



UNITED STATES DEPARTMENT *of* JUSTICE

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* COLUMBIA

NEWS



FOR IMMEDIATE RELEASE
Tuesday, November 25, 2014

For Information Contact:
Public Affairs (202) 252-6933
<http://www.justice.gov/usao/dc/index.html>

**Owner of Virginia-Based Company Pleads Guilty
To Providing Gratuities to Federal Contracting Official
Company Agrees to Pay \$300,000 Criminal Penalty for Its Conduct**

WASHINGTON – Harry I. Martin, Jr., the owner, president, and chief executive officer of a Virginia-based information technology company, Intelligent Decisions, Inc., pled guilty this week to a federal charge stemming from gratuities that he and his company provided to a former contracting official with the U.S. Department of the Army in return for preferential treatment and government contracts.

In a related action, the company, Intelligent Decisions, Inc., has agreed to pay a \$300,000 criminal penalty for its conduct. The company was charged in a criminal information with one count of paying a gratuity to a public official. Intelligent Decisions, Inc. agreed to the filing of the information, and is to make the payment and strengthen its internal controls as part of a deferred prosecution agreement with the government. In light of that payment, and the company's willingness to acknowledge responsibility for its actions, the U.S. Attorney's Office for the District of Columbia will recommend the dismissal of the information in 24 months, provided Intelligent Decisions, Inc. fully cooperates and abides by the agreement.

The developments were announced today by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Andrew G. McCabe, 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 of the U.S. Small Business Administration (SBA-OIG); Robert E. Craig, Jr., 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).

Martin, 56, of Great Falls, Virginia, and Intelligent Decisions, Inc., agreed to fully cooperate in an ongoing federal investigation. Martin entered the guilty plea on Nov. 24, 2014, before the Honorable Emmet G. Sullivan in the U.S. District Court for the District of Columbia. He is to be sentenced on March 6, 2015.

Martin is the 20th individual to plead guilty in an investigation into domestic bribery, bid-rigging, and federal contracting. His business colleague, Chae Shim, the Director of Acquisition Accounts, Asia/Pacific, for Intelligent Decisions, pled guilty on Nov. 6, 2014, to the same federal charge as Martin stemming from gratuities that Shim and others at Intelligent Decisions, including Martin, provided to the former Army contracting official in return for preferential treatment and government contracts. Shim, 47, of Reston, Va., is to be sentenced on March 20, 2015.

In addition to those individuals, one corporation, Nova Datacom, LLC, pled guilty to federal charges. Also, a South Korean-based corporation, Saena Tech Corporation, has entered into a deferred prosecution agreement and agreed to pay a \$500,000 criminal penalty as part of the investigation.

In the overall investigation, to date, the United States has seized for forfeiture or recovered over \$9 million in bank account funds, cash, and repayments, as well as 19 real properties, nine cars, and multiple pieces of fine jewelry.

The guilty plea and deferred prosecution agreement involve gratuities provided to In Seon Lim, a former contracting official for the U.S. Department of the Army. Lim pled guilty in July 2014, in the U.S. District Court for the Eastern District of Virginia, 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, including Intelligent Decisions, Inc. In return, he helped these businesses obtain millions of dollars in federal contracts and subcontracts. Lim, 48, who pled guilty to bribery and two other federal offenses, was sentenced on Oct. 24, 2014 to a four-year prison term.

“A corporate CEO has now become the 20th person to plead guilty in this bribery and bid-rigging investigation,” said U.S. Attorney Machen. “He joins a long list of public officials and government contractors held accountable for corrupting the integrity of the federal contracting system. This CEO and his company rigged the competition for military contracts by plying an Army official with meals, drinks, entertainment, and golf outings. The fate of this CEO and his company should encourage other contractors to steer clear of crooked dealings.”

“This plea demonstrates that those who engage in illegal gratuities will be held accountable for their actions,” said Assistant Director in Charge McCabe. “Both the company and the public official benefited when contracts were steered and increased almost \$4 million. The FBI and our partner agencies will continue to investigate those who abuse the American taxpayer’s money and protect federal funds.”

“The defendant’s actions to pay and authorize the payment of illegal gratuities to a government official are an attack on the integrity of our system of government,” said Inspector General Gustafson of the U.S. Small Business Administration. “With our law enforcement partners, the SBA OIG will guard against such attacks and bring to justice those responsible for such despicable acts. I want to

thank the U.S. Attorney's Office for its dedicated leadership and professionalism in bringing forth this guilty plea.”

“It is one of the highest priorities of the Defense Criminal Investigative Service (DCIS) to protect the integrity of the government procurement process so that taxpayer money is spent properly,” said Special Agent in Charge Craig. “As this case has again demonstrated, DCIS and our law enforcement partners will work together to uncover and fully prosecute any and all individuals and companies who are not willing to follow government contract and procurement laws.”

“This case should send a very loud and clear message to all who do business with the Department of the Army that if you intend on committing illegal acts for your own greed and personal gain, especially while our nation is at war, we will surely catch you and help bring you to justice,” said Director Robey of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit “We have a very robust group of highly-trained special agents in our fraud unit who are masters at combating and uncovering fraud, deception, bribery and other criminal acts associated with government contracting and purchasing.”

According to the government’s evidence, Martin, Shim, and the company provided Lim with thousands of dollars in meals, drinks, entertainment, golf outings, and golf equipment, in return for preferential treatment and the direction of Army subcontracts to the firm.

All told, Intelligent Decisions spent over \$10,000 on a variety of expenses, including dinners, golf outings, and other events attended by Lim, who was joined by company officials and others, while one of its employees agreed to pay for a Lexus ES350 automobile worth over \$30,000 for Lim.

At the time of this conduct, Lim was 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. Working in South Korea, Lim’s 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.

According to the government’s evidence, prior to the awarding of the sub-contracts, Martin and Shim traveled to South Korea in January 2009 to meet with Lim. They provided him with a dinner, drinks, and entertainment. They followed up on the meeting with e-mails expressing their desire for Intelligent Decisions, Inc., to work with him.

Later in January 2009, with Lim’s assistance, the company was awarded two subcontracts. One had an initial value of \$525,000, and the other had a value of \$67,294.

Over the ensuing months, Martin, Shim, and the company provided Lim with additional meals, entertainment, golf outings, and other benefits. Meanwhile, modifications were made to the sub-contracts increasing their value. The lengths of the two sub-contracts were expanded, along with

their value. The \$525,000 contract eventually climbed to a value of \$3.2 million, and the \$67,294 contract later became worth \$1.3 million.

This investigation is being conducted by the FBI's Washington Field Office; the Washington Field Office of the Internal Revenue Service-Criminal Investigation; the Inspector General's Office of the U.S. 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. Attorney Michael K. Atkinson of the Fraud and Public Corruption Section and Assistant U.S. Attorney Anthony Saler of the Asset Forfeiture and Money Laundering Section of the U.S. Attorney's Office for the District of Columbia.

14-264