Rule of Criminal Procedure 11(e)(1)(C) by Korean Air to an indictment charging one count of making illegal corporate contributions and one count of making illegal foreign national contributions to the Jay Kim For Congress Committee in 1992, in violation of Title 2 U.S.C. §§ 441b, 441e and 437g and an agreement to pay a fine of \$125,000 per count, the government agrees that no charges relating to what is described in Paragraphs 1 and 3 above will be brought by the United States Attorney's Office for the Central District of California against Korean Air or any employee,

97040032862

officers or directors of Korean Air, provided the following truthful cooperation is provided:

a. The Korean Air employees listed below will be made available by Korean Air, if requested by subpoenas issued by this office, within 10 days of the request, regardless of the employee's location or country of residence at the time of the request, to the United States Attorney's Office for the Central District of California and will provide truthful and complete statements during all interviews, grand jury testimony or trial testimony:

- (i) Kyung Hwan Kim
- (ii) Tae Jo Kim
- (iii) In Jin Kim

b. If In Jin Kim provides complete and truthful cooperation as required by this agreement, no charges will be brought against him concerning the activities described in paragraphs 1 and 3 above, regardless of the failure of Korean Air or its other employees to comply fully with the terms of this agreement.

c. The United States Attorney's Office will, to the extent possible, provide as much advance notice of appearance dates to Korean Air witnesses to avoid unnecessary interference with family and professional matters. The above-listed individuals will, by virtue of this agreement, obtain immunity coextensive with 18 U.S.C. § 6002 in connection with any interview statements or testimony provided pursuant to this agreement. Consistent with Section 6002, the above-listed individuals may still be prosecuted for perjury or giving a false statement based on any untruthful testimony or false statements provided under this agreement.

d. The above-listed individuals and Korean Air agree to provide in a timely fashion all documents and materials within their possession, custody or control in any office or country that are required by grand jury or trial subpoenas.

e. When any Korean Air employee is requested by this office to enter the United States for the purpose of providing cooperation as required by this agreement, no charges concerning the activities described in paragraphs 1, 3, and 4 shall be brought by this office against the employee during the time period the employee is requested to be in the United States.

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5. Compliance

- a. To ensure compliance with the terms of this agreement relating to possible ongoing cooperation, Korean Airlines Co., Ltd. and In Jin Kim agree to execute with this agreement statute of limitations waiver agreements that extend the statute of limitations date for a period of 18 months from the date of this agreement. These agreements are attached hereto as Exhibits A and B.
- b. If Korean Air, as an entity or through its employees, fails to comply fully with the cooperation terms of this agreement set forth in paragraph 4, then all additional charges relating to the activities described in paragraphs 1 and 3 may be brought by this office against Korean Air, and/or any of its employees during the period of the waiver of statute of limitations, except as provided in Paragraph 4(b).
- c. If In Jin Kim fails to comply fully with the cooperation terms of this agreement set forth in paragraph 4, then all additional charges relating to the activities described in Paragraphs 1 and 3 may be brought by this office against In Jin Kim during the period of the waiver of statute of limitations.

6. Acceptance of Rule 11(e)(1)(C) Plea Agreement

If the court does not accept this plea and sentencing agreement pursuant to Rule 11(e)(1)(C) and the terms agreed-upon herein, then neither party is bound by this agreement. It is deemed null and void, and the government may pursue further grand jury investigation and whatever prosecutions it considers appropriate concerning the matters that are the subject of this agreement described in Paragraphs 1 and 3. The failure of the court to accept this agreement will not however, invalidate the waivers of statutes of limitation provided for in this agreement.

7. Recommended Sentence

The parties agree that the maximum possible fine for the two counts that are the subject of this agreement is \$400,000 and that Korean Air will be sentenced to pay a \$250,000 (\$125,000 per count) fine to the United States, on the date of sentencing, and that Korean Air will not be placed on probation. The parties jointly agree that the Court waive a presentence report pursuant to Fed. R. Crim. P. 32(c) (1) and that the Court combine the entry of plea and sentencing into one hearing.

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**8. Calculation of Sentence**

The government believes that the sentence described in paragraph 7 above is appropriate based on the Sentencing Guidelines which apply as follows:

- a. For violations of 2 U.S.C. §§ 437 and 441, under organization guidelines §§ 8C2.1 and 8C2.3 the sentence is calculated by reference to the guideline for fraud involving deprivation of the intangible right to the honest services of public officials at § 2C1.7 (see Application Note 1 to § 8C2.1).
- b. Under § 2C1.7(a), the base offense level applicable to Korean Air's conduct is 10. Pursuant to § 2C1.7 (b) (B), the base offense level should be increased 8 levels because the offense involved an elected official. The resulting total offense level is 18.
- c. Given an offense level of 18, pursuant to § 8C2.4, the base fine is \$350,000.
- d. Pursuant to § 8C2.5, defendant's culpability score is 9. This figure includes a base calculation of 5 under § 8C2.5(a), plus 5 points pursuant to § 8C2.5(b) (1) because Korean Air had more than 5,000 employees and an individual within high-level personnel of the organization participated in and condoned the offense. The culpability score includes a 1 point reduction under § 8C2.5(g) (3) because the organization in entering into this agreement clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct.
- e. According to § 8C2.6, a culpability score of 9 results in a minimum/maximum fine multiplier of 1.8/3.6. A base fine of \$350,000 and a minimum/maximum fine multiplier of 1.8/3.6 results in a fine range of \$630,000 to \$1,260,000.
- f. The parties agree that, pursuant to § 8C4.1 (Policy Statement), the government will move the court for a downward departure from the fine range based on Korean Air's substantial assistance in the investigation and/or prosecution of other organizations and individuals not directly affiliated with Korean Air. The parties agree that the substantial assistance is represented by Korean Air's entering into this agreement which requires cooperation by Korean Air and certain of its employees. The parties agree that the government will move for a downward departure to a fine of \$250,000 (\$125,000 per count).

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g. Korean Air stipulates that it has the ability to pay a fine of \$250,000, and will pay the fine on the day it enters its plea and is sentenced.

Korean Air and this Office agree not to seek any adjustments to or departures from the Sentencing Guidelines calculations and agreed-upon \$250,000 fine as set forth herein.

9. Factual Basis For Guilty Pleas By Korean Air

Korean Air agrees to enter the following guilty pleas to an indictment charging the following: a) Count One that in September of 1992 Korean Air, a corporation organized under the laws of the Republic of Korea, knowingly and willfully made \$2,000 in illegal corporate contributions to the Jay Kim For Congress Committee; and b) Count 2 that in September 1992 Korean Air, a foreign national, knowingly and willfully made \$2,000 in illegal foreign national contributions to the Jay Kim For Congress Committee through three of its employees, all foreign nationals.

Korean Air and the United States Attorney's Office agree and stipulate to the following statement of facts.

At all times relevant to the above-described charges:

- a. Korean Airlines, Co., Ltd. was a foreign corporation organized under the laws of the Republic of Korea with its principal place of business located in Seoul, South Korea. Korean Airlines, Co., Ltd. provided international air carrier service and operated numerous offices in the United States, including its American Regional office which was located in Los Angeles, California.
- b. In Jin Kim was a foreign national who served as Senior Vice President for Korean Airlines, Co., Ltd., and acted as the highest ranking corporate officer at the American Regional Office in Los Angeles, California.
- c. Korean Air through its employees, was aware of the following: The Federal Election Campaign Act prohibits corporations and foreign nationals from making contributions in connection with the campaigns of candidates seeking federal office. Pursuant to the Federal Election Campaign Act, only United States citizens and persons admitted for permanent residence in the United States are eligible to contribute in connection with an election for federal office. Foreign nationals and corporations organized under the laws of a foreign country are prohibited from making contributions under the Federal Election Campaign Act. Eligible contributors may not contribute in excess of \$1,000 to a particular candidate in an election.

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- d. Korean Air, through its employees, was aware of the following: The Jay Kim for Congress Committee was a political committee registered with the Federal Election Commission under the Federal Election Campaign Act, and was authorized by Jay Kim, a candidate for the United States House of Representatives, to solicit, accept and receive contributions, and to make expenditures, for the purpose of electing Jay Kim to the United States House of Representatives.
- e. During July of 1992, Korean Air received a letter from the Korean Traders Club of Los Angeles concerning, among other things, the making of contributions to the Jay Kim For Congress Committee by the corporations and foreign nationals who were members of the club. Thereafter, in September and October of 1992, Korean Airlines, Co., Ltd., through In Jin Kim, and others at Korean Air, made contributions to the Jay Kim for Congress Committee in violation of the Federal Election Campaign Act that aggregated \$5,000 or more.
- f. On the dates set forth below, and in the amounts set forth below, within the Central District of California, Korean Airlines, Co., Ltd. knowingly and willfully made illegal contributions of corporate funds to the Jay Kim for Congress Committee, and its Senior Vice President for the American Regional Office, In Jin Kim, consented to make such contributions in violation of 2 U.S.C. §§ 441b and 437g:

<u>DATE</u>	<u>AMOUNT</u>
September 30, 1992	\$2,000
September 30, 1992	\$2,000
October 1, 1992	\$1,000

- g. Also, on or about the dates set forth above and in the amounts set forth above, within the Central District of California, Korean Airlines, Co., Ltd., a foreign national, knowingly and willfully made, and caused to be made, illegal campaign contributions through foreign national employees to the Jay Kim for Congress Committee in violation of 2 U.S.C. §§ 441e and 437g.

10. Waiver of Constitutional Rights

Korean Air understands that by pleading guilty, it will be giving up the following Constitutional rights: Korean Air has the right to plead not guilty, the right to be tried by a jury, or if Korean Air wishes and with the consent of the government, to be tried by a judge. At a trial, Korean Air would have the right to an attorney. During the trial, Korean Air would be

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presumed innocent and a government would be instructed that the burden of proof is on the government to prove Korean Air guilty beyond a reasonable doubt. Korean Air would have the right to confront and cross-examine witnesses against it. If Korean Air wished, it could present witnesses in its defense. If Korean Air were found guilty after a trial, Korean Air would have the right to appeal that verdict to see if any errors had been committed during trial that would require either a new trial or a dismissal of the charges. By pleading guilty, Korean Air will be giving up all of these rights.

11. Waiver of Appeal

As set forth above, Korean Air understands that this agreement includes a sentencing agreement as described in paragraph 4 above. Korean Air further understands that Title 18, United States Code, Section 3742 gives Korean Air the right to appeal the sentence imposed by the Court. Acknowledging all this, Korean Air knowingly and voluntarily waives its right to appeal the sentence imposed by the Court pursuant to this agreement.

12. No additional Agreements

Except as expressly set forth herein, there are no additional promises, understanding or agreements between the government and Korean Air or Korean Air's counsel concerning any other criminal investigation by prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Korean Air. Nor may any additional agreement, understanding or condition be entered into unless in writing and signed by all parties.

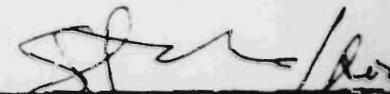
NORA B. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

December 5, 1995  
Date

  
STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

December 5, 1995  
Date

  
EDWARD B. MORFITT, JR.  
Assistant United States Attorney  
Public Corruption and Government  
Fraud Section

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On behalf of Korean Air, I have read this agreement and carefully reviewed every part of it with counsel for Korean Air. I understand it, and I knowingly and voluntarily agree to it on behalf of Korean Air. I have been given authority by Korean Air's Board of Directors to enter into this agreement and bind Korean Air to it. Further, I have consulted with counsel for Korean Air and fully understand Korean Air's rights under the law. No promises or agreements have been made to Korean Air other than those contained in this agreement. In addition, no one has threatened or forced Korean Air in any way to enter into this agreement. Finally, I am satisfied with the representation of counsel for Korean Air in this matter.

KOREAN AIRLINES CO. LTD.

December 5, 1995

Date

Tae Jo Kim, Jr.  
Name and title:  
Vice President American Region  
Duly Authorized Officer of Korean  
Airlines Co. Ltd.

As counsel for Korean Air, I have carefully reviewed every part of this agreement with my client. To my knowledge, Korean Air's decision to enter into this agreement is an informed and voluntary one.

