

April 23, 2003

Release Set for Man Accused of Spying for North Korea

By CALVIN SIMS

A local businessman was scheduled to be released on bail on Wednesday after he was arrested two months ago and accused of being an agent for North Korea and secretly providing information to it.

The businessman, John Joungwoong Yai, a naturalized United States citizen who lives in Santa Monica, Calif., was set to be released on \$400,000 bond, after a ruling by a federal court last week that he was not a flight risk, as prosecutors had contended.

Magistrate Judge Victor B. Kenton of Federal District Court said that the information Mr. Yai is accused of passing to North Korea was nothing more than newspaper clippings and public documents available on the Internet.

Mr. Yai, 59, still faces federal charges of failing to register as an agent of a foreign government, of failing to report bringing more than \$10,000 in currency into the country and of making false statements to United States customs inspectors. If convicted of the charges, Mr. Yai faces a maximum sentence of 30 years in prison.

William Genego, Mr. Yai's lawyer, said his client had provided North Korea with the information, including newspaper articles on United States policy toward the nation, as part of his efforts to help reunify the Koreas, which have been divided along the 38th parallel since 1953.

The lawyer said that at the time Mr. Yai sent the information to North Korea, the country did not have access to the Internet. He said the federal government would be "hard pressed" to prove that Mr. Yai, whom friends and associates described as a peaceful family man, was a spy.

Mr. Yai's case comes amid rising tension between the United States and North Korea, which the Bush administration says has reactivated its nuclear program and developed nuclear weapons. President Bush has expressed disdain for North Korea's leader, Kim Jong Il, in much the way he did for Saddam Hussein.

In addition to the case against Mr. Yai, another espionage scandal is unfolding in Southern California. A former F.B.I. agent and a bureau informant accused of being a Chinese double-agent were arrested in Los Angeles on April 9. The authorities said the F.B.I. agent, James J. Smith, had allowed a prominent local businesswoman, Katrina Leung, whom he recruited as an informer, to gain access to secret material that she then passed on to China.

Federal prosecutors have not accused Mr. Yai of providing North Korea with any sensitive material, and his supporters said today that if nothing else, his detention raised questions about how the government had "exploited" his case.

The Rev. S. Joseph Paik, pastor of West Anaheim United Methodist Church, who has worked with Mr. Yai on efforts to reunify the Korean peninsula, said his friend was being made a "scapegoat" for the North Korean nuclear issue.

"He's not a spy, and he poses no danger to the United States," Mr. Paik said of Mr. Yai. "He is a very honest and reliable person who loves his family."

Mr. Genego said the government had focused on his client to send a message to others who might support North Korea. In a court filing, Mr. Genego cited an F.B.I. document that said the bureau's Los Angeles field office sought criminal charges not to send Mr. Yai to jail, but to "neutralize" him and "send a message to other supporters of North Korea in the United States."

Federal prosecutors, who declined a request for an interview, said in court filings that Mr. Yai had provided information to the North Korean government about American military, economic and political trends. They also contended that he was trying to recruit other Korean-Americans to work for North Korea's Communist government.

For his work, prosecutors said, Mr. Yai received \$18,000 in cash from North Korean intelligence agents in Europe. He and his wife, Susan Youngja, were accused of not declaring to customs inspectors that they had more than \$10,000 in currency when they returned from a trip to Vienna and Prague.

The prosecutors said Mr. Yai had filed reports to North Korea analyzing the Bush administration's policy toward the country as recently as January. In the January report, the court papers said, Mr. Yai wrote that the Central Intelligence Agency was trying to make contact with employees of Western embassies stationed in Pyongyang in an effort to determine whether North Korea had activated a nuclear facility.

Esther Kim, a reporter for The Korea Daily, a Korean-language newspaper in Los Angeles, said Mr. Yai's detention had come as a shock to the Korean-American community here, the largest in the United States. "It was the first time that one of our own had been accused of espionage," she said.

Ms. Kim said that based on her reporting in Los Angeles's Koreatown district, the community was split 50-50 on whether Mr. Yai was guilty. "Everyone is eagerly awaiting the outcome of all this," she said.

Photo: John Joungwoong Yai, charged with spying for North Korea, was scheduled yesterday to be released. Above, Mr. Yai's wife, Susan Youngja, and son, Dennis Yai, left federal court in February after bail was first denied. (Associated Press)