



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4275

DATE FILMED 9-15-97 CAMERA NO. 4

CAMERAMAN JMU

9704331981

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

AUG 14 10 04 AM '95

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

August 5, 1995

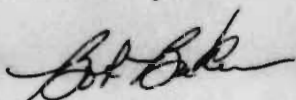
Federal Election Commission  
Office of General Counsel  
999 East Street, N.W.  
Washington, D.C. 20463

To Whom it may concern,

The Los Angeles Times published a two-part series on July 14 and 15, 1993, concerning numerous campaign violations of Representative Jay Kim of California's 41st Congressional District. Subsequent stories by the Orange County Register quoting former campaign staff have made it plainly evident that Mr. Kim knew of these violations and knowingly ignored them. Other stories, in various papers, quote Mr. Kim as saying that he knew nothing or that the violations were someone else's fault.

As a resident of the 41st Congressional District and Mr. Kim's opponent during the 1992 campaign, I believe that in the two years since this matter was first brought to light and the subsequent investigations by the Labor Department, Internal Revenue Service and the Federal Bureau of Investigation must surely have run their course enough to convince the Federal Election Commission that firm action should be taken against Mr. Kim. The newspaper articles and their photocopies of checks, documents and interviews (also given to the FBI, et al) alone, should be convincing enough evidence to prove not only violations, but deliberate evasions of the law. Realizing that the FEC is not a proactive organization, two years and another election cycle come and gone, does not serve the people of the 41st Congressional District nor the integrity of this federal office.

Sincerely,



Bob Baker

STATE OF CALIFORNIA  
COUNTY OF ORANGE

SUBSCRIBED AND SWORN (OR AFFIRMED) TO BEFORE ME  
THIS 5th DAY OF August, 1995.

  
NOTARY PUBLIC



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 25, 1995

Bob Baker  
401 N. Deerfield Street  
Anaheim, CA 92807

Dear Mr. Baker:

We have received your letter regarding the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") by Representative Jay Kim. However, your letter is not specific as to the allegations regarding possible violations of the Federal Election Campaign Act. Consequently, the Commission can take no action at this time.

Commission regulations at 11 C.F.R. § 111.4 state that a formal complaint should contain a clear and concise recitation of the facts describing the violation of a statute or law over which the Commission has jurisdiction and that a formal complaint should be accompanied by supporting documentation if known and available to the person making the complaint. If you desire the Commission to look into the matter discussed in your letter, you may correct and refile your complaint.

Please note that this matter will remain confidential for a 15 day period to allow you to correct the defects in your complaint. If the complaint is corrected and refiled within the 15 day period, the respondents will be so informed and provided a copy of the corrected complaint. The respondents will then have an additional 15 days to respond to the complaint on the merits. If the complaint is not corrected, the file will be closed and no additional notification will be provided to the respondents.

If we can be of any further assistance, please do not hesitate to contact me at (202) 219-3400.

Sincerely,

*Retha Dixon*  
ama

Retha Dixon  
Docket Chief

9704331983



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 26, 1995

Bob Baker  
401 N. Deerfield Street  
Anaheim, CA 92807

Dear Mr. Baker:

9704331984  
This is in reference to the "addendum" to your complaint against Jay Kim which we received on September 11, 1995. Although the original complaint was signed and sworn to in the presence of a notary public, it did not contain any specific allegations and, therefore, you were advised to provide a clear and concise recitation of the facts describing the violation or statute or law over which the Commission has jurisdiction, in the event you chose to refile the complaint. The "addendum" you filed on September 11, 1995, lists specific violations of law, but is not signed and sworn to in the presence of a notary public and notarized, as required under the Federal Election Campaign Act of 1971, as amended and Commission Regulations.

In order to file a legally sufficient complaint, you must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_." We regret the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

Please note that this matter will remain confidential for a 15 day period to allow you to correct the defects in your complaint. If the complaint is corrected and refiled within the 15 day period, the respondents will be so informed and provided

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED



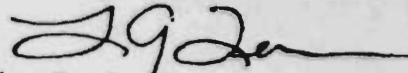
Bob Baker  
Page 2

a copy of the corrected complaint. The respondents will then have an additional 15 days to respond to the complaint on the merits. If the complaint is not corrected, the file will be closed and no additional notification will be provided to the respondents.

If you have any questions concerning this matter, please contact Maura Callaway at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosure

cc: Jay Kim for Congress

9704331985

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

OCT 17 11 56 AM '95

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

MUR 4275

October 12, 1995

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

To Whom it may concern,

The Los Angeles Times published a two-part series on July 14 and 15, 1993 concerning the numerous campaign violations of Representative Jay Kim of California's 41st Congressional District. Subsequent stories by the Orange County Register (enclosed) quoting former campaign staff have made it plainly evident that Mr. Kim knew of these violations and, at best, knowingly ignored them. Other stories, in various papers, quote Mr. Kim as saying that he knew nothing or that the violations were someone else's fault.

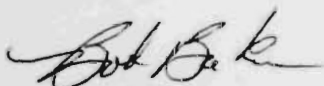
As I reside in the district and as Mr. Kim's opponent during the 1992 campaign, I believe that since this matter first came to light, the subsequent investigations by the Labor Department, the IRS and the FBI have surely run their course enough by now to convince the FEC that firm action should be taken against Mr. Kim before yet another election cycle begins. The newspaper articles and their photocopies of checks, documents and interviews (also given to the FBI, et al) alone, should be convincing enough evidence to prove not only campaign violations, but deliberate evasions of the law. Realizing that the FEC is not a proactive organization, over two years since the first FEC complaint was filed and another election cycle come and gone, inaction has not served the people of the 41st Congressional District, nor the integrity of this federal office.

9704331986

Specific violations of election law include (but not limited to):

1. Accepting contributions from donors without determining their occupations and employers;
2. Deliberately directing the aforementioned contributor requirements to be fraudulently annotated;
3. Illegally using JayKim Engineering, Inc.'s financial and physical assets and personnel in his election campaigns;
4. Illegally combining contributions (i.e., recording contributors from one donor as a donor and spouse);
5. Accepting contributions from foreign-owned companies (e.g., Korean Airlines), though since returned;
6. Donating funds to campaigns and receiving reimbursement from his corporate funds;
7. Knowingly lying about all these (and other) matters when he signed his FEC campaign reports.