December 5, 1995

Date

Andrea Sheridan Ordiz  
ANDREA SHERIDIN ORDIZ, Attorney for  
Korean Airlines Co., Ltd.

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PLEA AND SENTENCING AGREEMENT

1. Introduction

The United States Attorney's Office for Central District of California and Korean Airlines Co., Ltd. ("Korean Air") agree to the following preindictment plea and sentencing agreement regarding the federal grand jury investigation relating to Korean Air, In Jin Kim and other employees of Korean Air in connection with suspected violations of the Federal Election Campaign Act and the conspiracy, false statement and obstruction of justice statutes relating to illegal contributions by Korean Air to the Jay Kim Campaign Committee and related cover-up and concealment activities. The signatures of a corporate officer, duly authorized by the Board of Directors of Korean Air, and the signature of counsel for Korean Air by or before the expiration date set below will indicate your acceptance of this preindictment plea agreement. Also, the waiver agreements attached as Exhibits A and B must be signed.

2. Expiration Date

This offer expires as of noon, December 5, 1995. No extensions will be granted. The charging and sentencing terms of this preindictment plea agreement will not be available post-indictment.

3. Scope

This agreement will dispose of all criminal violations committed by Korean Air and its employees arising from Korean Air's illegal contributions to the Jay Kim For Congress Committee and all related obstruction and cover-up activities, including violations under the Federal Election Campaign Act and the conspiracy, false statement, mail fraud and obstruction of justice statutes. Upon execution of this agreement the government's grand jury investigation into the above-described activities of Korean Air will cease.

4. Plea Terms and Cooperation

In exchange for a corporate plea pursuant to Federal Rule of Criminal Procedure 11(e)(1)(C) by Korean Air to an indictment charging one count of making illegal corporate contributions and one count of making illegal foreign national contributions to the Jay Kim For Congress Committee in 1992, in violation of Title 2 U.S.C. §§ 441b, 441e and 437g and an agreement to pay a fine of \$125,000 per count, the government agrees that no charges relating to what is described in Paragraphs 1 and 3 above will be brought by the United States Attorney's Office for the Central District of California against Korean Air or any employees,

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officers or directors of Korean Air, provided the following truthful cooperation is provided:

- 27043032871
- a. The Korean Air employees listed below will be made available by Korean Air, if requested by subpoenas issued by this office, within 10 days of the request, regardless of the employee's location or country of residence at the time of the request, to the United States Attorney's Office for the Central District of California and will provide truthful and complete statements during all interviews, grand jury testimony or trial testimony:
    - (i) Kyung Hwan Kim
    - (ii) Tae Jo Kim
    - (iii) In Jin Kim
  - b. If In Jin Kim provides complete and truthful cooperation as required by this agreement, no charges will be brought against him concerning the activities described in paragraphs 1 and 3 above, regardless of the failure of Korean Air or its other employees to comply fully with the terms of this agreement.
  - c. The United States Attorney's Office will, to the extent possible, provide as much advance notice of appearance dates to Korean Air witnesses to avoid unnecessary interference with family and professional matters. The above-listed individuals will, by virtue of this agreement, obtain immunity coextensive with 18 U.S.C. § 6002 in connection with any interview statements or testimony provided pursuant to this agreement. Consistent with Section 6002, the above-listed individuals may still be prosecuted for perjury or giving a false statement based on any untruthful testimony or false statements provided under this agreement.
  - d. The above-listed individuals and Korean Air agree to provide in a timely fashion all documents and materials within their possession, custody or control in any office or country that are required by grand jury or trial subpoena.
  - e. When any Korean Air employee is requested by this office to enter the United States for the purpose of providing cooperation as required by this agreement, no charges concerning the activities described in paragraphs 1, 3, and 4 shall be brought by this office against the employee during the time period the employee is requested to be in the United States.

5. Compliance

- a. To ensure compliance with the terms of this agreement relating to possible ongoing cooperation, Korean Airlines Co., Ltd. and In Jin Kim agree to execute with this agreement statute of limitations waiver agreements that extend the statute of limitations date for a period of 18 months from the date of this agreement. These agreements are attached hereto as Exhibits A and B.
- b. If Korean Air, as an entity or through its employees, fails to comply fully with the cooperation terms of this agreement set forth in paragraph 4, then all additional charges relating to the activities described in paragraphs 1 and 3 may be brought by this office against Korean Air, and/or any of its employees during the period of the waiver of statute of limitations, except as provided in Paragraph 4(b).
- c. If In Jin Kim fails to comply fully with the cooperation terms of this agreement set forth in paragraph 4, then all additional charges relating to the activities described in Paragraphs 1 and 3 may be brought by this office against In Jin Kim during the period of the waiver of statute of limitations.

6. Acceptance of Rule 11(e)(1)(C) Plea Agreement

If the court does not accept this plea and sentencing agreement pursuant to Rule 11(e)(1)(C) and the terms agreed-upon herein, then neither party is bound by this agreement, it is deemed null and void, and the government may pursue further grand jury investigation and whatever prosecutions it considers appropriate concerning the matters that are the subject of this agreement described in Paragraphs 1 and 3. The failure of the court to accept this agreement will not however, invalidate the waivers of statutes of limitation provided for in this agreement.

7. Recommended Sentence

The parties agree that the maximum possible fine for the two counts that are the subject of this agreement is \$400,000 and that Korean Air will be sentenced to pay a \$250,000 (\$125,000 per count) fine to the United States, on the date of sentencing, and that Korean Air will not be placed on probation. The parties jointly agree that the Court waive a presentence report pursuant to Fed. R. Crim. P. 32(c) (1) and that the Court combine the entry of plea and sentencing into one hearing.

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8. Calculation of Sentence

The government believes that the sentence described in paragraph 7 above is appropriate based on the Sentencing Guidelines which apply as follows:

- a. For violations of 2 U.S.C. §§ 437 and 441, under organization guidelines §§ 8C2.1 and 8C2.3 the sentence is calculated by reference to the guideline for fraud involving deprivation of the intangible right to the honest services of public officials at § 2C1.7 (see Application Note 1 to § 8C2.1).
- b. Under § 2C1.7(a), the base offense level applicable to Korean Air's conduct is 10. Pursuant to § 2C1.7 (b) (B), the base offense level should be increased 8 levels because the offense involved an elected official. The resulting total offense level is 18.
- c. Given an offense level of 18, pursuant to § 8C2.4, the base fine is \$350,000.
- d. Pursuant to § 8C2.5, defendant's culpability score is 9. This figure includes a base calculation of 5 under § 8C2.5(a), plus 5 points pursuant to § 8C2.5(b) (1) because Korean Air had more than 5,000 employees and an individual within high-level personnel of the organization participated in and condoned the offense. The culpability score includes a 1 point reduction under § 8C2.5(g) (3) because the organization in entering into this agreement clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct.
- e. According to § 8C2.6, a culpability score of 9 results in a minimum/maximum fine multiplier of 1.8/3.6. A base fine of \$350,000 and a minimum/maximum fine multiplier of 1.8/3.6 results in a fine range of \$630,000 to \$1,260,000.
- f. The parties agree that, pursuant to § 8C4.1 (Policy Statement), the government will move the court for a downward departure from the fine range based on Korean Air's substantial assistance in the investigation and/or prosecution of other organizations and individuals not directly affiliated with Korean Air. The parties agree that the substantial assistance is represented by Korean Air's entering into this agreement which requires cooperation by Korean Air and certain of its employees. The parties agree that the government will move for a downward departure to a fine of \$250,000 (\$125,000 per count).

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- g. Korean Air stipulates that it has the ability to pay a fine of \$250,000, and will pay the fine on the day it enters its plea and is sentenced.

Korean Air and this Office agree not to seek any adjustments to or departures from the Sentencing Guidelines calculations and agreed-upon \$250,000 fine as set forth herein.

9. Factual Basis For Guilty Pleas By Korean Air

Korean Air agrees to enter the following guilty pleas to an indictment charging the following: a) Count One that in September of 1992 Korean Air, a corporation organized under the laws of the Republic of Korea, knowingly and willfully made \$2,000 in illegal corporate contributions to the Jay Kim For Congress Committee; and b) Count 2 that in September 1992 Korean Air, a foreign national, knowingly and willfully made \$2,000 in illegal foreign national contributions to the Jay Kim For Congress Committee through three of its employees, all foreign nationals.

Korean Air and the United States Attorney's Office agree and stipulate to the following statement of facts.

At all times relevant to the above-described charges:

- 9 / 0 4 0 0 3 2 8 / 4
- a. Korean Airlines, Co., Ltd. was a foreign corporation organized under the laws of the Republic of Korea with its principal place of business located in Seoul, South Korea. Korean Airlines, Co., Ltd. provided international air carrier service and operated numerous offices in the United States, including its American Regional office which was located in Los Angeles, California.
  - b. In Jin Kim was a foreign national who served as Senior Vice President for Korean Airlines, Co., Ltd., and acted as the highest ranking corporate officer at the American Regional Office in Los Angeles, California.
  - c. Korean Air through its employees, was aware of the following: The Federal Election Campaign Act prohibits corporations and foreign nationals from making contributions in connection with the campaigns of candidates seeking federal office. Pursuant to the Federal Election Campaign Act, only United States citizens and persons admitted for permanent residence in the United States are eligible to contribute in connection with an election for federal office. Foreign nationals and corporations organized under the laws of a foreign country are prohibited from making contributions under the Federal Election Campaign Act. Eligible contributors may not contribute in excess of \$1,000 to a particular candidate in an election.

- d. Korean Air, through its employees, was aware of the following: The Jay Kim for Congress Committee was a political committee registered with the Federal Election Commission under the Federal Election Campaign Act, and was authorized by Jay Kim, a candidate for the United States House of Representatives, to solicit, accept and receive contributions, and to make expenditures, for the purpose of electing Jay Kim to the United States House of Representatives.
- e. During July of 1992, Korean Air received a letter from the Korean Traders Club of Los Angeles concerning, among other things, the making of contributions to the Jay Kim For Congress Committee by the corporations and foreign nationals who were members of the club. Thereafter, in September and October of 1992, Korean Airlines, Co., Ltd., through In Jin Kim, and others at Korean Air, made contributions to the Jay Kim for Congress Committee in violation of the Federal Election Campaign Act that aggregated \$5,000 or more.
- f. On the dates set forth below, and in the amounts set forth below, within the Central District of California, Korean Airlines, Co., Ltd. knowingly and willfully made illegal contributions of corporate funds to the Jay Kim for Congress Committee, and its Senior Vice President for the American Regional Office, In Jin Kim, consented to make such contributions in violation of 2 U.S.C. §§ 441b and 437g:

<u>DATE</u>	<u>AMOUNT</u>
September 30, 1992	\$2,000
September 30, 1992	\$2,000
October 1, 1992	\$1,000

- g. Also, on or about the dates set forth above and in the amounts set forth above, within the Central District of California, Korean Airlines, Co., Ltd., a foreign national, knowingly and willfully made, and caused to be made, illegal campaign contributions through foreign national employees to the Jay Kim for Congress Committee in violation of 2 U.S.C. §§ 441e and 437g.

#### 10. Waiver of Constitutional Rights

Korean Air understands that by pleading guilty, it will be giving up the following Constitutional rights: Korean Air has the right to plead not guilty, the right to be tried by a jury, or if Korean Air wishes and with the consent of the government, to be tried by a judge. At a trial, Korean Air would have the right to an attorney. During the trial, Korean Air would be

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presumed innocent and a government would be expected that the burden of proof is on the government to prove Korean Air guilty beyond a reasonable doubt. Korean Air would have the right to confront and cross-examine witnesses against it. If Korean Air wished, it could present witnesses in its defense. If Korean Air were found guilty after a trial, Korean Air would have the right to appeal that verdict to see if any errors had been committed during trial that would require either a new trial or a dismissal of the charges. By pleading guilty, Korean Air will be giving up all of these rights.

11. Waiver of Appeal

As set forth above, Korean Air understands that this agreement includes a sentencing agreement as described in paragraph 4 above. Korean Air further understands that Title 18, United States Code, Section 3742 gives Korean Air the right to appeal the sentence imposed by the Court. Acknowledging all this, Korean Air knowingly and voluntarily waives its right to appeal the sentence imposed by the Court pursuant to this agreement.

