

Cooptation in South Korea

An Explorative Criminal Networks Analysis of the Park Geun-hye Case

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Introduction

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The Republic of Korea has been scenario of corruption involving the highest levels of the public administration. Not only during the dictatorships after World War II but also during recent democratic governments, systemic corruption has been observed at the core of South Korean public institutions. Despite efforts adopted during the last decades, some of which are discussed below, high level public and private officials are currently involved in acts and processes of corruption. As observed in the case analyzed herein, although these situations usually involve some of the most powerful corporations of Korea -or chaebols-, it doesn't mean that public officials are passive agents who only receive bribes to provide privileges and benefits to private agents.

Cases of corruption involving high profile officials, such as the one involving president Park Geun-hye can be categorized as “grand corruption” due to the large amounts of public resources affected (Transparency International, 2016). However, the network analyzed in this paper is not only sustained on bribery, but in diverse forms of exchange of favors and intangible benefits throughout the coordination of public and private agents involved. In this sense, considering the involvement of diverse nodes/agents that establish a variety of types of interactions, the structure can be better defined as macro-corruption and institutional co-optation (Garay Salamanca, Salcedo-Albarán, & Macías, 2018d). Bearing this in mind, this paper is an initial effort to apply criminal networks analysis to understand the illicit structure of interactions between public and private agents involved in the case of corruption related to the president Park Geun-hye; specifically, this analysis shows that the case can be better

understood as a situation of institutional cooptation given the diversity and complexity of its elements (Garay Salamanca, Salcedo-Albarán, & Macías, 2018d).

“Cases of corruption involving high profile officials, such as the one involving president Park Geun-hye, can be categorized as grand corruption due to the large amounts of public budget affected.”

Criminal Networks Analysis, as applied herein, is a set of theoretical, methodological, and algorithmically protocols developed by SciVortex Corporation in which qualitative sources are systematized to elaborate models of illicit networks (Vortex Foundation & SciVortex Corp., 2020). This approach, sustained on social networks analysis (Degenne & Forsé, 1999; Carrington, Scoot, & Wasserman, 2005; Csermely, 2006; Borgatti, Mehra, Brass, & Labianca, 2009), has been applied to models in which nodes referred as nodes/agents represent individuals and corporative agents, and lines represent interactions among nodes/agents. Resulting network models, such as the one presented and analyzed herein, inform about the most relevant types of interactions, and the most relevant nodes/agents that articulate large-scale networks or super networks (Salcedo-Albarán & Garay-Salamanca, 2016; Salcedo-Albarán & Garay-Salamanca, 2021).

In this case, criminal networks analysis consists of systematizing reliable media sources that informed facts about the prosecutions and convictions against the nodes/agents involved in the case. Usually, the criminal networks analysis is applied to judicial records; however, in this case those records weren't available for public access. This systematization results in a list of interactions (LdI_ParkCase) that is arranged according to the basic syntactic structure of an interaction: (i) Active node/agent, which is the source of the interaction, (ii) Interaction, defined through a verb, and (iii) Passive node/agent, which is the target of the interaction. Then, the database (LdI_ParkCase) is used to generate the graphs herein presented, and to calculate centrality indicators such as those discussed in fourth section. Specifically, the centrality indicators herein calculated and analyzed are: (i) direct centrality indicator, which informs the percent number of

direct interactions established by each node/agent, and the betweenness indicator, which informs the capacity of each node/agent to intervene in the geodesic routes of the network (Carrington, Scoot, & Wasserman, 2005). The direct centrality indicator allows identifying the hub, or the most connected node/agent of the network (Degegne & Forsé, 1999; Carrington, Scoot, & Wasserman, 2005), and the betweenness indicator allows identifying the structural bridge, which is the node/agent with the highest capacity to intervene in the routes (Csermely, 2006).

This paper has five sections. The first section is this introduction. The second section is a contextualization of the situation of corruption in South Korea, including some relevant economic and historical elements. In the third section it is presented the case of corruption involving president Park Geun-hye. In the fourth section the main characteristics of the criminal network model are analyzed. The fifth section includes a final discussion and conclusion.

Corruption During South Korea's Early Government Functions

2

After the division of South and North Korea through the 38th parallel at the end of World War II, the United States appointed Syngman Rhee to be the first president of South Korea from 1948. Several corruption cases happened during Rhee's terms in office, including an electoral fraud on March 15th, 1960, that led to an outbreak among student activists and grassroots organizations, which was shut down by a military coup. Additionally, the body of a Masan high school student, Kim Ju-yul, surfaced in the freezing waters of Masan, found deceased with an aluminum tear gas shell in his right eye. It was later revealed that the police, operating under Rhee's dictatorship, had wrapped a rock around the deceased Kim and thrown him into the Masan ocean during the protests. The revelation triggered Korean student activists who promoted a revolution in April, consequently leading to Rhee leaving the country 1960.