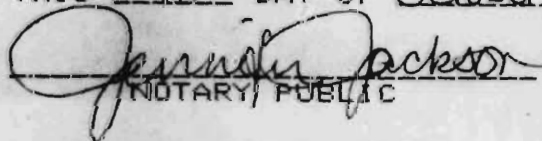
Sincerely,



Bob Baker

STATE OF CALIFORNIA  
COUNTY OF ORANGE

SUBSCRIBED AND SWORN (OR AFFIRMED) TO BEFORE ME  
THIS 12<sup>th</sup> DAY OF October, 1995.

  
NOTARY PUBLIC

# Metro

THE ORANGE COUNTY REGISTER, THURSDAY, FEB. 3, 1994

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# Kim was warned, Moreno says

**POLITICS:** The congressman's chief of staff dismisses the Santa Ana councilman's charges.

By **JEAN O. PASCO**  
The Orange County Register

Santa Ana Councilman Ted Moreno, who worked briefly for the 1992 campaign of Rep. Jay Kim, R-Diamond Bar, said he warned Kim several times about potential violations of federal

election law.

Moreno said he cautioned Kim while helping prepare the campaign's first report to the Federal Elections Commission in April 1992.

"He wasn't a crook, he just wasn't dotting his i's and crossing his t's," Moreno said.

Kim is being investigated by several federal agencies because of his campaign finances.

Kim, who was elected in 1992 and whose district includes parts of northeastern Orange County, has denied wrongdoing. Wednesday, Kim's chief of staff, Sandra Garner, dismissed Moreno's allegations as part of a fight among Orange County Democrats hoping to succeed Assemblyman

Tom Umberg, D-Garden Grove.

"This sounds like a Democrat fight and everyone's ducking for cover," Garner said.

Moreno, who has announced that he will seek Umberg's 69th District seat in the June primary, accused George Urch, Umberg's chief of staff, of attempting to link him to Kim's problems to help another Democratic candidate. Urch denied doing so.

Moreno said he did as Kim told him because "I was just a 24-year-old kid. Who's going to listen to a 24-year-old?"

Moreno said he raised several campaign-reporting problems.

► Moreno said Kim told him to log donations from members of the Korean community as coming from self-employed individuals, unless their occupation was

Please see **Kim**, Page 2

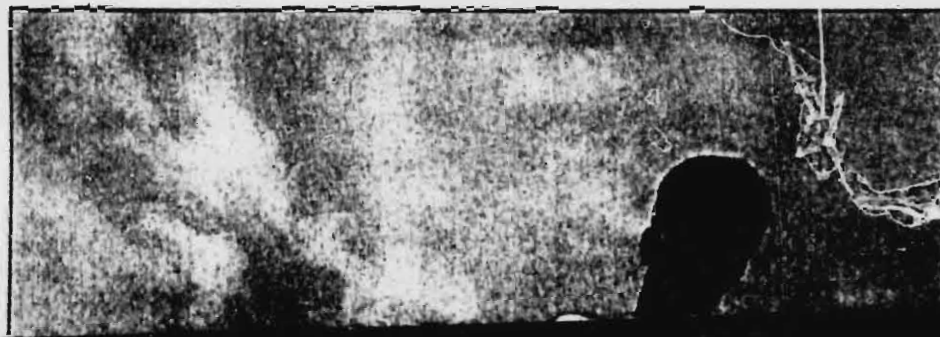
## NEWS FOCUS

# KIDS BEWARE: NOT THERE

**SOCIAL ISSUES:** Can't skateboard. Can't bike. Can't even go to the movies. These days in some cities, it's tough to be young and have fun.

By **TOM BERG**/The Orange County Register

At age 15, skateboarding whiz-kid Jesse Roach already has appeared on the cover of Sports Illustrated.



# Overton dreading murder retrial

**COURTS:** Despite being granted a new judge, he says he's tiring of the continuous burden



# KIM: Ex-campaign aide says he told of possible violations

FROM 1 otherwise known. Moreno said he told Kim that he didn't know most of the donors' occupations and that logging them as self-employed could run Kim afoul of FEC requirements. He said Kim told him to do it anyway.

Federal law requires campaigns to make their "best efforts" to determine the occupations and employers of contributors.

► Moreno asked Kim whether money being transferred from Kim's Diamond Bar City Council campaign account contained corporate funds.

Kim said no, Moreno said.

Federal law prohibits corporate funds from being used in federal races, but no such prohibition existed in Diamond Bar, where Kim was mayor at the time.

The FEC is investigating whether Kim illegally used money from his engineering company toward the race.

► Moreno said Kim told him to report a \$2,000 cashier's check from a contributor as a combined donation from the contributor and his wife. Federal law restricts personal contributions to \$1,000 per person for each election. Joint checks must be signed by both contributors or include a written statement declaring that the contribution is from both.

Garner said she reviewed the campaign's first FEC report this week; all of the \$2,000 checks received in that period had both signatures on them, she said.

Garner said Kim wasn't in-

involved in day-to-day decisions and wouldn't have determined how contributions would be recorded on the FEC reports.

But Moreno said he spoke with Kim on several occasions about the FEC report.

FBI, U.S. Attorney's Office and FEC representatives said the investigations are continuing into Kim's campaign finances.

Last month, Moreno received a letter from Long Beach political consultant Jerry Seedborg, informing him that Seedborg was resigning as his campaign adviser because of Moreno's involvement with Kim.

"I have just become aware of your true involvement in Republican Jay Kim's campaign, and I cannot in good conscience continue to represent you," said Seedborg's letter, dated Jan. 14. "I hope your anticipated interview with the FBI regarding your accounting bookkeeping duties during the Kim campaign does not lead to any formal charges against you."

Moreno said he was surprised by the letter because he has never been contacted nor has he contacted the FBI.

Seedborg could not be reached for comment.

Moreno said he worked on the Kim campaign for political experience and as a favor to Kim campaign manager Jerry Silva, whom he had met when they worked for Southern California Edison in Westminster. He said he was paid about \$300.

Moreno was elected to the Santa Ana City Council in 1992.

ment effort by the Superior Court and ethnic organizations.

The 204 people who applied for the 1993-94 grand jury by this week's deadline included 22 Hispanics, 13 Asians, seven blacks and three American Indians, grand juror Bahla Wilson said. Last year there were only nine minority applicants for the panel.

Over the past year, defense attorneys and ethnic organizations had criticized the jury's lack of minority representation. The current grand jury is composed of 15 whites, two Hispanics, one black and one American Indian.

"I'm real encouraged that the grand jury, for the first time, may start to reflect the diversity of Orange County," said John Palacio, Orange County leadership-program director for the Mexican American Legal Defense and Educational Fund.