12. No additional Agreements

Except as expressly set forth herein, there are no additional promises, understanding or agreements between the government and Korean Air or Korean Air's counsel concerning any other criminal investigation by prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Korean Air. Nor may any additional agreement, understanding or condition be entered into unless in writing and signed by all parties.

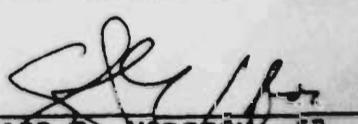
NORA M. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

December 5, 1995  
Date

  
STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

December 5, 1995  
Date

  
EDWARD B. MORETON, JR.  
Assistant United States Attorney  
Public Corruption and Government  
Fraud Section

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On behalf of Korean Air, I have read this agreement and carefully reviewed every part of it with counsel for Korean Air. I understand it, and I knowingly and voluntarily agree to it on behalf of Korean Air. I have been given authority by Korean Air's Board of Directors to enter into this agreement and bind Korean Air to it. Further, I have consulted with counsel for Korean Air and fully understand Korean Air's rights under the law. No promises or agreements have been made to Korean Air other than those contained in this agreement. In addition, no one has threatened or forced Korean Air in any way to enter into this agreement. Finally, I am satisfied with the representation of counsel for Korean Air in this matter.

KOREAN AIRLINES CO. LTD.

\_\_\_\_\_

Date

\_\_\_\_\_

Name and Title:  
Duly Authorized Officer of Korean  
Airlines Co. Ltd.

As counsel for Korean Air, I have carefully reviewed every part of this agreement with my client. To my knowledge, Korean Air's decision to enter into this agreement is an informed and voluntary one.

\_\_\_\_\_

Date

\_\_\_\_\_

ANDREA SHERIDIN ORDIN, Attorney for  
Korean Airlines Co., Ltd.

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CERTIFICATE OF SERVICE BY MAIL

1 I, OSCAR P. AGUILA, declare:

2 That I am a citizen of the United States and resident or  
3 employed in Los Angeles County, California; that my business  
4 address is Office of United States Attorney, United States  
5 Courthouse, 312 North Spring Street, Los Angeles, California  
6 90012; that I am over the age of eighteen years, and am not a  
7 party to the above-entitled action;

8 That I am employed by the United States Attorney for the  
9 Central District of California who is a member of the Bar of  
10 the United States District Court for the Central District of  
11 California, at whose direction the service by mail described in  
12 this Certificate was made; that on December 6, 1995, I  
13 deposited in the United States mails in the United States  
14 Courthouse at 312 North Spring Street, Los Angeles, California,  
15 in the above-entitled action, in an envelope bearing the  
16 requisite postage, a copy of: **NOTICE OF FILING PLEA AGREEMENT**  
17 addressed to: "SEE ATTACHMENT"  
18 at their last known address, at which place there is a delivery  
19 service by United States mail.

20 This Certificate is executed on December 6, 1995, at Los  
21 Angeles, California.

22 I certify under penalty of perjury that the foregoing is  
23 true and correct.

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26 OSCAR P. AGUILA  
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ATTACHMENT

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John D. Vandavelde, Esq.  
Talcott, Lightfoot, Vandavelde,  
Woehrle & Sadowsky  
Thirteen Floor  
655 South Hope Street  
Los Angeles, CA 90017

Andrea Sheridan Ordin, Esq.  
Morgan, Lewis & Bockius  
801 South Grand Avenue  
Twenty-Second Floor  
Los Angeles, CA 90017-4615

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10 UNITED STATES DISTRICT COURT  
11 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
12 (October 1994 Grand Jury)

13 UNITED STATES OF AMERICA, ) No. CR 95- 1134  
14 Plaintiff, )  
15 v. ) [2 U.S.C. §§ 441b and 437g:  
16 KOREAN AIRLINES, CO., LTD., ) Foreign National Contributions;  
17 Defendant. ) 2 U.S.C. § 441e and 437g:  
18 ) Contributions By a Corporation;  
19 )  
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19 The Grand Jury charges:

20 GENERAL ALLEGATIONS

21 At all times relevant to each count of the Indictment:

22 1. Defendant KOREAN AIRLINES CO., LTD., was a foreign  
23 corporation organized under the laws of the Republic of Korea  
24 with its principal place of business located in Seoul, South  
25 Korea. Defendant KOREAN AIRLINES CO., LTD., provided  
26 international air carrier service and operated numerous offices

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1 in the United States, including its American Regional office  
2 which was located in Los Angeles, California.

3 2. In Jin Kim was a foreign national who served as  
4 Managing Vice President for defendant KOREAN AIRLINES CO., LTD.,  
5 and acted as the highest ranking corporate officer at the  
6 American Regional Office in Los Angeles, California. Jong Seung  
7 Won was a foreign national who served as General Manager for  
8 Finance and Accounting at the American Regional office of  
9 defendant KOREAN AIRLINES CO., LTD., in Los Angeles, California.

10 3. The Federal Election Campaign Act prohibits  
11 corporations and foreign nationals from making contributions in  
12 connection with the campaigns of candidates seeking federal  
13 office. Pursuant to the Federal Election Campaign Act, only  
14 United States citizens and persons admitted for permanent  
15 residence in the United States are eligible to contribute in  
16 connection with an election for federal office. Foreign  
17 nationals and corporations organized under the laws of a foreign  
18 country are prohibited from making contributions under the  
19 Federal Election Campaign Act. Eligible contributors may not  
20 contribute in excess of \$1,000 to a particular candidate in an  
21 election.

22 4. The Jay Kim for Congress Campaign Committee was a  
23 political committee registered with the Federal Election  
24 Commission under the Federal Election Campaign Act, and was  
25 authorized by Jay Kim, a candidate for the United States House of  
26 Representatives, to solicit, accept and receive contributions,  
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1 and to make expenditures, for the purpose of electing Jay Kim to  
2 the United States House of Representatives.

3 5. During the calendar year 1992, defendant KOREAN  
4 AIRLINES CO., LTD., made contributions to the Jay Kim for  
5 Congress Campaign Committee in violation of the Federal Election  
6 Campaign Act that aggregated \$2,000 or more.

7 6. These introductory paragraphs are incorporated by  
8 reference into each count of this Indictment.

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COUNT ONE

[2 U.S.C. §§ 441b and 437g]

On or about September 30, 1992, in Los Angeles County, within the Central District of California, defendant KOREAN AIRLINES CO., LTD., a corporation organized under the laws of the Republic of Korea, knowingly and willfully made a contribution in violation of the prohibition against corporate contributions in United States elections contained in the Federal Election Campaign Act, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant KOREAN AIRLINES CO., LTD. knowingly and willfully made a contribution through Jong Seung Won to the Jay Kim For Congress Committee, a federal political committee, in the amount of \$2,000.

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COUNT TWO

[2 U.S.C. §§ 441e and 437g]

On or about September 30, 1992, in Los Angeles County, within the Central District of California, defendant KOREAN AIRLINES CO., LTD., knowingly and willfully made a contribution in violation of the prohibition against foreign contributions in United States elections contained in the Federal Election Campaign Act, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant KOREAN AIRLINES CO., LTD., knowingly and willfully made a contribution, through In Jin Kim, to the Jay Kim For Congress Campaign committee, a federal political committee, in the amount of \$2,000.

A TRUE BILL

---

Foreperson

NORA M. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

MICHAEL W. EMMICK  
Assistant United States Attorney  
Chief, Public Corruption & Government Fraud Section

97043032034

United States v. Hyundai Motor America

PLEA AND SENTENCING AGREEMENT

1. Introduction

The United States Attorney's Office for the Central District of California ("Office") and Hyundai Motor America ("Hyundai Motor") agree to the following preindictment plea and sentencing agreement regarding the federal grand jury investigation relating to Hyundai Motor and its employees in connection with suspected violations of the conspiracy, false statement, mail fraud and obstruction of justice statutes relating to illegal contributions by Hyundai Motor to the Jay Kim For Congress Campaign Committee and related cover-up and concealment activities. The signatures of a corporate officer, duly authorized by the Board of Directors of Hyundai Motor, and the signature of counsel for Hyundai Motor by or before the expiration date set below will indicate your acceptance of this preindictment plea agreement.

2. Expiration Date

This offer expires as of noon, December 12, 1995. No extensions will be granted.

3. Scope

This agreement will dispose of all criminal violations committed by Hyundai Motor and its officers, directors and employees both present and former (other than Paul Koh) arising from Hyundai Motor's illegal contributions to the Jay Kim For Congress Campaign Committee and all related obstruction and cover-up activities, including but not limited to violations of the conspiracy, false statement, mail fraud and obstruction of justice statutes. This agreement does not dispose of criminal violations committed by Paul Koh. Upon execution of this agreement the government's grand jury investigation into the above-described activities of Hyundai Motor will cease.

4. Plea Terms and Cooperation

The government agrees that no charges relating to what is described in Paragraphs 1 and 3 above will be brought by this Office against Hyundai Motor, its officers, directors and employees both present and former (other than Paul Koh) in exchange for the following: 1) Hyundai Motor agrees to sign the attached statute of limitations waiver agreement and to enter a corporate plea pursuant to Federal Rule of Criminal Procedure 11(e)(1)(C) to an indictment charging one count of illegal corporate contributions in violation of 2 U.S.C. § 441(b), one count of illegal conduit contributions in violation of 2 U.S.C. § 441(f), and one count of illegal contributions through a

foreign national in violation of 2 U.S.C. 441(e), all in connection with illegal contributions to the Jay Kim For Congress Committee in 1992; 2) Hyundai Motor agrees to pay a fine of \$200,000 per count, for a total of \$600,000; and 3) Hyundai Motor agrees to provide the following truthful cooperation:

a. The individuals listed below will be made available, if requested by subpoenas issued by this Office, within 10 days of the request to the General Counsel of Hyundai Motor, regardless of the individual's location or country of residence at the time of the request, to this Office and will provide truthful and complete statements during all interviews, or if necessary, grand jury testimony or trial testimony:

- (i) D.O. Chung
- (ii) Myung Hun Juhn
- (iii) Myung Ryong Suh
- (iv) Deborah Kang
- (v) James Choi
- (vi) Young H. Song
- (vii) Yun Sang Choun

b. This Office will, to the extent possible, provide as much advance notice of appearance dates to the above-listed witnesses to avoid unnecessary interference with family and professional matters. However, because this Office cannot control the scheduling of all potential appearance dates, the ten day notice rule set forth in paragraph b above is a binding term of this agreement. The above-listed individuals will, by virtue of this agreement, obtain immunity coextensive with 18 U.S.C. § 6002 in connection with any interview statements or testimony provided pursuant to this agreement. Consistent with Section 6002, the above-listed individuals may still be prosecuted for perjury or giving a false statement based on any untruthful testimony or false statements provided under this agreement.

c. The above-listed individuals and Hyundai Motor agree to provide to the grand jury in a timely fashion all documents and materials within their possession, custody or control in any office or country that are required by grand jury or trial subpoena.

d. When any of the above listed individuals are requested by this Office to enter the United States for purposes of providing cooperation as required by this Agreement, no charges concerning the activities described in paragraphs 1, 3 and 4 shall be brought by this office

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honest services of public officials at § 2C1.7 (see Application Note 1 to § 8C2.1).

- b. Under § 2C1.7(a), the base offense level application to Hyundai Motor's conduct is 10. Pursuant to § 2C1.7 (b)(B), the base offense level should be increased 8 levels because the offense involved an elected official. The resulting total offense level is 18.
- c. Given an offense level of 18, pursuant to § 8C2.4, the base fine is \$350,000.
- d. Pursuant to § 8C2.5, defendant's culpability score is 7. This figure includes a base calculation of 5 under § 8C2.5(a), plus 3 points pursuant to § 8C2.5(b)(1) because Hyundai Motor had more than 200 and less than 1,000 employees and an individual within high-level personnel of the organization participated in and condoned the offense. The culpability score includes a 1 point reduction under § 8C2.5(g)(3) because the organization in entering into this agreement clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct.
- e. According to § 8C2.5, a culpability score of 7 results in a minimum/maximum fine multiplier of 1.4/2.8. A base fine of \$350,000 and a minimum/maximum fine multiplier of 1.4/2.8 results in a fine range of \$490,000 to \$980,000.
- f. Notwithstanding the foregoing, Hyundai Motor will not oppose the guidelines calculation described above and agrees with the government that Hyundai Motor should be sentenced within the guideline range as calculated above to a fine of \$600,000.
- g. Hyundai Motor stipulates that it has the ability to pay a fine of \$600,000, and will pay the fine on the day it is sentenced.

