

Samsung to create new office for group affairs

November 19 2010, By KELLY OLSEN , AP Business Writer

(AP) -- Samsung will create a new organization to coordinate the group's sprawling businesses after a previous one was closed in 2008 amid a corruption scandal that rocked the massive conglomerate.

Samsung consists of dozens of companies with interests in electronics, shipbuilding, construction, leisure, finance and other businesses. [Samsung Electronics](#) Co. is its flagship corporation.

The conglomerate closed its Strategic Planning Office, the key body that coordinated group companies, in June 2008 to deal with intense criticism after Samsung Electronics Chairman Lee Kun-hee was indicted on tax evasion and other charges.

"Samsung is going to create a group organization to cope with the fast-changing business environment of the 21st century and to help grow new businesses," Rhee In-yong, Samsung Group's executive vice president in charge of communications, said Friday. His comments were released by the conglomerate.

Rhee also said that a name and launch date for the new organization had yet to be determined, but that it would be headed by Kim Soon-taek, currently head of Samsung's new business development committee.

Explosive allegations in late 2007 of bribery and other wrongdoing at Samsung by its former top lawyer spurred a high-profile investigation by special prosecutors.

The Strategic Planning Office was seen by critics as a source of corruption at Samsung and was known pejoratively as the "control tower."

South Koreans are generally proud of Samsung for its successes in global markets. It has also been a lightning rod for criticism, however, over perceptions that it wields too much power and influence in South Korean society due to its size.

The investigation by special prosecutors ultimately dismissed as groundless the bribery claims made by the former lawyer, but the probe led to Lee's indictment on tax evasion and other charges. He subsequently resigned as chairman of Samsung Electronics.

Lee was later convicted and sentenced to a suspended three-year prison term. South Korea's president issued a special pardon in December 2009 and Lee returned to his post as chairman of Samsung Electronics in March of this year.

Lee is the son of Lee Byung-chull, the conglomerate's founder.

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