The total number of applications this year was 30 percent higher than last year and greater than any of the past five years.

This year's grand jury applicant pool also is younger, with 26 applicants under 50 and one as young as 19. The number of women applying for the jury jumped from 29 last year to 76 this year.

"Our goal was to increase age diversity, gender diversity and cultural heritage," Wilson said.

She credited outreach efforts in minority communities, where civic leaders translated grand jury application materials.

"Now people are more aware of what the Orange County grand jury does and how it works," Westminster lawyer Tien V. Doan said.

A selection committee of 15 Superior Court judges will narrow the list of applicants to 90, and they will be called in for interviews. After background checks, the judges will cull a pool of 30, from which the 19 grand jurors will be selected randomly.

California Common Cause action committee formed based on distress is due to every representative in California Common Cause opposes any political system member of the club.

I have been advised by Ferguson's comments because however, given the problems that face us, we cannot afford only "harmless" alternatives in Sacramento. I am a political activist in California. I demand that Ferguson doesn't.

I demand that correct his mission California Common

Mitchell is chairman of Common Cause.

## Curtailing

Concerning Governor who chose when he was hit by a mobile ["Legal strong suit." Opinion suggest a difference. Livingston, after down while standing attended to immediate much concern by mobile, who says "ry. Are you all right? It was totally my cal expenses? Do take care of it." Later at the ski who is hurt immediately by the "Mr. Livingston are so very unfortunate. I am for you and your family. I will take vacation. Please be of service in both the ride. The ski resort is fully and fully. Livingston is for their vacation.

## Illegal

## LAW SCHOOL INFORMATION SEMINARS

Tuesday, February 8, 1994

Irvine • 6:30 pm

Radisson Plaza Hotel • 18800 MacArthur Blvd.

Tuesday, February 15, 1994

Fullerton • 6:00 pm

Days Inn • 1500 S. Raymond

Western State University College of Law will host an information seminar in your area.

Your questions will be answered regarding:

- Law School Requirements—when & how to apply
- Financial Assistance
- Irvine and Fullerton Campuses
- Career Planning and Placement
- Scholarships
- The Law School Admission Test (LSAT)

A question and answer period will follow the seminar.

Seating is limited and reservations are on a first-come, first-served basis.

To register, call Fullerton at 714/738-1000 or Irvine at 714/753-9100 and ask for an Admissions Counselor.

MARCH 10, 1994, P. 7

# Kim's ex-manager says he warned of violations

**POLITICS:** A former campaign worker tells the FBI he told the Diamond Bar representative that he might be breaking election laws.

The Orange County Register

The former campaign manager for Rep. Jay Kim, R-Diamond Bar, said Wednesday that he told the FBI that he repeatedly warned Kim he might be breaking federal election laws.

William "Jerry" Silva, 31, a Chino Hills engineer, said he wrote at least one report for Kim detailing campaign-finance violations after he spoke with an official at the Federal Election Commission.

Silva said that Kim's reply each time was: "Don't worry about it. I'll handle it."

The U.S. Attorney's Office, the commission, the Internal Revenue Service and a federal grand jury in Los Angeles are investigating whether Kim acted improperly in 1992 by using about \$300,000 in money and services from his Diamond Bar corporation for his election. Federal law



**KIM:** The Republican lawmaker, being investigated for breaking election laws, denies wrongdoing.

bars corporations from giving to campaigns.

Kim, who was elected in 1992 and whose district includes parts of northeastern Orange County, has denied wrongdoing. Kim's attorney, Jan Baran of Washington, D.C., said Wednesday that he could not comment. Sandra Garner, Kim's spokeswoman in his Ontario office, did not return telephone calls. Kim's Washington staff referred calls to Gar-

ner.

Silva is the second former member of Kim's campaign staff to say that he warned Kim of possible violations of campaign-finance laws. Santa Ana Councilman Ted Moreno, who worked briefly on Kim's campaign, told The Orange County Register last month that he also warned Kim about financing irregularities.

Last week, FBI agents interviewed Silva for 2½ hours and subpoenaed Silva's reports to Kim, computer files, videotapes and other campaign material. The FBI previously searched Kim's offices and JayKim Engineering, the corporation he sold after the election.

Silva said he first noted irregularities — which he would not disclose — when he joined the campaign in early March 1992. He told Kim of the problems, wrote reports and showed him a videotape that explained campaign-finance reporting laws.

Silva has sued Kim for \$40,000. The suit alleges that Kim reneged on a promise to pay a bonus to Silva if Kim won the Republican primary. Kim, who has offered to settle the case for \$7,500, is scheduled to be deposed for the lawsuit April 1.

SHOP SPECIAL HOURS THURSDAY AND FRIDAY 9

98TH ANNIVERSARY  
**SALE**  
AND VALUES  
STARTS TODAY

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

SEP 11 11 02 AM '95

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

September 5, 1995

Federal Election Commission  
Attn: Retha Dixon  
999 E. Street N.W.  
Washington, D.C. 20463

In reference to my letter dated August 5, 1995, your letter of August 25, 1995 and our phone conversation of September 1, 1995, please accept the following addendum regarding the 1992 Congressional campaign of Representative Jay Kim (CA-41).

Specific violations of election law include:

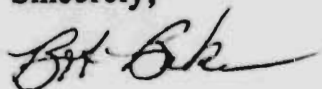
1. Accepting contributions from donors without determining their occupations and employers;
2. Deliberately directing the aforementioned contributor requirements to be fraudulently annotated;
3. Illegally using JayKim Engineering, Inc. financial and physical assets and personnel in his election campaigns;
4. Illegally combining contributions (i.e., recording contributors from one donor as a donor and spouse);
5. Accepting contributions from foreign-owned companies (e.g., Korean Airlines), though since returned;
6. Donating funds to campaigns and receiving reimbursement from his corporate funds;
7. Knowing lying about all these (and other) matters when he signed his FEC campaign reports.

97043831991



Please also note that I have included some press clippings that all address these apparent violations of numerous Federal election laws.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob Baker".

Bob Baker

97043831992



California's  
garbage.

"We're really reversing the process of what went on out here for 40 years," said Rick Daniels, president of Mine Reclamation Corp.

Mine Reclamation and partner Kaiser Ventures

Inc. refiled applications this spring for the Eagle Mountain landfill project in Riverside County after the courts rejected their initial effort. Their proposal to fill the pit that once produced iron ore for Kaiser's steel mill in Fontana is moving through the planning process and generating renewed attention from the environmental community. The project is located between Indio and Blythe, about 150 miles east of Ontario.

