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PRESS RELEASE

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Former Army Contracting Official Pleads Guilty In Bribery and Kickback Scheme Defendant Admits Accepting Over \$490,000 in Benefits From Companies He Helped Win Favorable Treatment, Government Contracts

WASHINGTON – In Seon Lim, a former contracting official for the U.S. Department of the Army, pled guilty today to federal charges stemming from a scheme in which he accepted over \$490,000 worth of benefits, including cash payments and vacations, from favored contractors. In return, he helped these businesses obtain millions of dollars in federal contracts.

The guilty plea was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Dana J. Boente, U.S. Attorney for the Eastern District of Virginia; Valerie Parlave, Assistant Director in Charge of the FBI's Washington Field Office; Thomas J. Kelly, Special Agent in Charge of the Washington Field Office of the Internal Revenue Service-Criminal Investigation (IRS-CI); Peggy E. Gustafson, Inspector General for the Small Business Administration (SBA); Robert E. Craig, Special Agent in Charge of the Mid-Atlantic Field Office of the Defense Criminal Investigative Service (DCIS), and Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit (MPFU).

Lim, 48, of Fairfax Station, Va., also known as InSeon Lim, pled guilty in the U.S. District Court for the Eastern District of Virginia to three offenses: conspiracy to commit bribery and honest services wire fraud; bribery; and attempting to interfere with and impede tax laws. The conspiracy charge carries a statutory maximum of five years in prison, the bribery charge carries up to 15 years, and the tax charge carries up to three years of incarceration. The charges also carry potential financial penalties. The plea agreement calls for Lim to pay restitution, including \$250,000 to the Department of Defense and nearly \$125,000 to the IRS. In addition, the plea agreement requires Lim to pay a forfeiture money judgment of \$490,262. The Honorable Leonie M. Brinkema scheduled sentencing for Oct. 17, 2014.

Lim is the latest person to plead guilty in an investigation into domestic bribery, bid-rigging, and federal contracting. He has agreed to cooperate in an ongoing investigation. In addition to Lim, a total of 17 other individuals and one corporation, Nova Datacom, LLC, have pled guilty to federal charges.

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“In Seon Lim, a former Army contracting officer, procured a half-million dollars in bribes in exchange for steering millions of dollars in Army contracts to corrupt businessmen,” said U.S. Attorney Machen. “Lim sold out the public trust for cash, vacations, and a Lexus. Today he joined 17 other individuals who have also pled guilty as part of this far-reaching bribery and bid-rigging scheme. The breadth of this investigation and prosecution demonstrates our unwavering commitment to holding crooked public officials and contractors accountable for crimes which threaten the very integrity of our system of government. I want to commend the outstanding work of the investigating agents and prosecutors who have worked so tirelessly on this matter.”

“Abusing one’s position for personal gain is a blatant disregard to the oath that every government employee takes, especially those whose job it is to manage the procurement needs of our government,” said Assistant Director in Charge Parlave. “Working together to protect federal funds, the FBI and our law enforcement partners will continue to ensure those who commit fraud and corruption are brought to justice.”

“There is no place in our society for corrupt public officials, and the betrayal of the trust placed in them is an egregious act. Anyone, including government contracting officials such as Mr. Lim, who promotes fraudulent schemes against the United States, will be held accountable for their blatant disregard of the duties and responsibilities of their official government position,” said Special Agent in Charge Kelly of IRS-CI. “These individuals face severe consequences, including imprisonment and substantial fines.”

“Government employees who abuse their office to enrich themselves are not only guilty of criminal wrongdoing, but tarnish the reputation of all honest public servants and lessen citizens’ faith in our system. We will continue to aggressively investigate these crimes and seek justice for the victims, the American taxpayers,” said SBA Inspector General Gustafson. “I want to thank the U.S. Attorney’s Office for its dedicated leadership and professionalism throughout this investigation.”

“We are glad to see that justice has been served and Mr. Lim has been sentenced for his selfish criminal activities,” said Director Robey of the U.S. Army Criminal Investigation Command’s Major Procurement Fraud Unit. “Identifying and vigorously investigating contracting fraud remains a top priority for our special agents and we will continue to work seamlessly with our fellow law enforcement agencies to see that people who defraud the American taxpayer are brought to justice.”

