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**TWO MILITARY CONTRACTOR EXECUTIVES PLEAD GUILTY  
TO CONFLICT OF INTEREST CHARGES RELATING TO JOB NEGOTIATIONS  
WITH ARMY CONTRACT OFFICER**

**Greenbelt**, Maryland – United States Attorney for the District of Maryland Rod J. Rosenstein announces that today two executives of Information Systems Support, Inc. (“ISS”), a Gaithersburg, Maryland-based military contractor, pleaded guilty to conflict of interest charges relating to illegal job negotiations with a U.S. Army colonel who was the commander of contracting for the U.S. Armed Forces in Korea.

Young Y. Lee, age 46, of Rockville, Maryland, and Lorn J. MacUmbler, age 67, of Gypsum, Colorado, each pleaded guilty to one count of aiding and abetting a conflict of interest involving former Army Col. Richard J. Moran. According to the statement of facts presented to the court at the guilty pleas, Lee was President and Chief Executive Officer of ISS and MacUmbler was an ISS senior vice president. ISS provided information technology, logistics and communications support services on federal government projects and installations, including U.S. military operations in South Korea. In late 2000, Lee was introduced to Army Col. Richard J. Moran, who had responsibility for solicitation, award and oversight of more than 17,000 military contracts in Korea,

including the planned reprocurement of the Global Command and Control System-Korea (“GCCS-K”) and the Korean Battle Simulation Center (“KBSC”). Moran owned a home in the Washington area and advised another ISS employee that he was considering retiring from the Army and going to work in the private sector. In April 2001, that employee introduced MacUmbler to Moran.

Beginning in April 2001, while Moran remained on active duty and did not recuse himself from matters involving ISS. Lee and MacUmbler each had meetings, meals, conversations and email exchanges with Moran about the possibility of Moran coming to work for ISS. On April 25, 2001, MacUmbler sent an electronic message to Lee and other ISS executives stating that he was “going to be sending [Moran] some ideas for a business plan and some for a hiring plan.” On June 14, 2001, Moran visited ISS headquarters and met with Lee, MacUmbler and other ISS officials. That night, Lee, MacUmbler and another ISS official bought dinner for Moran and Moran’s wife at Woomi Garden restaurant in Wheaton, Maryland. Over the next few days, MacUmbler bought Moran lunch at Sweetwater Tavern in Falls Church, Virginia, and Lee bought Moran dinner at Don Shula’s Steakhouse, Marriott Hotel, Tyson’s Corner, Virginia. On July 11, 2001, Lee bought Moran dinner at the Seoul Hilton hotel in Korea. On July 24, 2001, after ISS and a competing team of contractors made oral presentations in support of their proposals for the GCCS-K contract, MacUmbler bought Moran dinner at the Seoul Hilton hotel.

Although a board of military technical experts recommended awarding the GCCS-K contract to ISS’s competitor, on July 27, 2001, Moran rejected the recommendation and designated a direct subordinate to serve as “Source Selection Authority” for the contract, which was being procured for the military by the General Services Administration (“GSA”) through a multiple-award, indefinite

delivery, indefinite quantity contract known by the acronym ANSWER, which involved 10 prequalified contractors, including ISS. Moran's subordinate recommended that GSA award the GCCS-K contract to ISS and its team of subcontractors. GSA issued a public notice of intent to award the GCCS-K task to the ISS team, and on October 27, 2001, after further review and evaluation, GSA announced the award of the GCCS-K task order to the ISS team.

On November 11, 2001, MacUmbert bought Moran dinner in Korea. Moran told MacUmbert that he was thinking about retiring in July 2002 and that he was being recruited by other companies. On November 13, MacUmbert wrote a lengthy email entitled "Mr. Mo" to Lee and another ISS official:

Had dinner Sunday night (Korea time) as planned very interesting. There are some items I would rather discuss in person or over phone I'm sure you understand.

\* \* \*

MOST Important: Mr. Mo had to make decision in December to be available July 2002. I outlined plan where he would represent me in MD and prepare himself for my POSSIBLE replacement. His expectations are high but his value has been proved. He has future items that make his hire important. He is being chased by others but wants to join us. Young, your time in Korea in December will be very important in this decision. He is expecting an offer.

During November and December 2001, Moran recommended that the next KBSC contract be awarded under a GSA program whose terms precluded the incumbent contractor from competing as a prime contractor and limited competition to a group of prime contractors that included ISS. In December, Moran specifically told the incumbent that if it wanted to continue to participate in the KBSC program, it should compete for the work as a subcontractor to ISS.

On December 13 and 29, 2001, respectively, Lee and MacUmbert bought Moran dinner at the Seoul Hilton. On January 3, 2002, MacUmbert and Moran discussed ISS's offer that Moran be

hired as director of western corporate support projects, with a starting annual salary of \$110,000 plus additional benefits, and MacUmbler purchased dinner for Moran and Moran's wife at the Seoul Hilton. MacUmbler sent an email message to Lee and other ISS officials relating the terms of the job offer to Moran and stating that Moran "was generally pleased with it and wants to work for me" but "wants \$125k" and wants "a service contract" and "may hit us for some relocation costs but that is not clear." On January 7, 2002, MacUmbler wrote Lee an email under the title "HOT Mr. Mo." stating that Moran had accepted an offer for employment at \$125,000 per year but was working on a proposed employment contract.

Moran never went to work for ISS. As of January 16, 2002, Lee, MacUmbler and ISS had not submitted a written employment contract to Moran. On that day – as part of an investigation into other contracts not related to this case, Army CID agents executed a search warrant at Moran's residence, discovered evidence of bribery involving those contracts, and arrested Moran. The Army relieved Moran of his command at CCK the following day.

Moran was prosecuted by the United States Attorney's Office for the Central District of California. He pleaded guilty to conspiracy and bribery charges in U.S. District Court in Santa Ana, California in 2003 and is serving a prison sentence.

Each defendant faces a maximum sentence of five years imprisonment, a \$250,000 fine, three years of supervised release, and a mandatory \$100 special assessment fee. U.S. District court Judge Alexander Williams, Jr. scheduled sentencing for October 12, 2005 at 9:30 am.

The cases were investigated by the U.S. Army Criminal Investigation Command and the Federal Bureau of Investigation, Los Angeles Field Office. They are being prosecuted by Assistant United States Attorneys Stuart A. Berman and Timothy B. Atkins.