"We remain opposed to it, as we were before,"

See TRASH/A4



Walt Wels/Daily Bulletin

Gerald Fawcett, executive vice president of Kaiser Ventures Inc., wants Eagle Mountain's abandoned mine to once again be a valuable asset.

Walt Wels/Daily Bulletin

urned more than 1 billion tons of iron ore from mountain to Kaiser's steel mill in Fontana.

## t of maybes'

t a lot of desert site in Riverside County. Project applications are pending with Riverside County.

ld Eagle Inc. and All told, residents of alter-hauling

ld haul o the old a remote

See OPTIONS/A4

# Kim probes still unresolved

## Congressman denies allegations he misused funds

By Clyde Weiss  
Donrey News Service

WASHINGTON — Two years have elapsed since Inland Valley Rep. Jay Kim's young political career was rocked by allegations that he misused corporate funds during his 1992 congressional campaign and perhaps also violated labor and tax laws.

But the Federal Elections Commission and the U.S. Justice Department have yet to resolve the matter or even offer any clues as to whether they are still investigating the Republican congressman.

This week marks the second anniversary of the formal complaints filed by the Democratic Congressional Campaign Committee, the party's political arm in the House, and a Republican who challenged Kim in the primary, Dana Point attorney and ex-Reagan

administration aide James Lacy.

The complaints asked the six-person FEC to look into allegations that Kim's campaign had improperly used more than \$400,000 from his Diamond Bar engineering company to finance his race.

An FEC spokesman confirmed that the case still is pending. Federal law prohibits the agency from divulging additional information.

Beginning almost two years ago, the FBI began seizing records from Kim's former engineering firm and his campaign — possibly to support an investigation into claims that Kim also violated tax and labor laws.

But that probe appears to be in limbo, as well. Deputy U.S. Attorney Stephen A. Mangfield, who supervises cases involving public officials, would not comment Friday on the status of the Kim investigation or whether one

See KIM/A5

## er leaves record rainfall in its wake

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Service Weather

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to, said

Two-hundredths of an inch of rain shattered the old mark of .01 inch. Pomona recorded .05 inches and beat an old record of .01 inch, experiencing its rainiest July 16 since 1922. Most other Inland Valley cities also reported between .04 and .06 inches.

Owners of once clean cars were not the only ones annoyed by the rain. Local California Highway Patrol offices all

reported a higher-than-average number of traffic collisions on rain-slicked freeways.

Officers from the Baldwin Park CHP office were "running ragged" taking reports of accidents, Sgt. Tom Lackey said.

But Lackey and others said that the rain was not the apparent cause of any

See WEATHER/A5

# Kim/from A1

Daily Bulletin, Monday, July 17, 1995 A5

even existed. Mansfield's signature appears in a federal subpoena dated March 1, 1994, demanding Kim campaign records from the congressman's former campaign manager.

Kim's case is one of 44 enforcement cases pending before the FEC since July 1993. During that time, hundreds of other complaints either were investigated and resolved or dismissed without action. In January, 320 cases were still pending. Since then, 70 were resolved, but new cases continue to be filed.

It takes the votes of at least five commissioners to resolve a case. The presidentially appointed panel is made up of three Democrats and three Republicans.

The FEC was established by Congress to investigate charges stemming from campaigns for federal office, but critics say the agency is underfunded, under-staffed and slow to take action.

In addition, they complain the FEC lacks the teeth to be truly effective: it can recommend but cannot enforce penalties, relying instead on negotiations with the guilty party.

Matt Engle, executive director of the Democratic campaign committee, said he hopes the FEC

quickly resolves the Kim matter. "There is not any more serious allegation made in political financing than using corporate funds to advance a federal campaign. It's outlawed," he said. "That appears to be what has happened in the Kim case."

Kim, then the mayor of Diamond Bar, won the 1993 primary election by 899 votes over former local Assemblyman Chuck Bader and by 1,329 votes over Lacy. In July 1993 Lacy asked the FEC to investigate the race to determine if Kim's firm, JayKim Engineers Inc., illegally provided free office space, staff, supplies and also paid Kim's salary, expenses and campaign bills.

The Democratic campaign committee filed its own complaint a few days later.

Kim has denied the charges, stating in 1993 that, "at the very worst, my campaign may have unintentionally neglected certain technicalities, and I am ready to accept full responsibility."

Kim said this week he "can easily justify" his actions during the campaign in question. He also said he has heard nothing about the FEC investigation and assumed it had been dropped.

"Obviously (there is) nothing there," Kim said when informed the case was still pending.

While the FEC has issued opinions that a corporate executive can receive a salary for services rendered to a company even while campaigning, the compensation must be "commensurate with the services rendered," according to the Democratic campaign committee's complaint. The committee noted that the company's chief financial officer was quoted by a newspaper reporter as saying that he could not determine how much time Kim spent on company business during the campaign.

Kim's own campaign consultant told the Daily Bulletin that Kim couldn't have spent much time on company business because he was dedicating almost all of his time to the campaign.

The committee also alleged that:

- Kim's firm reimbursed the company's marketing director for political contributions to another congressional candidate, a transaction allegedly approved by Kim.

- JayKim Engineers reimbursed Kim for making a \$2,000 political donation to Rep. David Dreier, R-La Verne, in 1989.

Lacy alleged in his complaint that Kim also received an illegal corporate contribution from a foreign-owned company, Korean

Airlines. Kim later returned the \$1,000 donation and other corporate and church donations, saying he either did not know their source or didn't realize they were improper.

Lacy, a former general counsel of the U.S. Consumer Product Safety Commission whose wife once worked as an FEC attorney, said he is familiar with the FEC's practices. Consequently, he said he is not surprised the investigation has taken so long.

The lengthy probe, he added, is an indication "they're conducting a thorough investigation."

Engle agreed. The FEC's long consideration "makes us believe they consider it a serious allegation, and, that being the case, we want them to pursue it vigorously," he said.

But that could be difficult. Budget cutbacks have made it tough for the agency to investigate the hundreds of cases that are filed each year, said Elizabeth Hedlund of FEC-Watch, a project of the private nonpartisan Center for Responsive Politics in Washington.

"The FEC was created by Congress - designed by Congress - not to work very efficiently," she said. The six commissioners "have been subject to partisan

deadlocks" and "they have regularly been shortchanged on resources," she charged.

The agency requested \$29 million for the next fiscal year, but House subcommittee voted to approve only \$26.5 million, less than the FEC's current annual budget of \$27 million.

