

Robert Parry

January 3, 2001

The Consortium (consortiumnews.com)

Bush family benefactor Sun Myung Moon funneled millions of dollars into North Korea when developing its nuclear weapons program

In 1998, Rumsfeld headed a special commission, appointed by the Republican-controlled Congress, that warned that **North Korea had made substantial progress during the decade in building missiles** that could pose a **potential nuclear threat to Japan and parts of the United States**.

"The extraordinary level of resources North Korea and Iran are now devoting to developing their own ballistic missile capabilities poses a substantial and immediate danger to the U.S., its vital interests and its allies," said the report by Rumsfeld's Commission to Assess the Ballistic Missile Threat to the United States.

"North Korea maintains an active WMD [weapons of mass destruction] program, including a nuclear weapon program. It is known that North Korea diverted material in the late 1980s for at least one or possibly two weapons," the report said.

Rumsfeld's alarming assessment of North Korea's war-making capabilities now is being cited by Republicans as a justification for investing billions of taxpayer dollars in an anti-missile defense system favored by Bush and Rumsfeld.

Yet, during the early-to-mid 1990s, the U.S. Defense Intelligence Agency was monitoring a series of clandestine payments from Sun Myung Moon's organization to the North Korean communist leaders who were overseeing the country's military strategies.

According to DIA documents obtained through the Freedom of Information Act, Moon's payments to North Korean leaders included a \$3 million "birthday present" to current communist leader Kim Jong Il and offshore payments amounting to "several tens of million dollars" to the previous communist dictator, Kim Il Sung. The alleged payments – and broader Moon-North Korean business deals reported by the DIA – came at a time of a strict U.S. government ban on financial transactions between North Korea and any U.S. person or entity, to keep hard currency out of North Korea's hands. Legal experts say that ban would have applied to Moon given his status as a permanent U.S. resident, even though he maintains South Korean citizenship.

Bush Speeches

While negotiating those business deals with North Korea in the 1990s, Moon's organization also hired former President George H.W. Bush and former First Lady Barbara Bush to give speeches at Moon-sponsored events.

During one speech inaugurating a new Moon-sponsored newspaper in Argentina in November 1996, former President Bush declared, "I want to salute Reverend Moon," whom Bush praised as "the man with the vision."

The father of the incoming U.S. president has refused to divulge how much Moon's organization paid for these speeches which were delivered in the United States, Asia and South America. Some press estimates have put the fees in the hundreds of thousands of dollars, though one former leader of Moon's Unification Church told me that the organization had earmarked \$10 million for the former president.

Ex-President Bush's pro-Moon speeches came at a time, too, when Moon – now 80 – was expressing intensely anti-American views. In the mid-1990s, Moon denounced the United States as "Satan's harvest" and condemned American women as having descended from a "line of prostitutes." In a speech to his followers on Aug. 4, 1996, Moon vowed to liquidate American individuality, declaring that his movement would "swallow entire America." Moon said Americans who insisted on "their privacy and extreme individualism ... will be digested."

Beyond these anti-Americanism diatribes, other questions have arisen about how Moon finances his religious-business-political empire. Evidence has existed back to the 1970s indicating that Moon's organization has engaged in money-laundering operations and has associated with right-wing organized-crime figures in Asia and Latin America.

One of Moon's key early backers was Ryoichi Sasakawa, a leader of Japan's Yakuza organized crime family, according to the authoritative book, *Yakuza*, by David E. Kaplan & Alec Dubro.

In 1998, Moon's ex-daughter-in-law, Nansook Hong, added first-hand testimony about one of Moon's money-laundering methods when she described how cash was smuggled illegally through U.S. Customs. Moon "demonstrated contempt for U.S. law every time he accepted a paper bag full of untraceable, undeclared cash" carried into the United States from overseas, she wrote in her book, *In the Shadows of the Moons*.

Checked Past

To many Americans, Moon is perhaps best known as a 1970s cult leader who allegedly brainwashed young recruits into joining his Unification Church and then paired up his followers in mass marriages where Moon would preside wearing lavish costumes and crowns.

