(SBU) President Park Tearfully Offers Another Apology, Disbands Coastguard for Failed Response to Sewol Sinking: President Park Geun-hye on May 19 apologized again during a national broadcast for the government’s failed response to the Sewol tragedy, pledging to improve safety and eliminate the type of perceived corruption that stems from cozy relationships between regulators and industry, according to Yonhap. The JoongAng reported that the tragedy has raised questions about Park’s leadership style and noted the widespread criticism she faced in regards to the questionable sincerity of her initial apologies. In an unexpected move, in today’s address Park said she will disband the country’s coastguard due to its failed response to Sewol, and place its responsibilities under the management of other government entities. In the future, maritime investigation will be handled by the National Police Agency, and safety, rescue and guard duties will be the responsibility of the national safety ministry, according to Yonhap. The normally stoic Park openly displayed tears and emotion as she read the names of those who perished, most of whom were high school students. Park’s support numbers took a significant hit in the wake of the Sewol sinking, falling from 59 to 46 percent, and her negatives rising from 28 to 41 percent, according to Korea Gallup. Local election season will officially begin May 21, with numerous mayorships and governorships up for grabs in the June 4th vote.

(SBU) ROKG to Release U.S. Navy Salvage Engineers from Sewol Ferry Scene: The ROKG announced on May 19 that the two U.S. navy salvage engineers that have remained on-site for Sewol Ferry clean-up operations will be released from service. The engineers no longer have a role to play because commercial entities are now overseeing the salvage operations. The two engineers remained behind to provide expertise after the ROKG released the USNS Safeguard from recovery efforts on May 15.
NR

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SECRET

Summary

1. (C) President Obama’s successful summit with ROK President Park Geun-hye April 25 produced a Joint Fact Sheet highlighting the many specific areas of our global partnership. This cable takes stock of current embassy and Washington efforts to advance these objectives as well as additional suggestions to advance these agreed goals in concrete ways before three multilateral summits in Asia in November (G-20, APEC, and EAS), recognizing that in the few weeks since the President’s visit the Park administration has lost public support over a tragic ferry accident.  


MRN: 14 SEOUL 497
Date/DTG: May 21, 2014 /210815Z MAY 14
From: AMBASSADOR NEIL H. DUGARD, JR.
Action: WASHDC, SECSTATE ROUTINE
TAGS: PREL, PGOV, ECON, ETRD, ENRG, TRGY, MARR, KS, KN, CH, JA, CIVIS, TSPA, KGHD
Subject: Between the Summits: Advancing a U.S.-ROK Action Agenda Before November
3. (SI) these are politically sensitive issues for a Park administration now weakened by the aftermath of the ferry tragedy.
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Environmental Cooperation

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20. (C) Oceans: The Republic of Korea is an important nation on oceans, maritime, and arctic issues. As our administration looks to raise the profile of these issues, the ROK should be a key partner. However, the tragic sinking of the Sewol ferry will constrain the ROK’s ability to move forward on oceans issues in the near-term. For example, Minister of Oceans and Fisheries Lee Joo-young can no longer attend the “Our Oceans Conference” being hosted by Secretary Kerry, though he will send Deputy Minister Moon Hae-nam on his behalf. The ROK will be keenly interested in our fall 2014 biennial review of
(SBU) Major Cabinet Shuffle On the Horizon: A Cabinet shuffle is widely expected in the days following President Park Geun-hye’s May 21 return from the Middle East, and plans for a major change were confirmed by the presidential spokesperson, according to the Korea Herald. The shuffle comes amidst ruling and opposition calls for a government reboot following the perceived failed response to the Sewol sinking. Floor leaders from the ruling and opposition parties have called for significant turnover in Park’s cabinet. Even prior to the tragedy, pundits predicted the president would make changes to her cabinet ahead of the important June 4 local elections in hopes of increasing public support for her party. The Sewol incident makes the shuffle even more a political necessity, with Park hoping to show the public she is taking drastic steps to ensure future public safety, and, in turn, to boost her party’s prospects in the elections and to stem further drops in the polls. The widely expected cabinet shuffle prior to the local election will be meticulously scrutinized by both parties who will want to show they are demanding the administration make good on promises to reform safety regulations and oversight, and to punish those seen as directly responsible for the accident and the government’s perceived weak initial response. Following Park’s surprise, and some say reckless, decision to disband South Korea’s 61 year-old Coast Guard, the president appears intent on proving to the public she is serious about change, and this sentiment may be reflected in her new Cabinet postings.

