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Priests Are Driving Force Behind Samsung Inquiry

By CHOE SANG-HUN

SEOUL, South Korea — The police beat, kidnapped and jailed them. But the Roman Catholic priests continued to march in support of the downtrodden during the South Korean military dictatorship in the 1980s.

The annals of the South Korean struggle for democracy cannot be written without naming the Catholic Priests' Association for Justice. Now, the priests are fighting what they consider a more elusive Leviathan: Samsung, the country's largest conglomerate, which faces accusations of large-scale bribery.

Since October, the clergymen have held a series of nationally televised news conferences, citing biblical quotations about "evil spirits" and "penitence" and urging South Koreans to join in their effort to fight presumed corruption at Samsung.

On Friday, their effort appeared to bear fruit. Samsung's chairman, Lee Kun Hee, was questioned for a second time by an independent counsel investigating the corruption charges. "All this is due to my oversight," Mr. Lee said after a five-hour interrogation. "I will take all responsibility, whether moral or legal. I appeal for leniency for my subordinates."

Mr. Lee, 66, also said he would "seriously consider shaking up my group's management structure and its management lineup, including myself."

But he did not clarify whether he admitted to any wrongdoing or would step down. Bodyguards whisked him away while protesters called for his punishment.

The results of the months-long investigation are expected to be released April 23.

Samsung is an unusual opponent for the priests. Unlike the strongmen who were feared and loathed decades ago, the Samsung business group divides public opinion. To some, it is a father-to-son dynasty that stifles union movements, exploits smaller businesses and intoxicates politicians, prosecutors and other influential citizens. For others, it is South Korea's proudest global brand, a symbol of the country's economic growth, and by far its largest exporter, fallen victim to anti-business campaigners.

"This is a much tougher fight than our past struggles," a leader of the priests' association, the Reverend Kim In Kook, said. "The person who committed bribery says he did it. But the government doesn't want to believe him, and people are reluctant to believe him, demanding evidence."

He was referring to the man at the center of the clash between Samsung and the priests' group — a whistle-blower, Kim Yong Chul. Like pro-democracy fugitives of old, Mr. Kim, a former chief legal counsel at Samsung, took refuge with the priests' group in October, entrusting it with his accounts of Samsung's greed and corruption that reached the top echelons of society.

The clergymen soon declared a war on Samsung, revealing the names of several suspected of taking bribes, including President Lee Myung Bak's intelligence chief and anti-corruption aide.

It was the clergy's most conspicuous public campaign since its members went on hunger strikes in 1987 to protest a government attempt to cover up the torture and death of a student activist. The event touched off a countrywide uprising, forcing the dictator Chun Doo Hwan to accept presidential elections — a watershed for South Korean democracy.

"It's not just a Samsung scandal," said Jun Hee Kyung, a director at Citizens United for Better Society, a conservative civic group. "People have an explosive interest in this case because Samsung symbolizes the corporate world and people see an opportunity to blow the lid off everything wrong with their big businesses."

In his Feb. 25 inaugural speech as president, Mr. Lee said he was proud that South Korea had "simultaneously achieved both industrialization and democratization in the shortest period of time in human history."

The clash between Samsung and the priests shows those achievements are not always in harmony. As the priests continued their protests, South Koreans were mesmerized by the whistle-blower.

Mr. Kim, 50, went to high school in Gwangju, where Chun's military junta killed hundreds of protesters in 1980. As a young prosecutor in 1995, Mr. Kim uncovered boxes full of cash that Mr. Chun had entrusted to a magnate, in a case that exposed collusive links between politics and business.

Two years later, Mr. Kim moved to Samsung, where he became its chief in-house lawyer and earned millions of dollars before resigning in 2004. By November, he was the force behind the biggest crisis yet for the family of Lee Kun Hee, Samsung's chairman.

In media interviews or statements issued through the priests, Mr. Kim said Samsung had huge slush funds hidden in accounts opened in his and other Samsung executives' names. He did not just claim to have uncovered the corruption; he said he had actively participated, bribing prosecutors and helping fabricate court evidence to cover up Mr. Lee's illegal transfer of Samsung shares to his son and heir, Jae Yong.

Samsung declined to comment for this article. But it has denied the accusations, calling them "groundless" or "defamatory." Those cited as bribe-takers all denied wrongdoing.

But some aspects of accusations have been confirmed. An anti-corruption aide to Lee Myung Bak's predecessor as president, Roh Moo Hyun, said Samsung had once delivered him a cash gift of 5 million won, or $5,000.

Special prosecutors have been questioning the son and aides of Samsung's chairman, and they have raided Samsung's offices. They have discovered hundreds of stock and bank accounts, opened under the names of Samsung executives, the origins and purposes of which they are investigating.

Mr. Kim says his motive is to repent and expose corruption. But he is far from being a universal hero. In South Korean society, where attacking the organization one belongs to is considered betrayal and whistle blowers are an unknown species, many consider him a disgruntled crank.

A request for an interview with Mr. Kim was declined. But on March 12, when he visited the special prosecutors for questioning, he told reporters: "No, I didn't take pictures or get receipts when I gave the bribes. I said I had bribed them. What more evidence do you need?"

Public animosity has plagued the top South Korean businesses, which are perceived to have grown rapidly on favors and corrupt ties with politicians. Management is often handed over from father to son. Recently, experts said, such sentiment has increasingly focused on Samsung.

Unlike other conglomerates like Hyundai and Daewoo, which either split up or dissolved during the Asian financial crisis in the late 1990s, Samsung has emerged as the largest by far.

Park Heung Sik, head of the Citizens' Association Against Corruption, said that most South Korean news outlets were playing down Samsung's scandal because of its force in advertising revenue, a view shared by the Journalists' Association of Korea.

The tradition of businesses doling out cash gifts, especially during major holidays, is so entrenched, and conglomerates have been rocked by scandals so often, that "every South Korean believes that what the priests say happened really happened," Mr. Park said.

"Unless we eradicate this problem, President Lee's talk about making South Korea a truly advanced economy is nothing but a day dream," he said.