Hyundai Motor and this Office agree not to seek any adjustments to or departures from the Sentencing Guidelines calculations and agreed-upon \$600,000 fine as set forth herein.

9. Stipulated Factual Basis For Guilty Pleas By Hyundai Motor

Hyundai Motor and the United States Attorney's Office agree and stipulate to the facts set forth below and Hyundai Motor further agrees to enter guilty pleas to a three count indictment charging the illegal corporate contribution charges set forth below:

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- a. Beginning on a date unknown and continuing to on or about September 2, 1992, within the Central District of California and elsewhere, Hyundai Motor America through various of its employees committed the following crimes against the United States, namely: to make illegal contributions in violation of 2 U.S.C. §§ 441(b), 441(e), 441(f) and 437(g).
  - b. It was the ultimate objective to structure a series of contributions in a way that would enable Hyundai Motor America to make an illegal corporate campaign contribution of approximately \$4,500 to the 1992 Jay Kim for Congress Committee.
  - c. On or about July 29, 1992, Hyundai Motor America through its controller Paul Koh, contributed a \$350.00 corporate check to the Jay Kim for Congress Committee.
  - d. On or about August 7, 1992, Hyundai Motor America decided to retrieve the illegal \$350.00 corporate contribution check before it would be reported to the Federal Election Commission. Hyundai Motor America instructed Paul Koh, in writing, to retrieve immediately the \$350.00 corporate contribution and directed copies of this memorandum to be sent to the company's president, D.O. Chung and others at Hyundai Motor America. The memorandum explained the Federal Election Commission rules relating to illegal contributions by corporations and foreign nationals and had attached to it photocopies of the applicable federal laws governing contributions.
  - e. On August 13, 1992, Hyundai Motor America issued a check payable to Juhn in the amount of \$4,500.00 for the purpose of making a \$4,500 contribution to the Jay Kim For Congress Committee in a manner that concealed the illegal corporate source of the contribution. Hyundai Motor America's president, D.O. Chung, approved the check request form, which characterized the \$4,500 payment as a "special bonus."
  - f. On or about August 14, 1992, Paul Koh, on behalf of Hyundai Motor America, signed the \$4,500.00 corporate check payable to Juhn. Thereafter, Juhn deposited this check into his account and the following checks were written from his personal account to: a) Myung Ryong Suh in the amount of \$1,000.00, b) Yun Sang Cheun in the amount of \$1,000.00, c) Young H. Song in the amount of \$1,000.00, d) Paul Koh in the amount of \$1,000.00, and e) Deborah Kang in the amount of \$500.00, for a total of \$4,500.00. In the memo section of each check,

was written, in Korean characters, "Chang Joon Kim," Congressman Jay C. Kim's Korean name.

- g. Also, on or about August 31, 1992, as set forth below, the individuals who received the above-described payments, at the request of Hyundai Motor America each sent a personal check to the Jay Kim for Congress Committee, in the same amount of the check provided to them by Juhn.

<u>DATE</u>	<u>NAME</u>	<u>CHECK NO.</u>	<u>CONTRIBUTION AMOUNT</u>	<u>PAYMENT FROM HYUNDAI</u>
08/31/92	Paul Koh	#1758	\$1,000.00	\$1,000.00
08/31/92	Myung Ryong Suh	#2391	\$1,000.00	\$1,000.00
09/02/92	Yun Sang Choun	#592	\$1,000.00	\$1,000.00
08/31/92	Young H. Song	#364	\$1,000.00	\$1,000.00
08/31/92	Deborah Kang	#251	\$ 500.00	\$ 500.00

- h. Upon receipt of the above-described contribution checks, the Jay Kim for Congress Committee inaccurately reported the contributions to the Federal Election Commission as coming from Paul Koh, Myung Ryong Suh, Yun Sang Choun, Young H. Song, and Deborah Kang, rather than Hyundai Motor which provided the money for these contributions to these individuals and was the true source of the contributions.
- i. As a result of the above-described conduct, Hyundai Motor concealed the true source of the \$4,500 contribution to the Jay Kim For Congress Committee.
- j. From on or about August 31, 1992 through on or about September 2, 1992 in Los Angeles County, Hyundai Motor, a corporation organized under the laws of the State of California, knowingly and willfully made a \$4,500 contribution in violation of the prohibition against corporate contributions, through Paul Koh and others, to the Jay Kim For Congress Campaign Committee, a federal political committee.
- k. From on or about August 31, 1992, through on or about September 2, 1992, in Los Angeles County, Hyundai Motor, a corporation organized under the laws of the State of California, Myung Hun Juhn, a foreign national, knowingly and willfully made a \$4,500 contribution through conduits to the Jay Kim For Congress Campaign Committee, a federal political committee.

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1. From on or about August 13, 1992 through on or about September 2, 1992 in Los Angeles County, Hyundai Motor, a corporation organized under the laws of the State of California, knowingly and willfully made a \$4,500 contribution, in violation of the prohibition against disguised contributions made through conduits or strawmen, to the Jay Kim For Congress Campaign Committee, a federal political committee in the names and amounts set forth below on the dates set forth below in violation of 2 U.S.C. 441(f) and 437(g).

<u>DATE</u>	<u>AMOUNT</u>	<u>INDIVIDUAL CONDUITS</u>
August 31, 1992	\$1,000	Myung Ryong Suh
September 2, 1992	\$1,000	Yun Sang Choun
August 31, 1992	\$1,000	Young H. Song
August 31, 1992	\$1,000	Paul Koh
August 31, 1992	\$ 500	Deborah Kang

10. Waiver of Constitutional Rights

Hyundai Motor understands that by pleading guilty, it will be giving up the following Constitutional rights: Hyundai Motor has the right to plead not guilty, the right to be tried by a jury, or if Hyundai Motor wishes and with the consent of the government, to be tried by a judge. At a trial, Hyundai Motor would have the right to an attorney. During the trial, Hyundai would be presumed innocent and a government would be instructed that the burden of proof is on the government to prove Hyundai Motor guilty beyond a reasonable doubt. Hyundai Motor would have the right to confront and cross-examine witnesses against it. If Hyundai Motor wished, it could present witnesses in its defense. If Hyundai Motor were found guilty after a trial, Hyundai Motor would have the right to appeal that verdict to see if any errors had been committed during trial that would require either a new trial or a dismissal of the charges. By pleading guilty, Hyundai Motor will be giving up all of these rights.

11. Waiver of Appeal

As set forth above, Hyundai Motor understands that this agreement includes a sentencing agreement as described in paragraph 7 above. Hyundai Motor further understands that Title 18, United States Code, Section 3742 gives Hyundai Motor the right to appeal the sentence imposed by the Court. Acknowledging all this, Hyundai Motor knowingly and voluntarily waives its

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right to appeal the sentence imposed by the Court pursuant to this agreement.

12. No additional Agreements

Except as expressly set forth herein, there are no additional promises, understanding or agreements between this Office and Hyundai Motor or Hyundai Motor's counsel concerning any other criminal investigation or prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Hyundai Motor. Nor may any additional agreement, understanding or conditions be entered into unless in writing and signed by all parties.

NORA M. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

Joseph B. 12/14/95  
Date

[Signature]  
STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

12/12/95  
Date

[Signature]  
EDWARD B. MORETON, JR.  
Assistant United States Attorney  
Public Corruption and Government  
Fraud Section

On behalf of Hyundai Motor America ("Hyundai Motor"), I have read this agreement and carefully reviewed every part of it with counsel for Hyundai Motor. I understand it, and I knowingly and voluntarily agree to it on behalf of Hyundai Motor. I have been given authority by Hyundai Motor's Board of Directors to enter into this agreement and bind Hyundai Motor to it. Further, I have consulted with counsel for Hyundai Motor and fully understand Hyundai Motor's rights under the law. No promises or agreements have been made to Hyundai Motor other than those contained in this agreement. In addition, no one has threatened.

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or forced Hyundai Motor in any way to enter into this agreement. Finally, I am satisfied with the representation of counsel for Hyundai Motor in this matter.

HYUNDAI MOTOR AMERICA

December 12/  
Date

[Signature]  
Name and Title:  
Duly Authorized Officer of Hyundai

As counsel for Hyundai Motor, I have carefully reviewed every part of this agreement with my client, who has informed me that it is fully understood. To my knowledge, Hyundai Motor's decision to enter into this agreement is an informed and voluntary one.

12/12/95  
Date

[Signature]  
RICHARD HIBBY, Attorney for Hyundai  
Motor America

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STATUTE OF LIMITATIONS  
PARTIAL WAIVER AGREEMENT

The parties herein, HYUNDAI MOTOR AMERICA, INC. and the United States Attorney's Office for the Central District of California (hereinafter "the U.S. Attorney's Office"), hereby enter into this Statute of Limitations Partial Waiver Agreement (hereinafter "Agreement"), for the purpose of extending the applicable Statute of Limitations to May 1, 1996 in connection with a preindictment plea agreement attached hereto.

The period beginning on August 30, 1995, and terminating at midnight on May 1, 1996, shall be tolled and excluded from any calculation of time for the purposes of (a) any applicable statute of limitations under the laws of the United States, and (b) any constitutional, statutory or other claim concerning pre-indictment delay, with respect to any offenses under the Federal Election Campaign Act for which the statute of limitations would expire on August 31, 1995 and September 2, 1995, and which relate in any way to any transactions or other activities relating to or in connection with the 1992

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Congressional Campaign of Congressman Jay C. Kim, HYUNDAI MOTOR AMERICA, INC. and/or Myung Hun Juhn.

DATED: December 12, 1995.

NORA M. MANELLA  
United States Attorney  
Central District of California

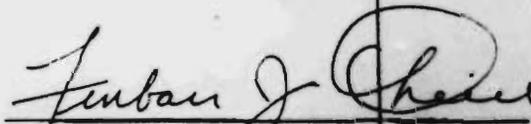


STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

DATED: December 12, 1995.



RICHARD HIBEY  
WINSTON STRAWN  
Attorney for Hyundai on behalf of  
Hyundai Motor America, Inc.



FINBAR O'NEILL  
General Counsel for Hyundai Motor  
America, Inc. and duly authorized to sign  
on behalf of Hyundai Motor America, Inc.

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8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 October 1994 Grand Jury

11 UNITED STATES OF AMERICA, )

12 Plaintiff, )

13 v. )

14 HYUNDAI MOTOR AMERICA, )

15 Defendant. )

1158  
16 CR 95- )

17 I N D I C T M E N T

18 [2 U.S.C. §§ 441(b), 437(g):

19 Illegal Corporate Campaign

20 Contributions; 2 U.S.C.

21 §§ 441(f), 437(g): Illegal

22 Conduit Campaign

23 Contributions; 2 U.S.C.

24 §§ 441(e), 437(g): Illegal

25 Foreign-National Campaign

26 Contributions; 18 U.S.C. § 2:

27 Causing and Aiding and

28 Abetting]

97045032896  
20 The Grand Jury Charges:

21 GENERAL ALLEGATIONS

22 At all times relevant to each count of the Indictment:

- 23 1. Defendant HYUNDAI MOTOR AMERICA is a corporation  
24 incorporated in the state of California with its principal place of  
25 business located in Fountain Valley, California. Defendant HYUNDAI  
26 MOTOR AMERICA is a subsidiary wholly owned by Hyundai Motor Company  
27 ("HMC"). HMC is a foreign corporation incorporated under the laws  
28

1 of the Republic of Korea, with its principal place of business  
2 located in Seoul, South Korea. HMC manufactures automobiles, and  
3 defendant HYUNDAI MOTOR AMERICA sells automobiles manufactured by  
4 HMC in the United States.

5 2. Paul Koh is the Controller and a National Manager for  
6 defendant HYUNDAI MOTOR AMERICA in Fountain Valley, California, and  
7 is responsible for accounting and finance matters.