Succeeding Rhee's dictatorship, president Park Chung-hee reached power in 1961 also through a coup d'état. According to Seo (2018, p. 605), Park Chung-hee's term in office was the darkest era in the recent Korean history and the beginning of "contemporary Korean social and political problems" since the country was led by an oppressive military dictatorship. However, after Park's assassination in 1979, subsequent presidents such as Chun Doo-hwan and Roh Tae-woo were also found guilty with various charges. Chun, who also took over the presidential position through a military coup, was sentenced to death with charges of mutiny and treason (The Economist, 1996), but those were later dropped. The Kwangju Uprising, like the Masan protests during the 1960s, occurred as the Korean military seized the state. Han (2005, p. 999) points out that special emergency measures such as the "*nationwide marital law, prohibition of political activities, dissolution of the National Assembly, and total censorship*" were implemented. As paratroopers attacked the student protesters with deadly violence, the Kwangju Uprising also turned into a massacre. On the other hand, Roh

Tae-woo, president between 1988 and 1993, was found guilty and was sentenced to 22 years of prison, for taking part of military actions alongside Chun, as Chun's protégé and colleague at the military academy (The Economist, 1996). With several cases of corruption such as bribery paid by corporations while serving their terms in office and also for crimes against state, Chun was fined \$270 million and Roh was fined \$350 million (The Washington Post, 1996); additionally, other former presidents' aides, as well as nine businessmen were found guilty of collecting bribes and were convicted to prison. Other military affiliates were also found guilty and convicted under crimes committed during the coup (The Economist, 1996).

Despite the democratic regime that was backed by the United States during the Cold War to prevent the spread of communism by the Union of Soviet Socialist Republics, South Korea was scenario of continuous dictatorships characterized by corruption, at least until mid to late 1990. Yoon (2012) points out that the people who have devoted their lives to defend democracy and fight against military regimes of presidents such

as Kim Dae-jung and Kim Young-sam, didn't know how to operate fully democratic institutions, mainly because people were "*focused only on procedural democracy rather than the statesmanship*"; this situation led to "*a lack of understanding related to parliamentary politics, relations with opposition parties, and the media*" (Yoon, 2012, p. 2).

2.1. Corruption during Recent Democracy After Coup D'état

To understand South Korea's recent history of democracy, You (2016) analyses the comparative trends of democracy, inequality, and corruption with Taiwan and the Philippines. In the 2019 Corruption Perception Index (CPI), Taiwan ranked 28th out of the 198 countries, being the least corrupt and received the score of 65 out of 100; South Korea ranked as the 39th country and received the score of 59 out of 100, and Philippines, out of the three compared countries had the lowest score, with a 113th ranking and a score of 34. Additionally, the Worldwide Governance Indicators, which provides a data summary of surveys submitted by enterprises and citizens, showed that South Korea belongs in the category for Control of Corruption, receiving a grade of 0.60 in Governance and 71.56 in its Percentile Ranking during 2018. This has been a steady improved grade, compared to the period when South Korea received 0.47 in Governance, 70.39 in Percentile Ranking in 2008 and a 0.61 in Governance and 71.56 in Percentile Ranking in 2013.

Usually, there are trends of high corruption among many countries in their earlier stages of democracy following its independence, such as in South Korea after the World War II. Additionally, although democracy is settled to prevent and correct corruption, democratic nations are prone to high exposure to corruption due to the intricate check and balances of the autonomous system, as well as the economic inequalities and imbalances that lead to quid-pro-quo (You, 2016). These quid-pro-quos may sustain anomalous political practices as clientelism, which allows exchanging unregulated or illegitimate favors between leaders and their associated voters, with the purpose of securing political support. Theoretically, in consolidated democracies, most quid-pro-quo situations are regulated and, therefore, are not necessarily illegal or corrupt, neither even illegitimate. However, in countries such as South Korea, Taiwan, and the Philippines, being young democracies, corruption is a permanent phenomenon, observed through “*vote-buying in cash, gifts, entertainment, free tours, etc.*” (You, 2016, p. 9).

Unlike a dictatorial country in which the country’s power is under the control of one person and his/her inner circle of decision takers, democratic countries have multiple institutions, laws and rules which assure adequate checks and balances between state branches. In the case of young democratic countries such as South Korea or Taiwan, economic development has been closely related to corruption. For instance, South Korea developed a type of corruption known as “dividend collection”, in which fractions of profits earned by private enterprises and corporations are transferred to government officials as a payment of favors (You, 2016).

According to Wedman (1997), “dividend collection” consisted in transferring certain percentages of profits that are given from privately owned corporations to government officials, to obtain special policies, norms and favorable treatments, as a method for these private entities to obtain preferential but unjustifiable benefits. However, dividend collecting encouraged capital outflows and allowed corrupt government officials to set economic policies and regulations that supported irregular practices and promoted the interests of

some private but key corporations that were relevant for the country's economic growth (Wedeman, 1997).

Dividend collections coincide with the high relevance for the South Korean's economy, which is highly dependent on some privately-owned and powerful conglomerates such as Samsung Electronics, Hyundai Motor Company, LG Group, known as chaebol. Khanittha and Deunden (2017) state that even now, Chaebols and political leaders have been thriving through patronage systems, in which both obtain incentives from the government, including financial support, soft loans, subsidies as well as tax benefits (Hongprayoon & Nikomborirak, 2017).

“Economic support flowing from *chaebols* has been closely related to corruption during the adoption of democracy”.

As a result, economic support flowing from chaebols has been closely related to corruption during the transition to democracy. According to Choi (2018), as the country changed from an agricultural economy with a per capita income lower than \$100 United States Dollar (USD), to a technology-intensive economy, South Korea's economy soared to an estimate of a per capita income of \$30,000 USD in 2016. In this success period, under the main goal of economic growth, “*the Korean government mobilized strategic national resources and intervened aggressively into the markets, connecting itself to large businesses*” (Choi, 2018, p. 304). Since Chaebols are a critical element to explain economic development, at the same time they are also closely related to systemic corruption.