But Moon also understood the importance of political clout. In 1978, a congressional investigation identified Moon as a part of a covert influence-buying scheme aimed at American institutions and run by the South Korean Central Intelligence Agency, a charge that Moon denied.

In 1982, Moon was convicted of tax fraud and served an 18-month sentence in federal prison. Nevertheless, his political influence grew when he launched *The Washington Times*, also in 1982. In the years that followed, Moon developed a reputation for financing all-expense-paid international conferences for conservative politicians, prominent journalists and influential academics.

Moon's conservative newspaper grew in importance in Washington through the 1980s and early 1990s, as it staunchly supported Republican presidents Ronald Reagan and George H.W. Bush.

In 1991, President Bush expressed his gratitude to Moon's newspaper by inviting its editor, Wesley Pruden, to a private White House lunch "just to tell you how valuable the *Times* has become in Washington, where we read it every day." [*Washington Times*, May 17, 1992]

Moving North

At about the same time as that lunch, Moon was beginning another initiative – establishing a business foothold in North Korea. The DIA, the Pentagon agency responsible for monitoring possible military threats to the United States, started keeping tabs on these developments.

Though historically an ardent anticommunist, Moon negotiated a sweeping business deal with Kim Il Sung, the longtime communist leader, the DIA documents said. The two men met face-to-face in North Korea from Nov. 30 to Dec. 8, 1991.

"These talks took place secretly, without the knowledge of the South Korean government," the DIA wrote on Feb. 2, 1994. "In the original deal with Kim [Il Sung], Moon paid several tens of million dollars as a down-payment into an overseas account," the DIA said in another cable dated Aug. 14, 1994. The DIA said Moon's organization also delivered money to Kim Il Sung's son and successor, Kim Jong Il.

"In 1993, the Unification Church sold a piece of property located in Pennsylvania," the DIA reported on Sept. 9, 1994. "The profit on the sale, approximately \$3 million was sent through a bank in China to the Hong Kong branch of the KS [South Korean] company 'Samsung Group.' The money was later presented to Kim Jung Il [Kim Jong Il] as a birthday present.

"After Kim Il Sung's death in 1994 and his succession by his son, Kim Jong Il, Moon dispatched his longtime aide, Bo Hi Pak, to ensure that the business deals were still on track with Kim Jong Il "and his coterie," the DIA reported.

"If necessary, Moon authorized Pak to deposit a second payment for Kim Jong Il," the DIA wrote. As described by the DIA, Moon's deal with North Korea called for construction of a hotel complex in Pyongyang as well as a new Holy Land at the site of Moon's birth in North Korea. There was an agreement regarding economic cooperation for the reconstruction of KN's [North Korea's] economy which included establishment of a joint venture to develop tourism at Kimkangsan, KN [North Korea];

investment in the Tumangang River Development; and investment to construct the light industry base at Wonsan, KN.

"It is believed that during their meeting Mun [Moon] donated 450 billion yen to KN," one DIA report said. In late 1991, the Japanese yen traded at about 130 yen to the U.S. dollar, meaning **Moon's investment would have been about \$3.5 billion**, if the DIA information is correct.

Pak's Response

Contacted in Seoul, South Korea, Bo Hi Pak, a former publisher of The Washington Times, acknowledged that Moon met with North Korean officials and negotiated business deals with them in the early 1990s.

But Bo Hi Pak denied that payments were made to individual North Korean leaders and called "absolutely untrue" the DIA's description of the \$3 million land sale benefiting Kim Jong Il. Bo Hi Pak also said the North Korean business investments were structured through South Korean entities.

"Rev. Moon is not doing this in his own name," said Pak.

Pak said he did go to North Korea in 1994, after Kim Il Sung's death, but only to express "condolences" to Kim Jong Il on behalf of Moon and his wife. Pak denied that another purpose of the trip was to pass money to Kim Jong Il or to his associates.