8 3. Myung Hun Juhn is a foreign national who, in 1992, served  
9 as Executive Vice President, Chief Coordinating Officer for  
10 defendant HYUNDAI MOTOR AMERICA and was responsible for supervising  
11 coordinating personnel.

12 4. The Federal Election Campaign Act governs contributions to  
13 federal candidates in the United States. Under the applicable  
14 federal law, it is illegal for a corporation or a foreign national  
15 to make a contribution of any amount to a candidate in a federal  
16 election. Federal law allows individuals, who are United States  
17 citizens or authorized permanent residents, to make contributions of  
18 up to \$1,000 per candidate, per election. Pursuant to federal law,  
19 it is illegal to make a contribution in the name of another.

20 5. The Jay Kim for Congress Campaign Committee was a  
21 political committee registered with the Federal Election Commission  
22 under the Federal Election Campaign Act, and was authorized by Jay  
23 Kim, a candidate for the United States House of Representatives, to  
24 solicit, accept and receive contributions, and to make expenditures,  
25 for the purpose of electing Jay Kim to the United States House of  
26 Representatives.

27 6. These general allegations are incorporated by reference  
28 into each count of this indictment.

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COUNT ONE

[2 U.S.C. §§ 441(b) and 437(g)]

From or about August 31, 1992 through September 2, 1992, in Los Angeles County, within the Central District of California, defendant HYUNDAI MOTOR AMERICA, a corporation organized under the laws of the State of California, knowingly and willfully made a contribution in violation of the prohibition against corporate contributions in United States elections contained in the Federal Election Campaign Act, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant HYUNDAI MOTOR AMERICA knowingly and willfully made a contribution, through Myung Hun Juhn, Paul Koh and others, to the Jay Kim For Congress Campaign Committee, a federal political committee, in the amount of \$4,500.

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COUNT TWO

[2 U.S.C. §§ 441(f) and 437(g)]

On or about the dates set forth below, in Los Angeles County, within the Central District of California, defendant HYUNDAI MOTOR AMERICA knowingly and willfully made a contribution in violation of the prohibition in the Federal Election Campaign Act against disguised contributions made in the names of other persons, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant HYUNDAI MOTOR AMERICA knowingly and willfully made a contribution in the amount of \$4,500 to the Jay Kim For Congress Campaign Committee, a federal political committee, in the names and amounts set forth below:

<u>DATE</u>	<u>AMOUNT</u>	<u>INDIVIDUAL CONDUITS</u>
August 31, 1992	\$1,000	Paul Koh
August 31, 1992	\$1,000	Myung Ryong Suh
August 31, 1992	\$1,000	Young H. Song
August 31, 1992	\$500	Deborah Kang
September 2, 1992	\$1,000	Yun Sang Choun

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COUNT THREE

[2 U.S.C. §§ 441(e) and 437(g); 18 U.S.C. § 2]

From on or about August 31, 1992 through on or about September 2, 1992, in Los Angeles County, within the Central District of California, defendant HYUNDAI MOTOR AMERICA caused and aided and abetted the making of a contribution by a foreign national to a candidate in United States elections, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant HYUNDAI MOTOR AMERICA knowingly and willfully caused and aided and abetted Myung Hun Juhn, a foreign national, in the making of a contribution through other persons in the amount of \$4,500 to the Jay Kim For Congress Campaign Committee, a federal political committee.

A TRUE BILL

Foreperson

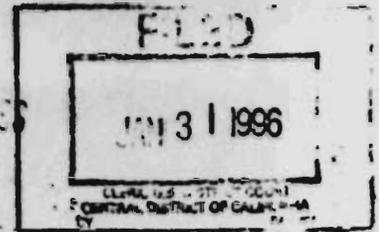
NORA M. MANELLA  
United States Attorney

RIC'ARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

MICHAEL W. EMMICK  
Assistant United States Attorney  
Chief, Public Corruption &  
Government Fraud Section

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1 NORA M. MANELLA  
United States Attorney  
2 RICHARD E. DROOYAN  
Assistant United States Attorney  
3 Chief, Criminal Division  
STEPHEN A. MANSFIELD  
4 EDWARD B. MORETON, JR.  
Assistant United States Attorneys  
5 Public Corruption & Government Fraud Section  
1300 United States Courthouse  
6 312 North Spring Street  
Los Angeles, California 90012  
7 Telephone: (213) 894-5615



8 Attorneys for Plaintiff  
UNITED STATES OF AMERICA

9 UNITED STATES DISTRICT COURT

10 FOR THE CENTRAL DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA, ) No. CR 96-84  
12 )  
13 Plaintiff, ) NOTICE OF FILING PLEA AND  
14 v. ) SENTENCING AGREEMENT AND  
15 SAMSUNG AMERICA, INC. ) WRITTEN CONSENT OF THE BOARD  
16 Defendant. ) OF DIRECTORS OF SAMSUNG  
17 ) AMERICA, INC.

18 The government hereby files the plea and sentencing  
19 agreement agreement and written consent of the board of

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1 directors of Samsung America, Inc. entered into in the above-  
2 captioned case.

3 DATED: January 31, 1996.

4 Respectfully submitted,

5 NORA M. MANELLA  
6 United States Attorney

7 RICHARD E. DROOYAN  
8 Assistant United States Attorney  
9 Chief, Criminal Division

10   
11 STEPHEN A. MANSFIELD  
12 Assistant United States Attorney  
13 Senior Litigation Counsel

14   
15 EDWARD B. MORETON, JR.  
16 Assistant United States Attorney  
17 Public Corruption and Government  
18 Fraud Section

19 Attorneys for Plaintiff  
20 UNITED STATES OF AMERICA  
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United States v. Samsung America, Inc.

PLEA AND SENTENCING AGREEMENT

1. Introduction

The United States Attorney's Office for the Central District of California ("Office") and Samsung America, Inc. ("Samsung") agree to the following preindictment plea and sentencing agreement regarding the federal grand jury investigation relating to Samsung and its employees in connection with suspected violations of the Federal Election Campaign Act, conspiracy, false statement, mail fraud and obstruction of justice statutes relating to illegal contributions by Samsung to the Jay Kim For Congress Campaign Committee and related cover-up and concealment activities. The signatures of a corporate officer, duly authorized by the Board of Directors of Samsung, and the signature of counsel for Samsung by or before the expiration date set below will indicate your acceptance of this preindictment plea agreement.

2. Expiration Date

This offer expires as of noon, January 18, 1996.

3. Scope

This agreement will dispose of all criminal violations committed by Samsung and its officers, directors and employees both present and former arising from Samsung's illegal contributions to the Jay Kim For Congress Campaign Committee and all related obstruction and cover-up activities, including but not limited to violations of the conspiracy, false statement, mail fraud and obstruction of justice statutes. Upon execution of this agreement the government's grand jury investigation into the above-described activities of Samsung will cease.

4. Plea Terms and Cooperation

The government agrees that no charges relating to what is described in Paragraphs 1 and 3 above will be brought by this Office against Samsung, its officers, directors and employees both present and former, and their spouses, in exchange for the following: 1) Samsung agrees to sign the attached statute of limitations waiver agreement and to enter a corporate plea pursuant to Federal Rule of Criminal Procedure 11(e)(1)(C) to an indictment charging one count of illegal corporate contributions in violation of 2 U.S.C. § 441(b), in connection with illegal contributions to the Jay Kim For Congress Committee in 1992; 2) Samsung agrees to pay a fine of \$150,000 and 3) Samsung agrees to provide the following truthful cooperation:

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- 9 / 6 4 3 6 3 2 9 0 4
- a. The individuals listed below, and other employees that may be requested by this Office, will be made available, if requested by subpoenas issued by this Office, within 10 days of the request to the General Counsel of Samsung, regardless of the individual's location or country of residence at the time of the request, to this Office and will provide truthful and complete statements during all interviews, or if necessary, grand jury testimony or trial testimony:

Kyu Tae Lee  
Kyu S. Kim  
Jae Lee  
Young J. Paik  
Ryan K. Koh  
Brian S. Kim  
Moon Kyung Seo  
Kyung Hei Cho

- b. This Office will, to the extent possible, provide as much advance notice of appearance dates to the above-listed witnesses to avoid unnecessary interference with family and professional matters. However, because this Office cannot control the scheduling of all potential appearance dates, the ten day notice rule set forth in paragraph a above is a binding term of this agreement. The above-described individuals will, by virtue of this agreement, obtain immunity coextensive with 18 U.S.C. § 6002 in connection with any interview statements or testimony provided pursuant to this agreement. Consistent with Section 6002, the above-described individuals may still be prosecuted for perjury or giving a false statement based on any untruthful testimony or false statements provided under this agreement. In addition, if any of the above-described individuals fails to provide truthful and complete information and otherwise comply fully with the cooperation terms of this agreement set forth in this paragraph, then all additional charges relating to the activities described in paragraphs 1 and 3 may be brought by this Office against any such individuals.
- c. The above-listed individuals and Samsung agree to provide to the grand jury in a timely fashion all documents and materials within their possession, custody or control in any office or country that are required by grand jury or trial subpoena.

- d. When any of the above listed individuals are requested by this Office to enter the United States for purposes of providing cooperation as required by this agreement, no charges concerning the activities described in paragraphs 1, 3 and 4 shall be brought by this Office against the employee during the time period the employee is requested to be in the United States.

5. Compliance

If Samsung fails to make any employee described in paragraph 4 available for the purpose of an interview or testimony as required by this agreement, then all additional charges against Samsung may be brought by this office. Samsung will not, however, be liable for additional charges if the above-described witnesses are made available to the government by Samsung but are determined by this office to be providing less than truthful and complete information. Such individuals, however, will be subject to prosecution as described in paragraph 4(b).

6. Acceptance of Rule 11(e)(1)(C) Plea Agreement

If the Court does not accept this plea and sentencing agreement pursuant to Rule 11(e)(1)(C), then neither party is bound by this agreement, it is deemed null and void, and the government may pursue further grand jury investigation and whatever prosecutions it considers appropriate against Samsung or any of its employees concerning the matters that are the subject of this agreement described in Paragraphs 1 and 3.

7. The Stipulated Sentence Recommended By The Parties

The parties agree that the maximum fine for the one count that is the subject of this agreement is \$200,000 and that Samsung will be sentenced to pay a \$150,000 fine to the United States, on the date of sentencing, and that Samsung will not be placed on probation. The parties jointly agree, with the permission of the Court, to waive a presentence report pursuant to Fed. R. Crim. P. 32(c)(1) and based on a finding by the Court that the record contains information sufficient to enable the Court to meaningfully exercise its sentencing power. The parties further agree to ask the Court's permission to combine the entry of plea and the sentencing into one hearing on that date.

8. Calculation of Sentence

The parties agree that the sentence described in paragraph 7 above should be calculated under the Sentencing Guidelines as follows:

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- a. For violations of 2 U.S.C. §§ 441(b)(e) and (f) which involve illegal campaign contribution schemes, under organization guidelines §§ 8C2.1 and 8C2.3; the sentence is calculated by reference to the guideline for fraud involving deprivation of the intangible right to the honest services of public officials at § 2C1.7 (see Application Note 1 to § 8C2.1).
  - b. Under § 2C1.7(a), the base offense level application to Samsung conduct is 10. Pursuant to § 2C1.7 (b)(B), the base offense level should be increased 8 levels because the offense involved an elected official. The resulting total offense level is 18.
  - c. Given an offense level of 18, pursuant to § 8C2.4, the base fine is \$350,000.
  - d. Pursuant to § 8C2.5, defendant's culpability score is 5. This figure includes a base calculation of 5 under § 8C2.5(a), plus 2 points pursuant to § 8C2.5(b)(4) because Samsung had more than 50 but less than 200 employees and an individual within high-level personnel of the organization participated in and condoned the offense. The culpability score includes a 2 point reduction under § 8C2.5(g)(2) because the organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct.
  - e. According to § 8C2.5, a culpability score of 5 results in a minimum/maximum fine multiplier of 1/2. A base fine of \$350,000 and a minimum/maximum fine multiplier of 1/2 results in a fine range of \$350,000 to \$700,000.
  - f. The parties agree that, pursuant to § 8C4.1 (Policy Statement), the government will move the court for a downward departure from the fine range based on Samsung's substantial assistance in the investigation and/or prosecution of other organizations and individuals not directly affiliated with Samsung. The parties agree that the substantial assistance is represented by Samsung's entering into this agreement which requires cooperation by Samsung and its employees. The parties agree that the government will move for a downward departure to a fine of \$150,000.
  - g. Samsung stipulates that it has the ability to pay a fine of \$150,000, and will pay the fine on the day it is sentenced.

