

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

YOUNG BEOM KIM,

Defendant.

SEALED INDICTMENT

23 Cr. _____ ()

23 CRIM 078

The Grand Jury Charges:

OVERVIEW

1. At all times relevant to this Indictment, YOUNG BEOM KIM, the defendant, was a civilian employee for the United States Army (the "Army"), primarily serving as Chief of the Design Branch for the Directorate of Public Works ("DPW") at Army Garrison Yongsan/Casey ("USAG-Y/C") in the Republic of Korea ("South Korea"). In that position, KIM, among other things, helped design, review, and/or approve various maintenance, repair, and construction contracts at USAG-Y/C. These contracts, in turn, frequently recommended or required the use of certain parts, parts suppliers, and/or parts manufacturers.

2. From at least in or about May 2017 until at least in or about August 2021, YOUNG BEOM KIM, the defendant, engaged in a scheme to enrich himself and his relatives by soliciting and accepting bribes and kickbacks from several parts manufacturers and parts suppliers whose parts were used in contracts overseen by KIM. Specifically, KIM designed, approved, and/or modified certain Army maintenance, repair, and construction contracts that recommended or required the use of certain parts made by certain parts manufacturers and/or provided by certain parts suppliers. In exchange, and at KIM's instruction, the relevant parts manufacturer or parts supplier wired funds to bank accounts controlled by KIM and KIM's relatives. In many instances

in which funds were transferred to accounts controlled by KIM's relatives, a significant portion of those funds were thereafter forwarded to accounts controlled by KIM, or otherwise transferred for KIM's benefit. As such, the wiring of funds to bank accounts controlled by KIM's relatives was designed to hide the true nature, source, ownership, and/or control of the funds.

3. On many occasions, the relevant parts manufacturer or parts supplier marked up the price of the parts sold to the Army to compensate for the bribes and kickbacks it paid to YOUNG BEOM KIM, the defendant, meaning that the Army ultimately and unwittingly bore the cost of KIM's scheme. KIM and his family members received at least hundreds of thousands of dollars in illicit payments.

RELEVANT INDIVIDUALS AND ENTITIES

4. At all times relevant to this Indictment:

a. The Army was the land services branch of the United States Armed Forces and was a department within the United States Department of Defense ("DOD"). The Army operated bases, garrisons, and other installations around the world, staffed by both military and civilian personnel.

b. As noted, YOUNG BEOM KIM, the defendant, was at all relevant times a civilian employee for the Army and thus the United States Government, who exercised control over certain maintenance, repair, and construction contracts at a base in South Korea. As a part of his employment, KIM received training on legal and ethical obligations prohibiting him from, among other things, receiving payments, including purported sales commissions, relating to the performance of his official duties.

c. "Parts Manufacturer-1" was a United States company that manufactured heating, ventilation, and air conditioning ("HVAC") equipment.

d. "Parts Supplier-1" was a parts supplier, based in the United States, which at times supplied the Army with HVAC equipment manufactured by Parts Manufacturer-1. Parts Supplier-1's owner ("CC-1") was KIM's principal point of contact regarding the bribes and kickbacks paid by Parts Supplier-1.

e. "Parts Manufacturer-2" was a Chinese company that manufactured defense materials such as blast valves, blast doors, and blast windows. Parts Manufacturer-2's General Manager ("CC-2") was KIM's principal point of contact regarding the bribes and kickbacks paid by Parts Manufacturer-2.

f. "Parts Manufacturer-3" was a United States company that manufactured shock isolators. Parts Manufacturer-3's owner and President ("CC-3") was KIM's principal point of contact regarding the bribes and kickbacks paid by Parts Manufacturer-3.

g. "Parts Supplier-2" was an Army subcontractor and parts supplier based in South Korea that at times supplied the Army with certain parts manufactured by Parts Manufacturer-2 and Parts Manufacturer-3.

h. Two of KIM's relatives ("Relative-1" and "Relative-2") received illicit payments in connection with KIM's bribery and kickback scheme and frequently remitted large portions of the funds to KIM and paid expenses on KIM's behalf. Relative-1 also received some of these illicit funds through a bank account associated with a company that appears to have had no legitimate operations or other business activity (the "Sham Company" and the "Sham Company Bank Account"). The Sham Company Bank Account was opened on or about October 14, 2017, with Relative-1 listed as the sole signatory and Relative-1's residential address as the address of record for the Sham Company.

