

# Anti-Corruption Investigation System and Current Issues of Korea

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## Speaker



### Senior Prosecutor Jin Soo LEE



- 1997. Passed the Korean Bar Exam
- 2000. Seoul Southern DPO
- 2005. Seoul Central DPO
- 2008. Supreme Prosecutor's Office  
Anti-Corruption Dep.  
Planning & Coordination Dep.
- 2011. U.C. Berkeley, Visiting Scholar
- 2013. The Office of the President
- 2014. Senior Prosecutor, Seoul Central DPO

## Civil Law System

- Korea, German, Japan, France
- Active role of Judges in determining the facts
- Inquisitorial system, written argument

## Common Law System

- England, The United States of America
- Jury system
- Adversarial system, oral argument

## Civic Participation in Criminal Trials Act

- To expand people's judicial right of participation
- Consist of 7 to 9 jurors
- No binding force
- Advisory effect

# The Number of Lawyers

**Total number of Lawyers : 23,538**

**Prosecutors : 1,953 (Female : 505 )**

**Judges : 2,717 (Female : 751 )**

**Attorneys : 15,504**



# New Prosecutors



## Korean Bar Examination

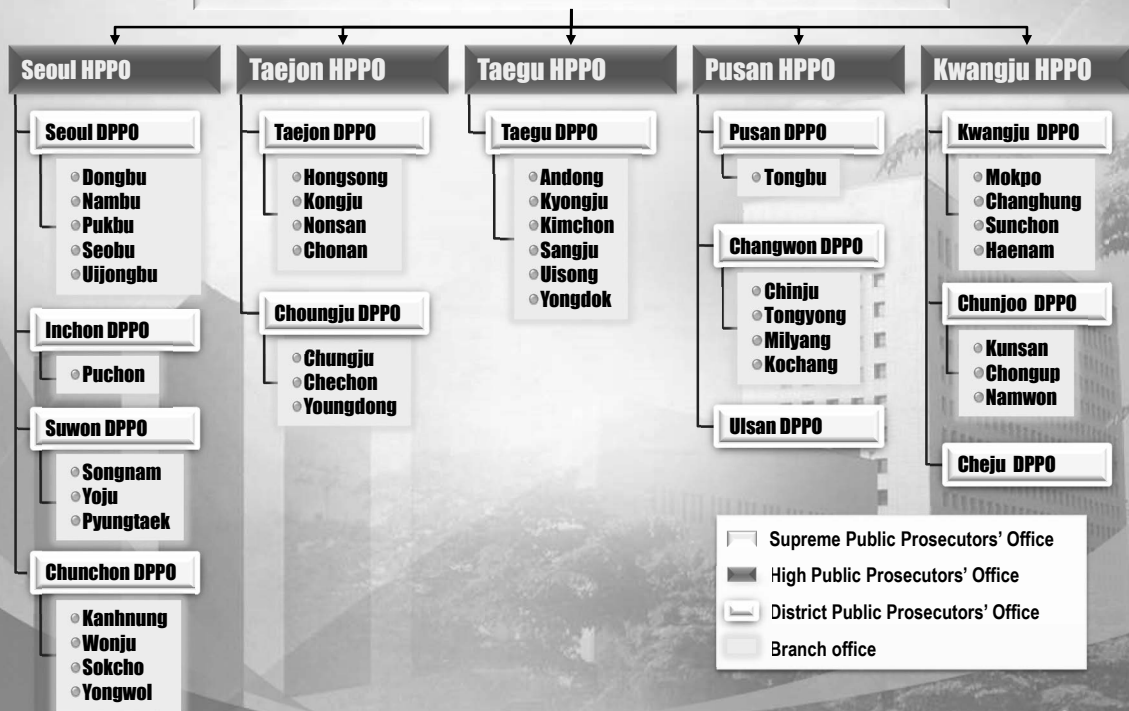
- Legal Research and Training Institute (2 years)
- Abolition in 2018

## Law School

- From 2009, 25 Law Schools
- Exam for the Bar
- 1,500 Lawyers each year

# Organization of Prosecutors' Office

## Supreme Public Prosecutors' Office





## ***Two types of investigation conducted by prosecutors:***

1. **Supplementary**  
police act as the primary investigators
2. **Independent**  
public prosecutors initiate and conduct investigations
  - on politician, high-ranking public official
  - large-scale and complex economic crimes



# Criminal Procedure

1. **Investigation (conducted by police or prosecutor)**
2. **Arrest / search and seizure**
  - basically, warrant issued by judge is required
  - exception
    - Flagrant offender arrest (on the spot, red handed)
    - Emergency arrest
3. **Detention**
  - Detention period - Police : 10 days , Prosecutor : 20 days
4. **Prosecution / Non-Prosecution**
5. **Trial and Sentencing**