Samsung and this Office agree not to seek any adjustments to or departures from the Sentencing Guidelines calculations and agreed-upon \$150,000 fine as set forth herein.

9. Stipulated Factual Basis For Guilty Pleas By Samsung Corporation

Samsung and the United States Attorney's Office agree and stipulate to the facts set forth below and Samsung further agrees to enter a guilty plea to a one count indictment charging the illegal corporate contribution charges set forth below:

- a. Beginning on a date unknown and continuing to on or about September 17, 1992, within the Central District of California and elsewhere, Samsung through various of its employees committed the following crime against the United States, namely: to make illegal contributions in violation of 2 U.S.C. §§ 441(b) and 437(g).
- b. It was the ultimate objective to structure a series of contributions in a way that would enable Samsung to make an illegal corporate campaign contribution of approximately \$10,000 to the 1992 Jay Kim for Congress Committee.
- c. On or about September 15, 1992, Samsung provided each of the following employees with \$2,000 in cash as reimbursement for their contribution to the Jay Kim for Congress Committee.
  - 1) Paik, Young J. - Credit/Legal Coordinator
  - 2) Koh, Ryan K. - Manager
  - 3) Kim, Brian S. - Assistant Manager
  - 4) Seo, Moon Kyung - Senior Accountant
  - 5) Cho, Kyung Hei - General Accountant
- d. On September 15, 1992 through September 17, 1992, as set forth below, at the request of Samsung, the individuals who received the above-described payments each sent a personal check as a campaign contribution to the Jay Kim for Congress Committee, in the amount of the cash provided to them from Samsung:

<u>Date</u>	<u>Name</u>	<u>Check #</u>	<u>Amount</u>
9/15/92	Paik, Young J.	5007	\$2,000
9/16/92	Koh, Ryan K.	168	\$2,000
9/17/92	Kim, Brian S.	1503	\$2,000
9/15/92	Seo, Moon Kyung	1290	\$2,000
9/17/92	Cho, Kyung Hei	1073	\$2,000

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- e. Upon receipt of the above-described contribution checks, the Jay Kim for Congress Committee inaccurately reported the contributions to the Federal Election Commission (FEC) as coming from the following individuals rather than the true corporate source, Samsung:

Paik, Young J. and Paik, Chang Y.	\$2,000
Koh, Ryan K. and Koh, Haeja	\$2,000
Kim, Brian S. and Kim, Jeong Min	\$2,000
Seo, Moon Kyung and Seo, Hun	\$2,000
Cho, Kyung Hei and Cho, Hyung Won	\$2,000

- f. As a result of the above-described conduct involving conduit contributors, the true source of the \$10,000 contribution to the Jay Kim for Congress Committee was concealed and was not disclosed to the FEC.
- g. From on or about September 15, 1992 through on or about September 17, 1992 in Los Angeles County, Samsung, a corporation organized under laws of the State of New York, knowingly and willfully made a \$10,000 contribution from corporate funds in violation of the prohibition against corporate contributions, to the Jay Kim for Congress Committee, a federal political committee, in violation of 2 U.S.C. § 441(b) and 441(g).

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10. Waiver of Constitutional Rights

Samsung understands that by pleading guilty, it will be giving up the following Constitutional rights: Samsung has the right to plead not guilty, the right to be tried by a jury, or if Samsung wishes and with the consent of the government, to be tried by a judge. At a trial, Samsung would have the right to an attorney. During the trial, Samsung would be presumed innocent and a government would be instructed that the burden of proof is on the government to prove Samsung guilty beyond a reasonable doubt. Samsung would have the right to confront and cross-examine witnesses against it. If Samsung wished, it could present witnesses in its defense. If Samsung were found guilty after a trial, Samsung would have the right to appeal that verdict to see if any errors had been committed during trial that would require either a new trial or a dismissal of the charges. By pleading guilty, Samsung will be giving up all of these rights.

11. Waiver of Appeal

As set forth above, Samsung understands that this agreement includes a sentencing agreement as described in paragraph 7 above. Samsung further understands that Title 18, United States

Code, Section 3742 gives Samsung the right to appeal the sentence imposed by the Court. Acknowledging all this, Samsung knowingly and voluntarily waives its right to appeal the sentence imposed by the Court pursuant to this agreement.

12. No additional Agreements

Except as expressly set forth herein, there are no additional promises, understanding or agreements between this Office and Samsung or Samsung's counsel concerning any other criminal investigation or prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Samsung. Nor may any additional agreement, understanding or conditions be entered into unless in writing and signed by all parties.

NORA M. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

1-12-96

Date



STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

1-12-96

Date



EDWARD B. MORETON, JR.  
Assistant United States Attorney  
Public Corruption and Government  
Fraud Section

On behalf of Samsung, I have read this agreement and carefully reviewed every part of it with counsel for Samsung. I understand it, and I knowingly and voluntarily agree to it on behalf of Samsung. I have been given authority by Samsung's Board of Directors to enter into this agreement and bind Samsung to it. Further, I have consulted with counsel for Samsung and fully understand Samsung's rights under the law. No promises or agreements have been made to Samsung other than those contained in this agreement. In addition, no one has threatened or forced

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Samsung in any way to enter into this agreement. Finally, I am satisfied with the representation of counsel for Samsung in this matter.

SAMSUNG AMERICA, INC.

1/18/96  
Date



Name and Title: NAM YUN CHO / PRESIDENT  
Duly Authorized Officer of Samsung  
America, Inc.

As counsel for Samsung, I have carefully reviewed every part of this agreement with my client, who has informed me that it is fully understood. To my knowledge, Samsung's decision to enter into this agreement is an informed and voluntary one.

1/18/96  
Date



BRIAN A. SUN  
Attorney for Samsung America, Inc.

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2. This Agreement does not limit or affect the right of the U.S. Attorney's Office to seek an Indictment at any time it deems appropriate. This agreement supersedes all prior agreements regarding the waiver of statute of limitations.

**SAMSUNG AMERICA, INC.**

1/18/96  
Date



Name and Title: NAM YUN CHO/PRESIDENT  
Duly Authorized Officer of Samsung America, Inc.

1/18/96  
Date



BRIAN A. SUN  
Attorney for Samsung America, Inc.

1/20/96  
Date



STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

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WRITTEN CONSENT  
OF  
THE BOARD OF DIRECTORS  
OF  
SAMSUNG AMERICA, INC.

Pursuant to Section 307(b) of the California Corporations Code, the undersigned, being all the members of the Board of Directors of Samsung America, Inc., a New York corporation (the "Corporation"), do hereby adopt the following recitals and resolutions, effective as of the date hereof, as if the same were adopted by unanimous vote at a duly noticed and validly held meeting of the Board of Directors:

WHEREAS, a federal grand jury is conducting an investigation into the Corporation's involvement in certain political contributions made by some of its employees to the Jay Kim for Congress Committee in 1992; and

WHEREAS, it appears that a federal grand jury is conducting the investigation on suspicion that such political contributions were made in violation of the Federal Election Campaign Act and/or other federal statutes; and

WHEREAS, the Board of Directors believes that it is in the best interest of the Corporation to enter into the Plea and Sentencing Agreement which is attached hereto as Exhibit "A" and is incorporated herein (the "Plea and Sentencing Agreement"), and to pay a \$150,000 fine in connection with the alleged violations;

NOW, THEREFORE, BE IT

RESOLVED, that Nam Yun Cho, President of the Corporation, and Brian A. Sun of the law firm of O'Neill, Lysaght and Sun, retained counsel for the Corporation, be, and they hereby are,

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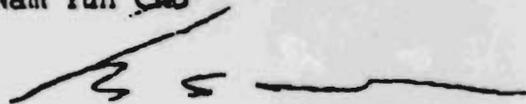
authorized, in the name and on behalf of the Corporation, to execute the Plea and Sentencing Agreement.

Dated: January 17, 1996

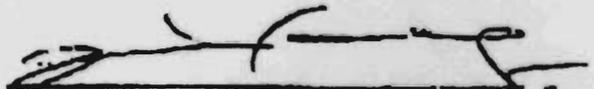
DIRECTORS:



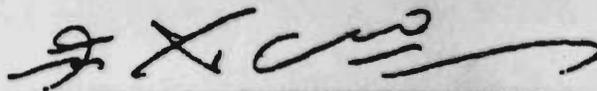
Nam Yun Cho



M. S. Lee



J. K. Kang



Jae Lee

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CERTIFICATE OF SERVICE BY MAIL

I, OSCAR P. AGUILA, declare:

That I am a citizen of the United States and resident or employed in Los Angeles County, California; that my business address is Office of United States Attorney, United States Courthouse, 312 North Spring Street, Los Angeles, California 90012; that I am over the age of eighteen years, and am not a party to the above-entitled action;

That I am employed by the United States Attorney for the Central District of California who is a member of the Bar of the United States District Court for the Central District of California, at whose direction the service by mail described in this Certificate was made; that on January 31, 1996, I deposited in the United States mails in the United States Courthouse at 312 North Spring Street, Los Angeles, California, in the above-entitled action, in an envelope bearing the requisite postage, a copy of: **NOTICE OF FILING PLEA AND SENTENCING AGREEMENT AND WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF SAMSUNG AMERICA, INC.**

addressed to: Brian Sun, Esq.  
O'Neill, Lysaght & Sun  
100 Wilshire Blvd., Suite 700  
Santa Monica, CA 90401-1142

at his last known address, at which place there is a delivery service by United States mail.

This Certificate is executed on January 31, 1996, at Los Angeles, California.

I certify under penalty of perjury that the foregoing is true and correct.

  
OSCAR P. AGUILA

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8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 October 1994 Grand Jury

11 UNITED STATES OF AMERICA, ) CR 96- 84  
12 )  
13 Plaintiff, ) I N D I C T M E N T  
14 v. ) [2 U.S.C. §§ 441(b), 437(g):  
15 SAMSUNG AMERICA, INC., ) Illegal Corporate Campaign  
16 Defendant. ) Contributions]  
17 \_\_\_\_\_ )

18 The Grand Jury charges:

19 GENERAL ALLEGATIONS

20 At all times relevant to the Indictment:

21 1. Defendant SAMSUNG AMERICA, INC. is a corporation  
22 incorporated in the state of New York with its principal place of  
23 business located in La Mirada, California. Defendant SAMSUNG  
24 AMERICA, INC. is a subsidiary wholly owned by Samsung Corporation.  
25 Samsung Corporation is a foreign corporation incorporated under the  
26 laws of the Republic of Korea, with its principal place of business  
27 located in Seoul, South Korea.

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SM

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1           2.    The individuals set forth below are employees of defendant  
2 SAMSUNG AMERICA, INC. who were reimbursed with cash by defendant  
3 SAMSUNG AMERICA, INC. for the contributions to the Jay Kim for  
4 Congress Committee set forth below:

<u>Date</u>	<u>Employee</u>	<u>Amount</u>
9/15/92	Paik, Young J. Credit/Legal Coordinator	\$2,000
9/15/92	Seo, Moon Kyung Senior Accountant	\$2,000
9/16/92	Koh, Ryan K. Manager	\$2,000
9/17/92	Kim, Brian S. Assistant Manager	\$2,000
9/17/92	Cho, Kyung Hei General Accountant	\$2,000

9 / 0 4 3 6 3 2 9 1 7

14           3.    The Federal Election Campaign Act governs contributions to  
15 federal candidates in the United States. Under the applicable  
16 federal law, it is illegal for a corporation or a foreign national  
17 to make a contribution of any amount to a candidate in a federal  
18 election. Federal law allows individuals, who are United States  
19 citizens or authorized permanent residents, to make contributions of  
20 up to \$1,000 per candidate, per election. Pursuant to federal law,  
21 it is illegal to make a contribution in the name of another.

