

# TRANSNATIONAL ORGANIZED CRIME AND THE COUNTERMEASURES IN KOREA

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## I. CHARACTERISTICS AND HISTORY OF ORGANIZED CRIMES IN KOREA

Korea has a unique history concerning organized crime. As modernization of Korea began in 1800s, Korea's population increased dramatically and concentrated to urban cities. On the other hand, there were not enough job opportunities for the increasing number of young people. Young men who had the energy to work, but who could not find jobs, banded together and idled about city streets. They worked at places like bars, gambling houses and construction sites, and some of them earned easy money by getting involved in small but lucrative businesses. Some called them 'Keondal', it means scamps or libertine. The terms Keondal scamp and libertine did not have only bad meanings. Actually, they were not considered as criminals or criminal groups. They had conflicts over some lucrative businesses, but did not cause major harm or damage to ordinary citizens. They honored loyalty and faithfulness, and they would sometimes help the weak and the poor.

Even now, the lives of scamps are an attractive source of movies, which picture them as heroic or romantic. Young men who are not satisfied with their jobs are admiring the lives of scamps. Movies and TV dramas featuring the lives of scamps are sometimes very popular with viewers. Many people were surprised when in a recent survey, some teenagers said that

they wish to be scamps or libertines when they grow up. Similarly, in Japan, organizations like the Yakuza were considered by some as groups of people who know what loyalty really is.

Korean scamps did not use weapons to fight. They used their bodies, their hands, feet and heads. Naturally, their fights rarely resulted in deaths or severe injuries. This owes much to the Korean tradition in which civilians were prohibited from arming themselves. In today's Korea, arms such as guns and swords are still strictly restricted and controlled. Carrying a gun or a long knife or sword constitutes an offense in itself.

But, as Korea became more industrialized and urbanized, Korean scamps began to change as well. In the 1960's when Korea was undergoing modernization processes, organized crime groups emerged as an influential power in entertainment districts. They soon became associated with some politicians. They guarded the politicians from danger, and interrupted the political rallies of competing politicians by using violence. These groups were the so-called political gangs or henchmen.

The military regime which was established in 1960 accused these crime groups as being mainly responsible for the social disorder. The military government arrested 13,000 members of such crime groups.

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Korean criminal groups, up until this point, were merely groups of scamps who

did not use arms. Moreover, the Korean military government conducted raids on these crime groups, pointing them out as a social evil. As the result of such raids, the crime groups almost vanished in this period.

Things began to change in the 1970's, as crime groups armed with Japanese knives and iron bars dominated the busy streets of the Myongdong area in downtown Seoul. They were no longer the romantic libertines of old times, but were vicious crime groups, formed with the aim of obtaining illegal profits by using violence.

It is from this point that Korean crime groups were organized in the form of families. Families had fights with each other, which often involved cruel killings and murders. As time went on, these families became bigger, and developed into large businesses.

In the 1980's, when Korea made economic progress and became more open to foreign countries, organized crime groups developed into nationwide organizations, and some of them even extended their activities to foreign countries, by associating with crime groups in Japan and the United States. These crime groups in Japan and the US were mostly groups formed by ethnic Koreans living in those countries.

On October 13, 1990, the Korean government declared "the war against crime", and initiated comprehensive raids on various crimes, including organized crimes. The arrested members of crime groups were punished for forming or joining criminal organizations. At this time, the Korean government started a new supervision programme for professional criminals. Under this programme, criminals were subjected to care and custody for on additional seven to ten years

at rehabilitation facilities, after serving the imposed sentence of imprisonment. As the result of the raids, most of the leaders of the major families were arrested and some of them fled to foreign countries.

In the early 1990's, in Korea, habitual pickpockets were subjected to harsh punishment, and were made to serve additional terms of care and custody after finishing their sentence in prison. To evade such harsh punishment, they fled to nearby Japan, and continued to commit crimes there.

In 1993, I dealt with mutual legal assistance affairs while I worked at the Korean Embassy in Tokyo. At that time, Korean pickpockets traveling to Japan to commit crimes became a hot issue. At the assistance of the International Division of the Japanese Justice Ministry, I obtained investigative materials for the Korean pickpockets arrested in Tokyo and other Japanese cities, and forwarded them to Korean prosecutorial authorities (100 such persons were arrested in Japan.) Korean prosecutors started investigations based on the provided materials, and arrested and punished those pickpockets in Korea according to Korean criminal law (the Korean Criminal Code provides that if a person has already been punished in a foreign country for a crime, that person can be also punished for that crime in Korea by Korean law. In such cases, the punishment in Korea may be mitigated or remitted. The specific article for this provision is Article 7 of the Korean Criminal Code). Korean pickpockets traveling to Japan began to realize that even if they are not arrested in Japan, they could be arrested in Korea when they go back home, and would be punished severely under Korean law. Accordingly, Korean pickpockets vanished from Japanese streets.

