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# The Yakuza Lobby

How Japan's murky underworld became the patron and power broker of the ruling party that intended to clean up politics.

BY JAKE ADELSTEIN | DECEMBER 13, 2012



TOKYO — Japan's leaders are going on trial this month -- in the court of public opinion, though some of them may be concerned about facing the more traditional kind.

Prime Minister Yoshihiko Noda of the Democratic Party of Japan (DPJ), who has been in power for a bit over a year, dissolved Japan's parliament, the Diet on Nov. 16 after a series of scandals drove his poll numbers to an all-time low. The final straw was his appointment of mob-linked Justice Minister Keishu Tanaka, who resigned on Oct. 23 -- ostensibly for health reasons. A weekly magazine had reported on Oct. 11 that Tanaka had strong ties to the *yakuza*, Japan's organized crime groups -- which presumably isn't great for one's health.

The irony of the man in charge of the country's criminal justice system being friendly with organized crime was not lost on the Japanese public, especially at a time when there is a **movement** to crack down even harder on the yakuza. It was also an embarrassment to a political coalition that came to power in 2009 promising that it would bring "clean government." The rival Liberal Democratic Party (LDP), which had ruled Japan nearly uninterrupted for decades, had long been tied to Japan's underworld and ridden by scandals.

Since the DPJ came to power, organized crime ties have embarrassed several members of the party, including Tanaka. So how did the supposedly squeaky-clean reformers wind up in bed with Japan's answer to the Mafia? To understand this, it helps to look at the unique role the yakuza plays in Japanese politics.

The yakuza has its origins in federations of gamblers and street merchants of the Edo period (from the 17th to the 19th centuries), which evolved over time into the sprawling crime syndicates they are today. Currently, the yakuza comprises roughly 79,000 people, divided among 22 groups. Although referred to by authorities as "anti-social forces," it's actually a semilegal entity with offices, business cards, and fan magazines. The yakuza groups make their money through a combination of legal businesses -- like dispatching day laborers -- and illegal activities such as extortion, racketeering, and financial fraud. The largest yakuza group, the Kobe-based Yamaguchi-gumi, has 39,000 members. The Inagawa-kai, the group most closely tied to former Justice Minister Tanaka, has 10,000 members and is based in Tokyo. Its offices are across from the Ritz-Carlton.

The Inagawa-kai was established in 1948. The organization's de facto leader, Kazuo Uchibori, was arrested on charges of money laundering in October but was released without being charged. Uchibori is a blood brother to a powerful leader in the Yamaguchi-gumi, Teruaki Takeuchi, essentially putting the Inagawa-kai under the Yamaguchi-gumi umbrella. The yakuza world is constructed like a virtual family, in which ties of brotherhood, often solidified in sake-

drinking rituals, are the grounds for allegiances within yakuza groups and sometimes with rival groups as well.

In 2007, two years before it came to power, the DPJ received the **coveted endorsement** of the Yamaguchi-gumi and the Inagawa-kai. It was a relationship that worked out well, until recently. However bizarre it may sound, there's nothing particularly remarkable about an organized crime group supporting a political party in Japan. Robert Whiting's book, *Tokyo Underworld*, recounts how Yoshio Kodama, a yakuza associate and racketeer, was instrumental in the formation of the LDP. In 1994, LDP Transportation Minister Shizuka Kamei was able to keep his job after having admitted to receiving roughly \$6 million, paid into his bank account directly from a Yamaguchi-gumi boss. He claimed he received the money on behalf of his constituents who had lost money investing with a real estate agency that turned out to be a yakuza front company. He stated that he returned the money to his constituents. Crime or not, that should be grounds for political dismissal. Not in Japan. In 2009, the DPJ coalition appointed Kamei as minister of financial services, tasked with overseeing the Securities and Exchange Surveillance Commission and ensuring that Japan's financial markets stay clean.

But times have changed. The Japanese public is no longer so tolerant of politicians or companies with yakuza ties. In a 2007 white paper on crime, Japan's National Police Agency issued a warning that "the yakuza have made such incursions into the financial markets that they threaten the very basis of the Japanese economy." In that same year, a **yakuza boss assassinated** Nagasaki Mayor Iccho Ito after he attempted to cut the gangs out of public works projects. Japanese voters might have looked the other way at graft or low-level corruption, but political terrorism is another story. The yakuza had become an international embarrassment, as well. In 2011, U.S. President Barack Obama **recognized them** as a threat to the United States, issuing an **executive order** that led to the U.S. Treasury Department's **passing economic sanctions** against the Yamaguchi-gumi and two of its leaders this year. They have simply become too big a liability and embarrassment for the world's third-largest economy to ignore.