2.2. South Korea's Corruption Act: Improper Solicitation and Graft Act, or the Kim Young-ran Act Compared to Singapore's Corruption Acts

“Nine months after adopting the Improper Solicitation and Graft Act, a survey indicated that 7 out of 10 people had a positive perception of the Act”.

In South Korea, public officials are prosecuted under charges of corruption through the Improper Solicitation and Graft Act (청탁금지법) or the Kim Young-ran Act (김영란법), which prevents corruption from occurring by workers in the public sectors, regardless of their title and age. According to Han (2018, p. 654), improper solicitation *“binds fair and upright performance of duty by a public servant performing his or her duty to violate the law, abuse his or her position or authority.”* Passed in 2015, the Kim Young-ran Act makes it illegal for public workers to exchange food valued over 30,000 won (around USD \$25.17) and gifts valued over 50,000 won (around USD \$41.96).

Before the Improper Solicitation and Graft Act, various anti-corruption laws and bills were passed, including the Act of Special Treatment for Improper Accumulation for Wealth in 1961, Public Service Ethics Act (공직자윤리법), which was adopted in December 1981 for public officials to report and disclose gifts received, to maintain fairness, prevent conflicts of interests, and to be ethical towards public and general interests. The Kim Young-ran Act essentially complements previous anti-corruption bills and acts, and explicitly entails that *“no person shall make any improper solicitations to any public servant, performing his/her duties (...) upon receipt of an improper solicitation, a public servant, etc., shall clearly express his/her intention to reject it; and if the same improper solicitation is offered again, even after being*

rejected, then he/she shall report such action to the head of the relevant institution” (Han M. , 2018, p. 648).

Nine months after adopting the Improper Solicitation and Graft Act, a survey indicated that 7 out of 10 people had a positive perception of the Act, as it had the purpose of suppressing corruption and unlawful activities (Han M. , 2018). However, despite the Act’s efforts to limit corruption and prevent illegal solicitation, there have been countless controversies surrounding it and the Act has been challenged due to the removal of the clause pertaining to the public officials’ conflict of interest (Han M. , 2018).

Like the anti-corruption laws in South Korea, Singapore, a country considered to be the least corrupt among 48 Asian countries, has its own anti-corruption laws and strategies. In the 2019 CPI, Singapore ranked as the 4th country with the lowest perception of corruption and obtained the score of 85 out of 100. According to Quah (2016), Singapore has managed to lower their levels of corruption because of the People’s Action Party (PAP) and its government’s political will to enforce the Prevention of Corruption Act, regardless of the affiliation, ranking or the status of the people committing criminal offenses pertaining to corruption. Additionally, offenders in Singapore are sentenced accordingly based on the law and cannot be pardoned by the president; in fact, Singapore’s judiciary does not offer any suspensions for jail time to these offenders. On the contrary, according to Quah (2016), South Korea’s main causes of corruption are the government’s lack of will, the perception of low risk, and the generous leniency to sentencings if caught. According to the Corrupt Practices Investigation Bureau (CPIB), a Singaporean anti-corruption government agency, “*a person*

convicted of an offence under the PCA shall be liable to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 5 years or to both, for each count of corruption,” and government employees convicted with criminal offenses in relation to corruption “shall be liable to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 7 years, or to both, for each of the corruption offence” (2020).

Unlike Singapore’s perception of corruption and bribery as a “*high risk, low reward*” activity, South Korea’s perception of corruption and bribery is a “*low risk, high reward*” activity (Quah, 2016). While Singapore’s PAP leaders have been convicted on corruption and bribery, such as the Minister for National Development Tan Kia Gan who was stripped away from his position and public appointments in 1966, or the Minister of State for Environment Wee Toon Boon who was sentenced to four and a half years in prison and a fine of SGD \$7,023 in 1975, South Korean judiciary system has been lax (Quah, 2016), at least until the prosecution against president Park Geun-hye. Although in South Korea people “found guilty of accepting bribes greater than 50 million won (USD \$50,000) would be imprisoned for longer than ten years, while those who had accepted bribes between 10 and 50 million won (USD \$10,000-50,000) would be jailed for more than five years”, court sentencings have imposed penalties related to charges for corruption and bribery that can be judged as softer rather than stricter (Quah, 2016).

The “Park Geun-hye- Choi Soon-sil” Gate

3

Park Geun-hye, the first female president and Park Chung-hee’s second daughter, was accused of abusing power through “*coercion, bribery, and leaking of government secrets*” (Chang & Park, p. 1), which later led to her impeachment in 2017 (Griffiths, 2017) after massive protests against her regime (Fifield, 2016). In 2018 Park Geun-hye was sentenced to 24 years in prison under charges of bribery (Sang-Hun, 2018); then, in January 2021 the South Korean Supreme Court upheld the sentence (Kwon & Hollingsworth, 2021).

Besides allegations to Park taking participation in cult related activities, the primary reasons for the protests were Park’s actions in relation to the abuse of her power in which she extorted money and requested donations from chaebols such as Lotte, Samsung, Hyundai, and SK Group, as well as Park’s actions of sharing political secrets to her old friend Choi Soon-sil, who also happened to be an unofficial aide. The uncovering of Park’s actions resulted in several opposition marches and demonstrations that

reached one million people (The Economist, 2017) and caught national and international attention.