## **II. RECENT TRENDS IN KOREAN ORGANIZED CRIME**

### **A. Overview**

Security and order is fairly well maintained on the streets of Korea. You can walk the Korean streets at night with a sense of safety. Korea's traditional policy strictly prohibited civilians from carrying guns, swords, gunpowder, gas jet guns and bows and arrows. To possess guns or other weapons for the purpose of hunting or for other sports, it is necessary to obtain police authorization. For this reason, we have rarely seen such incidents in Korea where criminals fire at people on the streets, or criminal groups fight with each other with guns and knives.

The Korean prosecutorial authority not only initiates investigations on its own, but also supervises investigations initiated by the police. The prosecutors have exclusive authority to investigate and prosecute all kinds of offenses. To efficiently deal with organized crime, the Supreme Prosecutor's Office established the Violent Crime Department within itself and within major prosecutor's offices, thereby establishing a nationwide chain for the investigation of organized crime.

The continual and strenuous efforts of the Korean prosecutors to combat organized crime has made substantial achievements. The Violent Crime Department at the Supreme Prosecutor's Office has collected comprehensive information about most criminal organizations in Korea, and has grasped the overall picture of such criminal organizations.

The Violent Crime Department evaluates whether the prosecutorial authority has been doing a good job in suppressing organized crimes, with a relatively small number of officials (there

are about 114 prosecutors in Korea who are entirely responsible for investigating violent crimes).

However, the situation took a bad turn in the late 1990's. The former bosses and leading members of crime groups who had been arrested during "the war against crime", completed serving their sentences and were released from prison. Recently, criminal families of the past have been reestablished and many new ones have emerged in major cities. Moreover, the members of the new criminal families are mainly composed of teenagers.

As of January 2000, the prosecutor's offices have estimated that there are 11,500 members in 404 families or groups. We keep special surveillance on 647 members in 117 families or groups. According to the analysis of the prosecutor's offices, during the period between 1998 and 1999, the average number of members in one criminal organization was 35. The number of members of each criminal organization ranged from the minimum of 10 members and the maximum of 88.

### **B. Transnational Organized Crime in Korea**

In the 1990's, the cold war came to an end and Korea became more open and internationalized. With the economic growth and globalization trend, organized crimes in Korea are becoming larger in scale and wider in the field of operation. In the past, groups were primarily involved in violent crimes such as blackmailing bars and stores in entertainment districts, using violence and threat. Recently, they are engaging in any business, if it is profitable, regardless of whether it is legal or illegal.

Businesses that are usually operated by criminal organizations are: drug trafficking, prostitution, gambling, smuggling of persons, entertainment

businesses, underground financial businesses like private loan businesses and credit card discounts, construction contracts, real estate dealings, fraud such as counterfeiting credit cards, waste disposal, smuggling, insurance fraud, and the export of used cars. These are businesses that make big money very easily.

Criminal organizations accumulate funds through these businesses and invest these funds into lawful businesses. Eventually, it becomes more and more difficult to distinguish between the businesses of criminal organizations and businesses operated by other legitimate entities. Members of criminal organizations are transforming into businessmen with smart appearance and ability.

As the passage of persons and trade with China and Russia has become freer, criminal organizations are engaged in the export of labor and the smuggling of persons. In addition, the export of used cars to these countries is increasing. Car theft is dramatically increasing in Korea and it is believed that a great number of stolen cars are being exported to foreign countries by criminal organizations. In July of this year, a criminal organization was prosecuted for stealing new and expensive vehicles and dump trucks, and exporting these stolen vehicles to China, Russia and South East Asia. In August, 11 organized crime members were arrested for stealing about 700 motorcycles which were exported to South East Asia.

Meanwhile, Russian Mafia, Chinese Triads and Japanese Yakuza are trying to extend their businesses in Korea, taking advantage of the reform and liberalization policy in Russia and China. There are some reported cases where those foreign organizations are involved in drug

trafficking in connection with Korean criminal organizations.

Japanese Yakuza, Thai Kungsa and Colombian drug cartels are trading large portions of drugs such as methamphetamine, cocaine, heroin, etc (with Korean criminal organizations). One of the facts that we should take notice of is that a triangle of methamphetamine manufacture and sales has been established in this part of the world.

Korean manufacturers are making large quantities of methamphetamine in Taiwan, China and South East Asia, with the funds provided by Japanese criminal organizations. They then bring the products into Japan and Korea for sale. Also, there are suspicions that methamphetamine produced in North Korea is being brought into Japan and Korea through China or sea routes.

### **C. Cases in Korea**

#### **1. Crime Related to Drugs**

Before the 1990's, most drugs produced in Korea were smuggled into other countries such as Japan or sometimes the US, due to the severe punishments and social stigma attached to drug use in Korea. Recently, however, there has been an increasing consumption of drugs in Korea. For instance, the number of drug users increased by 26.8% from 8,350 in 1998 to 10,589 in 1999.