REVIEW AUTHORITY: Charles Lahiguera, Senior Reviewer
From: SMART Archive
Sent: 5/20/2014 10:26:12 PM
To: svcSMARTHTSPOP3
Subject: Scenester for Admiral Greenert's Visit to Seoul

CONFIDENTIAL
Sensitive

MRN: 14 SEOUL 489
Date/DTG: May 21, 2014 / 210227Z MAY 14
From: AMBASSAD OECD SEOUL
To: WASHDC, SECSTATE ROUTINE
E.O.: 13526
TAGS: PREL, PGOV, KNIN, MARR, ECON, KPAO, KS, KN, JA, CH
Captions: SENSITIVE
Subject: Scenester for Admiral Greenert's Visit to Seoul

1.(U) Admiral Greenert, Embassy Seoul warmly welcomes your return to Seoul.

2. (SBU) Your visit comes as the ROK continues to grapple with the consequences of the Sewol ferry accident, which left over 300 killed. President Park’s approval rating suffered a significant drop in the aftermath of the Sewol tragedy, and she accepted the resignation of the Prime Minister and announced major institutional reforms, such as the dismantling of the Coast Guard and the creation of a new safety agency. As the country enters campaign season for the June 4 nationwide local elections, dissatisfaction with the Park administration and media coverage following the Sewol sinking, accused of being both insensitive and pro-President Park, has been expressed increasingly in recent days through small-scale protests in central Seoul.

REVIEW AUTHORITY: Charles Lahiguerra, Senior Reviewer
Page Denied
Priority on the Domestic Economy:

Although Park has also attempted to stimulate domestic consumption as a potential engine of growth, the April 16 Sewol ferry sinking tragedy has significantly curtailed consumption throughout the country.

Signature: Bassett

Classified By: Name: Sung Y. Kim, Title: Ambassador
Office: U.S. Embassy Seoul
Derived From: DSCG 11-01
Declassify On: 2024/05/21
Drafted By: DAO (Seoul), CAPT Yu, Philip W.
Cleared By: POL: Yee, Samuel S (Seoul), Moore, Dewey E
Seoul: Jassem, Daniel P (Seoul)
DAO (Seoul): COL Lovejoy, David
JUSMAG-K (Seoul): Saito, Henry
Approved By: Bassett, Leslie A
Released By: SEOUL: Yee, Samuel S (Seoul)
Info: Yu, CAPT Philip W. ROUTINE; KOREA COLLECTIVE ROUTINE
Dissemination Rule: Archive Copy

CONFIDENTIAL
Sensitive
From: SMART Archive
Sent: 5/22/2014 3:42:16 AM
To: svcSMARTHTSP006
Subject: Seoul Daily for Thursday, May 22, 2014

**SBU**

MRN: 14 MDA 4061
Date/TG: May 22, 2014 / 220742Z MAY 14
From: Bassett, Leslie A
E.O.: 13526
TAGS: ECON, ETRD, KS, KN, PGOV, PREL, NO
Captions: SENSITIVE
Subject: Seoul Daily for Thursday, May 22, 2014

**REVIEW AUTHORITY:** Charles Lahiguera, Senior Reviewer

**(SBU) ROK National Security Adviser and Intelligence Chief Resign, Prime Minister Named:** The Blue House spokesperson announced May 22 that President Park Geun-hye accepted the resignations of National Security Adviser Kim Jong-soo and National Intelligence Service Director Nam Jae-joon, noting successors will be announced soon. The opposition party has long called for Nam’s ouster related to controversy of NIS-related meddling in domestic politics. The opposition party joined by some influential ruling party politicians specifically has urged the resignation of Park’s entire Cabinet to take responsibility for the ferry response. Kim Jang-soo has enjoyed high marks as the “control tower” for President Park’s security and North Korea policy. He had come under some criticism for public remarks that the Sewol ferry tragedy did not fall under his jurisdiction.