Prior to her presidency in 2013 and the infamous “Park Geun-hye–Choi Soon-sil gate scandal” in 2016, Park got to know Choi Tae-min, a South Korean cult leader of the “Church of Eternal Life,” which combined religious elements of Shamanism, Buddhism and Christianity. Also known as the “Korean Rasputin”, Choi Tae-min became a close family friend to the Park family. Choi Tae-min soon became Park’s mentor, after her mother’s death in 1974 (BBC, 2018). Following her father, Park Chung-hee’s assassination in 1979, Park Geun-hye had heavily relied upon Choi soon-sil, due to loneliness of her family’s death and the lack of people around her; since then, Park and Choi were close friends.

Still unknown to the public in 2012 during Park’s election, Choi came to light when her computer hard drives were taken a hold of, “*from a vacated office previously used by Ms. Choi*” (BBC, 2018). In the computer there were traces of Park’s speeches, submitted by her, to request for Choi’s edits and approval. Additionally, Park had confirmed and confessed in a

press conference that Choi had helped in editing and writing parts of Park’s speeches while Park was elected to office. Additionally, Park also confirmed that Choi contributed to helping write her campaigning speeches, as well as public relations speeches during the presidential election (YTN News, 2016).

During Park’s years in office, she had close ties alongside with Choi, and famous and wealthy businessmen and chaebols, such as Lotte Group’s Chairman Shin Dong-bin, Vice Chairman of Samsung Electronics Co. Lee Jae-yong, Chung Mong-koo Chairman and CEO of Hyundai Motor, as well as the Chairman of SK Group Chairman Chey Tae-won. As discussed below, in the case of Samsung Electronics, it was found that the Chairman Lee Jae-yong had been caught in relation to a bribe after purchasing three horses for Choi’s equestrian daughter, Chung Yoo-ra, and managed to provide aid to foundation that were used as façade firms (Kim T.-h. , 2019). With the charges of providing around 8.6 billion won (7 million USD) to both Park and Choi, Lee was “*seeking government support for his attempt to solidify his control over the Samsung business empire.*” (Kim T.-h. , 2019). Despite

getting a reduced sentencing of 1.5 years in prison from the Seoul High Court, Lee was freed soon after in early 2018

“overturning key convictions and shaving the bribe total by more than a half” (Kim T.-h. , 2019).

Like Lee’s case and his participation in bribery, Lotte Chairman Shin Dong-bin was at the center of the public’s attention after being intertwined by both Park and Choi. Shin Dong-bin, who was the CEO of South Korea’s fifth largest conglomerate, was accused of bribery for his own personal benefit. The court found that this personal gain happened to be Shin’s offering a bribe money of 7 billion won (around USD \$6.5 million) to former president Park (CNBC, 2018). This favor was requested in to *“win the state license to open a duty-free shop and to strengthen his control over the group. Lotte has interests in retail and many other businesses”* (CNBC,

2018). Similar to Lee, the Seoul High Court sentenced Shin to 2.5 years in prison.

The convictions were small for these conglomerates participating in Park and Choi’s corruption scandal, which made South Korean citizens and the public disappointed and angered, especially when the Sewol Ferry tragedy occurred in 2014, causing 304 deaths, 250 of them being high school students. This impactful and emotional event caused deeper pain to South Koreans, as well as to the families who lost their family members from this tragic event occurred under Park’s regime. To many South Koreans, the ferry sank in greed due to corruption and complete fault in Park’s administration, and the incident became a national trauma to the South Koreans who watched the incident unraveling in real time.¹

1. The Sewol Ferry set off from the port of Incheon carrying around 443 passengers and 33 crew members in the late evening of April 15, 2014. Scheduled for an overnight journey, the ferry was set to sail to Jeju Island, around 440 kilometers away from Incheon (Jeong, 2019). Among the 433 passengers, most of the passengers were both high school students and teachers from Danwon High School, who were on a school field trip to the Island. What was expected to be a highly anticipated trip, turned into a nightmare in the morning of April 16, 2014. After the students and passengers enjoyed their breakfast at around 8 a.m. (KST), the ferry neared the Maengol Strait (맹골수도) just before 9 a.m. The Maengol Strait, a narrow channel just between Jindo Island and Maengol Island, is around 4.5 kilometers width and is labeled with the second highest current in South Korea, with 6 knots (Kim S. , 2015) alongside with strong underwater currents. As the ferry took a sharp turn as it neared this channel, the ferry started tilting towards the water, startling the passengers. As the ferry began sinking, the students and passengers on the Sewol Ferry were told to keep still where they were at and not to move, as it would be dangerous (Hancocks, Pearson, & Shoichet, 2014). However, as water of around the 12°C (53.6°F) continued to rise within the ferry, it was found that the students and some passengers who disobeyed the orders from the loudspeakers, managed to survive. Before the Sewol completely submerged into the waters at around 1:00 p.m., it was found that around 300 people out of 443 passengers remained missing for more than 12 hours, after the submerging of the ferry (NBC News, 2014).

“During the prosecution, it was found that Park had been fabricating her whereabouts, to justify her slow and late response to the sinking ferry”.

During the trials, it was found that the captain was the first leaving the sinking ferry and that the cargos were twice the legal limit. Additionally, it was also uncovered that the crew lied about the weight of the cargo and that they “*failed to properly secure the cars, trucks and shipping containers to the decks*” (Choe, 2019). Additionally, some of these cargos were not even secured for safety and others used unstable ropes rather than the reliable chains, which undermined the safety of their passengers. Also, during the prosecution it was found that Park had been fabricating her alibi, to justify her slow and late response to the sinking ferry (Lee, 2018); however, her lies were caught during the prosecution. The angered South Korean public questioned why Park was not briefed earlier about the issue of the sinking ferry and deemed the controversial seven hours, where she was not responsive; a “seven-hour mystery,” as Park refused to explain her whereabouts during the most crucial time where many, if not all the passengers could have been saved from the sinking ferry.

