Grandmother Business: the Scandal is Flaring Up

In October 2020, an important change occurred in the situation that surrounds the issue of “comfort women”. Starting in 2021, subsidies for housing and healthcare services will be provided directly by the government of the Republic of Korea to the “victims of sexual slavery during WWII”.

These issues are currently dealt with by a nongovernment organization called the Korean Council for Justice and Remembrance for the Issues of Military Sexual Slavery by Japan (Korean Council); however, even before this year ends the controls imposed on its expenditures will become stricter. Specifically, subsidies will be paid out each month, and not once every six months the way it was up until now. This is due to the fact that the country’s prosecutor's office is currently investigating financial violations committed by the organization that caused a very high-profile scandal, and revealed a very unsightly side of the "grandmother business" that involved patriotic activists from the Korean Council, and others, getting fat off government payments.

For those that have not followed how the scandal took shape, it is worth remembering the time line. In May 2020, 93-year-old Lee Young-soo, one of 16 surviving comfort girls, leveled accusations at the Korean Council and its former director, Yoon Mee-hyang, that the NGO that Yoon presided over for three decades misappropriated public funds earmarked for its charges, and treated them harshly. By this time, Yoon had successfully switched her position as director of the council for a seat as a parliamentary deputy for the ruling party, which granted her immunity during sessions.

Even back in May, the Korean Council was forced to apologize when it came to light that property it had - a “treatment facility” in Gyeonggi Province that it had purchased for 750 million wones - was not used to provide shelter to women in need but instead by NGO leaders for seminars and banquets.

Shortly afterwards, civic organizations lodged complaints against Yoon and several other officials that belonged to that group, accusing them of embezzlement and fraud.

On May 30th, Yoon publicly apologized for the scandal, but denied the allegations. Moreover, she condemned the suspicions that arose about her and the Korean Council as part of a “pro-Japanese conspiracy”.

The investigation took a long time, and over that period, among other factors, the leadership at the Seoul Western District Court & Prosecutors' Office, which had been handling the case, was succeeded by others. It stands to reason that the Blue House spoke out in favor of putting forth all charges only after a thorough investigation - something which conservatives deemed a hidden desire to derail the process.

But the ruckus was raised, and on August 13th, 2020 the Supreme Prosecutors' Office of the Republic of Korea, for the first time since the scandal erupted, summoned Yoon Mee-hyang for questioning about the charges of embezzling public donations. The questioning lasted for more than 11 hours.

Investigators’ attention was also drawn to a shelter run by the Korean Council in Mapo District in Seoul. It turned out that the bookkeeping had been done negligently, and the donations were used to expand the facility and assets held by the NGO, instead of spending the money for the benefit of the elderly women. And, “in keeping with fine tradition”, they were kept in a personal bank account.

Ultimately, on September 14th Yoon was charged with eight counts of embezzlement, fraud, and related charges, inasmuch as not even intervention by the President was able to turn black into white:
Yoon Mee-hyang is accused of unlawfully collecting 360 million wones (304,000 USD). The donations were collected on her personal bank account.

And then spent in an inappropriate manner. According to the prosecution, Yoon spent 100 million wones of those donations and government subsidies on her personal needs. Yoon admitted that the expenses for her daughter’s overseas education totaled 100 million wones (most likely that same money).

Yoon also allegedly misappropriated about 42 million wones from the council’s operating expenses.

In 2013, the NGO bought 800 square meters of land and a two-story house for use as a shelter in Anseong, in Gyeonggi Province, for 750 million wones, and recently sold it for 400 million wones. In reality, the purchase price was significantly lower, especially since the property was bought through connections: the person who told Yoon Mee-hyang about the house was a member of the ruling Democratic Party that knew Yoon’s husband. At that time the house belonged to Lee’s former colleague.

Yoon forced her grandmother, Keel Won-ok, who suffered from severe Alzheimer's disease, to donate 79.2 million wones to the Council that came from the 100 million wones that she had received for the Women’s Rights Prize.

Yoon and her associates monopolized the Korean comfort women’s movement for three decades to line their pockets. For example, a married couple that was on the board of directors at the Council earned more than 3 billion wones by monopolizing the manufacture of statues depicting comfort women.

The situation is similar with other NGOs that have this area of focus. There is the “House of Sharing” (Nanume Chip), created by the Association of Korean Buddhist Orders and run by Jogye, the largest order, where five comfort women lived whose average age was 95. In 2015-2019, its management raised about 8.8 billion wones (7.43 million USD) in public donations. Donors willingly made donations hoping to give assistance to women who have experienced difficult lives, however, the investigation done by one special-purpose “research group”, composed of government officials and civilian experts led by law professor Song Ki-jung, showed that only 2.3% of all the donations were used to cover the victim’s living costs. The rest was used to purchase land for the construction of memorial centers, parks, and other facilities, or earmarked for future construction projects. 2.6 billion wones were spent on purchasing land plots, expanding various facilities, and constructing an exhibition center and Memorial Park. Nearly 5 billion wones in funding were allocated to build another nursing home.

As Son remarked at a press conference on August 11th, 2020 that the fundraising process was vague to a great extent, and the total amount (of funds) and how they were used was not properly disclosed. In addition, the shelter did not declare the more than 1 million USD in donations to the Ministry of the Interior and Safety, as required by law. What is even more lamentable is that the investigation found evidence of verbal abuse on the part of the guardians towards some of the sick victims that had difficulty speaking and walking. They even maltreated the elderly victims if they did not obey their commands.

Some historical archives, such as photographs, paintings, and letters, were left unattended. Those included one original document that was supposed to be sent to the National Archives, but was in poor condition due to moisture.

What does the daily activity performed by the Korean Council look like versus this backdrop? Weekly rallies continue, but with a minimum number of participants, which is officially due to a surge in coronavirus infections. Potential participants are invited to watch the event live on YouTube, and conservative NGOs are holding their pickets nearby.

Basically, the conservatives have taken a firm handle on this scandal. The conservative Joong Ang Ilbo writes that taking the indictment into account, there should be no leniency for Yoon Mee-hyang. From their point of view, far from everything possible has been unearthed, and it is time not just to indict Yoon, but to remand her into custody. In addition, the investigation was unable to trace the sources of funding for the houses that Yoon bought with cash, or track the exact flow of money from the donations and government subsidies.

Ideally, Yoon should step down from her position as a deputy, and everyone who defended her - and insulted the elderly woman who leveled accusations at her - should apologize to the public. The legislation on NGO activities need to be revised so that new reporting rules can help prevent this kind of fraud.

The government decided to take over caring for these elderly women precisely in the context of these requirements. And there are only 16 - let them live out the rest of their days surrounded by genuine caring.

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