

Samsung heir's 5-year corruption sentence is a big deal for South Korea

By **David Gilbert** Aug 25, 2017



In a rare criminal conviction for a South Korean business mogul, the heir to the Samsung empire was sentenced to five years in prison for bribing the government, in a case linked to the impeachment of disgraced former president Park Geun-hye — and one seen as a bellwether for South Korea's readiness to tackle the corruption and graft that has long plagued its government.

Lee Jae-yong, South Korea's third richest man, has already vowed to appeal the sentence, and while some experts believe the verdict could be the beginning of a change in South Korea's relationship with all-powerful conglomerates — known as chaebols — which have wielded huge political power over the country for decades, others believe there is simply no appetite for bringing these companies to heel.





Rosalind Chin
@RozChin

Bigger and louder! Pro-Park Geun bye, pro- Jay Y Lee protesters around the corner [#seoul](#) [#Samsung](#)

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Inside the court Lee remained emotionless when the sentence was handed down, but outside Lee's supporters were loudly proclaiming his innocence, with up to 800 riot police on hand to control supporters and protesters. Many Lee supporters, holding Korean and U.S. flags, were shouting for the businessman to be found not guilty while calling their opponents "North Korean communists" — an indication that many are still willing to turn a blind eye to corruption.

"There are a lot of people who still think Samsung is Korea, that Samsung's well-being will define Korea's well-being — and a lot of people do not want to see chaebol reform," Geoffrey Cain, the author of an upcoming book on Samsung, told VICE News.

These chaebols hold a huge amount of power due to their importance to the Korean economy. For example, in 2012 Samsung alone represented 20 percent the country's \$1.1 trillion economy. "An awful lot of people work for the chaebol, and their involvement in so many areas of life means that many people are, if not dependent on them, bound to be affected by any changes involving them," Jim Hoare, associate fellow of the Asia programme at U.K.-based think tank Chatham House, told VICE News.





Jihye Lee 이지혜

@TheJihyeLee

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Lee was convicted of a string of charges, including bribery, embezzlement, hiding assets overseas, concealing profit from criminal acts and perjury. The main focus of the case was large donations made by Samsung to foundations run by a close friend and confidant of Park, in return for political favors.

“The crux of this case is close collusion between political and capital powers,” the court said Friday in its verdict. “It appears to be difficult for the people to recover from disappointment in that collusive ties between the president and a large conglomerate existed not in the past, but in the present.”

Park, now held at Seoul Detention Center, was tried in May and will find out her fate later this year, when she faces a possible life sentence.

Because Lee was sentenced to more than three years, the judge cannot commute the sentence, meaning unless it is overturned on appeal, Lee will have to serve jail time — something seen in South Korean society as bringing shame on his family.

“It is just shocking that the heir to the Samsung empire is now going to be a convicted criminal serving out prison time,” Cain said. “He is not going to get off easily, he is going to have to fight his way through this.”

In the past, chaebol leaders in South Korea — including Lee’s own father — have been sentenced to less than three years in prison with the sentence suspended so they don’t have to actually serve any jail time, before seeking a presidential pardon — which they inevitably obtain. With Lee allowed a maximum of two appeals, many are not not holding their breath that he will be behind bars for long.

“Korea has a history of crony capitalism, and businessmen can usually get away with the sentence, so the public is not too optimistic about what will happen to the boss of

Samsung in this case,” Joseph Fan, a professor at the school of accountancy and department of finance at the Chinese University of Hong Kong Business School, told VICE News.

Since being elected in the wake of Park’s impeachment, Moon Jae In, South Korea’s new president, has been making a lot of noise about reforming the system which has seen chaebol leaders forge close ties to government officials with a complete lack of transparency.

However, so far those pledges remain just that, as none of the proposals have so far made it to the parliament floor for a vote.

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