"It is a Catch-22 situation the Congress created," Hedlund said, observing that lawmakers criticize the FEC for being inefficient and then cut the agency's budget making it even more ineffective.

The agency, in response, has attempted to clear the deadwood by dismissing less-worthy complaints. But difficult cases still consume significant resources, she said.

"Given the FEC's usual timetable, I think two years (to resolve a case) is not longer than usual," Hedlund said.

Once the FEC does reach a decision, the case is not necessarily over. If a complaint is rejected, that decision can be appealed in court. If the agency decides not to issue an opinion, a lawsuit can be brought to court. In any case, the agency has to act on a matter first.

Daily Bulletin city editor David Wert contributed to this story.

## Fire chars 1,500 acres in San Diego County

Associated Press

OWAY — A wind-whipped fire charred more than 1,500 acres of rugged terrain Sunday, leaving one firefighter and burning two abandoned buildings in northern San Diego County, fire officials said.

No homes or businesses were immediately threatened by the blaze, which started about 12:50 p.m. at Miramar Naval Air Station. The injured firefighter, who was not identified, was treated for burns at a local hospital and released, officials said.

The fire's cause was under

investigation, said fire Capt. Gary Eidsmoe of the California Department of Forestry. Eidsmoe could not estimate when the blaze would be controlled.

More than 200 firefighters battled the blaze with 10 engines, five air tankers, three helicopters and two bulldozers.

## Weather/from A1

## 2 Great Meal Deals

INTERNATIONAL  
HOUSE OF  
PANCAKES

AT THESE LOCATIONS ONLY:

UPLAND (Between 66 & 96 St.) 80 N. Euclid Ave. • 951-6944

RANCHO CUCAMONGA (1/2 mile N. of Diamond) 7226 Archibald Ave. • 951-1874

CHINO (1/2 mile S. of 60 Ave) 12583 Central Ave. • 613-1595

IHOP  
COUPON

99¢ Breakfast

Buy one regular breakfast

IHOP  
COUPON

99¢ Lunch

Buy one regular menu lunch



# Metro

THE ORANGE COUNTY REGISTER, THURSDAY, FEB. 3, 1994

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## Kim was warned, Moreno says

**TICS:** The congressman's chief of staff dismisses the Santa Ana councilman's charges.

**N O. PASCO**  
Orange County Register

Santa Ana Councilman Ted O., who worked briefly for the 1992 campaign of Rep. Jay R-Diamond Bar, said he told Kim several times about alleged violations of federal

election law.

Moreno said he cautioned Kim while helping prepare the campaign's first report to the Federal Elections Commission in April 1992.

"He wasn't a crook, he just wasn't dotting his i's and crossing his t's," Moreno said.

Kim is being investigated by several federal agencies because of his campaign finances.

Kim, who was elected in 1992 and whose district includes parts of northeastern Orange County, has denied wrongdoing. Wednesday, Kim's chief of staff, Sandra Garner, dismissed Moreno's allegations as part of a fight among Orange County Democrats hoping to succeed Assemblyman

Tom Umberg, D-Garden Grove. "This sounds like a Democrat fight and everyone's ducking for cover," Garner said.

Moreno, who has announced that he will seek Umberg's 69th District seat in the June primary, accused George Urch, Umberg's chief of staff, of attempting to link him to Kim's problems to help another Democratic candidate. Urch denied doing so.

Moreno said he did as Kim told him because "I was just a 24-year-old kid. Who's going to listen to a 24-year-old?"

Moreno said he raised several campaign-reporting problems.

► Moreno said Kim told him to log donations from members of the Korean community as coming from self-employed individuals, unless their occupation was

Please see KIM Page 12

### TWS FOCUS

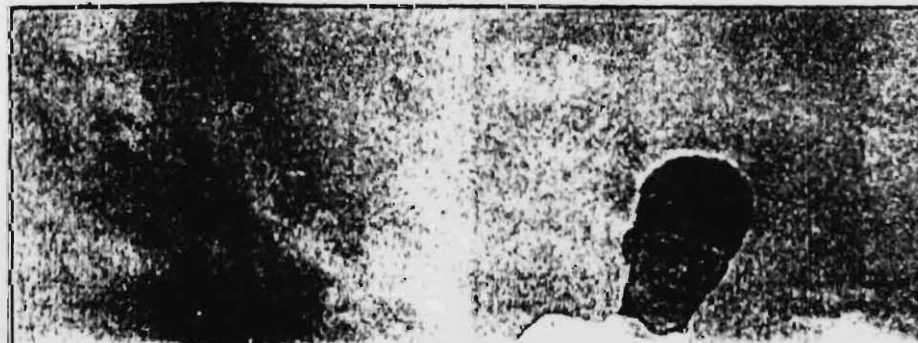
## KIDS BEWARE: NOT THERE

**SOCIAL ISSUES:** Can't skateboard. Can't bike. Can't even go to the movies. These days in some cities, it's tough to be young and have fun.

**TOM BERG**/The Orange County Register



At age 15, skateboarding whiz-kid Jesse Roach already has appeared on the cover of Sports Illustrated.



## Overton dreading murder retrial

**COURTS:** Despite being granted a new judge, he says he's tired of the 'continuous burden

By TONY SAABERDA

...the closed r



MARCH 10, 1994 NEWS, page 7

# Kim's ex-manager says he warned of violations

**POLITICS:** A former campaign worker tells the FBI he told the Diamond Bar representative that he might be breaking election laws.

The Orange County Register

The former campaign manager for Rep. Jay Kim, R-Diamond Bar, said Wednesday that he told the FBI that he repeatedly warned Kim he might be breaking federal election laws.

William "Jerry" Silva, 31, a Chino Hills engineer, said he wrote at least one report for Kim detailing campaign-finance violations after he spoke with an official at the Federal Election Commission.

Silva said that Kim's reply each time was: "Don't worry about it. I'll handle it."

The U.S. Attorney's Office, the commission, the Internal Revenue Service and a federal grand jury in Los Angeles are investigating whether Kim acted improperly in 1992 by using about \$300,000 in money and services from his Diamond Bar corporation for his election. Federal law



**KIM:** The Republican lawmaker, being investigated for breaking election laws, denies wrongdoing.

bans corporations from giving to campaigns.

Kim, who was elected in 1992 and whose district includes parts of northeastern Orange County, has denied wrongdoing. Kim's attorney, Jan Baran of Washington, D.C., said Wednesday that he could not comment. Sandra Garner, Kim's spokeswoman in his Ontario office, did not return telephone calls. Kim's Washington staff referred calls to Gar-

ner.

