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## **KOREAN BUSINESSMAN INDICTED IN BRIBERY CONSPIRACY AND WIRE FRAUD SCHEME INVOLVING \$206 MILLION CONTRACT**

WASHINGTON - A South Korean businessman was indicted today for his alleged role in a bribery conspiracy for a \$206 million telecommunications contract involving employees of the Army and Air Force Exchange Service (AAFES), Assistant Attorney General Lanny A. Breuer of the Criminal Division announced.

In a superseding indictment, Gi-Hwan Jeong, 44, was charged in the Northern District of Texas with conspiracy, honest services wire fraud and bribery. Jeong was previously indicted on Dec. 17, 2008, solely on bribery charges and was arrested in Dallas on Nov. 19, 2008, on a criminal complaint. In upholding Jeong's detention, U.S. District Court Judge Jane J. Boyle found probable cause to support charges and that Jeong was a flight risk. Jeong's trial on all counts is scheduled to begin June 24, 2009, before U.S. District Judge Ed Kinkeade.

According to the superseding indictment, AAFES provides goods and services worth billions of dollars to U.S. Armed Forces service members and their families around the world, often referred to as military exchanges. The superseding indictment alleges that between 2001 and 2006 Jeong conspired with two AAFES officials and others to commit bribery and honest services wire fraud when he agreed to make payments to the officials in the form of cash, travel and entertainment expenses in exchange for their aid in securing and maintaining a \$206 million telecommunications contract for Jeong's company, Samsung Rental Ltd. (SSRT).

On April 21, 2009, Henry Lee Holloway, identified as co-conspirator and recipient of bribes in Jeong's superseding indictment, pleaded guilty in the Middle District of Georgia for his role in the conspiracy and for not reporting the bribes he admitted he accepted on his income tax returns. Holloway, 42, of Hamilton, Ga., worked as an AAFES general store manager at the Central Exchange in the Republic of Korea from 2003 through 2007. According to court documents, prior to Jeong's alleged payments to Holloway, and as a result of SSRT's failures to perform under the contractual relationship with AAFES, Holloway attempted to terminate the contractual relationship between AAFES and SSRT. After Jeong allegedly began making payments to Holloway, and as the result of those payments, Holloway admitted he used official acts and influence to support and expand that contractual relationship, including contract amendments and obligation changes.

The case is being prosecuted by Senior Trial Attorney Richard C. Pilger and Trial Attorneys Richard B. Evans and Eric G. Olshan of the Criminal Division's Public Integrity

Section, headed by William M. Welch, II, Chief. The case was investigated by the Air Force Office of Special Investigations, the FBI's Dallas Field Office and the Internal Revenue Service.

An indictment is merely an allegation, and every defendant is presumed innocent until proven guilty beyond a reasonable doubt.

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