KIM Takes Kickbacks from Parts Supplier-1
in Connection with Contract-1

5. Between at least in or about May 2017 and at least in or about November 2017, YOUNG BEOM KIM, the defendant, ensured that a repair contract would call for the use of materials supplied by Parts Supplier-1, after which Parts Supplier-1 paid KIM kickbacks totaling \$12,074.

6. In particular, on or about September 21, 2017, the Army awarded an approximately \$1.03 million contract to a contractor ("Contractor-1") for the repair of a gymnasium, including replacement of HVAC units, at Camp Casey in Dongducheon, South Korea ("Contract-1"). YOUNG BEOM KIM, the defendant, was personally involved in designing Contract-1 and directed that Contract-1 include the installation of two specific HVAC units manufactured by Parts Manufacturer-1 (the "Contract-1 HVAC Units"). KIM then took steps to ensure that Parts Supplier-1 would supply the Contract-1 HVAC Units.

7. Around the same time, YOUNG BEOM KIM, the defendant, exchanged emails with CC-1 regarding the payment of kickbacks to KIM. In particular, KIM directed CC-1 to contact Relative-1, after which Relative-1 provided to CC-1 routing information for the Sham Company Bank Account. Parts Supplier-1 then sent \$12,074 to the Sham Company Bank Account in two wire transfers, and a significant portion of the funds were then transferred to accounts affiliated with KIM.

KIM Takes Kickbacks from Parts Manufacturers-2 and -3
in Connection with Contract-2

8. Between at least in or about February 2018 and at least in or about November 2018, YOUNG BEOM KIM, the defendant, oversaw and participated in the drafting of, and engineering calculations for, a repair contract that required certain materials to be obtained from Parts Manufacturer-2, which subsequently paid KIM a kickback of approximately \$19,363. The contract also required the purchase of certain materials offered by Parts Supplier-2, which then

paid Parts Manufacturer-3 approximately \$240,276.65 to fulfill two purchase orders, after which Parts Manufacturer-3 paid KIM kickbacks totaling approximately \$60,069.16, or approximately 25% of the purchase order amount.

9. In particular, on or about February 12, 2018, the Army awarded a contract for \$1.67 million to Contractor-1 for the repair of bunker blast valves, shock isolators, and blast doors at Army Camp Red Cloud located in Uijeongbu, South Korea (“Contract-2”). YOUNG BEOM KIM, the defendant, helped oversee Contract-2, which specifically called for blast doors supplied by “[Parts Supplier-2] . . . OR APPROVED EQUAL.” Parts Supplier-2 was hired as a contractor and parts supplier on the project, and KIM informed a representative of Parts Supplier-2 that Parts Manufacturer-2 would be providing certain blast valves in connection with Contract-2 (the “Contract-2 Blast Valves”). In addition, a Submittal Register Form – an Army document that details the parts being supplied to the Army under a contract – listed parts to be used in furtherance of Contract-2 and identified two models of shock mounts made by Parts Manufacturer-3 (the “Contract-2 Shock Mounts”).

10. In connection with Contract-2, YOUNG BEOM KIM, the defendant, received a 10% kickback — referred to in emails as a “sales commission” — from Parts Manufacturer-2 for the parts that Parts Supplier-2 ordered from Parts Manufacturer-2. In particular, KIM directed CC-2 to communicate with Relative-1, after which, among other things: (a) Relative-1 provided to CC-2 routing information for the Sham Company Bank Account; (b) at CC-2’s instruction, Relative-1, in consultation with KIM, sent CC-2 a fake contract and invoice for purported consulting services provided by the Sham Company to Parts Manufacturer-2; and (c) Parts Manufacturer-2

wired approximately \$19,353 to the Sham Company Bank account, a significant portion of which was subsequently transferred to an account controlled by KIM.