## Anti-Corruption Investigation

- **Corruption that erodes fundamentals of a society's law**
  - ➔ Related to public interests / Victims are many unspecified people

## Target Crime

- **Corruption crimes of Government official, Politician**
- **Corporate corruption, Financial crimes, Securities crimes**
- **High-tech crime, Hiding assets abroad**

## Features of Anti-Corruption Investigation

- **Big Social Influence**
  - ➔ Huge impact on the law-abiding spirit and trust toward law enforcement agencies
- **VIPs (high-profile officials, owner of big companies) Investigated**
  - ➔ Strong resistance, delicate preparation & tightened security needed
- **Investigation Professionalism Required**
  - ➔ Skills and high-tech investigation techniques that overwhelm those investigated

## Light

- **Maintain the public interest by combating corruption that undermines a country's social order**  
(High-ranking public officials' corruption, Big companies' corruption)

## Shade

- **Concerns over political neutrality, fairness, and unfair & unreasonable investigation** (Due to its huge social impact)

## Role of Central Investigation Department in SPO

- **SPO directly investigated Important Cases until 2013**
  - ➔ Power-related corruption cases in 1960~80s, Political corruption cases in 1990s, and Corporate-related political corruption cases in 2000s
- **Cases that DPOs have limitation to deal with**
  - ➔ Controversies over DPO's overlooked and weak investigation
    - Park Jong Chul's torture and death case ('87)
  - ➔ Controversies over fair investigation due to local influence
    - Park Yeon Cha case ('09)
  - ➔ Controversies over slow investigation of President's relatives, key figures of political and corporate fields
    - Hanbo corruption scandal ('97), Kim Hyun Chul's (president's son) corruption case ('97), Lee Yong Ho Gate scandal ('02), Presidential campaign fund scandal ('03), Hyundai Motor's embezzlement & negligence of duty case ('06), Busan Savings Bank scandal ('11)

## History of Central Investigation Department

- **1960s : Investigation Bureau System**
  - ➔ 1<sup>st</sup>~4<sup>th</sup> divisions under Investigation Bureau
- **1970s : Special Investigation Department System**
  - ➔ 1<sup>st</sup>~4<sup>th</sup> divisions under Special Investigation Department
- **1980s : Central Investigation Department System**
  - ➔ 1<sup>st</sup>~4<sup>th</sup> divisions under Central Investigation Department
- **1990s ~ 2000s : Central Investigation Department System**
  - ➔ Newly adopted of Office of Investigation Planning ('94), Computer Investigation Division ('00), Special Investigation Support Division ('01)
- **2013 : Central Investigation Department of SPO Abolished**
  - ➔ Controversy over political neutrality and fairness

## Redesign of the Anti-Corruption Investigation System

- **Streamlining Special Investigation System of Prosecution**
  - ➔ Redesigned the system according to the will of the people

Securing political  
neutrality & fairness

Building Capacity  
against Corruption

Protection of  
Human rights

Newly Established Anti-Corruption Department  
that controls and supports special investigation

## Anti-Corruption Organization



## Chief Officer of Anti-Corruption Planning

- **Planning·Coordination of Special Investigation tasks**
  - ➔ In-depth analysis and research on social phenomena  
Pursue structural and chronic corruption
  - ➔ Ex) Sunken ferry Sewol accident



## Chief Officer of Anti-Corruption Planning



**Mokpo Branch of Gwangju DPO :**  
Investigation on direct problems of sinking, including overloading and passenger rescue

**Incheon DPO :** ① Investigation on corruption of Semo Group (the operator of Sewol, and its affiliates)  
② Investigation on corruption of Korea Shipping Association, Korea Shipowners' Association and Korea Ship Safety Technology Authority, which supervise passenger-ship safety

**Busan DPO :** Investigation on corruption of Korean Register of Shipping responsible for ship safety test

**Ulsan-Changwon-Jeju-Suncheon-Pohang ·Gunsan-Masan, etc. :** Investigation on corruption in shipping industry

## Chief Officer of Anti-Corruption Planning

### ● Assign and Manage Crime Information

- ➔ When relevant agencies report corruption to SPO, the Chief Officer registers, assigns and manages the crime information
- ➔ -Board of Audit & Inspection of Korea : Crime information disclosed during the inspection of public servants and organizations
- Anti-Corruption & Civil Rights Commission : Crime information found in the process of dealing with civil petition for grievance
- Financial Services Commission : Crime information found in the process of financial supervision, including stock manipulation and insider trading
- National Tax Service : Crime information about tax evasion disclosed during tax investigation
- Fair Trade Commission : Crime information on unfair trading practices