Provoked by the government's strong control over drug production and the rise of drug production costs, Korean criminal organizations have moved drug factories to other countries, for instance, Taiwan and China. Korean criminal organizations have kept increasing their influence on drug businesses in Asia. However Korea is now a drug transit country to Japan and other countries. Some drug crime cases related to transnational criminal

organizations which were successfully prosecuted by Korean prosecutors are:

- (i) In November 1994, 300 kilograms of the raw material of methamphetamine - hydrochloric ephedrine - were smuggled out of China into Korea by a Korean gang member. The raw material was brought into Pusan, Korea through a sea route.
- (ii) In July 1995, the United States drug control agency informed the Korean prosecutor's office that 6,000 kilograms of hashish produced in Uganda was shipped and being delivered to the seaport of Pusan, Korea, via Singapore and Taiwan. All of the shipped hashish was confiscated.
- (iii) In October 1995, the head member of a Japanese organization contracted the manufacture of 6 kilograms of methamphetamine with a Korean manufacturer who was staying in China. Both of them were arrested in Korea.
- (iv) In May 1997, members of the Thai drug organization "Kunsa" smuggled 500 grams of heroin into Korea and attempted to sell it.
- (v) In October 1998, a housekeeper working at a foreign embassy in Korea was arrested for smuggling 60 kilograms of heroin from the Philippines into Korea and forwarding it to the United States.
- (vi) In April 1999, a Korean criminal organization (Shinsangsapa) and a Japanese organization (Sumiyosi kumi) bought 100 kilograms of methamphetamine from North Korea and smuggled it into Japan.
- (vii) In September 1999, a member of a Colombian drug cartel and a businessman of a Korean trading company smuggled 22 tons of potassium permanganate, raw material of cocaine, into Colombia.

## **2. Trafficking in Human Beings**

Russian and Korean-Chinese criminal organizations are involved in trafficking women and migrant workers. The Russian Mafia provides job opportunities as entertainers to young Russian women and assists them in obtaining Korean tourist visas. In this process, the Russian Mafia receives commissions from the applicants. The women who apply are sent to Korea to work in entertainment businesses as dancers or bar maids (so-called "hostesses"). They usually end up as prostitutes.

If we look at their former occupations, 1,133 had been students, 430 had been clerks and 1,703 had been unemployed. Twenty-nine percent were in their twenties or thirties. Despite the fact that there are not enough employment opportunities for young foreign women in Korea, many young Russian females came to Korea last year. From this fact, we can speculate that many of them have illegal jobs in Korea and consequently involve themselves in prostitution. In December 1999, the Russian "Sakhalin" Mafia supplied 60 Russian prostitutes to some underground prostitution businesses in Korea.

Regarding labor migrations, Korean-Chinese criminal organizations are involved in illegal job placements in Korea. According to research on migrant workers in Korea, there were 139,480 illegal residents in 1997. Among them, 17,368 were either Chinese or Korean-Chinese workers. In order to procure jobs in Korea, they spend, on average, their annual income as commissions to labor-exporting agencies in China. The Korean law enforcement authorities presume that some of those labor-exporting agencies are managed by Korean-Chinese criminal organizations.

**3. Money laundering**

Money laundering by transnational criminal organizations is not widespread in Korea. There are about eight to nine money laundering cases every year. According to research on the annual estimate of the money laundered, the minimum is US \$450 million, and the maximum is US \$1.4 billion. Most money laundering cases in Korea were committed by self-employed business owners and/or business managers. Only a few money laundering cases were associated with transnational organizations, there include:

- (i) In September 1995, a Korean criminal organization established a shell company dealing with jewelry and gold. Through this company, the organization smuggled 2.6 tons of gold into Korea and laundered US \$7.9 million by using bank accounts in borrowed names. The organization sent the money to Hong Kong.
- (ii) In December 1998, a Colombian and an Italian conspired to launder US \$30 million of drug money and transferred the money to the bank account of a Korean shell company which was connected with a Korean criminal organization.

**4. Other Cases Related to Transnational Criminal Organizations**

- (i) In September 1995, a member of the Chinese-American organization "Waching", based in Los Angeles, was hired by a Korean criminal organization to murder a member of another criminal organization in Seoul.
- (ii) In February 1996, members of the Hong Kong Triads manufactured and distributed illegal pornographic and music CDs in Korea.

- (iii) In December 1996, some Korean organized criminals and a member of a Japanese organization attempted to withdraw cash in Seoul by using fake credit cards produced by American gang members.
- (iv) In September 1999, the Russian criminal organization "Shatendoveskaya" was hired to solve a loan business between Russian and Korean international trade businessmen in Korea.

**III. COUNTERMEASURES BY THE GOVERNMENT**

The measures of Korean government to combat organized crime can be classified into two types: short-term strategies and long-term strategies. The short-term strategy is similar to "the war against crime" conducted by the Korean government in the past. It aims at isolating criminal organizations from society through investigation and prosecution. This is analogous to a surgeon's operation, which cuts out the affected part. Regarding the long-term strategy, measures to deal with delinquent juveniles (who are the human resources of criminal organizations), Korean laws criminalizing organized crime, and the Korean government's effort to strengthen cooperation with foreign countries in combating organized crime are explained below.

**A. Delinquent Juveniles: Potential Members of Criminal Organizations**

The number of delinquent juveniles (below age 20) in Korea is approximately 100,000 each year. This number does not include trivial violations of traffic regulations. Among them, about 50,000 are charged with infliction of bodily injury, assault or extortion, and about 40,000 are

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charged with theft, fraud and handling of stolen property. Moreover, as many as 4,000 juveniles are charged with murder, robbery, rape and arson each year.

