



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
JANUARY 6, 2006**

**CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
HEATHER TASKER, BRIDGET KELLY
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FBI
CHRISTINE MONACO,
JAMES MARGOLIN
(212) 384-2715, 2720**

**U.S. ARRESTS SOUTH KOREAN NATIONAL CHARGED WITH
RECEIVING MILLIONS OF DOLLARS IN CONSPIRACY
TO ACT AS UNREGISTERED AGENT OF IRAQ**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director in Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the arrest and unsealing of new criminal charges against TONGSUN PARK, a South Korean citizen, in connection with PARK's participation in a conspiracy to assist the Government of Iraq during the creation of the United Nations' Oil-for-Food Program. The charges are contained in a criminal complaint filed under seal on December 22, 2005, and unsealed today in Manhattan federal court. PARK was arrested earlier today by agents of the FBI in Houston, Texas.

According to the complaint, which amends a prior complaint unsealed on April 14, 2005, PARK and another individual, who is now a cooperating witness ("CW-1"), agreed to work together on behalf of the Government of Iraq beginning in or about October 1992. They were to promote a program under which Iraq — then the subject of United Nations sanctions imposed following the 1990 invasion of Kuwait — could sell limited quantities of oil, and use the proceeds of those oil sales to purchase humanitarian goods. CW-1's role in this scheme was to serve as the intermediary to, among others, the Government of Iraq. PARK's role was to serve as the intermediary to United Nations officials, including a high-ranking United Nations official ("U.N. Official #1"). In his capacity as United Nations intermediary, PARK arranged meetings during 1993 between himself,

U.N. Official #1, and CW-1, including one such meeting at U.N. Official #1's Manhattan apartment. In addition, PARK and CW-1 arranged a 1993 meeting in Geneva, Switzerland between U.N. Official #1 and two representatives of the Government of Iraq.

As set forth in the Complaint, following these meetings, PARK and CW-1 continued to negotiate with high-ranking United Nations officials regarding the terms and conditions of a potential oil-for-food agreement between Iraq and the United Nations. In part as a result of these negotiations, the Security Council of the United Nations Security Council adopted Resolution 986 on April 14, 1995, which authorized Iraq to sell oil and use the proceeds to purchase humanitarian goods, all under the supervision of the United Nations. Iraq consented to Resolution 986 only after more than a year of negotiations as to the particular methods by which the Resolution was to be implemented. From 1996 through 2003, Iraq sold vast quantities of oil in connection with the United Nations' Oil-for-Food Program, under terms and conditions that PARK had helped to obtain for the Government of Iraq.

At no time during the course of conducting these activities in the United States on behalf of the Government of Iraq did PARK register as an agent of the Iraqi Government with the Attorney General, as required by federal criminal law.

As alleged in the Complaint, PARK received at least \$2 million from the Government of Iraq as compensation for his efforts with CW-1 on behalf of the Government of Iraq. A large portion of PARK's payments were in the form of cash delivered by means of diplomatic pouches to representatives of the Government of Iraq in Manhattan for PARK's ultimate benefit. It was understood, among PARK, CW-1, and the representatives of the Government of Iraq, that some of the money PARK received from the Government of Iraq would be used by PARK to "take care" of U.N. Official #1.

PARK is charged in the Complaint with conspiring to commit wire fraud, to act as an unregistered agent of a foreign government without notifying or registering with the Attorney General of the United States, and to launder the criminal proceeds derived from these offenses.

PARK will be presented before a United States Magistrate Judge in Houston federal court on January 9, 2006.

Mr. GARCIA stated: "Saddam Hussein's government paid off TONGSUN PARK to corrupt the oil-for-food program from its inception. PARK's arrest is an important step in the federal

government's efforts to bring to justice those who broke U.S. law in undermining the humanitarian purpose of that program."

Mr. MERSHON stated: "The charges announced today allege that TONGSUN PARK was instrumental in the corruption of the U.N. Oil-For-Food program, which ultimately proved to be a cash cow masquerading as a humanitarian aid program. Failing to register as an agent of a foreign government, Park actively lobbied U.N. officials to establish the program, while extracting millions of dollars from profiteering Iraqi officials for his efforts. The FBI remains committed to rooting out this kind of egregious misconduct, which was not only illegal, but unconscionable."

Mr. GARCIA thanked the FBI for its assistance in the investigation of this matter.

Mr. GARCIA said that the investigation is continuing.

Assistant United States Attorneys Edward O'Callaghan, Stephen Miller, and Michael Farbiarz are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.