**(SBU) Park Names Respected Former Prosecutor/Judge as PM:** President Park on May 22 named Ahn Dae-hye as Prime Minister, pending National Assembly confirmation. Ahn is a well-respected former prosecutor who gained fame for leading a high-profile investigation in 2003-2004 into the use of illegal campaign funds during the 2002 presidential election. The investigation was remarkable in that it targeted the leaders from both major political parties as well as leading conglomerates and resulted in numerous arrests. Ahn began his career in 1975 as a military Judge Advocate, led the Seoul prosecutors office during the political corruption investigation, and later was a Supreme Court justice. Ahn was selected in early 2012 by Park Geun-hye to lead her party's political reform committee after the then-party leader took over emergency leadership of the conservative party during a time of very low public support ratings. Ahn will be charged with carrying out large-scale reforms within the ROK bureaucracy to uproot "abnormal practices" seen as factors in the ROKG’s inadequate response to the ferry disaster and upgrade Korea’s emergency response practices, the Blue House spokesperson told reporters. Former Prime Minister Chung Hong-won wielded little power despite Park’s campaign pledge to bolster the power of the position. Chung resigned to take responsibility for the government’s response to the Sewol sinking.
From: SMART Archive
Sent: 5/23/2014 1:09:11 AM
To: svcSMARTHTBSPOP4
Subject: Park Initiates Broad Changes Following Steep Fall in Support Due to Sewol Sinking

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Sensitive

Classification Extended on: 03/16/2016 ~ Class: CONFIDENTIAL ~
Authority: DSCG 11-1 ~ Declassify on: 05/23/2028

MRN: 14 SEOUL 513
Date/DTG: May 23, 2014 / 230509Z MAY 14
From: AMBASSAD SEUL
Action: WASHDC, SECSTATE ROUTINE
E.O.: 13526
TAGS: PGOV, ECON, PHUM, FEMA, KS, KN
Captions: SENSITIVE
Reference: SEOL 403
Subject: Park Initiates Broad Changes Following Steep Fall in Support Due to Sewol Sinking

1. (C) Summary: The April 16 sinking of the Sewol ferry and President Park Geun-hye’s response have dramatically changed Korea’s political landscape. Following a year of high support, Park’s approval rating is in the mid to upper 40s and negative assessments of her performance rose above 40 percent. The negative shift comes at an important time with nationwide local elections coming on June 4 and polling shows that opposition candidates benefited significantly in recent weeks. The economy has also suffered with consumption declining during a period of national mourning. After nearly five weeks, Park responded with tears during a May 19 televised address and pledged to create a new safety and disaster management organization, and to reform a bureaucratic culture many view as benefiting business over the interests of the public. Moreover, on May 22 Park began significant personnel restructuring with a new prime minister nominee and the removal from office of National Security Chief Kim Jang-soo and National Intelligence Service Director Nam Jae-joong. End summary.

2. (C) Comment: President Park for more than a year outmaneuvered the opposition on almost every issue, and her support rate rose to near-record levels.
Sewol Sinking: Damages, Park and Her Party

4. (C) The ROK political landscape shifted considerably against President Park and her conservative party after the Sewol ferry sinking on April 16. With more than 300 people dead or missing, the majority of whom were high school students, Park must contend with the prospect of governing with a support rate of only mid-40s with negative assessment of her performance rose from 28 to over 40 percent. This is a stark change for a president whose pre-Sewol support was more than 60 percent. While the support rate for Park’s New Frontier Party (NFP/Saenuri) fell less significantly, many polls for June 4 elections for governor or mayor showed large swings to the benefit of opposition candidates. The swing in polls has even raised doubts whether Saenuri can hold the strongly conservative Daegu and Busan. With the drastic shift in the political landscape, a far-reaching Cabinet shuffle has been widely expected. Leading lawmakers from both the ruling and opposition parties called on Park to show responsibility through significant changes to her cabinet and advisors.