22           4.    The Jay Kim for Congress Campaign Committee was a  
23 political committee registered with the Federal Election Commission  
24 under the Federal Election Campaign Act, and was authorized by Jay  
25 Kim, a candidate for the United States House of Representatives, to  
26 solicit, accept and receive contributions, and to make expenditures,  
27 for the purpose of electing Jay Kim to the United States House of  
28 Representatives.

1 5. These General Allegations are incorporated by reference  
2 into Count One of this Indictment.

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COUNT ONE

[2 U.S.C. §§ 441(b) and 437(g)]

From or about September 15, 1992 through September 17, 1992, in Los Angeles County, within the Central District of California, defendant SAMSUNG AMERICA, INC., a corporation organized under the laws of the State of New York, knowingly and willfully made a contribution in violation of the prohibition against corporate contributions in United States elections contained in the Federal Election Campaign Act, said contribution aggregating \$2,000 or more during calendar year 1992; to wit, defendant SAMSUNG AMERICA, INC. knowingly and willfully made a contribution in the amount of \$10,000 to the Jay Kim For Congress Campaign Committee, a federal political committee.

A TRUE BILL

\_\_\_\_\_  
Foreperson

NORA M. MANELLA  
United States Attorney

RICHARD E. DROOYAN  
Assistant United States Attorney  
Chief, Criminal Division

MICHAEL W. EMMICK  
Assistant United States Attorney  
Chief, Public Corruption &  
Government Fraud Section

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APR 27 11 40 AM '95

Bob Baker  
401 N. Deerfield St.  
Anaheim, CA 92807

April 18, 1995

Federal Election Commission  
Office of General Counsel  
999 East Street, N.W.  
Washington, D.C. 20463

MUR 3796/3798

To Whom it may concern,

It has been nearly two years since the allegations against Representative Jay Kim (R-CA) were exposed concerning his 1992 campaign violations, *et al*, and one wonders why this case has yet to be resolved?

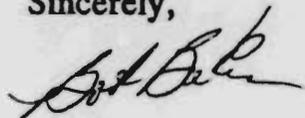
Another election cycle has come and gone, yet there is no action from the Federal Election Commission or any of the other government agencies. There are only so many reasons that come to mind that could possibly explain why it has taken so long to resolve these matters: incompetence; laziness; political correctness; some sort of new affirmative action program and/or just plain politics.

As much as I understand that the FEC is not a proactive agency, can you explain why a seemingly open and shut case is taking so long to reach its inevitable conclusion?

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Is Representative Kim's case to be adjudicated soon or can we expect another election cycle to pass with this matter unresolved?

Sincerely,



Bob Baker

cf: Representative Jay Kim

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801 South Grand Avenue  
Twenty-Second Floor  
Los Angeles, CA 90017-4615  
213-612-2500  
Fax: 213-612-2554

Morgan, Lewis  
& Bockius LLP  
COUNSELORS AT LAW

Y. Peter Kim  
213-612-2661

November 15, 1995

Mary L. Taksar, Esq.  
Attorney  
Central Enforcement Docket  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 4275/MUR 3798

Dear Ms. Taksar:

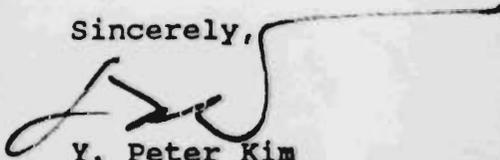
This firm represents Korean Airlines Co., Ltd. ("Korean Air") in connection with the above-referenced matters. Your letter of October 23, 1995 to Korean Air was referred to us for response.

As you may be aware, the alleged violation of the Federal Election Campaign Act of 1971 (the "Act") has been subject of MUR 3798, which was filed on July 19, 1993 by Mr. James V. Lacy. Korean Air's response was submitted to the Commission on August 5, 1993, a copy of which I am enclosing for your reference. We understand that the matter is pending.

As you can see from the enclosures, more than three years has elapsed since the alleged violations occurred. We respectfully request that MUR 4275 and MUR 3798 both be closed, based upon the submissions and the passage of three years since the alleged violations.

Thank you for your attention to these matters. Please call with any questions you may have.

Sincerely,

  
Y. Peter Kim

YPK:il  
Enclosure

NOV 20 2 28 PM '95  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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**MORGAN, LEWIS & BOCKIUS**

PHILADELPHIA  
LOS ANGELES  
MIAMI  
LONDON  
FRANKFURT

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 467-7000  
FAX: (202) 467-7176

WASHINGTON  
NEW YORK  
HARRISBURG  
SAN DIEGO  
BRUSSELS  
TOKYO

August 5, 1993

Lisa E. Klein  
Assistant General Counsel  
Federal Election Commission  
Washington, DC 20463

Re: MUR 3798

Dear Ms. Klein:

As counsel on behalf of Korean Airlines Co., Ltd., ("Korean Air") we submit that the facts presented below demonstrate that the Commission is justified in determining to take no action in accordance with 2 U.S.C. 437g(a)(1) and 11 C.F.R. 111.6 in this matter. We therefore, request that the Commission adopt such a decision.

Korean Air acknowledges that as a foreign national a contribution in the amount of \$1000 by check dated March 16, 1992 was made to Jay Kim, then a candidate for election to Congress. A copy of the check is attached to this letter (Exhibit A).

As indicated in the attached letter (Exhibit B) dated July 26, 1993 from Jong Bok Kim, General Manager, Legal Affairs, American Regional Office, Korean Air, to Jay Kim Elect Committee, the making of such a contribution was unintentional and without knowledge of the legality as they had no prior experience or involvement in the area; and a refund of the contribution has been requested. Further, as stated in the letter, Korean Air apologizes for the misunderstanding and inconvenience.

The contribution made by Korean Air was in response to a solicitation in the Korean language inviting attendance at a fund-raising dinner party for \$200 per person (Exhibit C). A translation of the invitation prepared by the Firm into the English language is attached (Exhibit D). No one from Korean Air attended the fundraiser.

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MORGAN, LEWIS & BOCKIUS

Lisa E. Klein  
August 5, 1993  
Page Two

Under the provisions of 2 U.S.C. 437g(a)(1) and 11 C.F.R. 111.6, the Commission may grant a request that no action be taken. The facts of this case demonstrate that such a request is warranted:

(1) The violation was unintentional and without knowledge of the legality;

(2) There was no prior experience or involvement by Korean Airlines in making contributions to federal election campaigns;

(3) The contribution was sent in response to an invitation in the Korean language, and no one attended the fundraiser;

(4) When the matter was brought to the attention of Korean Airlines, a good faith effort was made to cure the violation through return of the contribution;

(5) The matter involves a single contribution of \$1,000; and

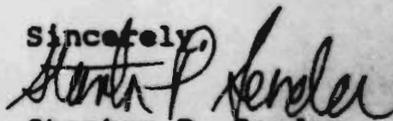
(6) There is no showing of bad faith or willful attempt to circumvent the law, and Korean Air apologizes for the unintentional violation.

Since there are no disputed facts, and Korean Airlines has made a good faith effort to cure the violation through a return of its contribution, further proceedings are not necessary or justified, and the Commission should grant the request to take no action.

A designation of counsel statement signed on behalf of Korean Airlines is attached (Exhibit E).

If we can supply any further information or you have any questions, please do not hesitate to contact us.

Sincerely,



Stanton P. Sender  
Y. Peter Kim

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A

**KOREAN AIR**  
WORKING OPERATION ACCOUNT  
8101 W. IMPERIAL HWY.  
LOS ANGELES, CA. 90045  
(213) 417-8800

EL SEGUNDO OFFICE  
FIRST INTERSTATE BANK  
EL SEGUNDO CALIF

18-21/185 CHECK NUMBER 36733  
1220

CHECK DATE  
3/15/92

PAY THIS AMOUNT  
\$1,000.00

THE SUM OF \*\*\*\*\*1,000\*\*\*\*\* DOLLARS NO CENTS

PAY  
THE  
ORDER  
OF: JAY KIM

*[Handwritten Signature]*  
**NOT NEGOTIABLE**

97040032925

# KOREAN AIR

AMERICAN REGIONAL OFFICE  
3101 W. BROADWAY, SUITE 1000, LOS ANGELES, CA 90020  
TEL: (213) 401-1000

July 26, 1993

Jay Kim Elect Committee  
1131 West Sixth Street  
Ontario, CA 91762

Attn : Mr. Seo Kuk Ma  
Special Assistant

Re : Election Contribution

Dear Sir:

Recently, it was brought to attention of our management that in March, 1992 a contribution to your committee was made by us without knowledge of the legal ramifications of such contribution under the U.S. election campaign laws. We deeply regret that such contribution may not comport with the federal election campaign laws and also that it may have caused an embarrassment to both parties. It was certainly unintentional and without knowledge of the legality as we had no prior experience or involvement in this area. We think that it would be appropriate for you to refund the contribution.

Again, we apologize for the misunderstanding and inconvenience it has caused.

Sincerely yours,



Jong Bok Kim  
General Manager  
Legal Affairs  
American Regional Office

CC. : Mr. Seo Kuk Ma  
3425-F Pomona Boulevard  
Pomona, CA 91768

97043032926

## 초청의 말씀

김창준 (JAY KIM) 미 연방 하원의원 후보를  
위한 모금 만찬회를 아래와 같이 갖고져  
하오니 바쁘신중 꼭 참석하여 후원과  
격려하여 주시기를 바랍니다.

▷ 다음 ◁

- 일시: 1992년 3월 21일 (토요일)  
오후 6시 30분
- 장소: 한국 회관  
950 So. Vermont Avenue  
Los Angeles, CA 90006
- 예약: (213) 380-4180  
- 준비관계상 3월 20일까지  
알려주시기를 부탁드립니다.
- 찬조금: \$200 per person  
혹 당일 참석치 못하시는 분은 별첨 봉투를  
이용하여 주시면 감사하겠습니다.

초청인: 강득희 김양일 김종진 김창수  
노재민 박정인 방미철 백영준  
오인동 이병항 이연희 정의식

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[English Translation]

INVITATION

You are cordially invited to a fund raising dinner for Jay Kim, a federal congressional candidate. We hope that you will join us to give him support and encouragement.

- 1. Time: 6:30 p.m., Saturday, March 21, 1992
- 2. Place: Korean Restaurant, 950 S. Vermont Avenue  
Los Angeles, CA 9006
- 3. RSVP: (213) 380-4180 by March 20
- 4. Contribution: \$200 per person (If you cannot attend the dinner, please use the enclosed envelop to mail in your contribution.)
- 5. Hosts: Deuk Hee Kang, Yang Il Kim, Jong Kun Kim, Chang Soo Kim, Jae Min Noh, Kyung In Park, MI Chul Bang, Young Joon Baek, In Dong Oh, Byung Hang Lee, Yun Hee Lee, Eui Sik Chung

9704332928





BEFORE THE FEDERAL ELECTION COMMISSION

COMPLAINT

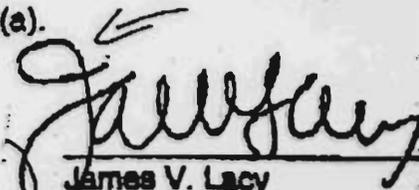
This complaint is filed in accordance with 2 U.S.C. § 437g(a).

During the 1992 election cycle, I was a candidate for the United States Congress in the 41st District, which covers portions of Orange, Los Angeles, and San Bernardino counties of California.

Based upon facts reported in an article entitled, "Rep. Kim Used Improper Funds" (Los Angeles Times, July 14, 1993, page A1), it is my belief that a violation of the Act has occurred. It appears that based on the facts stated in the article that Rep. Kim used corporate funds to pay for campaign headquarters, staff and office supplies, salary and expenses, and other miscellaneous expenses, in violation of 2 U.S.C. § 441b.

The article reporting such facts is attached hereto (see Attachment A).

Based on this information, I request that the Commission conduct an investigation in accordance with 2 U.S.C. § 437g(a).

  
James V. Lacy  
7/14/93

I swear that the contents of this complaint are true, and I make these statements subject to the statutes governing perjury and to 18 U.S.C. Section 1001.