“Today’s plea demonstrates the Defense Criminal Investigative Service’s ongoing commitment to combating fraud and corruption that impacts the DoD procurement process,” said

Special Agent in Charge Craig. "DCIS, with our partner agencies, will continue to work tirelessly to identify and prosecute corruption of this nature."

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According to a Statement of Offense signed by Lim as well as the government, Lim was a public official until April 2012. The charges involve his activities as an assistant project manager and product director with the Program Executive Office Enterprise Information Systems, a part of the Army that provides infrastructure and informational management systems.

Until June 2010, Lim resided and worked in Seoul, South Korea. While in South Korea, his primary duties were to oversee and implement communications systems upgrades for the U.S. forces there, which included approximately 10 communications centers and various other special projects at military sites throughout the country. Among other things, Lim coordinated work on a major contract, which, in turn, had numerous sub-contracts.

From June 2010 until his resignation in April 2012, Lim worked as a product director at Fort Belvoir, Va.

In the statement of offense, Lim admits that he secretly used his official position to enrich himself by soliciting and accepting gifts, payments and other things of value from government contractors – totaling more than \$490,000 -- in return for favorable official action. Among other things, the statement of offense notes, Lim received payments personally and to accounts that he controlled; payments for travel, vacation, vehicles, cellphones and cellular service for himself and family members; ownership interests in two companies, and other benefits.

In exchange, Lim now admits, he provided favorable official action on subcontracts obtained and retained by the favored government contractors as requested and as opportunities arose. He also disclosed confidential bid information to the favored government contractors.

The indictment provides details about numerous contracts and payments. For example:

-Nova Datacom: According to the statement of offense, two former employees of the Northern Virginia company - Alex N. Cho, also known as Young N. Cho, and Nick Park - paid Lim \$40,000 in cash in 2007. In addition, Park paid for Lim's travel, lodging, meals and entertainment during a trip to the Philippines in 2007, and Cho paid for lodging and a \$1,000 casino chip during a trip later that year to Las Vegas. Lim, meanwhile, agreed to use his official position to recommend the company for a contract valued at nearly \$330,000.

-Avenciatech: According to the statement of offense, former officials of Avenciatech, Inc., a government contractor based in Annandale, Va., provided Lim with cash payments; payments for hotel stays for Lim and family members, including a trip to the Atlantis resort in the Bahamas; payments to finance the purchase of a 2010 Lexus automobile, and payments for other things of value. One of the officials, Oh Song Kwon, also known as Thomas Kwon, also assisted Lim in obtaining financing for the purchase of a home in Fairfax Station, Va., where

Lim resided following his reassignment in 2010 to a position at Fort Belvoir. Lim, meanwhile, assisted the company in obtaining more than \$3 million in contracts.

-UEI: Nick Park left Nova Datacom in 2007 and co-founded another government contractor, Unisource Enterprise Inc. (UEI), based in Annandale, Va. According to the statement of offense, in exchange for favorable treatment, Lim was given a secret ownership in UEI. Among other things, Lim provided Park with sensitive procurement information. He also assisted the company in obtaining a government sub-contract worth over \$1.1 million.

Cho, Park, and Kwon are among those who earlier pled guilty to charges in the case.

In addition to pleading guilty to the conspiracy and bribery charges, Lim admitted that he failed to report the bribes he received on tax returns for the years 2007 through 2011. He also failed to keep records that would allow him to file accurate records for 2012 and 2013.

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This investigation is being conducted by the FBI's Washington Field Office; the Washington Field Office of the Internal Revenue Service-Criminal Investigation, the Office of the Inspector General for the Small Business Administration; the Department of Defense's Defense Criminal Investigative Service; the Defense Contract Audit Agency, and the Army Criminal Investigation Command. It is being prosecuted by Assistant U.S. Attorneys Michael K. Atkinson and Bryan Seeley of the Fraud and Public Corruption Section and Assistant U.S. Attorney Anthony Saler of the Asset Forfeiture and Money Laundering Section, all of the U.S. Attorney's Office for the District of Columbia, and Assistant U.S. Attorney Jack Hanly, of the U.S. Attorney's Office for the Eastern District of Virginia.

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