

FILED

April 25, 2023

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

BY: klw
DEPUTY

UNITED STATES OF AMERICA,

Plaintiff,

v.

J&J KOREA, INC.

Defendant.

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CRIMINAL NO. 1:23-cr-73 RP

INFORMATION

[Vio: 15 U.S.C. § 1 Conspiracy to Restrain
Trade; 18 U.S.C. § 1343 Wire Fraud]

THE UNITED STATES CHARGES:

COUNT ONE

**Conspiracy to Restrain Trade
[15 U.S.C. § 1]**

DESCRIPTION OF THE OFFENSE

1. The following person is hereby made a Defendant on the charges contained in this Information:

J&J KOREA, INC.

2. Beginning at least as early as in or about November 2018, and continuing until at least as late as on or about March 26, 2021, the exact dates being unknown to the United States, in the Western District of Texas and elsewhere, the Defendant and its co-conspirators knowingly entered into and engaged in a conspiracy to suppress and eliminate competition by rigging bids and fixing prices for subcontract work on operation and maintenance support services administered and approved by the United States Army Medical Command ("MEDCOM"), United States Army Corps of Engineers ("USACE"), and the Defense Logistics Agency. The

conspiracy engaged in by the Defendant and its co-conspirators was a *per se* unlawful, and thus unreasonable, restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged conspiracy consisted of a continuing agreement, understanding, and concert of action among the Defendant and its co-conspirators, the substantial terms of which were to rig bids and fix prices for subcontract work to contractors providing operation and maintenance support services to agencies of the U.S. Department of Defense.

DEFENDANT AND ITS CO-CONSPIRATORS

At all times relevant to this Information, unless otherwise indicated:

4. Defendant was a corporation organized and existing under the laws of the Republic of Korea (“Korea”) and majority owned by J&J Maintenance, Inc., a Texas-based corporation with its headquarters in Austin, that was engaged in the sale of operation and maintenance support services to the United States government, including the sale of such services to United States military hospitals in Korea. Defendant’s other owner was Hyuk Jin Kwon. Defendant was engaged primarily in the sale of operation and maintenance support services to J&J Maintenance with respect to J&J Maintenance’s work for United States military hospitals in Korea.

5. COMPANY C was a corporation organized and existing under the laws of Korea. COMPANY C was engaged in the sale of operation and maintenance support services to contractors servicing agencies of the U.S. Department of Defense, including the USACE, MEDCOM, and the Defense Logistics Agency. The true identity of COMPANY C is known to the United States.

6. Hyuk Jin Kwon was a director and partial owner of Defendant and was involved in the sale of Defendant's services to J&J Maintenance and other contractors servicing agencies of the U.S. Department of Defense, including MEDCOM, the USACE, and the Defense Logistics Agency.

7. Hyun Ki Shin was a manager of Defendant and was involved in the sale of Defendant's services to J&J Maintenance and other contractors servicing agencies of the U.S. Department of Defense, including MEDCOM, the USACE, and the Defense Logistics Agency.

8. CO-CONSPIRATOR 1 was a manager of COMPANY C. CO-CONSPIRATOR 1 was involved in the sale of COMPANY C's services to J&J Maintenance and other contractors servicing agencies of the U.S. Department of Defense, including MEDCOM, the USACE, and the Defense Logistics Agency.

9. During the period covered by this Information, J&J Maintenance was the prime contractor to the USACE on an indefinite delivery contract (the "USACE Contract") to address operation and maintenance needs for U.S. Department of Defense medical facilities, including medical facilities in Korea. The USACE Contract required a competitive process for awarding subcontract work. The USACE Contract was administered by the USACE and MEDCOM. Defendant and COMPANY C performed subcontract work on the USACE Contract.

10. Defendant and COMPANY C also submitted bids for subcontract work on delivery orders administered by the Defense Logistics Agency to address maintenance, repair, and operations of U.S. Department of Defense facilities.

11. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

12. Whenever in this Information reference is made to any act, deed, or transaction of any corporation or company, the allegation means that the corporation or company engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

MEANS AND METHODS OF THE CONSPIRACY

13. For the purpose of forming and carrying out the charged conspiracy, the Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- a. On or about November 20, 2018, caused the organization of Defendant in Korea;
- b. Requested from, and agreed to provide to, each other complementary and rigged bid proposals for subcontract work to contractors servicing agencies of the U.S. Department of Defense, including MEDCOM, the USACE, and the Defense Logistics Agency;
- c. Exchanged pricing information and bid proposals with each other for the purposes of submitting complementary and rigged bid proposals and of fixing prices for subcontract work to contractors servicing agencies of the U.S. Department of Defense, including MEDCOM, the USACE, and the Defense Logistics Agency;
- d. Caused the submission of rigged bids and fixed prices for subcontract work on the USACE Contract, thereby ensuring that Defendant would win the vast majority of the service order subcontract work in Korea under the USACE Contract;

- e. Caused the submission of rigged bids and fixed prices for subcontract work on contracts administered by the Defense Logistics Agency;
- f. Sourced materials from the United States for the purpose of completing the subcontract work; and
- g. Accepted payments for the subcontract work, with payments for the subcontract work originating in the United States.

TRADE AND COMMERCE

14. The charged conspiracy had a direct, substantial, and reasonably foreseeable effect on U.S. interstate, import, and export trade and commerce of a person engaged in such export trade and commerce in the United States, and that effect, in part, gives rise to this charge. The charged conspiracy also had a substantial and intended effect in the United States.

15. For example: (a) the charged conspiracy prevented agencies of the U.S. Department of Defense from receiving true competition for bids on subcontract work for operation and maintenance support services; (b) the charged conspiracy caused agencies of the U.S. Department of Defense to pay non-competitive prices for operation and maintenance support services provided at military facilities in Korea with payments traveling between the states and between the United States and Korea; (c) bid proposals, contracts, invoices for payment, payments, and other documents essential to the provision of operation and maintenance support services were transmitted between the Defendant and its co-conspirators located in Korea and agencies of the U.S. Department of Defense located in the United States and elsewhere; and (d) certain materials used to complete the subcontract work affected by the charged conspiracy were manufactured in the United States and sent to Korea.

16. The business activities of the Defendant, J&J Maintenance, and COMPANY C, in connection with the operation and maintenance support services that are the subject of the

conspiracy charged in this Information were within the flow of, and substantially affected, commerce among the states and with foreign nations.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

COUNT TWO
Wire Fraud
[18 U.S.C. § 1343]

DESCRIPTION OF THE OFFENSE

17. The United States realleges and incorporates by reference Paragraphs 1 through 16 of the Information as if fully set forth herein.

18. Various corporations and individuals, not made defendants in this Information, participated as co-schemers in the offense charged herein and performed acts and made statements in furtherance of the scheme and artifice to defraud set forth below. These co-schemers are both known and unknown to the United States.

19. Beginning at least as early as in or about November 2018, and continuing until at least as late as on or about March 26, 2021, the exact dates being unknown to the United States, in the Western District of Texas and elsewhere, the Defendant,

J&J KOREA, INC.

aided and abetted by its co-schemers, knowingly and with intent to defraud, devised and intended to devise a scheme and artifice to defraud the United States of money and property, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, knowing they were false and fraudulent when made, for the purpose of executing such scheme and artifice and attempting to do so.

OBJECTS OF THE SCHEME

20. The essential objects of the scheme were for the Defendant and its co-schemers, and others known and unknown to the United States, to unlawfully enrich themselves and others by obtaining money from the United States, and agencies thereof, by fraudulently submitting rigged bids and fixing prices for subcontract work that ostensibly satisfied the requirements of agencies of the U.S. Department of Defense that subcontract work be awarded through a competitive process.

MANNER AND MEANS

21. The manner and means by which the Defendant and its co-schemers, together with others, known and unknown to the United States, sought to accomplish the purpose of the scheme and artifice to defraud included, among other things, the means and methods set forth in Paragraph 13 of the Information.

22. In furtherance of the scheme, Defendant and its co-schemers, by interstate and foreign wire, caused to be sent and received items such as money transfers.

EXECUTION OF THE SCHEME

23. On or about the date stated below, in the Western District of Texas and elsewhere, Defendant, together with others, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate and foreign commerce the signals and sounds, including but not limited to the money transfer, described below:

Count	Approximate Date	Description
2	July 2, 2020	International wire payment originating in the United States from J&J Maintenance to Defendant for approximately \$446,154.00

ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1343.



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