**Table 1**  
**Juvenile Delinquency in Korea**  
**(1998)**

Violence (assault, infliction of bodily injury, extortion, etc.)	50,987
Violent crimes (murder, robbery, rape, arson)	4,355
Theft	37,981
Property crimes (handling of stolen property, fraud, embezzlement, breach of trust)	4,814
Violation of special criminal laws (Violation of the Road Traffic Act, the Noxious Chemical Substance Control Act, etc.) * Among them, violations of the Road Traffic Act are 33,644	48,946
Others	1,475
<b>Total</b>	<b>148,558</b>

Most juveniles in Korea are enrolled in school. The number of students from elementary school to college is about 6.7 million. Some of them, who quit school for committing delinquency, form their own groups, and commit crimes like assault, extortion, theft, etc. They are growing into potential members of criminal organizations. These teenage criminals are more cruel and dangerous than their predecessors.

Korea is putting considerable effort into the three-step strategy for dealing with juvenile delinquency:

- i) Deterrence,
- ii) Law enforcement against crimes, and

- iii) Education and rehabilitation of delinquent juveniles.

As for the effort to deter juvenile delinquency, there is the Initiative for the Campaign of Crime Free and Safe Schools, which was started under the leadership of the prosecutor's offices in 1991. This campaign is now headed by citizens, with the support of the prosecutor's offices.

The Juvenile Delinquency Department in the Seoul District Prosecutor's Office is responsible for the enforcement activities against juvenile delinquency. The Department, composed of 7 prosecutors, conducts investigation of crimes related to juveniles, or supervises such investigations conducted by the police. In each local prosecutor's office there is a prosecutor entirely responsible for juvenile delinquency.

The education and rehabilitation of delinquent juveniles is making remarkable achievement as the education programs in juvenile prisons and reformatory schools have been changed significantly. All reformatory schools for delinquent juveniles have been renamed as middle schools or high schools. If a person finishes all courses at such reformatory schools, it is regarded as the same as graduating from a regular school. The courses that these facilities provide include computer-related skills and English, which meets the needs of the young generation. Because of such new courses, reformatory schools for delinquent juveniles provide an even better environment for education than most ordinary schools.

Recently, about 120 inmates who were about to be released after completing a period of service at the reformatory school refused the release and requested permission to stay at the school to continue the in education. Special permission was

given to these students to continue their study in areas like computer skills.

Korea has a unique system in dealing with cases of juvenile delinquency. On the condition that the charged juvenile receive the guidance of a counselor (who is a volunteer) for six to twelve months, the prosecutor suspends the prosecution of the charged juvenile. This system has been enforced for twenty years, and is evaluated as very effective in facilitating the return of delinquent juveniles to society.

These various measures undertaken by the Korean government aims to prevent delinquent juveniles from growing into professional criminals, or members of criminal organizations.

### **B. Korean Legal Provisions on Organized Crime**

The formation of or participation in a criminal organization is criminalized under Article 114 of the Korean Criminal Code. Article 114 provides that if a person forms an organization which aims to commit crime, or participates in such organization, that person shall be punished for that crime which the organization aims to commit.

Under this provision, a person who forms or joins a criminal organization is punishable regardless of whether or not the intended crime was actually performed. For instance, the person who forms or participates in a criminal organization aimed at committing robbery will be punished for the crime of robbery, and the formation of or participation in a criminal organization aimed at prostitution will be punished for the crime of prostitution.

Furthermore, the Act on the Aggravated Punishment of Violence, a special criminal act, provides punishment for those persons forming or joining organizations aimed at committing violent crimes such assault,

infliction of injury, threatening, extortion, robbery etc. This Act provides:

- i) death penalty, life imprisonment or imprisonment of not less than ten years for the boss of such organization;
- ii) life imprisonment or imprisonment of not less than seven years for the assistant leaders;
- iii) imprisonment of not less than two years for ordinary members; and
- iv) imprisonment of not less than three years for those persons who collected or provided funds for such an organization.

According to the case law, the elements of a criminal organization are:

- i) that the organization be composed of specified members of plural number;
- ii) that the organization have the purpose of committing a certain crime or crimes;
- iii) that the members of the organization act in concert for a period of time; and
- iv) that the organization have a hierarchical structure.

The court's interpretation of the provision on the formation of a criminal organization is very strict. Although the Korean laws criminalize the formation of a criminal organization, it is still very difficult to investigate and prosecute criminal organizations. Because it is a tough to substantiate the existence of a hierarchical structure in an organization, it is sometimes very difficult to apply the provisions on the formation of a criminal organization.

In Korea, an average of 2,000 members of criminal organizations are arrested each year. However, only an average of 700 are punished for the formation of a criminal organization, and the rest are punished for the individual offenses they actually



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committed, like assault, extortion and drug trafficking.

**Table 2**  
**Arrest of Persons for Organized Crimes**

Year	1995	1996	1997	1998	1999	Total
Number of arrestees	1,763	1,928	2,691	2,303	2,750	11,435
Number of persons punished for formation of or participation in a criminal organization	575	578	779	750	653	3,335

\*\*Between January and July of 2000, the number of arrestees was 1,736, and among them, the number of persons punished for formation of and participation in a criminal organizations was 283.

