

JUSTICE NEWS

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Two Men Charged in Bribery Scheme Related to Korean Base Relocation

A former contracting officer for the U.S. Army Corps of Engineers (USACE), Far East District (FED) and a former officer in the Korean Ministry of Defense (MOD) were indicted for their roles in a scheme to direct over \$400 million in Department of Defense (DOD) construction contracts to a large multinational corporation based in the Republic of Korea in exchange for over \$3 million in bribes.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division; Director Frank Robey, Major Procurement Fraud Unit, U.S. Army Criminal Investigation Command (CID); and Assistant Director Stephen E. Richardson of the FBI's Criminal Investigative Division made the announcement.

Former FED contracting officer Duane Nishiie, 58, of Honolulu, and former Korean MOD officer Seung-Ju Lee, 50, of Seoul, Korea, were charged in a nine-count indictment with mail and wire conspiracy, bribery, wire fraud, and conspiracy to commit money laundering. Nishiie was also charged with three counts of making a false statement.

According to the indictment, from 2008 through 2012, Nishiie and Lee solicited bribes from a large Korean engineering and construction company in exchange for Nishiie's official actions to direct to the company certain contracts relating to the relocation and expansion of Camp Humphreys, a large military installation in Korea. The indictment further alleges that during this time, Nishiie, Lee and others used foreign bank accounts to hide the bribes accepted by Nishiie.

The indictment alleges that in late 2008, Nishiie took official action to steer a contract, valued at over \$400 million, involving land development, utilities and infrastructure for the expansion of Camp Humphreys to the Korean company. Nishiie is also alleged to have used his official position in 2009 and 2010 to influence the award of a contract for construction of a project management office at Camp Humphreys, valued at over \$6 million to the same Korean company.

In exchange for these actions, the indictment alleges, Nishiie and Lee received over \$3 million in cash and other payments. Nishiie concealed these payments by using bank accounts held in the names of Lee and other Korean nationals.

The charges and allegations contained in the indictment are merely accusations. The defendants are presumed innocent until and unless proven guilty.

U.S. Army CID, FBI and the Defense Criminal Investigative Service conducted the investigation. Trial Attorneys Richard B. Evans and Peter M. Nothstein of the Criminal Division's Public Integrity Section are prosecuting the case.

Component(s):
Criminal Division

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