## Investigation Control Division

- Supervise Special Investigation Cases Conducted by DPOs
- ➔ Supervise investigation activities from a nationwide point-of-view



## Investigation Control Division

- Collect information on special investigation cases nationwide & manage the statistics
- ➔ Control special investigation cases conducted by DPOs, manage statistics & operate investigation data management system





## Investigation Support Division

- **Support for accounting analysis, money tracing**
  - ➔ More sophisticated/specialized crimes as the size of economy expands and financial products are developed
  - ➔ 47 experts on accounting analysis & money laundering investigation (including 12 C.P.A.s) can be dispatched from SPOs to DPOs
  - ➔ **Recent Important Support cases in 2013**
    - Nuclear power plant corruption case
    - Recovery of underpaid forfeit by former president Chun
    - CJ Group slush fund case
    - Dong Yang Group's fraudulent CP issuance case
    - Hyosung Group's tax evasion case

## Investigation Support Division

- **Training of prosecutors & investigators on accounting analysis/money laundering investigation**
  - ➔ **Training courses for prosecutors on corporate accounting**
    - Three-month training course, targeting 24 prosecutors
    - Training on accounting knowledge necessary for accounting (financial, tax & cost accounting) analysis investigation
    - Training on accounting analysis (analysis of embezzlement with prepayments and fictional labor costs) & money laundering investigation techniques
  - ➔ **Training courses for investigators on accounting analysis-money laundering investigation**
    - Six-month training, targeting 35 investigators
    - Acquire public certificate (financial manager) after training on accounting analysis
    - Promote capacity on money laundering investigation (Theory & practical techniques training for 9 weeks, actual practice for 43 weeks)

## Investigation Support Division

### ● Criminal Asset Recovery

→ "Crime does not Pay"

→ Ex. Recovery of underpaid forfeit by former president Chun

- ACD established criminal asset recovery team & organized the recovery measures
- '13. 6. Investigated 330 people in total, raided 90 places and secured property worth USD 166 mil. (real estate and artworks)
- '13. 9. Mr. Chun announced a payment plan to pay the underpaid forfeit worth USD 163 mil.
- '14. 5. USD 94 mil. (44% among the total forfeit USD 215 mil.) was paid

## Investigation Support Division

### ● Cooperation with relevant agencies

- Board of Audit and Inspection of Korea
- Fair Trade Commission
- Ministry of Defense
- National Tax Service · Korea Customs Service
- National Intelligence Service
- Anti-Corruption & Civil Rights Commission
- Financial Services Commission
- Financial Intelligence Unit

## Investigation Support Division

- **Cooperation Network for International Investigation**
  - ➔ Essential to investigation of recently growing offshore crimes
  - ➔ Set up a practical network for investigative cooperation with US · Singapore · China · Switzerland, etc.
  - ➔ - In '13. 11, the director visited the US Department of Justice-Internal Revenue Service to discuss mutual cooperation on how to share information
  - ➔ - In '14. 4, a Swiss federal prosecutor visited the ACD to discuss how to deal with the seized bank account on the charge of money laundering

# Customized Task Force Teams

## Nuclear Power Plant Corruption TF Team (Eastern Busan DPO)

- **Organized Nuclear Power Plant Corruption TF Team ('13. 5.)**
  - ➔ Customized TF team to eliminate concerns over nuclear power plant safety
- **Intensive investigation in a short period of time**
  - ➔ In 100 days, 43 were detained & 97 were indicted
  - ➔ As of '14. 5, 72 were detained & 153 were indicted
- **ACD of SPO, Control Tower of Investigation**
  - ➔ Comprehensive Investigation on corruption of nuclear power plant, including fake test record, accepting bribery

## Securities Crime TF Team (Southern Seoul DPO)

- **Organized Securities Crime TF Team in Seoul Central DPO** ('13. 5.)
  - ➔ Consist of various agencies (Korea Exchange · Financial Supervisory Service · Financial Services Commission · National Tax Service · Korea Deposit Insurance Corporation · Korean Prosecution Service)
  - ➔ "Fast Track System" - Dramatic decrease in period
- **Normalize capital market with good cooperation system**
  - ➔ As of '14. 2, 66 were detained, 97 were indicted  
Recovery of illicit proceeds of USD 23 mil.  
Taxation on irregularity-related asset of USD 176 mil. by NTS
- **Transferred to Seoul Southern DPO** ('14. 2.)
  - ➔ Seoul Southern DPO is located at Yeouido stock street (FSS and Korea Exchange)

