

ORIGINAL FILED

UNITED STATES DISTRICT COURT
for the
District of New Jersey

MAR 27 2009

WILLIAM T. WALSH, CLERK

United States of America)
v.)
CHANNABEL "DANNY" KONG) Case No. 09-1033 (AMD)
)

Defendant

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date of 12/06-1/09 in the county of Camden in the _____ District of
New Jersey, the defendant violated 18 U. S. C. § 666(a)(2), an offense described as follows:

See Attachment A.

This criminal complaint is based on these facts:

See Attachment B.

Continued on the attached sheet.



Complainant's signature

Andrew Rixham, Special Agent, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date: 3/27/09



Judge's signature

City and state: Camden, New Jersey

Hon. Ann Marie Donio, U.S.M.J.

Printed name and title

CONTENTS APPROVED

UNITED STATES ATTORNEY

By: _____

Joshua Drew

Assistant U.S. Attorney

Date: 3/27/09

ATTACHMENT A

From in or about December 2006 to in or about January 2009, in Camden County, in the District of New Jersey and elsewhere, defendant

CHANNAVEL "DANNY" KONG

did knowingly and corruptly give, offer, and agree to give cash payments to New Jersey Department of Labor and Workforce Development employee Joseph Rivera, with the intent to influence and reward Rivera, in connection with a business, transaction, and series of transactions of the State of New Jersey, involving a thing of value of \$5,000 or more, and involving a state government that received in excess of \$10,000 in federal funds assistance during the relevant one-year periods.

In violation of Title 18, United States Code, Section 666(a)(2).

ATTACHMENT B

I, Andrew Rixham (the "affiant"), state that I am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein based upon my own investigation, as well as information provided to me by other law enforcement officers. Since this Affidavit is submitted for the sole purpose of establishing probable cause to support issuance of a complaint, I have not included herein the details of every aspect of this investigation. In referring to communications between persons in this affidavit, I have excerpted or summarized such communications in substance and in part.

1. At all times relevant to this complaint,

- a. Defendant CHANNAVEL "DANNY" KONG, a resident of Philadelphia, Pennsylvania, operated Sunrise Labor ("Sunrise"). Sunrise was a temporary labor firm that provided temporary employees to outside businesses, including in New Jersey, for a flat hourly rate. Typically, Sunrise's contracts with these outside businesses called for Sunrise to assume the responsibility to withhold and pay state and federal payroll taxes, and comply with wage, hour and worker's compensation insurance coverage laws and regulations.
- b. Temporary labor firms and the businesses that retained them were subject to inspection and oversight by employees of the New Jersey Department of Labor and Workforce Development ("NJDOL") Wage and Hour Division, which enforced state labor laws that addressed conditions of employment and the method and manner of payment of wages.
- c. Joseph Rivera was a resident of Sicklerville, New Jersey, and a Senior Investigator in the NJDOL Wage and Hour Division with an office in Hammonton, New Jersey.
- d. The State of New Jersey was a government that received federal benefits in excess of \$10,000 in 2006, 2007 2008 and 2009 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance or other form of assistance.

2. On or about November 11, 2008, defendant KONG met with Rivera at KONG's residence in Philadelphia. At this meeting, which was recorded, defendant KONG paid Rivera approximately \$1,061 in cash.
3. On or about December 1, 2008, defendant KONG met with Rivera at a restaurant in Turnersville, New Jersey. At this meeting, which was recorded, defendant KONG paid Rivera approximately \$2,391 in cash.
4. On or about January 16, 2009, defendant KONG met with Rivera at a restaurant in Voorhees, New Jersey. At the meeting, which was recorded, defendant KONG paid Rivera approximately \$4,306 in cash.
5. On or about February 27, 2009, defendant KONG was interviewed by Special Agents of the FBI and Internal Revenue Service ("IRS") and stated, in substance and in part, that (a) he had been paying Rivera for more than a year, (b) Sunrise had earlier been audited by Rivera, (c) KONG began paying Rivera because KONG believed that Rivera could make it so there were no problems, and (d) KONG's payments to Rivera were based on the number of hours worked by Sunrise employees multiplied by \$0.25.
6. In 2008, Sunrise had temporary labor contracts with businesses in New Jersey worth tens of thousands of dollars.
7. A ledger recovered in a search of Rivera's residence and identified by Rivera as a record of corrupt payments that he received shows that from December 2006 through late 2008, defendant KONG made cash payments to Rivera totaling approximately \$47,523.
8. On or about October 29, 2008, Rivera was interviewed by Special Agents of the FBI and IRS and stated, in substance and in part, that since 2002 he had been accepting corrupt payments from various temporary labor firm operators, including defendant KONG, to influence Rivera's official actions as an employee of the NJDOL.