Park Replaces PM and Dismisses NSA and NIS Chiefs

5. (C) Park began her personnel reshuffle on May 22 by nominating Ahn Dai-hee as Prime Minister and removing National Security Chief Kim Jang-soo and National Intelligence Service (NIS) Director Nam Jae-jooong. Initial reaction to Ahn is mostly favorable as many remember him well for investigating illegal campaign funds used by both major political parties during the 2002 presidential election. Ahn in early 2012 also helped Park Geun-hye resurrect her parties flagging prospects ahead of the 2012 National Assembly elections. Given his reputation, Ahn appears well suited to carry out Park’s pledge for wide-ranging bureaucratic reforms intended to end complicit practices seen as factors in the ferry disaster and upgrade emergency response practices.

6. (C) The removal of NSA Kim and NIS Director Nam surprised some in that their organizations were not involved with the Sewol, but recent events damaged both.

8. (SBU) The dismissal of Kim and Nam removes two of the president’s closest advisors and opens the possibility that Chief of Staff to the President Kim Ki-choon, if he survives the reshuffle, will exert even greater influence. Kim, who has been called “vice president”, is closely tied to Park as he was the interrogator of the murderer of Park’s mother and led Korea’s anticomunist organization under Park Chung-hee. Kim became a member of the National Security Council on April 15, a move immediately overshadowed by the Sewol sinking the next day.

9. (C) President Park in her May 19 address apologized again and took responsibility for the government’s failed response to the Sewol. The normally stoic Park displayed tears as she read some of the names of crewmembers and high school students who died while helping other passengers.
Early polling indicates that the public accepted Park’s apology as sincere while the main opposition pointed out that her apology and tears came 34 days after the incident.

Wide-Ranging Reforms Pledged

10. (SBU) In her address, Park also pledged to improve the ROK’s national safety system, launch a new disaster authority, and eliminate the type of corruption that stems from relationships between regulators and industry. She held the Coast Guard accountable for the disaster in announcing that she would disband the entity. President Park plans to create a new safety organization, merging former elements of the Coast Guard and Ministry of Safety and Public Administration, to form an organization similar to the National Emergency Management Agency. During a May 20 Joint Committee Meeting on Science and Technology, Minister of Science Choi Mun-kee announced that the proposed safety organization would be modeled on the U.S.’s well-structured disaster response system, led by the Federal Emergency Management Agency. Minister Choi said that the ROK would look to the USG for guidance, knowledge, and expertise, particularly as it develops mechanisms to institutionalize interagency coordination and harnesses applicable science and technology tools such as Incident Control Systems.

11. (SBU) Park also said she would end the culture of collusion between public officials and the industries they regulate. The Sewol sinking exposed the culture of a “bureaucratic mafia” in which government officials and the business public sector. Park also called on the National Assembly to pass legislation informally known as the Kim Young-ran Bill, which seeks to punish government officials for taking bribes.

Consumption Drops as Nation Mourns

12. (SBU) The Sewol tragedy has had a significant, negative impact on the economy, as domestic consumption cooled while the nation mourns. Anecdotally, ROKG officials across the board have ceased to participate in public events and severely curtailed official travel. The cutback in activities extends beyond the government sphere. Spring festivals were cancelled; schools abandoned field trips; companies cancelled off corporate events and outings; retreats; and sporting and other cultural events were cancelled, postponed, or scaled back. Brokerage houses have cut second-quarter earnings outlooks for companies in the telecom, food and retail sectors. Credit card companies have reported a drop in transactions of up to 10 percent and market analysts report that small businesses, shops, and restaurants are feeling the pinch. In response, the Ministry of Finance announced it would front-load this year’s budget to 57 percent of the total to try to offset the drop in consumption. The Financial Services Commission also announced it would work with banks to introduce low-interest loans to assist small and medium-sized enterprises in the tourism, transportation, and hotel sectors. Overall, analysts predict that economic growth could retreat between 0.2 and 0.3 percentage points in the second quarter.