Silva is the second former member of Kim's campaign staff to say that he warned Kim of possible violations of campaign-finance laws. Santa Ana Councilman Ted Moreno, who worked briefly on Kim's campaign, told The Orange County Register last month that he also warned Kim about financing irregularities.

Last week, FBI agents interviewed Silva for 2½ hours and subpoenaed Silva's reports to Kim, computer files, videotapes and other campaign material. The FBI previously searched Kim's offices and JayKim Engineering, the corporation he sold after the election.

Silva said he first noted irregularities — which he would not disclose — when he joined the campaign in early March 1992. He told Kim of the problems, wrote reports and showed him a videotape that explained campaign-finance reporting laws.

Silva has sued Kim for \$40,000. The suit alleges that Kim reneged on a promise to pay a bonus to Silva if Kim won the Republican primary. Kim, who has offered to settle the case for \$7,500, is scheduled to be deposed for the lawsuit April 1.

SHOP SPECIAL HOURS THURSDAY AND FRIDAY

98TH ANNIVERSARY  
**SALE**  
AND VALUES  
STARTS TODAY

**\$399**  
YOUR CHOICE

97043831997



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 23, 1995

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

RE: MUR 4275

Dear Mr. Baker:

This letter acknowledges receipt on October 17, 1995, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) 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 4275. 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,

Mary L. Taksar (Hes)

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosure  
Procedures

97043031998



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 23, 1995

The Honorable Jay Kim  
435 Cannon H.O.B.  
Washington, DC 20515-0540

RE: MUR 4275

Dear Representative Kim:

The Federal Election Commission received a complaint which indicates 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 4275. 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.



If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar (H2)

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosures

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

97043632000



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 23, 1995

Ma Seokuk, Treasurer  
Jay Kim for Congress  
1126 W. FootHill Blvd.,  
Suite 165  
Upland, CA 91786

RE: MUR 4275

Dear M. Seokuk:

The Federal Election Commission received a complaint which indicates 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 4275. 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.

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

*Mary L. Taksar (res)*

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosures

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

97043034002





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 23, 1995

JayKim Engineering, Inc.  
22632 Golden Springs Drive  
Suite 110  
Occidental Building  
Diamond Bar, CA 91765

RE: MUR 4275

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates that JayKim Engineering, 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 4275. 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 Engineering, 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.

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

*Mary L. Taksar (Hes)*

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosures

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

9704332004



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 23, 1995

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

RE: MUR 4275

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates 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 4275. 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.



If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

*Mary L. Taksar (HRS)*

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosures

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

97043332006

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:

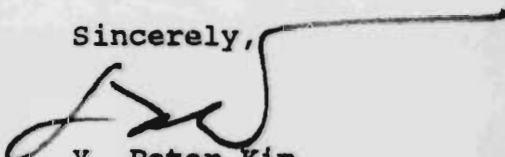
This firm represents Korean Airlines Co., Ltd. ("Korean Air") in connection with the above-referenced matters. Your letter of October 23, 1995 to Korean Air was referred to us for response.

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

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

**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.

9704332003



**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

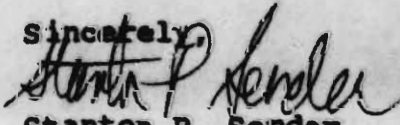
(6) There is no showing of bad faith or willful attempt to circumvent the law, and Korean Air apologizes for the unintentional violation.

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

970432010

**KOREAN AIR**

WORKING OPERATION ACCOUNT

8101 W. IMPERIAL HWY.  
LOS ANGELES, CA. 90046  
(213) 417-8900

EL SEGUNDO OFFICE  
FIRST INTERSTATE BANK  
EL SEGUNDO CALIF

18-21/128 CHECK  
1220 NUMBER

36733

CHECK DATE

3/14/92

PAY THIS AMOUNT

\$1,000.00

PAY  
THE  
ORDER  
OF:

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

JAY KIM

NOT NEGOTIABLE

**KOREAN AIR**

AMERICAN REGIONAL OFFICE  
6101 W. CENTRAL, 10TH F., LOS ANGELES, CA 90048  
TEL 213 704-0200 TELEFAX 213 704-4100

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:

97043332011

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



## 초청의 말씀

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

### ▷ 다 례 ◁

• 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 김종건 김창수  
노재민 박장인 방미철 백영준  
오인동 이병함 이연희 정의식

97043832012

[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

9704332013

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3798

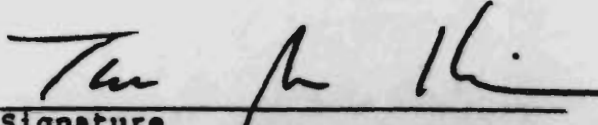
NAME OF COUNSEL: Morgan, Lewis & Bockius  
Y. Peter Kim/Stanton P. Sender

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

97043632014



WILEY, REIN & FIELDING

1776 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 428-7000

JAN WITOLD BARAN  
(202) 428-7330

September 17, 1993

FACSIMILE  
(202) 428-7048  
TELEX 248248 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").

97043032015

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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

9704332016

Lawrence M. Noble  
September 17, 1993  
Page 3

97043632017

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

9 / U:4 3 6 3 2 0 1 3

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

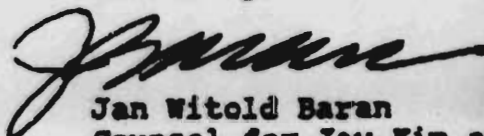
97043632019

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

bcc: The Hon. Jay Kim

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3796 & 3798

NAME OF COUNSEL: Jan Witold Baran

ADDRESS: Willey, 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

Signature Jay Kim

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

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

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

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

91043032020

Seokuk Ma  
c/o Jay Kim for Congress  
1126 W. Foothill Blvd., #165  
Upland, CA 91786

November 16, 1995

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

NOV 21 9 38 AM '95

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

Re: MUR 4275 (Jay Kim and Jay Kim for Congress and Seokuk Ma, as Treasurer)

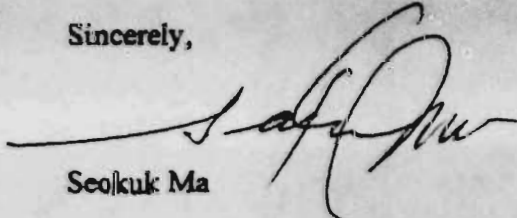
Dear Mr. Noble:

I received the notification of complaint (MUR 4275) from the Federal Election Commission on November 6, 1995. In accordance with the Federal Election Campaign Act of 1971, this is my response to the complaint.

