

c. Embezzlement

- (1) Keoru Kawahara, Director of Purchasing Dept, Koyagi Island Shipyard was requested by Industrial Equipment Corporation (Changed to Ship Kodan) to hold the materials at Koyagi which were released from Transportation Ministry for the allotment ration for over 60 ship building companies to a total of ¥11,000,000; but he used iron bars, steel cable, non-ferrous metals, machinery equipment, etc to a total of ¥1,000,000 for his shipyard, for repair and construction of ships between Jan 1946 to Oct 1947. Persons involved in this case are under investigation.
- (2) Yutaka Ikagami, Chief of Uranosaki Shipyard has received many fuel, canvas, steel pipe, electric wire, wire and other machinery equipment from ex Sasebo Naval Arsenal, to be released in future, but he used some of those to a total of ¥100,000 for repair and construction of ships at Uranosaki Shipyard. For this case Kinya Hiro, ex-chief of Uranosaki Shipyard, is under investigation for involvement or not.
- (3) Kinya Hiro, ex-chief Uranosaki Shipyard is under investigation for the use of scrap iron between Oct 1945 to Jan 1946 of special submarine which was dismantled (25 submarines) at the end of the war.

d. Embezzlement and misappropriation

Koyagi Shipyard has dismantled 2 submarines, 3 coast guard ships, 1 training ship between November 1946 to May 1948 and illegally disposed and seized some of the property of those ships before releasing to the Govt. After release of scrap iron, and some of the property, the disposition and records were not clear for the purpose of making a profit.

Expecting the same violation at Uranosaki Shipyard, therefore strict investigation is under way.

4. Disposition of the case:

a. Violation of Designated Production Materials Stock Adjustment Regulation for Uranosaki Shipyard, Mukaiyama Coal Mine, Hiroshi Ikagami, Chief of Uranosaki Shipyard, Satojiro Hori, Chief of Purchasing Section and Tamegoro Ogata, Chief of Mukaiyama Coal Mine, have demanded trial on 4 Dec 48 at Sasebo Branch, Nagasaki District Court. Hiroshi Ikagami also demanded trial for the violation of embezzlement, on same date at same court.

b. Kinya Hiro, ex-chief Uranosaki Shipyard: Embezzlement, Kaoru Kawahara, Director of Purchasing Dept, Koyagi Shipyard: violation of Hoarded Goods Emergency Measures Ordinance and Embezzlement, Sannosuke Hichiri, Chief of Purchasing Section, Koyagi Shipyard: violation of Hoarded Goods Emergency Measures Ordinance, Zengo Haraka, Director of Marine Products Dept: Designated Production Materials Stock Adjustment Regulation and Designated Production Materials Allotment Regulation, Sadamasa Iwanaga, Chief Supply Section, Marine Products Dept: violation of Designated Production Materials Allotment Regulation. All of them are under restriction and investigation for the above actual violation.

c. Regarding the above actual violation, we are continuing speedy investigation, and expecting to demand trial at Nagasaki District Court within the year, for Kawanami Industrial Co Ltd and persons involved. It may be difficult to obtain actual proof for some of the violators, and may be need more days for investigation. It is not known yet whether Mr Toyosaku Kawanami, ex-managing director will be affected by this case or not.