Call for Tigher Safety Regulation May Impact Deregulation Drive

13. (SBU) President Park’s push for greater deregulation to spur economic growth may slow with the shift towards greater accountability and safety. As allegations spread of corruption, lax regulation enforcement, and malfeasance at government organizations charged with managing the maritime sector, Park has publicly castigated the bureaucracy. Although most government and private sector analysts suggest that the ROKG will continue to move ahead in a low-key manner with deregulation of certain sectors, overall tightening of regulations for workplace and public safety appears inevitable. Additionally, with pervasive public distrust of officials, the government must tread carefully when implementing deregulation initiatives. Reflecting this, business associations like the EU Chamber of Commerce are advocating for less regulatory discretion and more consistent enforcement of regulations, while members of the American Chamber of Commerce are talking about the need for “right regulation.”

KRS Certified Sewol as Seaworthy

14. (SBU) ROK authorities are conducting investigations into a range of government and industry associations
affiliated with the maritime industry, including the Korea Register of Shipping (KRS), which certifies vessels. Prosecutors contend that the ship owner’s 2013 addition of more sleeping cabins raised the Sewol’s center of gravity, contributing to its instability. KRS certified Sewol as seaworthy, despite the allegedly flawed designed change. (Note: KRS is the maritime association that has previously provided dubious ship certification services to Iran, and has recently inquired about re-entering the Iranian market with the recent easing of Iran sanctions as part of the P5+1 Joint Plan of Action on Iran. End note.) Other ROKG agencies are eager to demonstrate they are free from blame. At a May 22 lunch with Embassy officers, Korean Customs Service officials noted they had no dealings with the import of the ferry since it entered Korea from Japan with a zero tariff.

**Journalists Protest Political Interference**

15. (SBU) Virtually all TV channels have been the target of severe criticism for alleged biased coverage of the Sewol tragedy. Criticism ranged from accusations that the major TV networks served as mouthpieces for the government to anger that information provided by government agencies was not verified. Moreover, the news director of the government-run Korean Broadcasting System (KBS), the largest and most influential media outlet, inflamed emotions by advising journalists that the number of ferry victims was low compared to the number of people who die in traffic accidents. Following his resignation, the former KBS news director on May 16 sparked even greater controversy and a strike by KBC journalists in stating at a news conference that KBS President Gil Hwan-young asked for his resignation due to a request from President Park. In response, KBS editors and news team leaders demanded Gil resign and began on May 19 a boycott of their newsroom jobs. The news director of Munhwa Broadcasting Corporation (MBC), the second largest network which is owned by a government organization and a scholarship foundation in which Park Geun-hye’s family is widely viewed as exerting firm control, also provoked controversy by allegedly telling MBC news editors that families of the ferry victims were as violent as organized gangsters. Despite the criticism and journalist strike, restructuring the TV networks will be difficult. All broadcast stations are subject to relicensing by the Korea Communications Commission (KCC), a government agency, every 3-5 years; therefore, none dares to be overly critical of the government.

**Government Monitors Public Criticism and Tracks Families of the Victims**

16. (U) As family members of victims continue to vehemently criticize the government’s response to the ferry sinking, the administration has responded by monitoring public response in person and online. On April 20, police prevented family members from taking a train from Mokpo to Seoul and marching to the Blue House to address President Park’s handling of the situation. Moreover, three squadrons of police officers recorded the marching family members with handheld video cameras in order to collect evidence against them. On May 19, two police officers were caught shadowing family members travelling to a meeting to discuss how to respond to President Park’s speech. Initially denying that they were police officers, they later admitted to following the family members. After the ferry sinking, the police also formed a special task force team, mobilizing more than 1,000 cyber-investigators nationwide, and subsequently ordered the deletion of dozens of Sewol-related posts online, prompting critics to allege the infringement of basic rights, including freedom of press and of expression. The National Human Rights Commission is also investigating allegations of discrimination on behalf of family members of part-time workers who were denied funeral expenses.