The complaints filed by Bob Baker (MUR 4275) are the same as those previously filed by the Democratic Congressional Campaign Committee on July 15, 1993, (MUR 3796) and James Lacy on July 14, 1993, (MUR 3798). Therefore, in response to MUR 4275, I am submitting the response to the two previous MURs referenced.

For the reasons set forth in the attached response, the Federal Election Commission should find no reason to believe that Jay Kim and Jay Kim for Congress and Seokuk Ma as former Treasurer and Jane Y. Chong as former Treasurer violated any provision of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455.

Sincerely,

  
Seokuk Ma

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NOR 4275

NAME OF COUNSEL: Jan Witold Baran

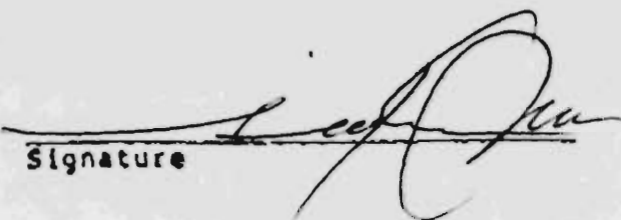
ADDRESS: Wiley, Rein &amp; Fielding

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.

11-16-95  
DateSignature RESPONDENT'S NAME: Jay Kim and Jay Kim for Congress and  
Seokuk Ma as Treasurer

ADDRESS:

2628 ROCKY TRAIL RD

DIAMOND BAR, CA 91765

HOME PHONE:

BUSINESS PHONE:

909-598-0250

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

DEC 11 2 18 PM '95

**Avacon**  
Corporation

November 30, 1995

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

Ref: MUR 4275 Jaykim Engineers, Inc.

Dear Mr. Noble:

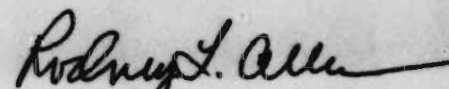
We have received the notification of complaint regarding your MUR 4275 on November 27, 1995. This letter constitutes our response to that notice.

It is our understanding that the accusations made in the complaint relating to MUR 4275 filed by Bob Baker are the same as those previously filed by James Lacy on July 14, 1993, (MUR 3798), and the Democratic Congressional Campaign Committee on July 15, 1993, (MUR 3796). Enclosed is a copy of the response filed on September 17, 1993 by Wiley, Rein and Fielding to your office relating to those previous MUR's.

On August 7, 1993, Jaykim Engineers, Inc. was acquired in total by a group of new investors. Congressman Jay Kim from that time on had no ownership interest in the company. There are currently no management personnel remaining from that time period. In July of 1994 the firm changed its name to Avacon Corporation.

We feel that the Federal Election Commission would not find any violations of the Federal Election Campaign Act of 1971 and should not take any action against Avacon Corporation. The enclosed copy of the previous response filed on behalf of Jay Kim for Congress offers what we feel is the best reply we can provide to the notice MUR 4275.

Very truly yours,



Rodney L. Allen  
President

1300 S. Valley Vista Dr.

Diamond Bar, CA 91765

Tel (909) 861-3844

Fax (909) 860-3170

970430023

WILEY, REIN & FIELDING

1776 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 428-7000

JAN WITOLD BARAN  
(202) 428-7330

September 17, 1993

FACSIMILE  
(202) 428-7048  
TELEX 248348 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").

Lawrence M. Noble  
September 17, 1993  
Page 2

### COMPLAINT

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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

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

97043832027

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

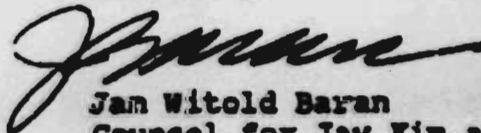
Lawrence M. Noble  
September 17, 1993  
Page 5

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

Enc: The Hon. Jay Kim

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 4275

10 FOR THE CENTRAL DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA, ) No. CR 95-1134  
12 )  
Plaintiff, )  
13 ) NOTICE OF FILING PLEA  
v. ) AGREEMENT  
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

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


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  
United States Attorney

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

8  
9   
10 STEPHEN A. MANSFIELD  
11 Assistant United States Attorney  
Senior Litigation Counsel

12  
13   
14 EDWARD B. MORETON, JR.  
15 Assistant United States Attorney  
16 Public Corruption and Government  
17 Fraud Section

18  
19 Attorneys for Plaintiff  
20 United States of America  
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22  
23  
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970433203C



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:

- 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 Ewan 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.

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.

## 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 1.5/3.6. A base fine of \$350,000 and a minimum/maximum fine multiplier of 1.5/3.6 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).



5. 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.

- 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 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, 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

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 M. MANELLA  
United States Attorney

RICHARD E. BROOKAN  
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. NORTON, JR.  
Assistant United States Attorney  
Public Corruption and Government  
Fraud Section

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  
Tae Jo Kim, Sr. Vice President American Region  
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.

December 5, 1995  
Date

Andrea Sheridan Ordín  
ANDREA SHERIDIN ORDIN, Attorney for  
Korean Airlines Co., Ltd.

97043032038



## 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,

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 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.

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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.



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).



- 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.

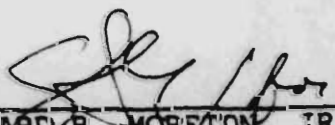
NORA M. MANELLA  
United States Attorney

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

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

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 December 6, 1995, 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 AGREEMENT** addressed to: "SEE ATTACHMENT" at their last known address, at which place there is a delivery service by United States mail.

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

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

  
OSCAR P. AGUILA

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ATTACHMENT

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John D. Vandeverde, Esq.  
Talcott, Lightfoot, Vandeverde,  
Woehrle & Sadowsky  
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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, ) I N D I C T M E N T  
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;  
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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

United States v. Hyundai Motor AmericaPLEA AND SENTENCING AGREEMENT1. 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

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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

against the employee during the time period the employee is requested to be in the United States.

5. Compliance

If Hyundai Motor, or any of its employees both present or former 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 Hyundai Motor and/or any of the individuals listed in paragraph 4(b) who fail to cooperate as required by this agreement.

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 Hyundai Motor 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 three counts that are the subject of this agreement is \$600,000 and that Hyundai Motor will be sentenced to pay a \$600,000 fine (\$200,000 per count) to the United States, on the date of sentencing, and that Hyundai Motor 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 schedule a December 18, 1995 post-indictment arraignment date for this matter and 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 government believes that the sentence described in paragraph 7 above is appropriately based on the Sentencing Guidelines as follows:

- 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 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 Choun 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.

