

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
401 Market Street, Fourth Floor
Camden, New Jersey 08101



Paul J. Fishman, U.S. Attorney

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Assistant U.S. Attorney
MATTHEW J. SKAHILL

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Owner of Temporary Labor Firm Pleads Guilty to Bribery Scheme

(More)

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Rebekah Carmichael

973-645-2888

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CAMDEN – The operator of a Philadelphia-based temporary labor firm pleaded guilty today to bribing a senior investigator with the New Jersey Department of Labor & Workforce Development, Division of Wage and Hour Compliance (“NJDOL”), U.S. Attorney Paul J. Fishman announced.

Thuan Nguyen, 38, of Philadelphia, pleaded guilty before U.S. District Judge Noel L. Hillman to a two-count Information which charges him with one count each of bribery and failure to remit employment taxes. Judge Hillman continued the defendant’s release on a \$50,000 bond pending sentencing, which is scheduled for July 12, 2010.

As part of his plea, Nguyen has agreed to pay the employment taxes owed, plus interest and penalties, which total in excess of \$400,000.

According to the Information to which Nguyen pleaded guilty, documents filed in this and related cases, and statements made in court:

From 2006 through March 2009, Nguyen operated N&T Staffing, Inc. (“N&T”), Janus Staffing (“Janus”), and United Employment Services (“UES”) and was involved in the operation of JNT General Services Inc. (“JNT”), and K&B Staffing Inc. (“K&B”), all of which were based in the Philadelphia area. The firms provided temporary employees to client businesses, including businesses located in southern New Jersey. Typically, the firms’ contracts with these outside businesses called for the firm to assume the responsibility to withhold and pay state and federal payroll taxes, and to comply with wage, hour and worker’s compensation insurance coverage laws and regulations, in exchange for a flat hourly rate per employee.

Nguyen admitted that from 2006 through December 2008, he paid bribes totaling approximately \$145,773 to Joseph Rivera, 54, of Winslow, New Jersey, a senior investigator with the NJDOL. Nguyen admitted he paid the bribes to protect these firms from State of New Jersey audits and inspections of the temporary labor firms’ compliance with payroll tax obligations.

Nguyen also stated that he was responsible, as the operator of N&T, Janus, and UES, for withholding, collecting, and accounting for and paying to the United States all employment taxes imposed by the Internal Revenue Code. Nguyen admitted that he willfully failed to collect and truthfully account for these taxes, which caused a tax loss between \$400,000 and \$1 million.

On March 30, 2009, Rivera pleaded guilty before Judge Hillman to a two-count Information which charged him with one count each of solicitation and acceptance of a bribe and tax evasion. At his plea hearing, Rivera admitted that Nguyen was not the only person from whom he accepted bribes, which totaled more than \$1.86 million from owners and operators of temporary labor firms. In exchange for these payments, Rivera refrained from inspecting these firms and falsely certified that they were in compliance with state wage and hourly statutes and regulations. As part of his plea, Rivera forfeited \$1.86 million in monies and

property, an amount equal to the total bribe payments he accepted. The forfeitures included \$120,400 in cash; two Ocean City, N.J., properties; a Fort Lauderdale, Fla., property; a 2008 Lexus ES 350; eight gold plates; and numerous other gold and silver coins. Rivera is scheduled to be sentenced by Judge Hillman on June 3, 2010.

The following defendants have also pleaded guilty in connection with this investigation and are awaiting sentencing:

Defendant	Charges	Guilty Plea Date	Sentencing Date
Yohan Wongso	Bribery	March 30, 2009	June 4, 2010
James Peyton	Bribery, filing a false tax return	January 26, 2010	May 19, 2010
Channavel "Danny" Kong	Bribery, failure to remit employment taxes	February 2, 2010	May 28, 2010

In determining sentences for all of these defendants, Judge Hillman will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors, including acceptance of responsibility. The judge has wide discretion and is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all of that time.

Fishman credited Special Agents of the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, and the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Janice K. Fedarczyk, with the investigation.

The government is represented by Assistant U.S. Attorney Matthew J. Skahill of the U.S. Attorney's Office Criminal Division in Camden.

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Defense Attorney: William J. Brennan, Esq. Philadelphia, PA.