11. YOUNG BEOM KIM, the defendant, also arranged to receive a 25% kickback from Parts Manufacturer-3 for the parts that Parts Supplier-2 ordered from Parts Manufacturer-3. Specifically, in August 2018 – less than eight weeks after Parts Supplier-2 sent Parts Manufacturer-3 a purchase order for approximately \$89,489.50 to acquire, among other things, the Contract-2 Shock Mounts – KIM emailed CC-3 and an employee of Parts Manufacturer-3 (the “Parts Manufacturer-3 Accountant”), requesting that Parts Manufacturer-3 “remit to \$5,000 to my [bank] account and remaining balance to [Relative-2’s] account.” Parts Manufacturer-3 thereafter wired \$5,000 to KIM and \$17,372.38 to Relative-2 (constituting 25% of the \$89,489.50 purchase order). A significant portion of the funds wired to Relative-2 were then transferred to accounts affiliated with KIM. On a subsequent occasion, Parts Manufacturer-3 wired approximately \$37,696.78 to Relative-2, constituting approximately 25% of a \$150,787.15 payment that Parts Supplier-2 made to Parts Manufacturer-3 on a purchase order that included, among other things, the Contract-2 Shock Mounts. A significant portion of the funds wired to Relative-2 were then transferred to accounts affiliated with KIM.

KIM Takes Kickbacks from Parts Manufacturer-3
in Connection with Contract-3

12. Between at least in or about September 2019 and at least in or about November 2019, YOUNG BEOM KIM, the defendant, oversaw and approved a contract that required parts to be obtained from Parts Supplier-2 and Parts Manufacturer-3. Thereafter, Parts Supplier-2 paid Parts Manufacturer-3 approximately \$44,542.50 for the parts, and Parts Manufacturer-3 paid KIM a kickback of approximately 25%, or approximately \$11,135.62.

13. In particular, on or about September 20, 2019, the Army awarded an approximately \$1.77 million contract for repair work at Command Post Tango in Seongnam, Korea, including

the repair of certain blast valves and shock isolators ("Contract-3"). YOUNG BEOM KIM, the defendant, was involved in overseeing and approving the design specifications for Contract-3, which specified that certain parts be provided by Parts Supplier-2 and Parts Manufacturer-3. For example, Contract-3 required the use of four specific models of shock isolators manufactured exclusively by Parts Manufacturer-3.

14. Approximately ten days after Parts Manufacturer-3 issued a \$44,542.50 invoice to Parts Supplier-2 for the shock isolators, Parts Manufacturer-3 wired approximately \$11,135.62, or approximately 25% of the invoice amount, to Relative-2's bank account.

KIM Takes Kickback from Parts Manufacturer-2
in Connection with Contract-4

15. Between at least in or about February 2018 and at least in or about November 2018, YOUNG BEOM KIM, the defendant, oversaw and created at least one design file for a contract that called for the use of materials made by Parts Manufacturer-2. Thereafter, Parts Manufacturer-2 received purchase orders totaling approximately \$65,000, after which it paid kickbacks to KIM of approximately 10%, totaling approximately \$6,500, which KIM and Relative-1 attempted to disguise by drafting fake invoices for sales commissions that Parts Manufacturer-2 purportedly owed to the Sham Company.

16. In particular, on or about July 17, 2018, the Army awarded a \$712,000 contract for repair work on earth covered magazines at Camp Casey ammunition holding area No. 21 ("Contract-5"). YOUNG BEOM KIM, the defendant, designed and helped oversee the implementation of Contract-4, which, among other things, involved the use of four specific models of blast valves manufactured by Parts Manufacturer-2 (the "Contract-5 Blast Valves").