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

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

12/12/95  
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

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

*John J. Chel*  
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

*Richard H. Hays*  
RICHARD HAYS, Attorney for Hyundai  
Motor America

9704332062



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.

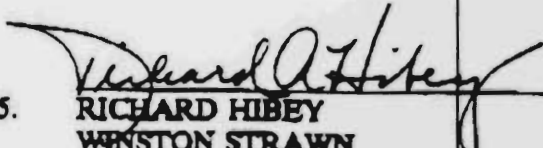
DATED: December 12, 1995.

NORA M. MANELLA  
United States Attorney  
Central District of California

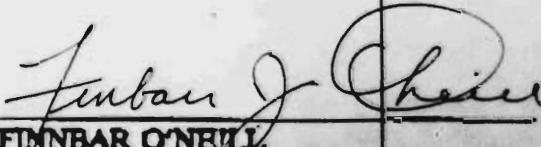


STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

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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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 1994 Grand Jury

9704332065

UNITED STATES OF AMERICA,	)	CR 95- 1158
	)	
Plaintiff,	)	<b>I N D I C T M E N T</b>
	)	
v.	)	[2 U.S.C. §§ 441(b), 437(g):
	)	Illegal Corporate Campaign
HYUNDAI MOTOR AMERICA,	)	Contributions; 2 U.S.C.
	)	§§ 441(f), 437(g): Illegal
Defendant.	)	Conduit Campaign
	)	Contributions; 2 U.S.C.
	)	§§ 441(e), 437(g): Illegal
	)	Foreign-National Campaign
	)	Contributions; 18 U.S.C. § 2:
	)	Causing and Aiding and
	)	Abetting]

The Grand Jury Charges:

GENERAL ALLEGATIONS

At all times relevant to each count of the Indictment:

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

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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.



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.

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

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

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

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

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 ) SENTENCING AGREEMENT AND  
v. ) WRITTEN CONSENT OF THE BOARD  
15 ) OF DIRECTORS OF SAMSUNG  
SAMSUNG AMERICA, INC. ) AMERICA, INC.  
16 Defendant. )  
17

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

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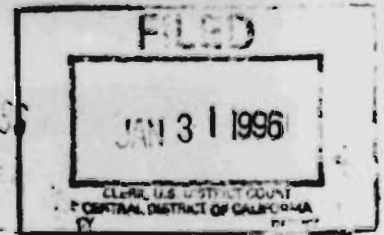
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1 directors of Samsung America, Inc. entered into in the above-  
2 captioned case.


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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- 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).

#### 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



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.

97043832079

STATUTE OF LIMITATIONS  
PARTIAL WAIVER AGREEMENT

The parties herein, SAMSUNG 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 expiration date of the applicable Statute of Limitations to April 7, 1996.

1. The period beginning on September 14, 1992, and terminating at midnight on April 7, 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 September 15, 1995 through September 17, 1995, which relate in any way to any transactions or other activities relating to or in connection with the 1992 Congressional Campaign of Congressman Jay C. Kim.

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SAMSUNG\WAVE

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

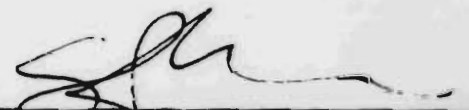
Date



BRIAN A. SUN  
Attorney for Samsung America, Inc.

1/20/96

Date



STEPHEN A. MANSFIELD  
Assistant United States Attorney  
Senior Litigation Counsel

97043832082

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,



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

Dated: January 17, 1996

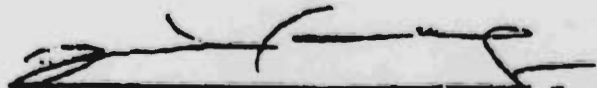
DIRECTORS:



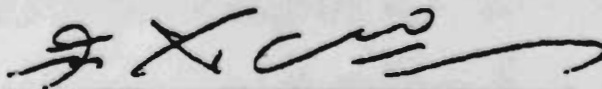
Nam Yun Cho



M. S. Lee



J. K. Kang



Jae Lee

910430003

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

11 October 1994 Grand Jury

12 UNITED STATES OF AMERICA, ) CR 96- 84  
13 Plaintiff, )  
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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2. The individuals set forth below are employees of defendant SAMSUNG AMERICA, INC. who were reimbursed with cash by defendant SAMSUNG AMERICA, INC. for the contributions to the Jay Kim for 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

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

4. The Jay Kim for Congress Campaign 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.



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

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)  
)

ENFORCEMENT PRIORITY

AUG 11 4 20 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 4473 (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 (Kansas 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 Mills Forbes); MUR 4584 (Bill Baker for Congress); MUR 4588 (Navarro for Congress); and MUR 4613 (Guy Kelley for Congress).

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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	

8/14/97

Date

*Lawrence M. Noble* (Signature)

Lawrence M. Noble  
General Counsel

Attachment:  
Case Summaries

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97043632093

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

## 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)

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





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Bob Baker  
401 N. Deerfield Street  
Anaheim, CA 92807

RE: MUR 4275

Dear Mr. Baker:

On October 17, 1995, 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

9704332095



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Rodney L. Allen, President  
Avacon Corporation  
1300 S. Valley Vista Drive  
Diamond Bar, CA 91765

RE: MUR 4275

Dear Mr. Allen:

On October 23, 1995, the Federal Election Commission notified Avacon Corporation, formerly known as JayKim Engineering, Inc., 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. 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.

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 Jennifer Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Tarley  
Supervisory Attorney  
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Y. Peter Kim, Esq.  
Morgan, Lewis & Bockius  
1800 M Street, NW  
Washington, DC 20036-5869

RE: MUR 4275  
Korean Airlines Co., Ltd

Dear Mr. Kim:

On October 23, 1995, the Federal Election Commission notified your client 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 this 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 Jennifer Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley", is written over a horizontal line.

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

9704332097



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Jan Witold Baran, Esq.  
Wiley, Rein & Fielding  
1776 K Street, NW  
Washington, DC 20006

RE: MUR 4275  
The Honorable Jay Kim, Jay Kim for  
Congress, and Moon Jae Lee, as  
Treasurer

Dear Ms. Witold:

On October 23, 1995, 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 this 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 Jennifer Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4275

DATE FILMED 9-15-97 CAMERA NO. 4

CAMERAMAN JMU

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