**Signature:**

KIM

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**Reason:** 1.4 (b), (d)

**Declassify On:** 2024/05/23

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**Released By:** SEOUL-Hines, Thomas R

**Info:** Hantman, Adam J ROUTINE ; Havens, Katharyn E ROUTINE ; Hooker, Allison M ROUTINE ; Kim, Barbara E
Dissemination Rule: Archive Copy
CONFIDENTIAL
Sensitive
From: SMART Archive
Sent: 5/29/2014 3:27:30 AM
To: svcSMARTHTSPOp7
Subject: Seoul Daily for Thursday, May 29, 2014

CONFIDENTIAL
Sensitive

MRN: 14 MDA 4241
Date/DTG: May 29, 2014 / 290739Z MAY 14
From: Bassett, Leslie A
E.O.: 13526
TAGS: PGOV, PREL, ECON, ELAB, CH, KS, KN
Captions: SENSITIVE
Subject: Seoul Daily for Thursday, May 29, 2014
(SBU) ROKG Workers Reportedly Prohibited From Taking Trips in Wake of Sewol Ferry Sinking:
ROKG officials of all levels are prohibited from taking trips that are not strictly business-related, including vacations, in the aftermath of the Sewol Ferry disaster, [redacted] told [redacted] May 29, [redacted] indicated that the ROKG issued a directive that applies to all government workers, which requires each trip to be approved by the Ministry of Security and Public Administration and that all personal travel is suspended indefinitely. [redacted] was not sure when the prohibition would be lifted and opined that this could blanket travel ban would negatively impact the tourism industry as the summer vacation season approaches.
From: SMART Archive
Sent: 7/2/2014 3:56:28 AM
To: SMART Core
Subject: Scenester for Undersecretary Stengel’s Visit to the Republic of Korea, Jul 7-8

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SBU

MRN: 14 SEOUL 1258
Date/DTG: Jul 02, 2014 / 0207542Z JUL 14
From: AMBASSAD SEOU
Action: WASHDC, SECSTATE ROUTINE
E.O.: 13526
TAGS: OVIP, KS, KPAO, SCUL, PGOV, PREL, ECON, ETRD, MARR, US, KN, ENRG, OEXC, OIIP, SENV
Captions: SENSITIVE
Subject: Scenester for Undersecretary Stengel’s Visit to the Republic of Korea, Jul 7-8

1. (SBU) Undersecretary Stengel and colleagues, Embassy Seoul warmly welcomes you to the Republic of Korea (ROK) on July 7-8 to exchange best practices with your ROK public diplomacy counterparts and engage Korean young people, who are the future of the U.S.-ROK global partnership. Your visit will be another opportunity to strengthen the vibrant people-to-people ties between our two countries.

President Park and Domestic Politics

2. (SBU) President Park has been busy on the diplomatic front since taking office with a successful visit to Washington in May 2013 followed by a visit by President Obama here in April; a red carpet welcome in Beijing; “sales diplomacy” visits to South and Southeast Asia, the strengthening of South Korea’s ties with European nations, and a speech on Korean reunification in Germany. As you read this, she is preparing to host Chinese President Xi Jinping on July 3-4 for a reciprocal summit during which the Chinese are expected to propose expanding the ROK-China relationship, particularly on trade. Park has until recently enjoyed solid approval numbers with her popularity attributed to management of foreign policy, including firm positions on North Korea and Japan and her engagement with China. Her numbers have dipped below 50 percent in the past few days due to public perceptions of the way the government responded to the April 16 Sewol ferry sinking and her unsuccessful attempts to find a politically acceptable candidate to replace Prime Minister Chung Hong-won, who attempted to resign to take responsibility for the ferry tragedy. The ferry incident has also been a distraction for her efforts to focus on job creation and economic growth in her second year in office and to work with a National Assembly that remains generally deadlocked.

