

Oak Lawn Elementary will inspire others in search for knowledge.●

TRIBUTE TO GERALD H. LIPKIN

● Mr. LAUTENBERG. Mr. President, today I want to pay tribute to a good friend and exceptional leader in the business community, Gerald H. Lipkin, as he is honored with B'nai B'rith International's Corporate Achievement Award.

B'nai B'rith, one of the oldest Jewish organizations in our nation, has long recognized model citizens for their contributions in the areas of business, politics, philanthropy and the arts. By conferring this prestigious award for Corporate Achievement on Gerry Lipkin, B'nai B'rith is recognizing his contributions to his community, his business savvy and generosity.

Gerry, like me, came from humble beginnings, he from Passaic and I from Paterson. But we both made our way in the world of business. From a young age, Gerry knew what his passion was as he worked his way through school, earning an undergraduate degree in economics at Rutgers University as well as a master's in business administration at New York University.

His business acumen is exemplified by his success at Valley National Bank, a leading financial institution with 97 branches in Northern New Jersey. Gerry began his career there in 1975 as Senior Vice President, and steadily rose to hold the joint positions of Chairman, President and CEO. Valley National has been nominated by U.S. Banker's magazine as the second most efficient bank and eighth overall best performing banking company out of America's 100 largest.

Beyond his business accomplishments, Gerry's philanthropic contributions to New Jersey and to causes across the globe are widely acknowledged, as is his keen sense of humor!

Gerry has been a staunch supporter of an organization close to my heart. For 15 years he has been involved with the Lautenberg Center in Jerusalem, Israel, serving as a board member and supporting its work on cancer and immunology research. I founded the Lautenberg Center at Hebrew University-Hadassah Medical Center in 1968. And twenty years later, Gerry was honored with the "Torch of Learning Award" in 1988 for all that he has contributed.

Gerry's volunteerism does not end there. He is also a trustee of the Beth Israel Hospital in Passaic, where he has served for 21 years, and sits on the board of trustees of Daughters of Israel Geriatric Center. Gerry is on the nominating committee of the Federal Reserve Bank of New York and the Foundation Board of William Paterson College, which honored him with its Legacy Award in 1994.

Mr. President, Gerry and I also both share a love of trains. Gerry's are miniatures, while I have an affinity for larger ones. At this point, I think Gerry has more trains than Amtrak, so

maybe I should take transportation pointers from him in the future.

I couldn't be happier to extend my congratulations to Gerry, and his wife Linda, for receiving this great honor. And I want to thank B'nai B'rith for recognizing Gerry's professional success and his exemplary service to New Jersey.●

THE CASE OF BONG KOO CHO

● Mr. SARBANES. Mr. President, I would like to bring to the attention of my colleagues the case of Mr. Bong Koo Cho, whose property was confiscated by the Government of Korea in 1984. His daughter, my constituent, Sally Cho, is a U.S. citizen and resident of Maryland who has been actively involved in the effort to recover property. Recently, the Los Angeles Times published an article about the case which details the plight of Mr. Cho and his family, and I would ask that the full text of the article be printed in the RECORD.

The article follows:

[From The Los Angeles Times, Sunday, Mar. 1, 1998]

FROM AFAR, A ONETIME MAGNATE SEEKS REDRESS

(By Henry Chu)

Lawsuit: In a case filed in L.A. County, a S. Korean industrialist claims the Seoul government and a rival firm conspired to take his business.

From the window of his small Westside apartment, Bong Koo Cho can gaze out at the ocean, but only in his mind's eye can he look across to the life and land he left more than a decade ago.

Then, Cho was one of South Korea's wealthiest businessmen, the owner of Samho, one of the nation's biggest conglomerates, and the head of a sprawling estate in the heart of Seoul. Chauffeurs drove him around. Maids waited on his wife.

