
United States District Court
District of New Jersey

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
v. : Hon. Steven C. Mannion
CHUNG S. KHO : Mag. No. 15-6132

I, Nathan Kim, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Nathan Kim
Special Agent
Federal Bureau of Investigation

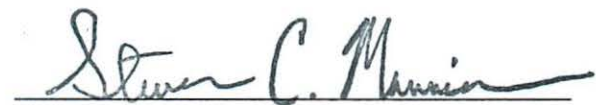
Sworn to before me and subscribed in my presence,

May 21, 2015
Date

at

Newark, New Jersey
City and State

Honorable Steven C. Mannion
United States Magistrate Judge
Name & Title of Judicial Officer



Signature of Judicial Officer

ATTACHMENT A

(Using Interstate Facilities to
Promote and Facilitate Bribery)

From in or about October 2010 to in or about December 2010, in Bergen County, in the District of New Jersey and elsewhere, defendant

CHUNG S. KHO

did knowingly and intentionally use and cause the use of facilities in interstate commerce, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on, of any unlawful activity – namely, bribery contrary to N.J. Stat. Ann. § 2C:27-2 – and, thereafter, performed and attempted to perform acts to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on, of that unlawful activity.

In violation of Title 18, United States Code, Sections 1952(a)(3), and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Nathan Kim, am a Special Agent with the Federal Bureau of Investigation. I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, including witness interviews, and a review of documents and recordings, as well as information provided to me by other law enforcement officers. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. The recorded conversation referenced in paragraph 12 was conducted in the Korean language. I am fluent in the Korean language. I have reviewed the recording of that conversation and the English translation, and I agree that the translation is accurate.

1. At all times relevant to this Complaint:

- (a) defendant Chung S. Kho (hereinafter, "defendant Kho") was a real estate developer and landlord of commercial buildings in Palisades Park, New Jersey (hereinafter, the "Borough"), including a multi-unit commercial building on Broad Avenue in Palisades Park (hereinafter, the "Broad Avenue Property");
- (b) there was an individual who sought to open a karaoke business at the Broad Avenue Property (hereinafter, "Individual #1"); and
- (c) there was a confidential source who had a personal and business relationship with defendant Kho (hereinafter, "Individual #2").

2. Beginning in or about October 2010, according to Individual #1, defendant Kho met with Individual #1 at the Broad Avenue Property to discuss Individual #1's interest in opening a karaoke business at the Broad Avenue Property. There, defendant Kho and Individual #1 discussed that Individual #1 did not yet have approval from the Borough to operate a karaoke business at the Broad Avenue Property. Defendant Kho guaranteed that there would be no problem in obtaining a change of use from the Borough to operate a karaoke business at the Broad Avenue Property. In particular, defendant Kho bragged about his close relationship with an official in Palisades Park who had influence over official matters in the Borough (hereinafter, the "Borough Official"). Defendant Kho also boasted that he previously had received help from the Borough Official in obtaining the approvals to develop two large-scale commercial buildings in Palisades Park. Defendant Kho also told Individual #1 to hire a particular architect and a particular contractor, as they both were well-connected to the Borough.

3. On or about October 30, 2010, based on defendant Kho's representations of his relationship with the Borough Official, Individual #1 signed a lease agreement to operate a karaoke business at the Broad Avenue Property.

4. Shortly after signing the lease, in an effort to show Individual #1 that defendant Kho was close to the Borough Official, defendant Kho contacted the Borough Official by telephone in Individual #1's presence at the Broad Avenue Property. During their conversation, defendant Kho stated his interest in having a karaoke business at the Broad Avenue Property, mentioned parking issues, and asked whether the Borough Official would approve the change of use. After hanging up the telephone, defendant Kho told Individual #1 that the Borough Official confirmed that there would be no problem with obtaining the approvals for the karaoke business. Telephone records confirm that a call was made from defendant Kho's cellular telephone to the Borough Official's landline telephone on or about November 2, 2010.

5. Shortly thereafter, defendant Kho met again with Individual #1 at the Broad Avenue Property. According to Individual #1, defendant Kho was informed by Individual #1 that Individual #1 had decided not to hire the particular architect recommended by defendant Kho, as Individual #1 believed that the architect was too expensive. Defendant Kho responded that Individual #1 should use the architect that defendant Kho had recommended, because the architect was giving some portion of the architect's fee to officials in the Borough. Defendant Kho asked Individual #1 why Individual #1 was making things more difficult by not using an architect who was connected to Borough officials.