In fact, the Seoul Central District Prosecutors’ Office later uncovered that the crisis management center at the Blue House was notified of the Sewol Ferry at around 9:19 a.m., which was shared among the presidential aides at 9:24 a.m. through a text message system (Korea JoongAng Daily, 2018). After the first situation report was completed by the Blue House’s crisis management center at 9:57 a.m., another alert was sent to Park’s home at 10:12 a.m. and the report, “left on a table outside the room” (Korea JoongAng Daily, 2018), had never been seen, as Park had been in her bedroom allegedly sleeping (Korea JoongAng Daily, 2018).

When Park had received the briefing through her phone, she gave out an order to verify there were no casualties; however, it was already 10:22 a.m. and too late to rescue the passengers on the ferry, as the ferry had already tipped at around 108 degrees (Korea JoongAng Daily, 2018). Soon after the trials, the captain on the ship, who was the first to flee the ferry and told the rest of the passengers to stay still without moving, was sentenced to 36 years in prison for negligence.

The Park Geun-hye Network

4

As mentioned, former president Park Geun-hye was prosecuted and convicted under charges of corruption and abuse of power; however, the model presented and analyzed herein is based on media sources due to the lack of access to public official documents of indictment and conviction. In this sense, the model herein referred as “Park Geun-hye Network” is an initial effort to understand the underlying structure that sustained this complex case of corruption, favoritism, abuse of power, coercion and clientelism. As explained in the introduction, the model is based on excerpts of the prosecution covered by media outlets in South Korea.

4.1. Structure

The modeled network consists of 44 nodes/agents that established 69 interactions, as illustrated in the Figure 1. The 44 nodes/agents include 35 (80%) categorized as private and 9 (20%) as public officials at the highest levels of the executive branch, since the case directly involved the President. As observed in the Table 1, the 35 private nodes/agents include 12 organizations: 4 large corporations or chaebols, 4 companies, and 4 foundations.

Figure 1. “Park Geun-hye Network”. Size and location of the nodes/agents represent the betweenness indicator.

