

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



PAUL J. FISHMAN, U.S. Attorney

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ERIC M. SCHWEIKER
Assistant U.S. Attorney

FOR IMMEDIATE RELEASE
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**President and CEO of Long Island Defense Contracting Firm
Charged with Offering Bribe to Department of Defense
Contracting Officer**

(More)

Public Affairs Office
Rebekah Carmichael

973-645-2888

TRENTON, N.J. – The President and CEO of a defense contracting firm in Long Island, New York was arrested today and charged with offering a \$100,000 bribe to a Department of Defense contracting officer at Fort Monmouth, U.S. Attorney Paul J. Fishman announced.

Thanomsak Hongthong, 56, of Shoreham, New York, was taken into custody today by Special Agents with the Defense Criminal Investigative Service and U.S. Army Criminal Investigation Command. Hongthong appeared today before U.S. Magistrate Judge Lois H. Goodman, in Trenton, New Jersey, and was released on a \$200,000 bond.

According to the Criminal Complaint filed in Trenton federal court:

On November 18, 2009, Hongthong's company, VDH Precision Machining Corp. ("VDH") – a manufacturer of electrical and mechanical component parts located in Bohemia, New York – was awarded a contract worth more than \$1.7 million to provide spare parts to the United States Army. This contract was administered by the United States Army's Contracting Center of the Communications and Electronics Command ("CECOM"), located in Fort Monmouth, New Jersey. CECOM develops, procures and sustains communications and information technologies systems.

Two to three weeks after VDH was awarded this contract, Hongthong contacted a Department of Defense Contracting Officer at Fort Monmouth, who was responsible for the contract. Hongthong told the contracting officer that one of VDH's vendors had increased its price on one of the spare parts VDH was required to provide under the contract, and the contracting officer told Hongthong that there was nothing that the Government could do about this situation.

Hongthong later called the contracting officer and requested a meeting, which took place at Fort Monmouth on February 5, 2010. At the end of this meeting, Hongthong made a statement to the contracting officer which the contracting officer took as an offer of a bribe. The contracting officer then contacted officials at Fort Monmouth, which began the investigation.

At the direction of law enforcement, on March 17, 2010, the contracting officer met with Hongthong at a location near Fort Monmouth. During this recorded meeting, Hongthong offered the contracting officer \$100,000 if the contracting officer would increase the price of the contract by \$430,000. Hongthong further offered the contracting officer \$10,000 in cash up front.

In a recorded telephone conversation that took place on March 23, 2010, Hongthong offered the contracting officer \$10,000 cash up front, but now asked that the contracting officer increase the overall price of the contract by \$800,000. The contracting officer and Hongthong agreed to meet on March 27, 2010, at a rest stop off of the Garden State Parkway. Hongthong agreed to bring the initial \$10,000 cash payment to this meeting.

Hongthong met with the contracting officer at the Parkway rest stop on March 27, 2010. During this meeting, which was recorded by law enforcement, Hongthong gave the contracting officer \$10,000 in cash. Hongthong further told the contracting officer that he would meet with the contracting officer again once VDH was paid under the contract and make additional payments to

the contracting officer. Hongthong further stated that he wanted to work with the contracting officer on future contracts, and offered the contracting officer an undefined "percentage" on additional future contracts.

Hongthong is charged in the criminal Complaint with one count of bribery of a public official. If convicted on this count, Hongthong faces a maximum potential penalty of 15 years in prison and a fine of three times the value of the bribe, or \$300,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, 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. The judge, however, would not be 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 that time.

The charges and allegations in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Fishman credited Special Agents of the DCIS Resident Agency in Edison, New Jersey, under the direction of Resident Agent in Charge Christopher Fair, and the U.S. Army Criminal Investigation Command in Philadelphia, Pennsylvania, under the direction of Resident Agent in Charge Carl Russ, with the investigation leading to the filing of the Criminal Complaint.

The government is represented by Assistant U.S. Attorney Eric M. Schweiker of the Criminal Division in Trenton, New Jersey.

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Defense Attorney: David Schafer, Esq., Assistant Federal Public Defender, Trenton, N.J.