Korean War memorial effort torn by controversy

Korean Memorial Inc.'s directors concede that the controversy has tarnished its image on Capitol Hill and perhaps damaged its chances to raise the $8 million to $12 million it will need to finance a memorial.

But the group's leaders also insist that the fund-raising drive shows signs of future success and contend that the charges of embezzlement will be laid to rest in court.

"I can't see that we ever really had any money to embezzle," said Edward Borcherdt, who recently became president of the group. "Every penny that has come in has been tracked."

Borcherdt is chairman of an international trade consulting firm with offices in Washington and Seoul and served as a captain and platoon leader in Korea.

"We're at a very fragile point right now. We're like a baby in its infancy," he continued. "We can either get stepped on and squashed or we can survive."

The story begins with the incorporation of the National Committee for a Korean War Memorial in 1981. It was formed to finance the first permanent monument in Washington honoring the more than five million American men and women who served in Korea between 1950 and 1953.

The group took as its model the successful private fund-raising drive that resulted in the national Vietnam Veterans Memorial. Its founders felt the Korean War had been forgotten, despite a casualty list nearly as long as Vietnam's.

The private, tax-exempt corporation was headed by Chayon Kim, a former curator of a U.S. military museum in Seoul. Kim paid incorporation and office expenses out of his pocket and oversaw the daily operation of the fledgling organization.

"It was my idea, my experience, my money," said Kim, the daughter of a wealthy Korean landowner and now a U.S. citizen. "Now it's a nightmare."

In an act she later came to regret, Kim enlisted as executive director Myron McKee, then 35, a former school superintendent from Minnesota and an unpaid staff aide with the Reagan-Bush transition team. McKee's primary job was to convince Congress to set aside federal land for a memorial site.

Relations within the group soured by mid-1982 as Kim and McKee clashed over policy. McKee's decision to hire a conservative direct mail fund-raiser fueled the controversy and the board of directors reviewed the entire operation. Kim was ousted in a 3-2 vote in December 1982.

"She treated the various people that were involved more or less like her henchmen," said Michael Panayiotopoulos, a former Greek diplomatic officer now serving as a paid consultant to the group.

"McKee, being a rather young, aggressive and impulsive person, couldn't take that."

When Kim left, some thought the group's problems had ended. In fact, they had only just begun. A contentious fight for control of the corporate name was to follow.

In the fall of 1983, the committee's corporate charter expired because it failed to file two consecutive annual reports required by the District of Columbia.

Kim became aware of the expiration and chartered a second corporation that used the original name. McKee responded by reinstating the old corporation under a new name, Korean War Memorial Inc.

In the process, McKee inherited the old records and fund-raising rights.

A 1983 fund-raising letter inaccurately claimed that "Congress has given its full endorsement and support to this project by authorizing its creation." McKee described the statement as a "clerical error" that was later rectified in a second mailing acknowledging the mistake.

The group also used the names of prominent public figures such as Ambassador Douglas MacArthur II, former President Gerald Ford and Attorney General Edwin Meese to solicit funds.

A Ford spokesperson, Lori Circle, said letters were sent to the group complaining that it had used his name without permission and demanding that Ford's name be removed from any future mailings.

MacArthur said in a letter to a former member of the group that his name had been used to solicit funds after he had withdrawn authorization.

McKee claimed that hard sell solicitation is often the only way to get a fund-raising drive off the ground and said tactics were set by the fund-raising firm. He conceded that Korean Memorial Inc. was required to review and authorize all direct mailings.

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McKee, claiming that he had not authorized the use of his name, refused to remove it from the mailing.

Kim left the group in mid-1984 to run for Congress in Minnesota, but his bid failed.

The organization reports that more than 3 million solicitations letters have netted more than $600,000 from some 23,000 contributors. Its financial statements show that it is
currently $42,364 in debt. Most of its money has been used to cover fund-raising costs. All officers are unpaid.

The organization has moved at least three times in as many years and its records are dispersed over several locations. It was ordered out of its headquarters in 1983 because the District of Columbia fire marshal had ordered the building closed two years earlier, according to documents at the Washington Fire Department.

Contributions are sent to a mall drop address in Washington, picked up by an escrow agent and placed in an escrow account. The group's chief officers have access to the account and all withdrawals must be cosigned by its direct mail corporation.

Since her ouster, Kim has worked tirelessly behind the scenes to bring down her adversaries. She has gone to the FBI, Internal Revenue Service and U.S. Postal Service with charges of fraud and embezzlement.

An IRS examination of the organization's 1983 and 1984 books turned up only minor omissions, according to an IRS report provided by the group. Spokesmen for the FBI and Postal Service said their investigations have been terminated and no charges have been filed.

The conflict has led some in Congress to look to the federal treasury as a less controversial and more cost effective funding source for a memorial. Three bills have been filed calling for a publicly-funded Korean Memorial.

Congressional support is critical to Korean War Memorial Inc. since it plans to build a memorial on federal land. The group has been unable to line up support for authorizing legislation in Congress so far this year. Sen. Jeremiah Denton, R-Ala., has been asked to support their cause, but has yet to respond.

Sen. William Armstrong, R-Colo., and Rep. Stan Parris, R-Va., are sponsoring legislation calling upon the federal government to set aside land and to design and construct the memorial in Washington. Estimated cost is $3 million.

The project would be administered by the American Battle Monuments Commission, a federal agency formed in 1923 to build and maintain war memorials. The commission would accept private contributions as well.

Supporters contend that public funding could save the government money, since millions of dollars would be lost to charitable contribution tax deductions in a private drive.

A House task force has scheduled a hearing July 10 to review proposals for a publicly-funded memorial.

The 200,000-member AMVETS veterans' organization is supporting Korean Memorial Inc.'s bid for a privately-funded memorial, arguing that personal contributions are a more meaningful expression of support.

The two-million member Veterans of Foreign Wars has warned its national officers, state commanders and ladies' auxiliary officers about giving to private groups, pointing out that between 30 and 70 percent of funds raised in private drives are absorbed by overhead.

Despite the group's turbulent history and its wavering support, a core of backers are determined to carry on.

The board of directors has expanded its original memorial plans and now plans to build a monument bearing the names of Korean war dead.

The directors plan to use its list of previous contributors to generate more funds and is hopeful AMVETS and, later, other veterans groups will help with direct mail efforts.

They also note that the Vietnam veterans fund-raising drive got bogged down in controversy, but supporters overcame the difficulties and raised more than $11 million. A long wall of polished black granite bearing the names of all U.S. servicemen killed in that war now stands in Washington as a result.

Meantime, Korean veterans, like Stumberger, wait for a memorial. "I told them I was getting sick to my stomach just talking to them," Stumberger said of phone conversations he had with both factions involved in the fund-raising dispute. "I told them to patch up their differences and get on with the business of building a memorial."