Date 7/17/93

James V. Lacy

James V. Lacy  
21520-G Yorba Linda Blvd., #542  
Yorba Linda, CA 92687

97043632931

BE THE FEDERAL ELECTION COMMISSION

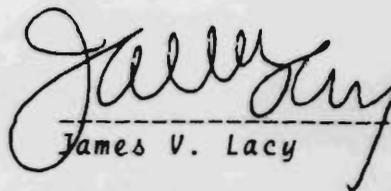
AMENDED COMPLAINT

The complaint signed by James V. Lacy and dated July 14, 1993 is hereby amended to request a review of the legality of acceptance of a \$1,000 contribution from Korean Airlines, reported by Jay Kim during the 1992 primary election, and whether this, or any other contributions reported, originated from a foreign national or foreign source, in violation of Federal election law.

I hereby swear that the contents of this amended complaint, and the complaint dated July 14, 1993 are true, and I make these statements subject to the statutes governing perjury and to 18 U.S.C. Section 1001.

7/17/93

Date

  
James V. Lacy

9704332932

BEFORE THE FEDERAL ELECTION COMMISSION

AMENDED COMPLAINT

The complaint signed by James V. Lacy and dated July 14, 1993 is hereby amended to request a review of the legality of acceptance of a \$1,000 contribution from Korean Airlines, reported by Jay Kim during the 1992 primary election, and whether this, or any other contributions reported, originated from a foreign national or foreign source, in violation of Federal election law.

I hereby swear that the contents of this amended complaint, and the complaint dated July 14, 1993 are true, and I make these statements subject to the statutes governing perjury and to 18 U.S.C. Section 1001.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 51

State of California  
County of Monterey

On July 17, 93 before me, ELLINOR ROECK  
NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"  
personally appeared James V. Lacy  
NAME(S) OF SIGNER(S)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Ellinor Roeck  
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)
- TITLE(S) \_\_\_\_\_
- PARTNER(S)  LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Amended Complaint  
NUMBER OF PAGES 1 DATE OF DOCUMENT \_\_\_\_\_  
SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 21, 1996

James V. Lacy  
30100 Town Center Drive #0-269  
Laguna Niguel, CA 92677

MUR: 3798

Dear Mr. Lacy:

This is in response to your letter dated May 8, 1996, informing the Office of the General Counsel of your new mailing address and requesting information pertaining to the complaint you filed on July 19, 1993.

Thank you for your current mailing address; we have noted in our files. With regard to your inquiry, please be advised that the Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). Because there has been no written agreement that this matter be made public, we are not in the position to release any information at this time.

As you were informed by letter dated July 26, 1996, we will notify you as soon as the Commission takes final action on your complaint.

Sincerely,

Alva E. Smith, Paralegal  
Central Enforcement Docket

97043032934

BEFORE THE FEDERAL ELECTION COMMISSION

FEDERAL ELECTION COMMISSION  
SECRETARIAT

In the Matter of )  
)  
)  
)

ENFORCEMENT PRIORITY

AUG 11 4 27 PM '97

**SENSITIVE**

AUG 19 1997

**EXECUTIVE SESSION  
SUBMITTED LATE**

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 34 cases which do not warrant further action relative to other pending matters.<sup>1</sup>

<sup>1</sup> These cases are: MUR 4470 (*Ward for Congress*); MUR 4478 (*Citizens for Tom Reynolds*); MUR 4492 (*Friends of Ken Poston*); MUR 4498 (*Darryl Roberts for Congress*); MUR 4506 (*The Hon. Ted Little*); MUR 4512 (*Friends of Lane Evans*); MUR 4517 (*Unknown Respondent*); MUR 4518 (*Kansans for Rathbun*); MUR 4520 (*Larry Lerner for*

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Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

### B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more distant in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of these facts, EPS also provides us with the means to identify those cases which, though earning a higher rating when received, remained unassigned due to a lack of resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

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Congress); MUR 4522 (*Republican Party of Bexar County*); MUR 4523 (*Cong. Andrea Seastrand*); MUR 4524 (*Danny Covington Campaign Fund Committee*); MUR 4526 (*Hoeffell for Congress*); MUR 4528 (*Pete King for Congress*); MUR 4529 (*Pete King for Congress*); MUR 4532 (*Citizen's Committee for Gilman for Congress*); MUR 4535 (*Visclosky for Congress*); MUR 4537 (*Di Nicola for Congress*); MUR 4541 (*Ross Perot*); MUR 4548 (*Blagojevich for Congress*); MUR 4550 (*Friends of Wamp for Congress*); MUR 4551 (*John N. Hostettler*); MUR 4557 (*De La Rosa for Congress*); MUR 4559 (*Bill Baker for Congress*); MUR 4560 (*George Stuart Jr. for Congress*); MUR 4562 (*Wayne E. Schile*); MUR 4566 (*Al Gore*); MUR 4574 (*Danny Covington Campaign Fund Committee*); MUR 4576 (*Volunteers for Shimkus*); MUR 4579 (*New Zion Baptist Church*); MUR 4580 (*Friends of Mike Forbes*); MUR 4584 (*Bill Baker for Congress*); MUR 4588 (*Navarro for Congress*); and MUR 4613 (*Guy Kelley for Congress*).

2

The U.S. District Court for the District of Columbia, however, held in *Democratic Senatorial Campaign Committee v. FEC*, Civil Action No. 95-0349 (D.D.C. April 17, 1996) that 24 months was too long a time in which to hold a case in an inactive status.

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Twenty one cases have remained on the Central Enforcement Docket for a sufficient period of time to render them stale, all of which are recommended for closure in this Report.<sup>4</sup> This group includes four MURs that became stale several months ago, but were held pending criminal prosecution by the Department of Justice.<sup>5</sup> DOJ obtained convictions in the two criminal cases related to these four MURs (*U.S. v. Jay Kim* and *U.S. v. Dynamic Energy Resources*) based upon guilty pleas by the key defendants, who are also the principal respondents in our pending matters. Pursuit of civil enforcement action in view of the satisfactory results obtained in the criminal cases would not be the most effective use of the Commission's scarce resources at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective August 29, 1997. Closing these cases as

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<sup>4</sup> These cases are: MUR 4274 (GOPAC); MUR 4358 (*Miller for Senate*); MUR 4361 (ABC-TV); MUR 4368 (Citizens Business Bank); MUR 4380 (AFGE Local 2391 PAC); MUR 4385 (*Dial for Congress*); MUR 4386 (*Zimmer for Senate*); MUR 4396 (ABC); MUR 4404 (*Friends of Steve Stockman*); MUR 4410 (39th Legislative District); MUR 4417 (*Our Choice II*); MUR 4422 (*Desana for Congress Committee*); and Pre-MUR 336 (*Park National Bank & Trust*).

<sup>5</sup> These cases are: MUR 3796 (*Jay Kim for Congress*); MUR 3798 (*Jay Kim*); MUR 4275 (*Jay Kim*); and MUR 4356 (*Dynamic Energy Resources*). In dismissing the Jay Kim cases, we also recommend closing Pre-MUR 352, which is the transmittal of the guilty plea agreement and related documentation in the criminal case against Congressman Kim forwarded by United States Attorney's office.

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of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

Pre-MUR 336

Pre-MUR 352

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

MUR 3796	MUR 4396	MUR 4522	MUR 4559
MUR 3798	MUR 4404	MUR 4523	MUR 4560
MUR 4274	MUR 4410	MUR 4524	MUR 4562
MUR 4275	MUR 4417	MUR 4526	MUR 4566
	MUR 4422	MUR 4528	MUR 4574
MUR 4356	MUR 4470	MUR 4529	MUR 4576
MUR 4358	MUR 4478	MUR 4532	MUR 4579
MUR 4361	MUR 4492	MUR 4535	MUR 4580
MUR 4368	MUR 4498	MUR 4537	MUR 4584
	MUR 4506	MUR 4541	MUR 4588
MUR 4380	MUR 4512	MUR 4548	MUR 4613
MUR 4385	MUR 4517	MUR 4550	
MUR 4386	MUR 4518	MUR 4551	
	MUR 4520	MUR 4557	

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8/14/97  
Date

Lawrence M. Noble (712)  
Lawrence M. Noble  
General Counsel

Attachment:  
Case Summaries

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Enforcement Priority ) Agenda Document No. X97-55

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 19, 1997, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions with respect to Agenda Document No. X97-55:

- A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. Pre-MUR 336.
  2. Pre-MUR 352.
- B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. MUR 3796.
  2. MUR 3798.
  3. MUR 4274.
  4. MUR 4275.
  5. MUR 4356.
  6. MUR 4358.
  7. MUR 4361.
  8. MUR 4368.
  9. MUR 4380.
  10. MUR 4385.
  11. MUR 4386.
  12. MUR 4396.
  13. MUR 4404.
  14. MUR 4410.
  15. MUR 4417.
  16. MUR 4422.
  17. MUR 4470.
  18. MUR 4478.

(continued)

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Federal Election Commission  
Certification: Enforcement Priority  
August 19, 1997

Page 2

19. MUR 4492.    20. MUR 4498.    21. MUR 4506.  
22. MUR 4512.    23. MUR 4517.    24. MUR 4518.  
25. MUR 4520.    26. MUR 4522.    27. MUR 4523.  
28. MUR 4524.    29. MUR 4526.    30. MUR 4528  
31. MUR 4529.    32. MUR 4532.    33. MUR 4535.  
34. MUR 4537.    35. MUR 4541.    36. MUR 4548  
37. MUR 4550.    38. MUR 4551.    39. MUR 4557.  
40. MUR 4559.    41. MUR 4560.    42. MUR 4562.  
43. MUR 4566.    44. MUR 4574.    45. MUR 4576.  
46. MUR 4579.    47. MUR 4580.    48. MUR 4584.  
49. MUR 4588.    50. MUR 4613.

Commissioners Aikens, McDonald, McGarry, and Thomas  
voted affirmatively for the decision; Commissioner Elliott  
dissented.

Attest:

8-21-97  
Date

Marjorie W. Emmons  
Marjorie W. Emmons  
Secretary of the Commission

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James V. Lacy  
30100 Town Center Drive #0-269  
Laguna Niguel, CA 92677

RE: MUR 3798

Dear Mr. Lacy:

On July 19, 1993, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 29, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437(g)(a)(8).

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

97043832941



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 29, 1997

Y. Peter Kim, Esquire  
Stanton P. Sender, Esquire  
MORGAN, LEWIS & BOCKIUS  
1800 M Street, N.W.  
Washington, D.C. 20036-5869

RE: MUR 3798  
Korean Airlines Co., Ltd.

Dear Messrs. Kim and Sender:

On July 26, 1993, the Federal Election Commission notified your client, Korean Airlines Co., Ltd., of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on August 29, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

97043632942



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Jan Witold Baran  
WILEY, REIN & FIELDING  
1776 K Street, N.W.  
Washington, D.C. 20006

RE: MURs 3796 and 3798  
The Honorable Jay Kim; Jay Kim for Congress; and Moon Jae Lee, as treasurer

Dear Mr. Baran:

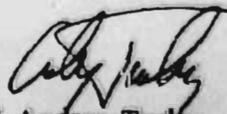
On July 26, 1993, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on August 29, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

  
F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

9704332943



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Carmen Suarez  
14174 Deckbrook Lane  
Chino Hills, CA 91709

RE: MURs 3796 and 3798

Dear Ms. Suarez:

On July 26, 1993, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on August 29, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

97043632944



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Jerold V. Goldstein, Esquire  
16133 Ventura Boulevard, Suite 585  
Van Nuys, CA 91436-2402

RE: MURs 3796 and 3798  
Frederick C. Schultz

Dear Mr. Goldstein:

On July 26, 1993, the Federal Election Commission notified your client, Frederick C. Schultz, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on August 29, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

97043852945



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Jaycee Kim, President  
Avacon Corporation  
1300 South Valley Vista Drive  
Diamond Bar, CA 91765-3922

RE: MURs 3796 and 3798  
Avacon Corporation (formerly JayKim Engineers, Inc.)

Dear Mr. Kim :

On July 26, 1993, the Federal Election Commission notified JayKim Engineers, Inc., which we understand is the predecessor to your company, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Avacon Corporation (formerly JayKim Engineers, Inc.) This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on August 29, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

97043632946



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3798

DATE FILMED 9-17-97 CAMERA NO. 4

CAMERAMAN JMK

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