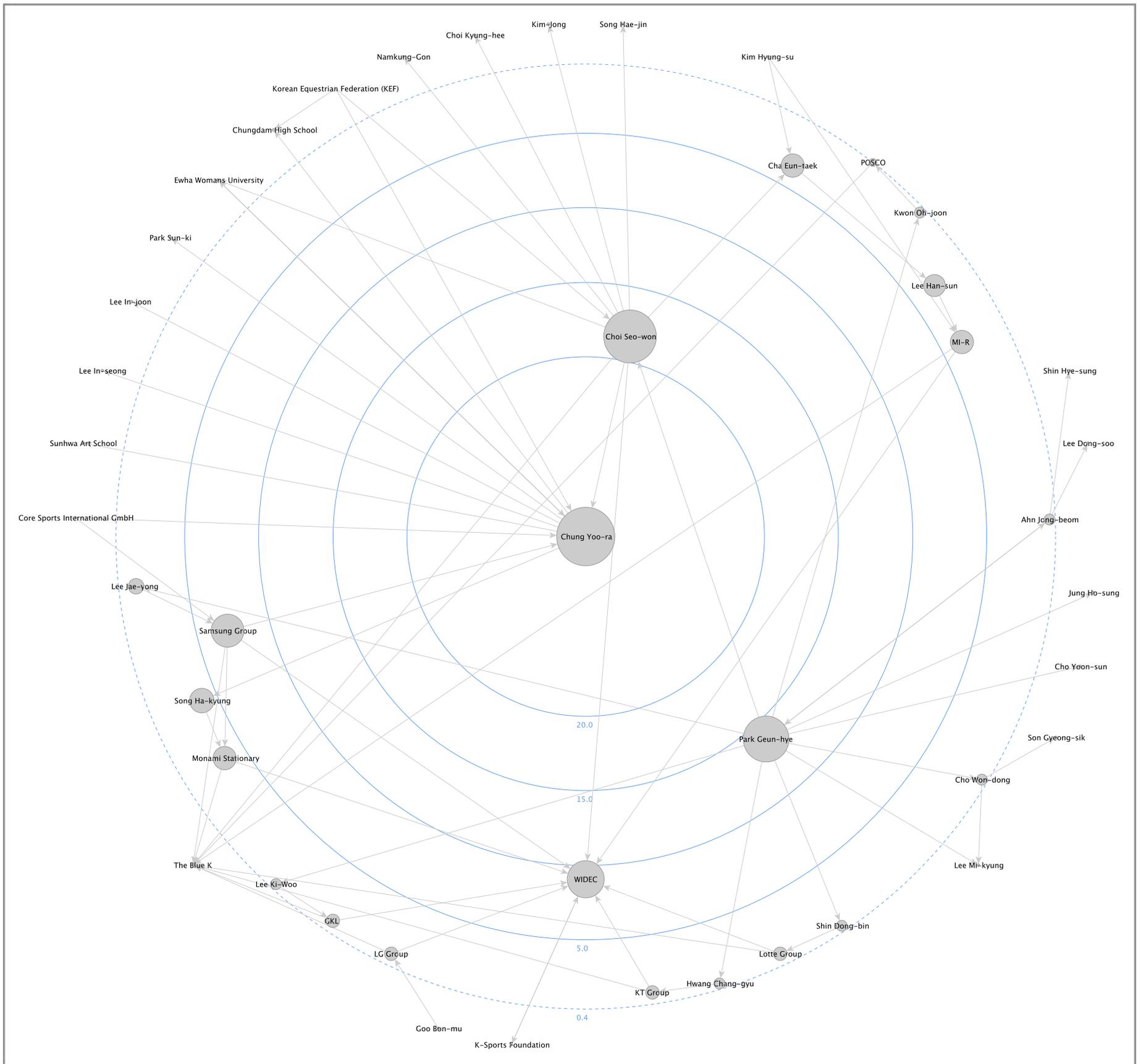


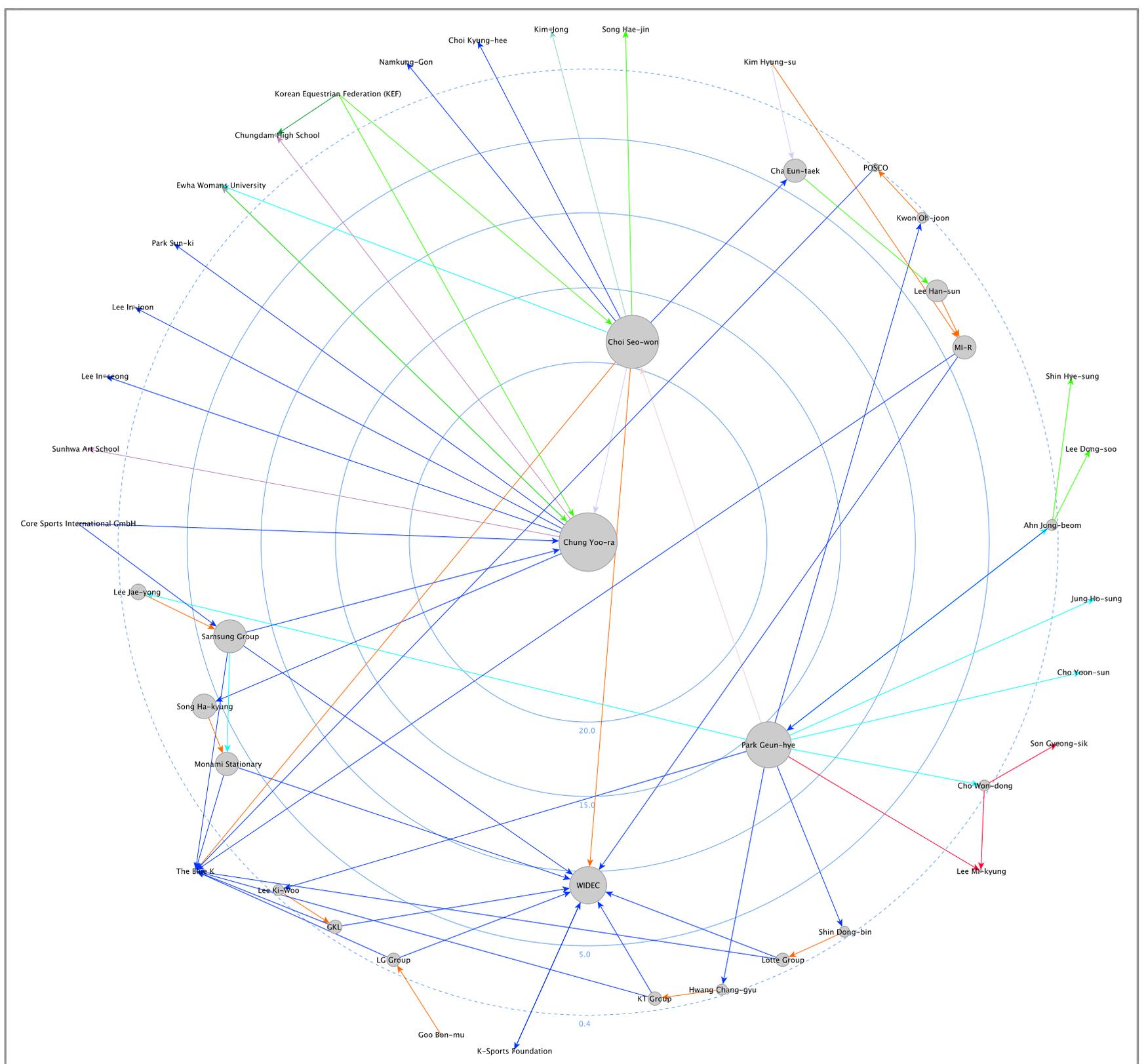
Table 1. Private nodes/agents, “Park Geun-hye Network”.

Private nodes/agents	Amount
Corporations	4
Foundations	4
Business Conglomerate - CEO	4
Business	3
CEO	3
Professor	3
University Affiliate	3
Vice Chairman	2
Business - Consulting Firm	1
Officials	1
University	1
University President	1
Chairman	1
Equestrian	1
Ex-President's Confidant	1
Music Video Director	1
Official	1

Among the 12 organizations, it is necessary to stress the role of 2 façade foundations established with the specific purpose of channeling and hiding bribes: “the Blue K” and “WIDEC”, ran by Choi to receive and hide bribes that were legalized as contributions. For instance, Ms. Choi established the Blue K in January of 2016 as “a sports management company (...). With the backing of Ms. Park and Mr. Ahn, she coerced the conglomerate Lotte into donating \$6 million for a sports complex that the company hoped to build and manage. In February, Ms. Park asked the steel maker Posco to help Ms. Choi’s company; under pressure from Mr. Ahn, Posco agreed to create a fencing team so that the Blue K could manage it” (Sang-Hun, 2018). In the Figure 2 it is presented with blue lines the structure

of those payments formally made as “contributions” and “donations” to both foundations; as observed, the blue lines flow from the corporations to the nodes/agents the “Blue K” and “WIDEC”.

