

Livedoor e-mail scandal rattles lawmakers

February 23 2006



Is the e-mail real or is it a forgery? That is the question that has been the hottest topic for debate among Japanese legislators over the past week, ever since a member of the opposition party presented what he claimed was proof that a top ruling Liberal Democratic Party lawmaker was accepting bribes.

The four-paragraph memo is allegedly from Takafumi Horie, chief executive of Internet portal group Livedoor, who was arrested last month on charges of cooking the company's books and deliberately misleading investors on the true value of his company.

In the e-mail dated from last summer, the 33-year-old Horie states that his office should provide \$253,380 (30 million yen) to the bank account of the son of LDP Secretary-General Tsutomu Takebe. In addition, the e-mail suggests that a similar payment previously had been made to the son.

Initial public reaction to the e-mail was outrage that the LDP should be so corrupt and accept bribes from Horie, who was then running for a seat on the Lower House of the Diet from his home district. Horie ultimately lost the election, but Takebe had been a public supporter of the Internet entrepreneur and had appeared in person to campaign on Horie's behalf. At that time, Horie was one of the most flamboyant and certainly most famous start-up executives in Japan, and he had been considered by many younger Japanese as a force that could challenge the country's old guard.

With Horie's demise, however, legislators have been quick to disassociate themselves from him, and so the e-mail suggesting that Takebe had not only been a close ally of Horie, but had actually accepted kickbacks from him initially scandalized voters nationwide.

But what should have been a coup for the opposition Democratic Party in furthering its position as a party of the people has actually backfired, as the LDP is now on the offensive while the Democratic Party is trying hard to defend its position.

For one, a slew of Internet experts has been appearing on network television daily to claim that forging an e-mail such as the one being discussed by the Diet is only too easy.

Another problem for the Democrats is that apart from the e-mail, no one has yet been able to produce any concrete evidence that Takebe's family did indeed accept the bribe.

"There's no information about the bank account. ... Find me the bank and I'll happily go there myself," Takebe told reporters Wednesday.

Meanwhile, the Democratic member who had first brought forward the e-mail to the Diet floor announced Thursday he will resign as a legislator because he cannot support his assertion that the message is indeed real and he has no further proof that Takebe did actually receive bribes from the Livedoor founder.

Hisayasu Nagata said that he was forwarded the e-mail from a freelance journalist who yet remains unidentified.

As for Livedoor itself, while the company's shares are now less than one-tenth of their value at the beginning of the year, one California-based hedge fund has bought more than 5 percent of its shares. Earlier this week Scion Funds said it had started buying up shares in Livedoor only two days after the arrest of Horie, even though the company's scandal led to a massive sell-off in Tokyo stocks for a few days that overwhelmed the Tokyo Stock Exchange.

Copyright 2006 by United Press International

Citation: Livedoor e-mail scandal rattles lawmakers (2006, February 23) retrieved 2 July 2024 from <https://phys.org/news/2006-02-livedoor-e-mail-scandal-rattles-lawmakers.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.