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**Virginia Businessman Pleads Guilty to Bribery and Other Charges
In Contracting Scheme Involving U.S. Army
Defendant Admits Providing Money to Army Official,
Paying for Trips, Luxury Vehicles, and Other Things of Value**

WASHINGTON - Oh Sung Kwon, 47, a Northern Virginia businessman, pled guilty today to federal charges stemming from a bribery scheme in which he paid thousands of dollars to an Army official in return for government contracts, as well as a separate scheme involving fraudulent real estate sales and refinances.

Kwon, also known as Thomas Kwon, of Vienna, Va., pled guilty in the U.S. District Court for the District of Columbia to one count each of bribery, conspiracy to commit bank fraud and willful failure to file a tax return. He appeared before the Honorable Magistrate Judge John M. Facciola. He faces a statutory maximum of 21 years in prison, along with potential fines, restitution and a judgment of forfeiture. No sentencing date was set.

Kwon was the co-founder and chief executive officer of Avenciatech, Inc., a government contractor based in Annandale, Va. He is among 12 people who have pled guilty to federal charges for their roles in the largest domestic bribery and bid-rigging scheme in the history of federal contracting. The investigation is continuing.

The plea was announced by U.S. Attorney Ronald C. Machen Jr.; James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office; Rick A. Raven, 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).

According to a statement of offense, signed by the government and the defendant, Kwon learned of a contract-steering scheme from two business contacts: Alex N. Cho, who was then the chief technology officer for Nova Datacom, LLC, and a second Nova Datacom employee. This scheme involved contracts and subcontracts awarded through the U.S. Army Corps of Engineers in return for hundreds of thousands of dollars in payments to Kerry F. Khan. At the time, Khan was a program manager at the Army Corps of Engineers. Kwon's role in the scheme involving the Army Corps of Engineers involved Kwon arranging for Cho and another Nova Datacom employee to exchange checks for approximately \$700,000 in cash, which was paid to Khan in exchange for government contracts. Kwon later attempted to obstruct the resulting criminal investigation by destroying evidence. Kwon also disclosed to law enforcement authorities the efforts by Cho and another Nova Datacom employee to obstruct the criminal investigation, including Cho's attempts while wearing a recording device to prevent Kwon from making incriminating statements.

Kwon learned of a second, similar scheme through another business contact: Nick Park, a former Nova Datacom employee who was then the president of Unisource Enterprise Inc. Kwon learned through Park that he had obtained a subcontract for his company by agreeing to pay bribes to a person identified in court documents as "Public Official C." This official, based at the time in Seoul, South Korea, was an assistant project manager for the U.S. Army who had responsibilities for a major contract.

In or about February 2009, Kwon established Avenciatech for the purpose of obtaining government contracts. The following month, Kwon traveled to South Korea to meet "Public Official C." In exchange for an undisclosed

ownership interest in Avenciatech, "Public Official C" agreed to use his official position to steer subcontracts from the Army to Avenciatech. Plans later called for "Public Official C" to have a 40 percent ownership interest in the company.

The court documents provide details about two contracts. One, in September 2009, was in the amount of \$366,844. However, Army change orders later increased the value of this subcontract to \$1,913,059. The second contract, obtained in February 2011, was in the amount of \$551,093. Change orders later increased its value to \$1,413,513.

From February 2009 until October 2011, Kwon made a series of bribe payments to "Public Official C." They included cash payments; payments for hotel stays for "Public Official C" 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. Kwon also assisted "Public Official C" in financing the purchase of a home in Fairfax Station, Va., where "Public Official C" resided following his reassignment in 2010 to a position at Fort Belvoir.

Kwon also pled guilty to charges in a separate scheme involving bank fraud. In addition to running Avenciatech, Kwon was the operations manager for Onyx Financial Services, a mortgage broker based in Annandale. He admitted involvement in at least six fraudulent real estate sales and refinances in northern Virginia, with loan amounts of about \$1.8 million. Finally, Kwon pled guilty to the willful failure to file a tax return. This charge involved his 2010 income tax return.

Cho pled guilty in September 2011 to one count of conspiracy to commit bribery, money laundering, and wire fraud, and to defraud the United States, and one count of bribery. Khan pled guilty in May 2012 to one count each of bribery and conspiracy to commit money laundering. Park pled guilty in June 2012 to two counts of bribery.

The others who have pled guilty include Michael A. Alexander, a former program manager with the Army Corps of Engineers; Harold F. Babb, the former director of contracts at Eyak Technology LLC (EyakTek), an Alaska Native-owned small business; Theodoros Hallas, who also worked for Nova Datacom; Robert L. McKinney, the president of Alpha Technology Group, Inc.; James Edward Miller, the owner of Big Surf Construction Management LLC; Larry G. Corbett, the owner of Core Technology LLC and Enterprise Technical Solutions, Inc. Lee A. Khan, the son of Kerry Khan, and Nazim Khan, the brother of Kerry Khan.

Alexander was sentenced earlier this month to a six-year prison term and ordered to pay \$1.25 million in restitution and a \$1.25 million forfeiture money judgment. The other defendants are awaiting sentencing.

In announcing the plea, U.S. Attorney Machen, Assistant Director in Charge McJunkin, Inspector General Gustafson, Special Agent in Charge Craig, Special Agent in Charge Raven, and Director Robey thanked those who investigated the case from the FBI's Washington Field Office; 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; the Washington Field Office of the Internal Revenue Service-Criminal Investigation, and the Army Criminal Investigation Command. They also expressed thanks to the U.S. Marshals Service for its assistance on the forfeiture matter.

They also praised the efforts of those who worked on the case from the U.S. Attorney's Office, including 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. Finally, they expressed thanks for assistance provided by former Special Assistant U.S. Attorney Christopher Dana; Forensic Accountant Maria Boodoo; Paralegal Specialists Tasha Harris, Lenisse Edloe, Shanna Hays, Taryn McLaughlin, Sarah Reis, Christopher Samson, and Nicole Wattetet, and Legal Assistants Krishawn Graham and Jessica McCormick.