### **C. International Cooperation**

As we step into the new millennium, there is a rapid increase in the exchange of persons and properties among nations. The Iron Curtain that separated the East and the West is no more. Traditional religion is losing its significance. Traditional morals and ethical views are changing. All these provide on an ideal breeding ground for transnational organized crime.

The coordination of measures to combat organized crime is a slow and laborious process, because of the differences between domestic legal systems and the excessive emphasis laid on sovereignty. Criminals can use the differences in domestic criminal laws to their own advantage. Organized crime is speedy and flexible. But the criminal justice authorities are slow and

rigid because they have to adhere to lawful processes. If we are to effectively cope with transnational organized crime, we need, above all, to foster and strengthen international cooperation.

#### **1. Mutual Legal Assistance and Extradition of Criminals**

To develop the framework for international cooperation, we need to negotiate and conclude new bilateral and multilateral agreements on mutual legal assistance and extradition, thereby creating a seamless web of agreements among countries. Recognizing this need, the Korean government has signed twelve bilateral extradition treaties and nine bilateral MLATs, and is continuing its negotiation with other countries, such as China, Russia, and Hong Kong to expand this treaty web.

**Table 3**  
**Countries with which Korea has Signed an Extradition Treaty**

<b>Country</b>	<b>Date of Signature</b>	<b>Date of Effectuation</b>
Australia	September 5, 1990	January 16, 1991
Philippines	May 24, 1993	November 30, 1996
Spain	January 17, 1994	February 15, 1995
Canada	April 15, 1994	January 20, 1995
Chile	November 21, 1994	October 1, 1997
Argentina	August 30, 1995	Not in effect yet
Brazil	September 1, 1995	Not in effect yet
Paraguay	July 9, 1996	December 29, 1996
Mexico	November 29, 1996	December 27, 1997
United States of America	June 10, 1998	December 20, 1999
Thailand	April 16, 1999	Not in effect yet
Mongolia	May 31, 1999	January 27, 2000

The treaty of mutual legal assistance on criminal matters that was signed with China is especially significant to Korea. Ever since the two countries normalized diplomatic relations in 1992, there has been a surge of exchange in persons and commodities in many areas. Moreover, several hundreds of thousands of people

from each country have made visits to the other country. In 1998, half a million Koreans visited China and ninety thousand Chinese visited Korea. As such exchange increases, crimes that are committed by each country's citizens in the other country are more likely to occur.

**Table 4**  
**Countries with which Korea has Signed Mutual Legal Assistance Treaties in Criminal Matters**

<b>Country</b>	<b>Date of Signature</b>	<b>Date of Effectuation</b>
Australia	August 26, 1992	December 19, 1993
United States of America	November 23, 1993	May 23, 1997
Canada	April 15, 1994	February 1, 1995
France	March 2, 1995	March 8, 1997
China	November 12, 1998	March 24, 2000
Hong Kong	November 17, 1999	February 25, 2000
Russia	May 28, 1999	Not in effect yet
Mongolia	May 31, 1999	January 27, 2000
New Zealand	September 15, 1999	March 30, 2000

However, the traditional system of mutual legal assistance and extradition, which requires considerable documents and formalities, is sometimes inadequate to effectively cope with the new aspects of

crime in the 21<sup>st</sup> century, such as cyber crimes. We should study how to streamline the procedures of mutual legal assistance and extradition.

## **2. International Cooperation among Law Enforcement Agencies**

The Korean government is committed to enhancing international efforts for combating drug crimes. Since 1997, the Ministry of Justice has annually hosted the International Training Course on Crime Prevention and Criminal Justice, inviting senior members from various criminal justice agencies in Asian countries, including judges, prosecutors, police officers and correctional officers. For three weeks, the participants have in-depth discussions about new trends in drug syndicates and organized crime groups, and about effective joint countermeasures against the internationalization of regional crime. In doing so, the participants get to know each other better, and naturally form human networks for international cooperation.

In April of this year, the Korean Ministry of Justice hosted the Second Organized Crime Regional Initiative in the Asia/Pacific Region in Seoul, jointly with the Korean Supreme Public Prosecutor's Office and the Asia Foundation. The conference was attended by thirty representatives from five countries in the Asia Pacific region. They are the United States, Japan, China, Russia and Mongolia. At the conference, the participants discussed the realities of organized crime and drug crimes in each country and the countermeasures employed by each country. At the close of the conference, the participants proposed measures for international cooperation to combat organized crime in the region.

In detail, the participating countries have talked about an informal network composed of key working level members of the international law enforcement community dealing with organized crimes. For this purpose, each country will make available to each country, a contact list,

including the relevant contact names, telephone and facsimile numbers, and e-mail addresses, of its officials dealing with organized crimes. Each participating country will provide as much information as is legally permissible, regarding laws or procedures relevant to extradition or organized crime, upon receiving an informal request from an other participating country via telephone, facsimile or e-mail. The participating countries are now working together to establish an informal network to combat organized crime, as discussed.

