



# **Black-Marketing**



## ***What Is Black-Marketing?***

The Status of Forces Agreement (SOFA) between the United States and Republic of Korea requires the United States to make reasonable and practical efforts to control access of unqualified persons to duty free goods. The SOFA also requires the United States to prevent abuse by those who have access to duty free goods.

Black-marketing is the act of buying, and then selling these controlled items to individuals who are not authorized to purchase them. The lure of duty free goods attracts black marketers who if left unchecked would purchase in excess of their needs with the intent for personal profit, leaving virtually nothing for those purchasing necessary items only. As a result, commissary and Post Exchange (PX) privileges are carefully monitored.

## ***Does This Mean That All My Gifts To Korean Friends Must Be Bought On The Local Economy?***

Personnel within the Camp Casey Enclave may give gifts of duty-free goods purchased with their personal funds to personnel without access to duty-free goods, provided the individual gifts do not exceed \$50 in value. This covers goods purchased at the Post Exchange (PX), or non-subsistence items from a shopette, for example.

Regardless of value, items purchased from a DoD commissary, cigarettes, duty-free goods purchased from a NAF alcoholic beverage outlet, subsistence items from AAFES, and firearms may not be given as gifts to persons not entitled to duty-free privileges, unless an exception applies. Gifts of prepared food items and drinks to be consumed as part of a meal are authorized.

Subsistence items are those items considered necessary to sustain life, such as meat, dairy products, vegetables, bottled water, soft drinks bread and cereal or grain products. Non-subsistence food items are things such as gourmet cheeses, prepackaged gift items containing foodstuffs, candy, gum, and snack items such as popcorn and pretzels.

Now, giving your Korean host or hostess a box of candy may not be black-marketing. However, purchasing ten boxes of candy, bags of rice or coffee, etc. to give to ten different Korean Hosts or hostesses could lead to an investigation to determine whether you are black-marketing duty-free goods.

## ***Whom Does Black-Marketing Harm?***

First, engaging in black-marketing can harm you. If you are a civilian, you could lose your ration control card, and you could be barred from post. If you are a service member, you risk being court-martialed. Black-marketing is punishable under the UCMJ.

Second, you harm your fellow service members and civilians. Black-marketing reduces the amount of goods available for fellow service members in Korea. The federal government subsidizes the shipment of these goods for your use, not for the use of black marketers. The cost of buying replacement goods that could have gone to service members or authorized civilians comes out of the taxpayer's pocket.

Third, you hurt the local Korean economy, people, and government. You hurt the Korean government because it loses tax revenues from the people who would have bought their goods from local Korean merchants. This hurts you and the Korean people because the Korean government will have fewer funds available to build better roads and safer cities.

### ***Who Benefits From Black-Marketing?***

Very few people benefit from black-marketing. Certain Koreans who specialize in selling black-marketed

goods may benefit from reselling these items on the local economy for a higher price. You might make a few dollars if you engage in black-marketing. However, chances are you will probably get caught. If you do get caught, the punishment you will receive will outweigh whatever benefit you thought you had achieved by black-marketing.

### ***What Should I Do If Someone Asks Me To Help Him or Her Black-Market?***

First, refuse the person's request. Then, report known or suspected black-marketing activity to the manager of the AAFES facility, the installation law enforcement office or call the Black Marketing Hot Line at DSN—730-5118 or COM 02-7918-5118.

### ***Where Can I Get Information Concerning The Proper Way To Transfer Goods Here In Korea?***

You should contact the ration control office at Camp Casey (730-3424) or Camp Red Cloud (732-6508) for information regarding the proper way to transfer duty-free goods to those who do not have access to such goods.

## **Camp Casey Legal Center**

Maude Hall Room 244 DSN 730-3660

*This information paper is one of a series of informative handouts containing general information on topics that legal assistance attorneys frequently advise on. Information provided is general in nature and does not constitute legal advice. Consult an attorney for specific legal advice for your particular situation. This information paper is distributed to persons eligible for legal assistance under 10 USC 1044.*