Figure 2. “Park Geun-hye Network”. Size and location of the nodes/agents represent the betweenness indicator. Blue lines represent interactions consisting of “bribes”, “bribes paid as contributions” and “logistic for paying bribes”. Orange lines illustrate legal representation of private companies. Light green lines represent networking through “favors”, “hiring” and “introducing”.



However, as observed in the Table 2, the 69 interactions include interactions not limited to the payment of bribes, since some of them inform about abuse of power exercised by former president Park and her confident Choi, who even influenced corporative decisions as those related to the resignation of directors of corporations. Additionally, some interactions inform about quid-pro-quo agreements that do not involve direct corruption or bribery but facilitate a situation of cooptation; for instance, Chung Yoo-ra, Choi's daughter, constantly received favors from the university where she studied and also from the Korean Equestrian Federation.

Table 2. Interactions, “Park Geun-hye Network”.

Category	Amount
Corruption - Paid bribery as contribution	17
Corruption – Bribery	14
Corporative structure - Represents	9
Accomplice	4
Favors	3
Studies at	3
Threatens - Influences in corporative decision	2
Conspiracy	2
Abuse of power - Hires	2
Corporative structure - Owns and represents	2
Coercion	2
Threatens	1
Logistics - coordinate bribery	1
Mentors	1
Co-worker	1
Introduction	1
Abuse of power	1
Favors - Signs falsified documents	1
Family - mother	1
Provides classified information	1

Those favors apparently had the purpose of gaining power of influence towards her mother, Choi, due to her privileged access to President Park, and therefore contributing to promote a situation of cooptation behind a quid-pro-quo relationship. As a result of the favors provided by the University, “*Choi Kyung-bee, Ewha’s former president, and Namkung Gon, the university’s former head of admissions, (...) received shorter prison terms on Friday for providing Chung favorable treatment*” (Tong-Hyung, 2017).

4.2. Centrality indicators

As observed in the Table 3, Chung Yoo-ra, Park Geun-hye, and Choi Seo-won register the highest direct centrality indicators, accounting for a total of 26,09% out of the direct interactions in the network, while the set of five nodes/agents with the highest indicator account for 39,85%. Among these three nodes/agents, Chung Yoo-ra is the hub of the network, considering that media outlets informed extensively about the favors she received from professors and directors at her school. However, to understand the operation of the network, it is also important to identify those nodes/agents with the highest capacity to intervene in flows of resources, as presented in the Table 4.

Table 3. Nodes/agents with highest direct centrality indicator, “Park Geun-hye Network”.

Node/agent	% direct centrality
Chung Yoo-ra	9.42
Park Geun-hye	8.70
Choi Seo-won	7.97
WIDEC	7.25
The Blue K	6.52
Total	39,85%

Table 4. Five nodes/agents with the highest betweenness indicator, “Park Geun-hye Network”.

Node/Agent	Betweenness %
Chung Yoo-ra	22.4
Choi Seo-won	18.31
Park Geun-hye	13.83
WIDEC	9.09
Samsung Group	7.11
Total	70.74

Despite the relevance of corporations in the network of corruption, the three nodes/agents with the highest indicator of betweenness are individuals. Additionally, it calls the attention that the node/agent with the highest indicator of betweenness, and therefore with the highest capacity for arbitrating resources in the network, is also Chung Yoo-ra, Choi’s daughter, with 22.4% and therefore located in the nucleus of the Figure 2. As mentioned, this fact can be explained because the modeled network includes prolific information published by the media outlets about the favors that Chung Yoo-ra received from

the Ewha Womans University, the Korean Equestrian Federation (KEF) and even the Sunhwa Art School; the latter, a School where she only attended 86 out of 205 days of classes during her third year (옥현주, 2016). However, Chung Yoo-ra not only received favors from the Ewha Womans University and the Korean Equestrian Federation (KEF), but also money. In fact, prosecutors established that Samsung funded USD \$18 million to the consulting firm Core Sports International GmbH, controlled by Choi, apparently with the purpose of developing “(...) *an Equestrian Team, including overseas training of athletes to prepare for 2018 Asian Games and World Equestrian Games; [although] the team was meant to include six riders with 12 horses, Samsung’s contract says, but never grew beyond Chung and her coach, according to lawmakers on a parliamentary committee investigating the presidential scandal*”. As a result, most of the funds that Samsung paid ended up in Chung Yoo-ra’s account or in the purchase of a horse valued in 1 million euro (Miyong Kim, 2016).

The second node/agent with the highest betweenness indicator is Choi Seo-Won (18.31%), who had privileged access to President and, therefore, intervened in several geodesic routes in which money and favors between private and public nodes/agents flowed; therefore, Choi appears close to the nucleus in Figure 2. As it has been pointed out, despite lacking an official public position, Seo-Won used her ties with president Park to interfere in State affairs and to obtain irregular personal profits; in fact, she “*was convicted of exploiting her ties with Park to force 50 companies to cough up a combined 77-point-four billion won for two of her nonprofit foundations*” (KBS World Radio, 2020). Although the initial prosecution and conviction included not only charges of corruption but also coercion against the

companies, in 2020 the Korean Supreme Court upheld the charges of corruption that included bribery and abuse of power and dismissed the charges of coercion (KBS World Radio, 2020).