17. On or about November 19, 2018, Parts Manufacturer-2 received a purchase order in the amount of approximately \$65,000 for Contract-5 Blast Valves. In the days that followed, YOUNG BEOM KIM, the defendant, Relative-1, and CC-2 exchanged emails about the payment

of a 10% kickback to KIM, as well as the creation of documents to falsely justify the payment as a sales commission. Thereafter, Parts Manufacturer-2 wired \$6,500 to the Sham Company Bank Account.

KIM and His Family Members
Received Additional Illicit Payments

18. In addition to the foregoing bribes and kickbacks, YOUNG BEOM KIM, the defendant, received additional illicit payments from parts manufacturers that did business with the Army.

19. Including the above-described bribes and kickbacks, between on or about September 26, 2017 and on or about February 18, 2020, Parts Supplier-2 wired funds to Parts Manufacturer-3 on approximately sixteen occasions, for an aggregate value of approximately \$1,459,200.05. During the same period, Parts Manufacturer-3 wired approximately \$363,036.02 in funds to bank accounts controlled by YOUNG BEOM KIM, the defendant, and Relative-2. As such, Parts Manufacturer-3 forwarded nearly 25 percent of all funds received from Parts Supplier-2 to KIM and Relative-2. Of the approximately \$295,253.46 wired into an account in Relative-2's name, over \$140,000 was transferred to bank and credit card accounts controlled by KIM or otherwise transferred those funds for KIM's benefit.

20. Apart from the above-described bribes and kickbacks, between on or about August 16, 2018 and on or about November 12, 2020, Parts Manufacturer-2 wired over \$10,000 to bank accounts controlled by Relative-1, including the Sham Company Bank Account.

STATUTORY ALLEGATIONS

COUNT ONE

(Honest Services Wire Fraud and Bribery Conspiracy)

The Grand Jury charges:

21. The allegations contained in paragraphs 1 through 20 of this Indictment are repeated and realleged as if set forth fully herein.

22. From at least in or about May 2017, up to and including at least in or about August 2021, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit: (1) honest services wire fraud, in violation of Title 18, United States Code, Sections 1343 and 1346; and (2) bribery, in violation of Title 18, United States Code, Section 201.

23. It was a part and an object of the conspiracy that YOUNG BEOM KIM, the defendant, having devised and intending to devise a scheme and artifice to defraud, and to deprive the public and the Army of their intangible right to KIM's honest services, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Sections 1343 and 1346.

24. It was further a part and an object of the conspiracy that YOUNG BEOM KIM, the defendant, being a public official, would and did, directly and indirectly, corruptly demand, seek, receive, accept, and agree to receive and accept a thing of value, personally and for another person and entity, in return for being influenced in the performance of an official act and being induced to do and omit to do an act in violation of his official duty, in violation of Title 18, United States Code, Sections 201(b)(2).

Overt Acts

25. In furtherance of said conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

- a. On or about November 9, 2017, YEONG BEOM KIM, the defendant, emailed CC-1 and Relative-1, so they could arrange kickback payments to KIM.
- b. On or about March 12, 2018, CC-2 emailed KIM to discuss payment of KIM's ten-percent kickback for parts supplied by Parts Manufacturer-2 in connection with Contract-2.
- c. On or about August 13, 2018, KIM emailed CC-3 and asked for his kickback to be split across two bank accounts—one in KIM's name and the other in Relative-2's name.
- d. On or about November 22, 2018, KIM emailed Relative-1 a falsified invoice purporting to bill Parts Manufacturer-2 for a sales commission.

(Title 18, United States Code, Section 371.)

COUNT TWO **(Honest Services Wire Fraud – Parts Manufacturer-2)**

The Grand Jury further charges:

26. The allegations contained in paragraphs 1 through 20 and paragraph 25(a)-(d) of this Indictment are repeated and realleged as if set forth fully herein.