The Korean prosecutor's offices no longer confine the scope of their function to purely domestic affairs. In 1994 the Supreme Public Prosecutor's Office of Korea began to exchange visits with the Supreme People's Procuratorate of China. On September 6, 1999, the two agencies signed an agreement to establish the framework for strengthening cooperation between the prosecutor's offices of the two countries. Under the agreement, the two countries now have active exchange and cooperation at the level of local the prosecutor's offices.

Korea and Japan established, as early as in the 1980's, a regular committee for mutual cooperation in combating drug crimes. The committee, which meets annually, consists of officials from the respective Foreign Ministries, Justice Ministries, National Police Agencies, Customs Offices, and Ministries of Health and Wealth. The regular meetings of this committee provide a network of information exchange for broad cooperation in the process of investigation and trial proceedings, as well as opportunities for discussion on measures to reduce drug demands. It is viewed that through meetings like this, Korea and Japan have successfully intercepted the illicit trafficking of methamphetamine between the two countries.

The Narcotics Division of the Supreme Public Prosecutor's Office in Korea, which is charged with drug crimes, has held ADLOMICO's (Anti-Drug Liaison Officials' Meeting for International Cooperation) quarterly meeting of drug enforcement liaison officials, since April 1989 (the Supreme Public Prosecutor's Office is planning to expand the present Narcotics Division into the Narcotics Investigation Department within this year). The ADLOMICO meeting is aimed at enhancing cooperation among countries in a broader region than just those countries directly neighboring Korea. Particularly, the June ADLOMICO is an extensive meeting participated in by experts from the member countries' own law enforcement agencies, as well as the UNDCP (United Nations International Drug Control Programme) and the ICPO (International Criminal Police Organization) Bangkok office.

In June of this year, the eleventh ADLOMICO was successfully held in Busan, participated by 122 persons from 17 countries and 2 international organizations. The participants exchanged information on the current issues of drug crimes in each country, and discussed effective measure to intercept illicit drug supply and to cut down on drug demand. They also discussed measures for the exchange of information, and for cooperation in investigation.

In this session, the participants reached at a consensus that cooperation should be not only be made formally through diplomatic channels and international organizations, but also be made informally and directly among working-level officials. The participants noted that to facilitate such informal and direct cooperation, it is important to promote direct contact of working-level officials through regular

meetings at the regional level.

The Korean Customs, another component in enforcement against drug crimes, have taken initiatives to combat drug crimes. The Korean Customs Agency have concluded agreements for mutual assistance in criminal matters with 16 countries, thereby providing a legal framework for cooperation with foreign customs services. Based on the agreements, the Korean Customs Agency actively exchanges information and assistance in customs affairs with foreign countries.

In order to build on the cooperative relationship with foreign customs agencies, the Korean Customs has hosted and participated in an annual Customs Cooperation Conference with the 16 parties to the customs mutual assistance agreements. There were 8 sessions in 1997, 3 sessions in 1998, 7 sessions in 1999 and this year, there were 6 sessions. In each session, measures to enhance mutual cooperation for effective drug control is discussed as an important agenda item of the Conference.

The Korea Customs, in order to provide a basis for closer cooperation with their neighbor country, Japan, concluded, in June this year the MOU (Memorandum of Understanding) with the Japanese customs authority on the joint project against the smuggling of illicit drugs. As a measure to effectively intercept the smuggling of illicit drugs from one country to the other, the two parties have agreed to designate officials in charge, to exchange information on the smuggling of illicit drugs, mainly through these officials, and to provide each other with trend analysis reports on illicit smuggling.

We cannot emphasize enough the importance of international cooperation to

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combat organized crime. As we are agreed on this point, it is time that we moved on to discover specific practical measures for international cooperation, and implement them into action. In this respect, I believe that the Korean Government's efforts for international cooperation could set a good example for the international community.

We believe that when it comes to drug problems, no country could or should be an isolated island. Without close cooperation, sacrifice and solidarity, international cooperation in the true sense of the word will not be achieved, and without genuine cooperation, we can not eradicate drug crimes. In this regard, each government should do its best to provide an adequate basis for international cooperation. The Korean Government will take an active part in this motion of the international community to promote cooperation.

**3. International Support by the Korean Police**

The Korean National Police Agency joined the International Criminal Police Organization (Interpol) in 1964 and established the National Central Bureau in 1996. As of December 1999, the total number of cases investigated with the support of international cooperation reached 2,141. Among them, the Korean Interpol made requests for 807 cases and received requests from foreign Interpols for 1,334 cases.

The region with which the Korean Interpol has most frequently cooperated in investigations is North America, and other regions on the frequently requested list are Asia, Europe, Central and South America and Oceania, in the order of frequency.

**Table 5**  
**International Cooperation of**  
**Korean National Central Bureau**

Continents/ Countries	Interpol Headquarter	North America	Europe	Central & South America	Oceania	Africa	Japan	China	Total
Requests made	30	290	50	95	78	13	73	64	807
Requests received	124	286	253	131	111	47	91	61	1,334

\* "Requests made" is the number of wanted criminals that Korean Interpol has made requests in regard of to the Interpols of other countries.