Security Alliance

REVIEW AUTHORITY: Charles Lahiguera, Senior Reviewer

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<tr>
<td>Drafted By:</td>
<td>SEOUl:Byers, Brent D</td>
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<td>Cleared By:</td>
<td>SEOUl/EMB/EXEC: Sassef, Leslie A</td>
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Info:
Baskey, Alistair C ROUTINE; Battle, Tyesha D ROUTINE; deBree, Mary L ROUTINE; Loree, Jeffrey M ROUTINE; Mack-Willson, Joslyn G ROUTINE; Myers, Honora L ROUTINE; Pierre, Kathy ROUTINE; R Duty ROUTINE; Rawlings, Nate ROUTINE; Sanchez, Vickery ROUTINE; Stevenson, Susan N ROUTINE; Stout, Jennifer P ROUTINE; Anglarill, Marcia S ROUTINE; Ault, Gregory D ROUTINE; Avendator, Deidra D ROUTINE; Bell, Wyllia L ROUTINE; Carson, Renee ROUTINE; Chang, Caroline ROUTINE; Diallo, Robin D ROUTINE; Gregory, Mary E ROUTINE; Harelond, Della ROUTINE; Homann, Jacqueline ROUTINE; Houston, Jane Chongciti ROUTINE; Hudson, Patrick K ROUTINE; Jacarin, Joseph S (Jake) ROUTINE; Kenyatta, Abdul-Rahman I ROUTINE; Machak, David N ROUTINE; Moon, Judith A ROUTINE; Park, Sung-hoon ROUTINE; Christensen, Brent T ROUTINE; Clausen, Michael D ROUTINE; Cooper, Roberta T ROUTINE; Finerty, Tressa R ROUTINE; Hanman, Adam J ROUTINE; Havens, Catharyn E ROUTINE; Hooker, Allison M ROUTINE; Kang, Min G ROUTINE;
Kim, Barbara E ROUTINE; King, Robert R ROUTINE; Lewis-Young, Victoria ROUTINE;
Liles, Bridget M ROUTINE; Macer, Courtney A ROUTINE; Muehlke, David V ROUTINE;
Oba, Mintaro ROUTINE; O'Neill, Aloysius M ROUTINE; Paik, Connie Y ROUTINE;
Park, Sarah F ROUTINE; Pierce, Joshua T ROUTINE; Publicover, Andrew J ROUTINE;
Rapson, Robert G ROUTINE; Rebholz, T Katharine ROUTINE; Rosen, Zachary A ROUTINE;
Shulman, Michael A ROUTINE; Son, Min Suh ROUTINE; Urbom, Scott E ROUTINE;
Vanzego, Lakeia R ROUTINE; Bonner, Jennifer V ROUTINE; Fuchs, Michael H ROUTINE;
Marcie, Scot A ROUTINE; Mathieu, G. Dennise ROUTINE; Morris, Greta N ROUTINE;
Moy, Kin W ROUTINE; Pignatello, Michael X ROUTINE; Russel, Daniel R ROUTINE;
Smith, Demian ROUTINE; Thomton, Susan A ROUTINE; Wang, Robert S ROUTINE;
Zumwalt, James P ROUTINE; KOREA COLLECTIVE ROUTINE

Dissemination Rule: Archive Copy

UNCLASSIFIED
SBU
From: SMART Archive  
Sent: 7/23/2014 3:57:19 AM  
To: svcSMARTFBTSPOP5  
Subject: Seoul Daily for Wednesday, July 23, 2014