The third node/agent with the highest indicator of betweenness is the former president Park Geun-hye, with 13.83%. The fact that despite having the highest public position in the network Park doesn't register the highest betweenness indicator, can be explained because she didn't establish direct interactions with the corporations involved in the network related to giving instructions, or requesting bribes; instead, all the interactions were made through Seo-Won, who registered the highest indicator. As expected, the fourth node/agent is WIDEC (9,09%), one of the foundations that Seo-Won established in Germany and Korea to receive, channel, and hide bribes as contributions. Together with Samsung, which was one of the chaebols involved in the network, these five nodes/agents with the highest betweenness indicators intervene in 70,74% out of the total geodesic routes through which resources such as money and favors flowed.

Final Discussion

5

Despite the lack of direct access to public records describing the judicial process, this initial model provides interesting insights about the dynamics of cooptation involving the highest levels of political and economic institutions in South Korea. For instance, as observed in several other countries, the network not only reveals a situation of traditional grand corruption (Rose-Ackerman, 2002; Transparency International, 2016), but a situation of cooptation between key players operating at the highest institutional positions of the Korean State. This means that the situation is not limited to public agents that abuse the Korean public budget, or private corporations that bribe public agents to obtain administrative favors; instead, in the analyzed case public and private agents coordinate their goals to obtain benefits through diverse procedures sustained on the actions of “gray” nodes/agents such as Choi Seo-won, who operate in a thin divisive line between legality and illegality.

The “Park Geun-hye Network” cannot be explained without the key role of Seo-Won, who established a bridge between public and private spheres; in the same sense, Chong Yoo-ra, her daughter, was also a key player in charge of channeling and hiding bribes. These two nodes/agents obtained personal profits through bribes and received other types of favors and privileges despite lacking any official public position. Those nodes/agents with the highest indicators of betweenness operated across “structural holes” (Burt, 1992); therefore, they are structural bridges who efficiently articulate agents across (i) private and public, (ii) political and economic, and sometimes even (iii)

legal and illegal sectors. Commonly, these structural bridges that connect previously isolated networks (Csermely, 2006) are “grey agents” that cannot be defined as entirely public/private or lawful/unlawful agents, because their organizational and institutional roles do not coincide, which means that they sometimes operate within legal organizations to promote unlawful institutions (Garay-Salamanca & Salcedo-Albaran, 2015). In this sense, the concept of “institutional cooptation”, which has been useful to understand macro and super networks of corruption (Garay Salamanca, Salcedo-Albarán, & Macías, 2018d), allows acknowledging that the relevant nodes/agents involved are not exclusively public or private, and do not interact only through bribery.

“Structural bridges usually link lawful and unlawful agents and networks”.

As pointed out, structural bridges usually link lawful and unlawful agents and networks. This has been observed specially in cases of grand corruption, with macro and super networks of corruption in which economic profits are so large that sophisticated money laundering is required. In general, as economic profits flowing through bribes and other types of economic interaction are larger, more sophisticated money laundering schemes to avoid domestic and international controls from authorities are required. This sophistication commonly consists of establishing additional layers of companies, such as WIDEC, to transfer money through fake contracts and transactions before it can be used by the final individual beneficiaries. Although the sources analyzed herein do not evidence sophisticated money laundering schemes besides the establishment and use of a few façade foundations, it is critical to analyze

additional information to understand how Choi Seo-Won, Chung Yoo-ra and Park Geun-hye channeled the money after arriving to the façade foundations and before they could effectively legitimize it and use it. Additionally, the situations of cooptation observed in this case is so intense that it includes a form of patrimonialism that “*shows the corruption of governance structures, designed to maintain the status quo by capturing the public sector power, structure, and resources*” (Nishijima, Mori Sarti, & Célia, 2019). In fact, the intense patrimonialism and neo-patrimonialism observed in Latin America is defined as hyper-presidentialism, it is, “*a system of government with strong presidents facing limited institutions*” (Simonović, 2018), which coincides with the presidential interference registered in the model.

It is also important to call the attention on the fact that the prosecution against Choi Seo-Won and Chung Yoo-ra took into consideration the favors received from educational institutions such as Ewha Womans University. Commonly, these flows of social capital are omitted during prosecutions and convictions of agents involved in corruption, given the difficulty to irrefutably demonstrate that those flows were relevant for sustaining the illicit network; as a result, prosecutions and convictions usually focus on the payment of bribes and tangible resulting favors, instead of also charging and judging informal types of interactions. The approach of omitting the flows of social capital -through intangible favors, networking, family ties, friendship, and other informal affiliations- hinder understanding the real complexity of corruption networks. As observed herein, those flows of social capital are pivotal

for understanding the articulation of large-scale networks of corruption. Therefore, the investigation and analysis carried out during the prosecution against President Park, which considered several types of favors that Choi Seowon and Chung Yoo-ra received, may provide useful insights and inputs for judicial cases that involve macro and super networks of corruption in the Western Hemisphere, such as the “Lava Jato network” (Garay Salamanca, Salcedo-Albarán, & Macías, 2018d) or the “Venezuela network” (Salcedo-Albarán & Garay-Salamanca, 2021).

In any case, as previously mentioned, it is critical to access and apply criminal network analysis to the judicial records of prosecution and conviction to understand the real complexity of networks of institutional cooptation that have affected South Korea, as well as the challenges that authorities face worldwide when prosecuting super networks of corruption that involve highest official positions.

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