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Pamela J. Sweeden
DEPUTY CLERK, U.S. DISTRICT COURT
MIDDLE DISTRICT OF GEORGIA

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
COLUMBUS DIVISION

UNITED STATES OF AMERICA : CRIMINAL NUMBER: 4:09-CR-08 (CDL)
:
vs. :
:
HENRY LEE HOLLOWAY :
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FACTUAL BASIS FOR PLEA

CAPTION PAGE

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

<p>UNITED STATES OF AMERICA</p> <p style="text-align: center;">v.</p> <p>HENRY LEE HOLLOWAY,</p> <p style="text-align: center;">Defendant.</p> <hr style="width: 30%; margin-left: 0;"/>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Criminal Number</p> <p><u>Count One:</u> 18 U.S.C. § 371 and forfeiture</p> <p><u>Count Two:</u> 18 U.S.C. § 7206(1)</p>
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FACTUAL BASIS FOR PLEA

The United States, by undersigned counsel, and the defendant, Henry Lee Holloway, personally and by undersigned counsel, stipulate and agree to the following statement of facts in support of a Plea Agreement between the defendant and the United States executed on November 20, 2008:

1. The Army Air Force Exchange Service (AAFES) provides billions of dollars in goods and services to U.S. military personnel and their families around the world -- i.e., Post Exchange ("PX") and Base Exchange ("BX") services. AAFES is a \$9 billion, non-appropriated fund instrumentality of the U.S. Government and a joint military command of the Department of Defense operating world-wide and headquartered in Dallas, Texas, and employees of AAFES are public officials as defined in 18 U.S.C. Section 201(a)(1).

2. In November 2001, AAFES awarded a \$206 million, competitively-bid contract to Samsung Rental Company, Limited (SSRT) for internet access, internet café, and internet telephony service to be provided to United States Armed Forces installations in the Republic of Korea (ROK). This competitively bid telecommunications contract between AAFES and SSRT was initially for a ten-year term, and was subsequently modified to run until 2019. AAFES, however, ultimately ended its contractual relationship with SSRT in January 2007 due, among other things, to SSRT's inability to provide services, SSRT's high rates, and complaints from servicemembers who were unable communicate with their families through SSRT's promised services.

3. Jeong, Gi-Hwan ("Jeong"), a Korean national, was SSRT's Chief Executive Officer at all relevant times.

4. Henry Lee Holloway was AAFES General Store Manager, Central Exchange, Republic of Korea, at all relevant times.

5. From May 2003 to April 2005, pursuant to an understanding and scheme and agreement between them, Jeong paid no less than \$70,000 in cash, stock offerings, entertainment, travel expenses, and other things of value, as bribes to Holloway, that is, in exchange for Holloway's use of official action and influence to protect, maintain, and further SSRT's contractual relationship with AAFES; Holloway accepted these bribes corruptly, that is, knowing that he accepted them in violation of the law and with the intent to be influenced in his future official actions as to SSRT, to assist SSRT in further defrauding the United States, and to violate his duties to the United States, including his duty to provide honest services.

6. At all relevant times, Holloway knew that SSRT was not performing properly pursuant to its contractual relationship with AAFES by, among other things and at various times, failing to provide required and promised telecommunications services to customers in the United States Armed Forces, and by failing to pay fees to AAFES. Prior to Jeong's 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 the payments from Jeong to Holloway began, and as the result of those payments, Holloway used official acts and influence to support and expand that contractual relationship, including contract amendments and novations.

7. Other persons, known and unknown to Holloway, had been or were part of the agreement and scheme to protect, maintain, and further the contractual relationship between SSRT and AAFES through bribery, and the payments by Jeong to Holloway were only one part of that agreement and scheme.

8. It was foreseeable that wire transmissions from the ROK to Dallas, Texas, would occur in furtherance of the scheme, and Holloway personally sent such wire transmissions from the ROK in the form of electronic mail from himself to AAFES Headquarters concerning the contractual relationship between SSRT and AAFES.

9. The expected profit to SSRT from Jeong's bribery of Holloway was no less than \$20 Million.

10. Holloway used the proceeds of the agreement and scheme with Jeong to, among other things, improve his real property in Hamilton, Georgia, and to purchase personal property.

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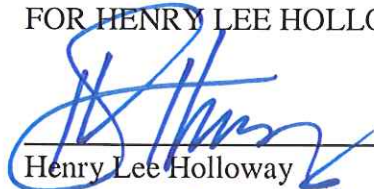
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11. For tax years 2003, 2004, and 2005, Holloway intentionally filed false income tax returns in violation of a known legal duty, that is, he deliberately failed to report as income the payments he received from Jeong.

FOR HENRY LEE HOLLOWAY:



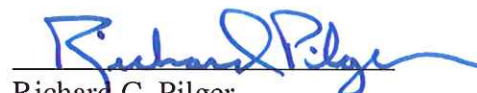
Henry Lee Holloway



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