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Daewoo founder ends appeals, will serve time

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SEOUL (Reuters) - The man who founded the Daewoo Group and was at the center of one of the biggest corporate failures in history will not appeal his eight-and-a-half-year jail sentence for fraud, a court official said on Monday.

Kim Woo-choong, 69, who turned Daewoo into what once was the country's second largest conglomerate or chaebol, was sentenced earlier this year to 10 years in jail for embezzlement and fraud for covering up billions of dollars in debt.

Earlier this month, an appeals court cut that sentence by 18 months, saying Kim had done the country a service by forming the group, which made items ranging from huge ships to tiny spools of thread and at one time employed some 360,000 people.

"Kim has given up on further appeals," said one Seoul court official by telephone.

Media also cited prosecutors as saying Kim's lawyers have decided to end appeals. Kim's lawyers were not immediately available for comment.

Prosecutors charged Kim with illegally procuring loans of about 10 trillion won (\$10.7 billion), taking about \$20 billion in Daewoo funds through overseas accounts and helping doctor Daewoo's books to falsify assets of about 41 trillion won.

Once admired as a hero, Kim fled South Korea in 1999 when Daewoo collapsed with debts of more than \$75 billion.

Saying he wanted to make peace with his past, Kim returned in 2005 on a flight from Vietnam and was promptly arrested.

Daewoo and a handful of other chaebols were instrumental in rebuilding the national economy in the years after the 1950-53 Korean War, but their opaque business practices and unrestrained borrowing were later partly blamed for triggering the financial crisis of the late 1990s.

Kim, who has suffered heart problems in the past year, is already in jail.

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