\* \* \*

If you're a criminal, it always helps to have an ally in the Justice Ministry, and for some yakuza, Tanaka's appointment was seen as a match made in heaven -- especially for the head of the Inagawa-kai, Uchibori, who had been evading arrest on money-laundering charges since Aug. 22. Tanaka didn't have the power to stop the investigation of Uchibori, but his position could have enabled him to exert favorable influence. The Tokyo prosecutor's office is under the supervision of the Justice Ministry. Theoretically, Tanaka could have possibly recommended Japan's chief prosecutor to drop the Uchibori case; Uchibori was arrested on Oct. 9 but had not been formally charged for money laundering or other offenses while Tanaka was in power. Tanaka, for his part, initially claimed that he had only served as the "the matchmaker" at the wedding of an Inagawa-kai yakuza underboss and attended a yakuza party. A decade ago, that might have sufficed, but in today's political climate, he was forced to resign.

But the DPJ's problems didn't end with Tanaka. The weekly magazine *Shukan Bunshun* reported on Oct. 18 that Koriki Jojima, the newly appointed finance minister, was backed in his reelection bid by an Inagawa-kai front company. Jojima claims he didn't know whom he was dealing with.

According to LDP **Sen. Shoji Nishida**, who has **written in depth** about DPJ ties to organized crime, "Tanaka is the fourth DPJ cabinet member to have been shown to have yakuza ties. Japan has always had a vibrant underworld, and it's always had a normal society. The current ruling government is the underworld and overworld put together. I believe that they've been a conduit for the underworld in the political sphere. The problem has been very underreported here."

For those outside law enforcement or the mob, it's a bit surprising that the scandal is only breaking through now. The police first confirmed that the Yamaguchi-gumi and the Inagawa-kai had ordered their members to support the DPJ in the summer of 2007. According to reports in the daily newspaper *Yukan Fuji*, over 90 top bosses of the Yamaguchi-gumi were given orders to support the DPJ in upcoming elections. Many had been summoned to the organization's Kobe headquarters and been verbally instructed.

Top police officials said on background that they believe a senior DPJ official promised to keep criminal conspiracy laws off the books in exchange for votes and financial support from the crime group.

This makes sense. Japan does not have an equivalent of the U.S. RICO (Racketeer Influenced and Corrupt Organizations) Act, which was instrumental in helping U.S. authorities destroy the Italian-American Mafia in the 1970s and 1980s. Japan has most of the elements in place to create the equivalent of such an act and signed the U.N. Convention Against Transnational Organized Crime in December 2000 -- but so far the country has failed to fully implement it.

That's largely because the so-called "clean DPJ" has staunchly opposed legislation for a criminal conspiracy act, which would make it easier to prosecute yakuza bosses in criminal courts for the actions of their soldiers and seize their assets. According to the *Sankei Shimbun* newspaper, the DPJ refused to even discuss the legislation when it was a minority party in 2006.

In the meantime, Japan's law enforcement community has been taking matters into its own hands. In an almost covert rebellion, the National Police Agency (NPA) has **quietly worked** to circumvent the national government by getting local ordinances in place around the country criminalizing paying off the yakuza or doing business with them.

One can see why the yakuza would back the DPJ, but what were the politicians getting out of it? Well, the yakuza are quite well funded, for one thing. Robert Feldman, an economist for Morgan Stanley Japan, once called the Yamaguchi-gumi Japan's "**largest private-equity group**." Jeff Kingston at Temple University has speculated in his book *Contemporary Japan* that if the crime group were listed on the stock exchange, it would rival Toyota.

The yakuza, which specialize in extortion and blackmail in their own business dealings, are also useful in finding dirt on political opponents and squelching criticism of their benefactors. And as one-third of the yakuza are Korean-Japanese, they are also useful in securing the support of ethnic Korean groups in Japan and getting political funding from the lucrative Korean-dominated pachinko (arcade-style gambling games) industry. They are also able to mobilize local community leaders and associates to "get out the vote."