27. From at least in or about February 2018 up to and including at least in or about November 2020, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, having devised and intending to devise a scheme and artifice to defraud, and to deprive the public and the Army of their intangible right to KIM's honest services, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings,

signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, KIM solicited and accepted bribes and kickbacks in exchange for helping ensure that parts used in certain Army contracts be provided by Parts Manufacturer-2.

(Title 18, United States Code, Sections 1343, 1346, and 2.)

COUNT THREE
(Honest Services Wire Fraud – Parts Manufacturer-3)

The Grand Jury further charges:

28. The allegations contained in paragraphs 1 through 20 and paragraph 25(a)-(d) of this Indictment are repeated and realleged as if set forth fully herein.

29. From at least in or about May 2017 up to and including at least in or about August 2021, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, having devised and intending to devise a scheme and artifice to defraud, and to deprive the public and the Army of their intangible right to KIM's honest services, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, KIM solicited and accepted bribes and kickbacks in exchange for helping ensure that parts used in certain Army contracts be provided by Parts Manufacturer-3.

(Title 18, United States Code, Sections 1343, 1346, and 2.)

COUNT FOUR
(Bribery – Parts Manufacturer-2)

The Grand Jury further charges:

30. The allegations contained in paragraphs 1 through 20 and paragraph 25(a)-(d) of this Indictment are repeated and realleged as if set forth fully herein.

31. From at least in or about February 2018 up to and including at least in or about November 2020, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, being a public official, directly and indirectly, corruptly demanded, sought, received,

accepted, and agreed to receive and accept a thing of value, personally and for another person and entity, in return for being influenced in the performance of an official act and being induced to do and omit to do an act in violation of his official duty, to wit, KIM, solicited and accepted bribes and kickbacks in exchange for helping ensure that parts used in certain Army contracts be provided by Parts Manufacturer-2.

(Title 18, United States Code, Sections 201(b)(2) and 2.)

COUNT FIVE
(Bribery – Parts Manufacturer-3)

The Grand Jury further charges:

32. The allegations contained in paragraphs 1 through 20 and paragraph 25(a)-(d) of this Indictment are repeated and realleged as if set forth fully herein.

33. From at least in or about May 2017 up to and including at least in or about August 2021, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, being a public official, directly and indirectly, corruptly demanded, sought, received, accepted, and agreed to receive and accept a thing of value, personally and for another person and entity, in return for being influenced in the performance of an official act and being induced to do and omit to do an act in violation of his official duty, to wit, KIM, solicited and accepted bribes and kickbacks in exchange for helping ensure that parts used in certain Army contracts be provided by Parts Manufacturer-3.

(Title 18, United States Code, Sections 201(b)(2) and 2.)

COUNT SIX
(Money Laundering Conspiracy)

The Grand Jury further charges:

34. The allegations contained in paragraphs 1 through 20 and paragraph 25(a)-(d) of this Indictment are repeated and realleged as if set forth fully herein.

35. From at least in or about November 2017 through at least in or about February 2020, in the Southern District of New York and elsewhere, YOUNG BEOM KIM, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to violate Title 18, United States Code, Section 1956(a)(1)(B)(i).

36. It was a part and an object of the conspiracy that YOUNG BEOM KIM, the defendant, and others known and unknown, in an offense in and affecting interstate and foreign commerce, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud and honest services wire fraud, in violation of Title 18, United States Code, 1343, and bribery in violation of Title 18, United States Code, Section 201(b)(2), knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

(Title 18, United States Code, Section 1956(h).)

FORFEITURE ALLEGATIONS

37. As a result of committing the offenses alleged in Counts One through Five of this Indictment, YOUNG BEOM KIM, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

38. As a result of committing the offense alleged in Count Six of this Indictment, YOUNG BEOM KIM, the defendant, shall forfeit to the United States, pursuant to Title 18, United

States Code, Section 982(a)(1), any and all property, real and personal, involved in the offense alleged in Count Six of this Indictment, and any property traceable to such property.

Substitute Asset Provision

39. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853;
Title 28, United States Code, Section 2461.)




DAMIAN WILLIAMS
United States Attorney