But in 1984, his world was overturned. The government abruptly declared Samho insolvent and confiscated the entire construction empire, seized the family burial plot for good measure, and handed his business to a rival firm. Already in the U.S. for medical reasons, Cho had no choice but to stay, reduced in health and lifestyle.

Now, the former entrepreneur and his family have sued to recover their money and property, alleging that a conspiracy between the South Korean government and their rival company drove them out of business. In exchange for huge kickbacks, the Chos say, South Korea's leaders concocted the bankruptcy charge against Samho, then divided the spoils—nearly \$2 billion worth in current value—among their friends.

The case is unusual in that the Chos are seeking redress in Los Angeles County Superior Court even though the actions in question took place 6,000 miles away.

But more than that, the lawsuit provides a unique rearview-mirror look at the kinds of economic practices that first turned South Korea into an economic power, and have now led to its humiliating downfall.

Cho's was one of the numerous companies confiscated during the South Korean government's "rationalization" of industry in the early 1980s. As told by the Cho family, the episode exemplified the history of collusion between South Korea's government and business leaders, whose cozy relationship means that political influence, nepotism and plain

old graft enrich the well-connected at the expense of a totally free and open market. The International Monetary Fund, which is now bailing out the nation's economy, has demanded an end to such practices.

Critics call the system "crony capitalism." Cho calls it something else.

"This was highway robbery," said Cho, now 78. "And it was a very simple thing: The government just wanted a kickbacks"—which Cho said he refused to pay.

What will not be so simple, legal experts say, is proving his case, given that 14 years have elapsed since Samho was swallowed up by a company called Daelim Industrial. Added to that is the difficulty the Cho family may have in arguing that a California court, rather than a South Korean or even U.S. federal court, is the proper forum for them to air their grievances.

"It's certainly an odd and difficult case for a California state court to hear," says Greyson Bryan, an international business lawyer in Los Angeles. "It's a very sensitive matter for an American court to become involved in an area that's essentially diplomatic and political in nature."

But Phil Trimble, a UCLA professor of international law, said there is precedent for plaintiffs to seek justice in the U.S. for illegal actions taken in foreign countries, particularly if the actions violate international law. For example, South American nationals have successfully sued their government in U.S. courts for human rights abuses, such as torture.

But those lawsuits filed in federal court and directed against the foreign governments themselves rather than private parties, as is the case in the Chos' lawsuit, which names as defendants the two companies involved in Samho's transfer.

The Chos' attorney, John Taylor of Santa Monica, counters that the Chos are now U.S. citizens who are entitled to relief within the state judicial system. According to Taylor, the defendant companies used their ill-gotten gains to expand overseas, including in California, which gives the state a stake in ensuring that the companies doing business here were established legally and that residents like the Chos are compensated for any past wrongs.

"We feel jurisdictionally the money's here, [and] the Chos are in the United States," Taylor said. The lawsuit has yet to be assigned to a judge or served on defendants, pending its translation into Korean.

At the time of its 1984 takeover, Samho ranked No. 9 on the list of South Korea's biggest chaebols, or conglomerates. Specializing in construction and infrastructure, the company built thousands of housing units in Seoul; helped install the city's subway; owned golf courses and a resort hotel; and had major contracts in the Middle East.

Its success represented the rags-to-riches rise of its founder, Cho, the son of minor landlords who fell on hard times when he was a child. After running his first business at age 19, Cho scraped through World War II—he hid in a Buddhist monastery to escape the Japanese imperial army draft—then expanded his textile business, set up South Korea's first sheet-glass factory and bet on a land boom by slowly acquiring more than 1,000 undeveloped acres in downtown Seoul by 1960.

"I could've bought more, but something like that would have raised eyebrows," he said. "I was raising eyebrows as it was. That's a pretty massive holding."

In 1970, Cho launched into construction on his many properties in South Korea, amassing a fortune in real estate. In 1975, he founded Samho, which concentrated on lucrative government-ordered housing projects in Kuwait and Saudi Arabia worth more than \$1.5 billion.