However, following the Nagasaki mayor's assassination, the growing influence of the "yakuza money" became a public concern. On Sept. 29, 2009, Takaharu Ando, the head of the NPA, **ordered all police in Japan** to focus on dismantling the ruling faction of the Yamaguchi-gumi, the Kodo-kai, stating, "The Yamaguchi-gumi Kodo-kai are threatening police officers, are increasingly uncooperative, and expanding their economic activities into all realms of society." It was the first time the NPA had specifically targeted a single faction of the Yamaguchi-gumi since the so-called "war on the yakuza" was officially launched back in 1965. The police have begun to crack down intensely, after September 2009, on yakuza ties in all aspects of Japanese society, even in the almost-sacred world of sumo. They are also making renewed efforts to turn popular opinion against the yakuza -- who are still viewed as Robin Hood-like folk heroes by much of the population.

The first DPJ politician to really get in trouble for his mob connections was **Seiji Maehara**, head of the DPJ from 2005 to 2006. In March 2011, he was compelled to step down as foreign minister after it was revealed that he had received donations from Media 21, a production and real estate company that served as a front for the Yamaguchi-gumi and had made donations to several other DPJ members. According to Justice Ministry sources, the Tokyo prosecutor's office is investigating Maehara for falsifying his political donations records to hide his financial connections to Media 21.

Asked for comment for this article, Maehara told me, "First of all, in regard to what the Tokyo prosecutor's office is doing, whether they are investigating -- that is something that I really know nothing about. And also in regard to the alleged relation this company [Media 21] had with organized crime, I don't know anything about that. But I was aware that there were media reports saying such things, and as a result I decided that I would return all the money that was given to me [by Media 21]."

The Tokyo prosecutor's office refused to comment on whether it was still investigating Maehara.

Of course, the issue is bigger than allegations against one official. Some have questioned whether Prime Minister Noda screened his cabinet appointments at all when selecting them for their current positions. Noda staunchly defended Tanaka, the justice minister, even after he admitted past yakuza ties. Noda himself had to return \$20,000 in political donations this January after one of his supporters, the president of a discount funeral and wedding service provider, was arrested as a co-conspirator for fraud along with a yakuza member. In the recent book *The Taboos of Japan No One Will Write*, investigative journalist Hiroto Ito noted that Noda and other DPJ members received donations from the same Yamaguchi-gumi benefactor as Maehara, via different front companies. Records obtained by the author back up this claim.

The yakuza themselves may get out of this relatively unscathed. Even after his friend Tanaka's downfall, police sources say that Inagawa-kai crime boss Uchibori was not expecting to be arrested at all in October on the money-laundering charges that had been filed against him. Top members of the Inagawa-kai met covertly with weekly magazine reporters after Oct. 10, allegedly on Uchibori's orders, outing some other politicians connected to them. Police sources think the message was a warning to every politician with yakuza ties: If you fail to live up to your part of the bargain, the relationship is over and we'll make it a very messy breakup.

It was a successful threat -- Uchibori was not prosecuted for money laundering, and the charges were ostensibly dropped; no hard feelings. If one judges from the latest polls, the yakuza's friends in the DPJ probably won't be so lucky.

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*Jake Adelstein is an investigative journalist working in Japan since 1993. He is the author of **Tokyo Vice: An American Reporter on the Police Beat in Japan** and the forthcoming *The Last Yakuza: A Life in the Japanese Underworld*.*

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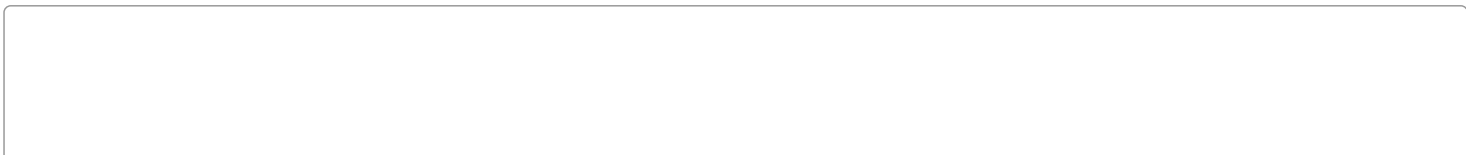
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