\*\* "Requests received" is the number of wanted criminals that Interpols of other countries have made requests in regard of to the Korean Interpol.

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Some cases of how two police force works through international cooperation are as follows:

- (i) In July 1998, a thirty-nine year old Japanese male robbed a bank clerk who was carrying 5.5 million Yen in cash (equivalent to US \$500,000), at a parking lot adjacent to the bank. The Japanese male threatened the clerk with a gun. Shortly after, the offender fled to Korea using a fake passport. A team of several Korean detectives arrested him at his residence in Korea, and the offender was deported.
- (ii) In January 1999, a Korean male working in Hong Kong embezzled US \$4.4 million in company funds, and illegally transferred the money to another country. When Hong Kong's law enforcement authorities blocked the withdrawal, the offender fled Hong Kong via Paris to Switzerland. A Hong Kong police agent persuaded him to voluntarily surrender. He was arrested at the Kimpo Airport in Seoul, Korea.
- (iii) In April 1999, a Korean banker who embezzled US \$220,000, from the bank for which he had worked, fled to Australia. When he entered Fiji by using a fake passport on his way to New Zealand, he was arrested and deported to Korea.

**D. Witness and Victim Protection Programs**

Korea enacted the Witness and Victim Protection Law on August 31, 1999, which entered into force on June 1, 2000. The purpose of this law is to protect the witnesses and victims of certain crimes, so that they can safely support and assist the criminal proceedings.

In Korea, there was a shocking case where a victim of a crime was stabbed to death by a member of a criminal organization, when he was walking out of the court building after giving testimony at the trial. There are many cases where victims and witnesses find it difficult to give assistance to the criminal trial because of the intimidation of the offender. This is not restricted only to organized crimes, but includes ordinary criminal cases.

The Witness and Victim Protection Law applies to witnesses and victims related with certain crimes, and their families. Certain crimes include:

- i) the formation of and participation in criminal organization, and crimes committed by criminal organization;
- ii) violent crimes such as murder, robbery, rape and kidnapping, and
- iii) drug-related crimes.

If there is a possibility of retaliation on witness, the name of the witness will be kept secret, and the trial can also be held in secret. If the prosecutor judges that there is a possibility of retaliation on a witness, the prosecutor will direct the employees of the prosecutor's office or the police to protect the witness.

When the witness or the victim sustains financial loss, the government may give relief money for the loss, and if it is necessary for the witness or the victim to change homes or jobs for safety reasons, the government may bear the cost. The Law also provides that if a person reports to authorities a crime in which she/he is involved, that person may be exempt from punishment or be subject to mitigated punishment for that crime. The Law thereby protects the whistleblower or inside reporter.

#### IV. CONCLUSION

When we talk about organized crime, the first word that comes to our minds is “mafia”. The term ‘mafia’ is used as a synonym for both international and domestic criminal organizations. We talk about the Italian Mafia, Russian Mafia and Polish Mafia. In Asia, the Japanese Yakuza and Chinese Triads are known to be synonymous for criminal organizations. But, no one really knows about the Mafia, Yakuza or Triads or about their scale and businesses.

The formation of Mafia, Yakuza and Triads is not the subject of investigation in itself. Only when the crimes of the members of these organizations are detected do the investigative authorities begin investigation. The investigative authorities try to reveal how the members and leaders of a criminal organization are associated with each other, but in many cases, these efforts are not profitable. This is because criminal organizations mobilize funds illegally, and they invest them into lawful businesses. They do hiding activities behind legal fronts.

These criminal organizations ensure sufficient welfare, care and remuneration for their members, whereas cruel punishment or retaliation awaits betrayal or disobedience. Through these means, criminal organizations successfully prevent the in members from walking out of the organizations. They dress like smart-looking businessmen and act like such. They hire lawyers to defend them, and win over politicians or public officials with bribes. In Korea, there were times when the boss of a criminal organization would approach the prosecutor or police official newly coming to the office, to bribe them by hosting welcome party. In doing so, the bosses would pretend as if they were influential persons in the community.

I would like to talk about four problems in the investigation of organized crime in Korea. First, it is almost impossible to start an investigation of the criminal organization itself. This is also true in Japan. You can’t begin to investigate an organization, just because it is reported to be organized. Such an investigation of an organization can be subject to the criticism that this investigate an violates freedom of association under the Constitution. If the suspected organization has a religious element, it is even more difficult to investigate. It is because freedom of religion and the right to free association to pursue religion is more strongly protected under the Constitution. This explains why there were only a few criminal organizations that were investigated and prosecuted in Korea, although the Criminal Code clearly criminalizes the offense of the formation and participation of a criminal organization.

Second, it is becoming more and more difficult to investigate and confiscate the funds of a criminal organization. Even if we have a suspicion that the criminal organization launders money by establishing legitimate companies and falsely cleaning the money transactions for the operation of those companies, it is not easy to trace the flow of money. Banks try to protect the secrets of their customers. The trend in the legislation of most countries is to protect the the secrecy of account owners.

