



Incheon Airport customs seized counterfeit Japanese Yen Bonds worth 11 trillion won disguised as a special delivery cargo package allegedly containing commercial paper.

On March 21, Incheon Customs arrested Mr. Chun, a Korean American (62) trying to smuggle 11 trillion won worth of bonds and forged documents disguised as a special delivery package in violation of customs law. Authorities are looking for an accomplice identified as Mr. Hong and three others who are still at large. Customs officials are also investigating leads on thousands of counterfeit Taiwanese bonds worth approximately 1 trillion won as well as \$100 million worth of counterfeit US bonds they also suspect have been smuggled. Authorities believe the suspects have previously been involved in smuggling counterfeit US Treasury bearer bonds issued in the 1930's. The counterfeit bonds they were caught smuggling this time were allegedly issued by Japan and Taiwan.

Apparently, Mr. Chun established a fraudulent charitable organization in South Korea: The H. Martin Foundation, which claims to be working to aid the world's needy children. The foundation, which has a Philippino front person has recruited people from Korea, Japan, The United States, China and Taiwan for the purpose of smuggling counterfeit bonds. Now their fraudulent intent has been revealed.

The suspects are also charged with scamming a Mr. Yu, CPA. They entered into an arrangement with Mr. Yu claiming that they would invest the necessary funds to acquire a golf course in Korea with Mr. Yu. The suspects then proceeded to defraud Mr. Yu by demanding and receiving payment for expenses such as staying in Korea, notary fees, etc. The expenses claimed totaled approximately 14 billion won.

It has also been revealed that Mr. Chun engaged in numerous scams by proffering certificates of deposit and gold certificates allegedly issued by foreign banks. He also gained the confidence of victims by bragging about his close relationship with important people in politics and business and claiming to be a participant in large scale national development projects.

While only counterfeit US bonds were used by the suspects in the past, now they are also using forged bonds allegedly issued by Japan and Taiwan.

Customs officials emphasized caution so as not to fall victim to a scam such as this.