# Digital Evidence

## Computer



## Hard Drive



## Mobile Devices



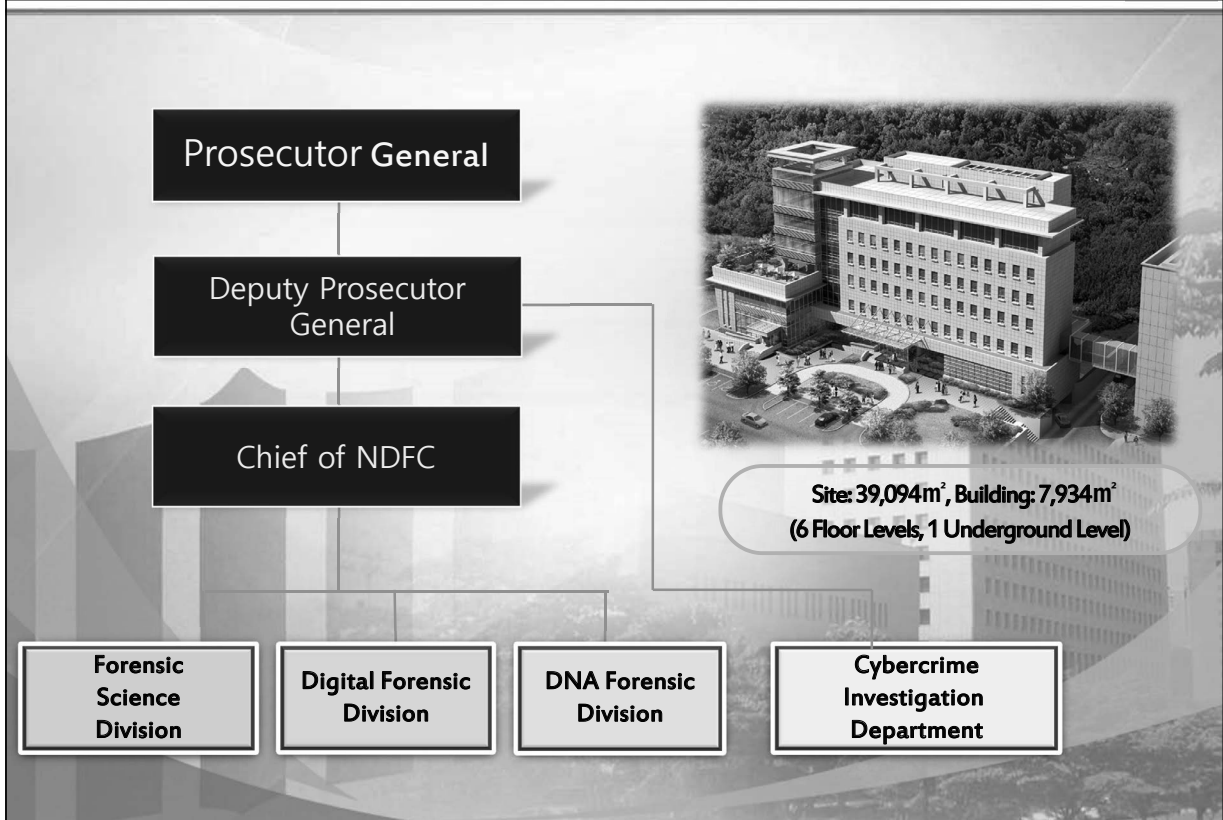
## Digital Storage Devices



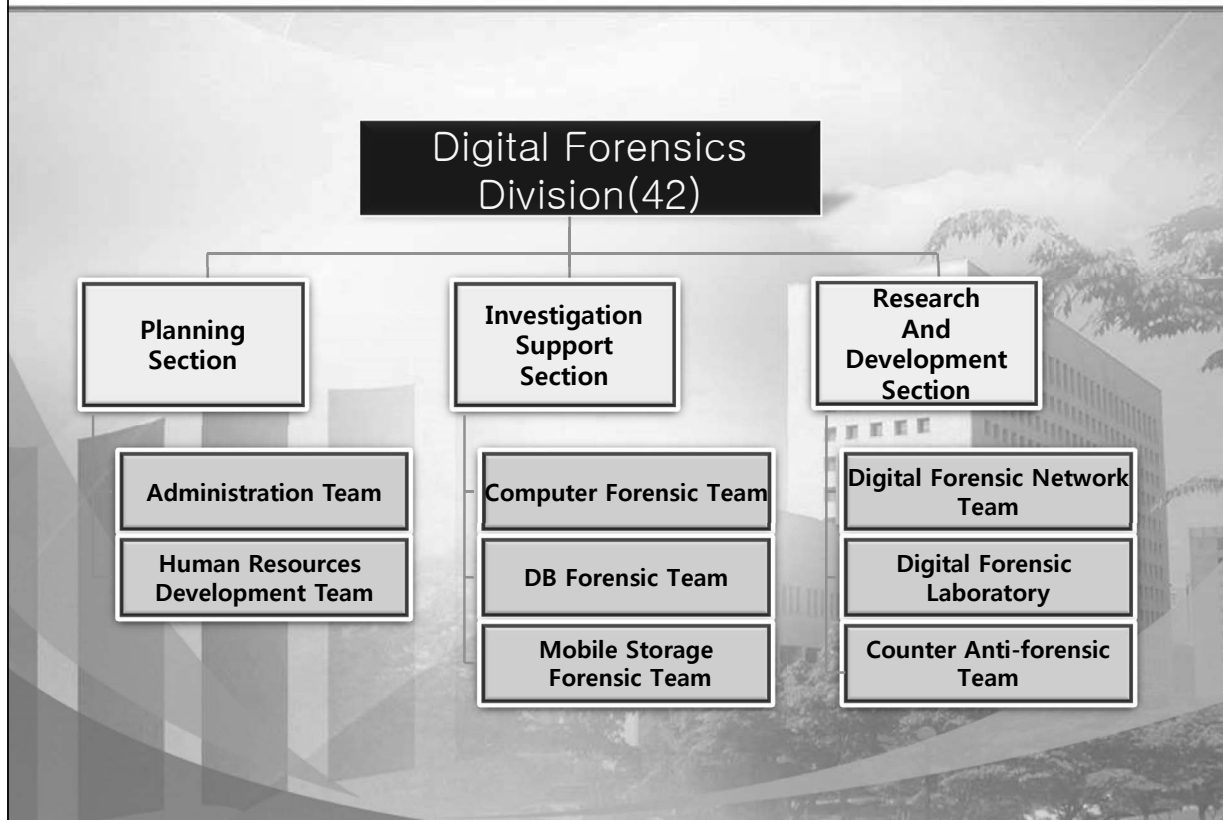
# Admissibility of Digital Evidence



# Organization of National Digital Forensics Center



# Organization of Digital Forensics Division



## Computer Forensics



### Computer Forensic Team

#### Confiscation Search

- **Confiscating and searching computer systems** (HDD, portable storage medium, etc)



#### Evidence Analysis

- **Analyzing evidence** such as files, cash, log files recorded on digital storage medium such as PCs, portable storage media, CCTVs, etc



#### Recovering Data

- **Recovering deleted data** on digital storage medium



## DB Forensic Team

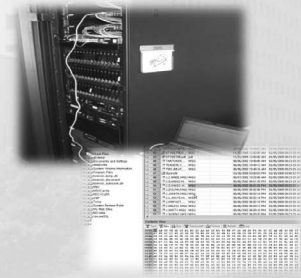
### Confiscation Search

- **Confiscating and searching mass electronic system** (Accounting DB, electronic authorization, emails, etc)



### Evidence Analysis

- **Analyzing Accounting DB, electronic authorizations, emails, etc.**



## Mobile Storage Forensic Team

### Analyzing Evidence and Recovering Data

- **Extract and analyze evidence saved on cell phones or smart phones** such as text message records, contact list, photos, videos, voice recordings, internet access record, etc





# Digital Forensics Laboratory



## Confiscation Search

- Support confiscation search (Unlock information protection function, extract password files, etc)

## Evidence Analysis

- Unlock Login Password
- Decipher File Password
- Unlock Digital Rights Management for Company Documents Passwords
- Unlock USBs protected with Passwords
- Cope with Anti-forensics

## Technology Consultation

- Techniques on dealing with Information protective solutions and locked products



# Digital investigation team main business



## Training Individual team

### Education

- Digital Forensics curriculum development and operation (Basic course, Advanced course and continuing education)



### Research and development

- Digital Investigation relative regulation and making manual
- Digital Forensics qualification system
- Tool qualification system research
- Digital Forensics related research and development



## Spirit of Special Investigation Prosecutor

- **Prosecution Service should make 'huge criminals' 'nervous'**
  - ➔ Huge criminals are figures with political power and money who oppress the weak
- **Korean Prosecutors have fought against such huge criminals**
  - ➔ Continuous efforts are needed to regain public trust
- **Outstanding capacity & great sense of mission**
  - ➔ Special Investigation Prosecutors need excellent legal knowledge, leadership, a sense of duty, capacity to evaluate evidence & understanding of social phenomena

Thank you