6. Sometime later, in or about late November 2010, defendant Kho met again with Individual #1 at the Broad Avenue Property. According to Individual #1, defendant Kho informed Individual #1 that there could be some parking and other issues associated with Individual #1's application for the change of use. Defendant Kho questioned whether Individual #1 wished to cancel the lease and give up on the karaoke business at the Broad Avenue Property. Individual #1 responded that Individual #1 would go before the Borough as planned, but asked defendant Kho to check the status of the application with the Borough Official. Defendant Kho agreed to do so.

7. In or about early December 2010, defendant Kho and Individual #1 met again to discuss the karaoke business at the Broad Avenue Property. According to Individual #1, defendant Kho told Individual #1 that he had spoken with the Borough Official and that Individual #1 would obtain the necessary approvals for the karaoke business, if Individual #1 paid money to the Borough Official. When making that statement, defendant Kho gestured by showing all five fingers of one hand. Believing that defendant Kho was referring to making a \$5,000 bribe payment, Individual #1 told defendant Kho that Individual #1 was willing to pay \$5,000 in order to obtain the approval from the Borough Official. Defendant Kho then clarified that the payment amount would be \$50,000, not \$5,000. Individual #1 said that \$50,000 was a lot of money and that Individual #1 would need time to gather the money and would have to think about it further.

8. Over the next several days, defendant Kho spoke with Individual #1 several times. During those conversations, Individual #1 attempted to negotiate a reduction in the amount of the bribe payment. In particular, Individual #1 offered to pay \$30,000 to the Borough Official, and defendant Kho agreed to contact the Borough Official to see if that amount would be acceptable. Shortly thereafter, defendant Kho informed Individual #1 that he had spoken with the Borough Official and that the Borough Official would accept nothing less than \$50,000. Defendant Kho further clarified that the \$50,000 should be in cash and paid to defendant Kho, who, in turn, would

make the payment to the Borough Official. Defendant Kho explained that the Borough Official would not be comfortable with Individual #1 making the payment directly to the Borough Official.

9. Shortly before December 15, 2010, defendant Kho met again with Individual #1 at the Broad Avenue Property. During that meeting, Individual #1 agreed to make the \$50,000 cash payment to the Borough Official, in exchange for the assistance of the Borough Official in securing the approval for the karaoke business. Defendant Kho informed Individual #1 that it was too late to make the payment.

10. Between in or about October 2010 and in or about December 2010, defendant Kho and Individual #1 discussed the Broad Avenue Property transaction over the telephone to include, among other matters, scheduling meetings that furthered the proposed corrupt arrangement. Records show numerous calls between defendant Kho's and Individual #1's cellular telephones, including calls on or about October 20, 2010, November 12, 2010, December 1, 2010, and December 9, 2010. The October and November telephone calls were routed through a switch located in or around West Nyack, New York.

11. On or about December 15, 2010, Individual #1's application for a change of use was denied by the Palisades Park Planning Board.

12. On or about August 9, 2011, defendant Kho and Individual #2 had a conversation (primarily in the Korean language) at the Broad Avenue Property, which conversation was recorded. During that conversation, defendant Kho discussed, among other things, that he had offered to make a \$50,000 bribe payment on behalf of Individual #1. Individual #2 informed defendant Kho that Individual #1 was angry with defendant Kho because despite defendant Kho's assurance to Individual #1 that Individual #1 would get the necessary approvals to operate a karaoke business, the Borough had denied Individual #1's change of use application and given the approval to a competing karaoke business owner. Individual #2 further indicated that, from Individual #1's perspective, that was unfair. Defendant Kho replied in substance and in part: "It is unfair, but I told him, 'Hey, that side (meaning the Borough Official) wants this'." As defendant Kho said that, defendant Kho gestured to Individual #2 by showing all five fingers of one hand and mouthed the words (in Korean) for \$50,000. Individual #2 stated: "Oh. Hey, as much as \$50,000?" Defendant Kho later stated that he had told Individual #1 that if Individual #1 wanted to operate the karaoke business, Individual #1 needed to pay "the money" and, Kho then recounted that Individual #1 responded that he could not pay that and that "the game [was] over."