ment of Justice which involved one or another component of the Moon Organization. The subcommittee's investigation led it to conclude that these investigations were justified and should continue. However, the subcommittee believes that these investigations will be inconclusive and redundant unless they are coordinated with one another and treated as an investigation of essentially one organization. The subcommittee concludes that the following objective could be met by combining investigative activities related to the Moon Organization into an interagency task force:

(1) Consideration could be given as to whether apparently unrelated immigration, FARA, currency, banking, and other violations were in furtherance of a common scheme or plan.

(2) All existing information bearing upon the same subjects could be brought together and analyzed; earlier investigations which failed to do this allowed improper influence activities to continue until they caused a major public scandal affecting Korean-American relations.

(3) Maximum resources could be employed toward tracing cash and obtaining evidence from outside the United States.

(4) Tax money could be saved by combining related investigations and eliminating duplication of effort.

Executive branch task force

(1) The Department of Justice, the SEC, the IRS, and other executive branch agencies currently investigating allegations relating to Sun Myung Moon, Pak Bo Hi, the UC, the KCFF, and other individuals and organizations comprising the Moon Organization (as described in this report) should coordinate their efforts and form an interagency task force.

(2) In addition to continuing present investigations, the task force should address itself to the following issues:

(a) Whether there have been systematic and planned violations of U.S. immigration laws and regulations in connection with the importation of large numbers of foreign nationals for purposes of fundraising, political activities, and employment in the Moon Organization business enterprises.

(b) Whether there have been systematic and planned violations of U.S. currency and foreign exchange laws in connection with the movement of millions of dollars of cash and other financial assets into and out of the United States without complying with appropriate reporting requirements.

(c) Whether U.S. tax laws have been violated through large cash transfers to individuals which were characterized as loans.

(d) Whether tax-exempt organizations such as the Unification Church, Freedom Leadership Foundation, Korean Cultural and Freedom Foundation, and International Cultural Foundation, have engaged in political, business, and other activities inconsistent with their tax-exempt status; and whether these organizations are so closely affiliated with each other and with non-tax-exempt businesses and organizations so as to render them ineligible for tax-exempt status.

(e) Whether there have been systematic violations of the Foreign Agents Registration Act by the Moon Organization.

(f) Whether there have been violations of currency, immigration, banking, and tax laws in connection with Moon Organization investments in the Diplomat National Bank and other businesses in the United States.

(g) Whether there have been instances of charity fraud, violations of currency and immigration laws, and abuse of tax-exempt status in connection with the Moon Organization's control over the Korean Cultural and Freedom Foundation.

(h) Whether there have been attempts to violate, or violations of, the Arms Export Control Act in connection with the manufacture, sale, or attempted sale of M-16 rifles or other armaments by agents of the Moon Organization.

(3) The task force should use the resources of the following agencies:

Department of Justice (including the FBI, Anti-Trust Division, and INS);
Department of Treasury;
Securities and Exchange Commission;
Federal Reserve Board;
Internal Revenue Service; and
Department of State.

(4) The Department of State should assist the task force in attempting to obtain witnesses, financial data, and other cooperation from foreign governments, particularly Japan and South Korea.

(5) The task force should seek information from appropriate State and local governments and should make information available to State and local governments for use in appropriate proceedings involving enforcement of their laws.

The subcommittee also recommends that appropriate committees of the Congress review certain information pertaining to the Moon Organization. Current U.S. tax laws and regulations made it impractical for the subcommittee to examine the tax returns of such Moon Organization components as the Unification Church International, which was denied tax-exempt status by the IRS. However, there is reason to believe that taxable Moon Organization components derive tax advantages from transfers to tax-exempt components. Since both taxable and tax-exempt organizations are used interchangeably in the Moon Organization, such tax advantages would enable the Moon Organization to pyramid economic power and achieve a substantial advantage over competing organizations. The subcommittee therefore suggests a review by the House Ways and Means Committee and the Senate Finance Committee—which have access to tax returns—to determine whether transfers of funds within the Moon Organization raise issues which point to the need for legislation to prevent the abuse of tax-exempt status. More specifically, the subcommittee recommends that the House Ways and Means Committee and the Senate Finance Committee review the applications for tax-exempt status (where applicable) and the tax returns of Moon Organization entities, including:

Unification Church; Freedom Leadership Foundation; Unification Church International; International Cultural Foundation; Korean Cultural and Freedom Foundation; Tong-Il Enterprises; One-Way Productions; International Oceanic Enterprises; and News World Communications.