Korea has implemented the so-called real name transaction protection system since 1993. In 1997, the Real Name Transaction and Protection of Secrecy Act was enacted. As you can see from the name of this law, the law focuses on the protection of the secrecy of bank transactions. Therefore, for investigative authorities to begin tracing the flow of funds, mere suspicion is not enough. They must have



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proof for certain violations, and present a warrant issued by the court. As the process for the issue of a warrant by the court is slow and laborious, the investigative authorities sometimes give up investigation. It is equally as difficult to obtain materials other than financial materials. Data protection laws have considerably restricted the ability of investigative authorities to collect and analyze information.

To effectively address money laundering, Korea is preparing legislation for the introduction of an FIU (Financial Intelligence Unit) system. Under this system, the financial institutions should promptly report to the FIU those suspicious transactions indicating money laundering, and when the FIU determines that the transaction is related to a crime, it could provide information on the transaction to the investigative authorities. This system will allow us to get fast information on transactions that are suspected of being associated with organized crimes, the bribery of public officials, tax evasion and the smuggling of funds. In this regard, this system will be of great assistance in the investigation of transnational organized crime. Currently, a task force including a prosecutor has been established for the establishment of FIU in Korea. We are working to finalize the draft law for the establishment of FIU within this year.

Along with the FIU law, we are also working on anti-money laundering law. This law would criminalize money laundering, and provide measures to confiscate the illegal proceeds obtained through the commission of crime. The scope of crimes subject to confiscation will include 57 types of crimes including organized crime, tax evasion, bribery and the smuggling of funds. The confiscation of illegal proceeds obtained from drug-related offenses is made possible by a

different law, the Special Act against Illicit Trafficking of Narcotic Drugs and Psychotropic Substances.

If both of the FIU law and the anti-money laundering law are finally enacted, the investigation of suspicious financial transactions will be conducted based on information provided under the FIU law, and the illegal proceeds identified through the investigation will be confiscated under the anti-money laundering law.

The third problem in organized crime investigation is that it is becoming increasingly difficult to monitor the activities of criminal organizations by means of wiretapping. In Korea, the wiretapping issue recently gave rise to heated discussions. It even stirred political disputes, and the public suffered anxiety for fear of being monitored through wiretapping. As a result, wiretapping by investigative authorities has been restricted severely, and this is making investigation a tougher job.

The fourth problem is that the arrest, prosecution and punishment of members of criminal organizations is becoming more difficult, because they are able to hire good lawyers with adequate funds. They also make good use of the loopholes in the law.

The Korean Criminal Procedure Code provides a very complicated procedure for the pre-trial confinement of criminals, more complicated than any other criminal procedure law in the world. The police can arrest a suspect only under the supervision of a prosecutor, except in urgent situations. The arrested suspect can apply for a review of the legality of the arrest. In order to place the arrested suspect under confinement, the prosecutor should request the issue of a warrant of confinement within 48 hours of the arrest (the Korean system distinguishes between the arrest

and the confinement, unlike the US system. The Korean system is similar to the Japanese system). The judge issues the warrant of confinement, after holding a hearing where the arrested suspect is present (Article 201bis of the Criminal Procedure Code). This procedure is called the review for a warrant of confinement. It has been implemented since December of 1997. Through this procedure, about 15% of the arrested suspects get released.

After the suspects are placed under confinement, they can apply for a review of the legality of confinement. At this stage, a number of suspects get released (Article 214bis of the Criminal Procedure Code). After indictment, a person is allowed apply for bail. At this stage, a number of people are released on bail. The release is also possible before the indictment, if bail money is deposited. The convicted person can be released on probation at the end of the first trial.

From the arrest to the conclusion of the first trial, there are 6 stages including:

- i) Arrest;
- ii) Review of the legality of arrest;
- iii) Pre-confinement hearing on the suspect;
- iv) Confinement;
- v) Review of the legality of confinement, or pre-confinement bail; and
- vi) Post-confinement bail.

The suspect may choose to give up certain stages. As we can see in these four problems, it is becoming more difficult to investigate crime, as criminals become more organized and intelligent. For more efficient investigation of organized crime or transnational organized crime, there are some things that we should attend to.

Mutual understanding and cooperation-prompt cooperation-among countries is essential for efficient investigation of

transnational organized crime. To facilitate cooperation among countries, it is necessary to enact anti-money laundering laws, and to make the procedures of extradition and mutual legal assistance more expeditious and less complicated. The current system of extradition and mutual legal assistance is too laborious and tedious.

Domestically, we need to enforce crime deterrence measures, especially measures against delinquent juveniles who are very likely to end up in criminal organizations as adults. We can call them 'reserve troops' of organized crime.

We need to make sufficient use of scientific techniques in investigation, which do not exclude wiretapping and the tracing of funds. In using these techniques in investigation, we should also keep in mind to protect the rights, property and secrecy of our citizens.

Criminals and criminal organizations should be subject to strict punishment according to law. Illegal proceeds obtained through drug trafficking, prostitution, gambling, fraud, extortion and theft should be confiscated thoroughly. We should work to promote that sound citizenship cannot be bought with illegal money. Finally, we should go on to apply administrative and economic sanctions against businesses operated by criminal organizations. There is no hope in such a society where corrupt politicians or public officials cooperate with or remain silent about the businesses of criminal organizations.