In the phone interview, Bo Hi Pak also denied that Moon's investments ever approached \$3.5 billion. Pak did not give a total figure for the investments, but said the initial phase of an automobile factory was in the range of \$3 million to \$6 million.

The DIA depicted Moon's business plans in North Korea as much grander, however. The DIA valued the agreement for hotels in Pyongyang and the resort in Kumgang-san, alone, at \$500 million. The plans also called for creation of a kind of Vatican City covering Moon's birthplace.

"In consideration of Mun's [Moon's] economic cooperation, Kim [Il Sung] granted Mun a 99-year lease on a 9 square kilometer parcel of land located in Chongchu, Pyonganpukto, KN. Chongchu is Mun's birthplace and the property will be used as a center for the Unification Church. It is being referred to as the Holy Land by Unification Church believers and Mun [h]as been granted extraterritoriality during the life of the lease."

North Korean officials clearly valued their relationship with Moon, granting him small but symbolic favors. Four months after Moon's 1991 meeting with Kim Il Sung, the communist dictator granted a rare interview to editors from Moon's *Washington Times*.

In February 2000, on Moon's 80th birthday, Kim Jong Il sent Moon a gift of rare wild ginseng, an aromatic root used medicinally, Reuters reported.

Legal Issues

Because of the long-term U.S. embargo against North Korea – eased only last year – Moon's alleged payments to the communist leaders raise potential legal issues for Moon, a South Korean citizen who is a U.S. permanent resident alien.

"Nobody in the United States was supposed to be providing funding to anybody in North Korea, period, under the Treasury (Department's) sanction regime," said Jonathan Winer, former deputy assistant secretary of state handling international crime.

The U.S. embargo of North Korea dates back to the Korean War. With a few exceptions for humanitarian goods, the embargo barred trade and financial dealings between North Korea and "all U.S. citizens and permanent residents wherever they are located, ... and all branches, subsidiaries and controlled affiliates of U.S. organizations throughout the world."

Moon became a permanent resident of the United States in 1973, according to Justice Department records. Bo Hi Pak said Moon has kept his "green card" status. Moon maintains a residence near Tarrytown, north of New York City, and controls dozens of affiliated U.S. companies.

Direct payments to foreign leaders in connection with business deals also could prompt questions about possible violations of the U.S. Corrupt Practices Act, a prohibition against overseas bribery.

Political Fallout

Today, however, the potential political fallout might be a greater concern than any legal action, especially once George W. Bush assumes the presidency.

For the past two years, Republicans have used Rumsfeld's report to club President Clinton and Vice President Gore for alleged softness toward a recalcitrant communist enemy.

In 1999, a House Republican task force followed up the work of Rumsfeld's commission and declared that North Korea and its missile program had emerged as a nuclear threat to Japan and possibly the Pacific Northwest of the United States.

"This threat has advanced considerably over the past five years, particularly with the enhancement of North Korea's missile capabilities," said the Republican task force. "Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons."

Ironically, Moon's newspaper joined in laying the blame for North Korea's progress at the feet of the Clinton-Gore administration.

"To its list of missed opportunities, the Clinton-Gore administration can now add the abdication of responsibility for national security," a *Washington Times* editorial stated on Sept. 5, 2000.

Not surprisingly the *Times* did not mention that its founder and financial backer, Sun Myung Moon, had lent a hand to North Korea by agreeing to multi-million-dollar business deals and allegedly putting millions of dollars in the personal accounts of the leaders masterminding the strategic weapons development.

Equally unsurprising, former President George H.W. Bush and his about-to-be-president son have never explained the family's financial involvement with Rev. Moon, a messianic leader who has vowed to build a movement powerful enough to eliminate all individuality and freedom in the United States.

Those questions also aren't likely to come up at the confirmation hearings for Donald Rumsfeld, who believes that the United States must now pursue an expensive missile shield to counter the threat posed by North Korea.

Robert Parry is a veteran investigative reporter, who broke many of the Iran-contra stories in the 1980s for The Associated Press and Newsweek.