MRN: 14 MDA 6203  
Date/DTG: Jul 23, 2014 / 230757Z JUL 14  
From: Shoemaker, Lori A (Seoul)  
E.O.: 13526  
TAGS: PREL, PGOV, KS, JA, MARR, ENRG, EPET, ECON  
Captions: SENSITIVE  
Subject: Seoul Daily for Wednesday, July 23, 2014

REVIEW AUTHORITY: Charles Lahiguera, Senior Reviewer
(SBU) Sewol Ferry Saga Continues: Body Identified as Fugitive Ferry Owner; Mounting Pressure Over Special Sewol Bill in Assembly: According to Chosun Ilbo, the South Jeolla Provincial Police Agency announced on July 22 that the National Institute of Scientific Investigation identified the body of fugitive ferry owner Yoo Byung-eon through DNA testing. Authorities had to take further measures, including DNA matching, to identify the badly decomposed body found on June 12 near Yoo’s vacation home in Suncheon, South Jeolla Province. The DNA sample used belongs to Yoo’s older brother, Yoo Byung-II, who was arrested on charges of embezzlement and violation of real estate laws. Yoo Byung-eon, who owned the ferry operator Chonghaejin Marine Co., was a fugitive with corruption and embezzlement charges pending following the Sewol ferry sinking on April 16. Authorities have not yet confirmed the exact time and cause of death, according to the Korea Herald. Separately, Rep. Park Young-sun of New Politics Alliance for Democracy (NPAD) and Rep. Lee Wan-koo of Saenuri Party (NFP) met July 21 for an extraordinary parliamentary session, but failed to reach a consensus on the “Special Sewol Bill.” The most contested issue involves granting indictment powers to the newly-established Parliamentary Special Committee in charge of looking at the circumstances of the Sewol ferry accident, according to Joongang Daily. Both leaders, however, did reach an agreement to allow a bipartisan task force to resume writing the Sewol bill that President Park Geun-hye originally promised to complete by July 16. Lawmakers and the Park Administration face increased pressure from Sewol victim families and supporters who are carrying out hunger strikes and protests in prominent Seoul locations, including in front of the National Assembly. The Special Sewol Bill aims to set up an investigative body consisting of both lawmakers and experts. A total of 331 people have been indicted and 139 people have been arrested by the Supreme Prosecutor’s Office in relation to the sinking, according to Joongang. Chosun Ilbo also reported that the Gwangju District Prosecutor’s Office indicted 13 people from the Jindo Vessel Traffic Services Center (VTS) for deleting CCTV footage to hide evidence of negligence.
1. (SBU) Ambassador CdeBaca and colleagues, Embassy Seoul warmly welcomes you to the Republic of Korea (ROK) on July 12-16 to follow up on our 2014 Trafficking in Persons (TIP) Report recommendations with the government, civil society, NGOs, and third-country embassies.
President Park and Domestic Politics

9. (SBU) President Park has been busy on the diplomatic front since taking office. She had a successful visit to
Washington in May 2013, followed by a visit by President Obama here in April; a red carpet welcome in Beijing and a reciprocal visit by President Xi to Seoul in July; "sales diplomacy" visits to South and Southeast Asia; the strengthening of South Korea's ties with European nations; and a speech on Korean reunification in Germany. On the domestic front, however, Park has recently struggled largely due to perceptions her government failed in its response to the April 16 Sewol ferry tragedy where over 300 lives—mostly high school students—were lost. Though Park's Saenuri party was widely seen as winning in the June local elections due to conservatives rallying to "save" the president, Park's approval ratings continue to fall. Beyond Sewol, her decrease in support was a result of her inability to find a politically acceptable candidate to replace Prime Minister Chung Hong-won who had offered to resign over the government's response to the ferry sinking. Recent polling has Park's approvals at a low of 40 percent, and her disapprovals at a high of 50 percent. The Sewol incident and nomination scandal have been an unwelcome distraction to Park's efforts to focus on job creation and economic growth. For these initiatives, she must enlist the cooperation of the National Assembly, which has spent a large portion of her administration politically deadlocked over a succession of controversies and crises.