

*United States District Court  
District of New Jersey*

**UNITED STATES OF AMERICA**

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**CRIMINAL COMPLAINT**

**v.**

**THANOMSAK HONGTHONG**  
a/k/a "Tom"

Magistrate No. 10-~~2519~~-<sup>DEA</sup>(LHG)

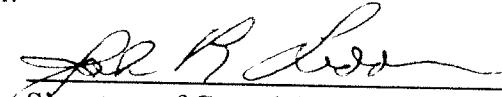
I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT "A"

I further state that I am a Special Agent with the Defense Criminal Investigative Service, and that this complaint is based on the following facts:

SEE ATTACHMENT "B"

continued on the attached pages and made a part hereof.

  
\_\_\_\_\_  
Signature of Complainant  
Special Agent John R. Ledden  
Defense Criminal Investigative Service

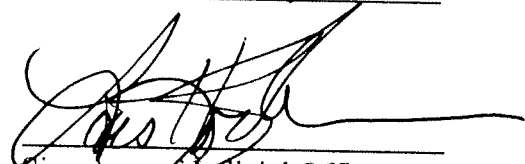
Sworn to before me and subscribed in my presence,

April 8, 2010  
Date

at

Trenton, New Jersey

Honorable Lois H. Goodman  
United States Magistrate Judge  
Name & Title of Judicial Officer

  
\_\_\_\_\_  
Signature of Judicial Officer

**ATTACHMENT "A"**

**Count One**

Between in or about March 17, 2010, and March 27, 2010, in Monmouth County, in the District of New Jersey and elsewhere, the defendant,

THAMONSAK HONGTHONG,  
a/k/a "Tom"

directly and indirectly, did knowingly, wilfully, and corruptly give, offer and promise anything of value, namely \$100,000, to a public official, namely a contracting officer employed by the United States Department of Defense ("DoD") at Fort Monmouth, New Jersey, and acting for the DoD and on its behalf, with the intent to: (A) influence official acts; (B) influence said contracting officer to commit, aid in committing, collude in and allow, and make opportunity for the commission of, fraud on the United States; and (C) induce said contracting officer to do and omit to do acts in violation of his lawful duties.

In violation of Title 18, United States Code, Section 201 and Title 18, United States Code, Section 2.

## ATTACHMENT "B"

I, John R. Ledden, am a Special Agent with the Defense Criminal Investigative Service ("DCIS"). I have knowledge of the following facts from my own investigation, my review of pertinent documents, and my discussions with and review of reports and other documents prepared by other law enforcement officers involved in the investigation. Because this Affidavit is submitted for the sole purpose of establishing probable cause to support the issuance of a Criminal Complaint, I have not included each and every fact known to me concerning this investigation. All conversations are recounted in substance and in part, unless indicated otherwise.

1. The United States Army's Communications and Electronics Command ("CECOM"), located on Fort Monmouth, New Jersey, develops, procures and sustains communications and information technologies systems. CECOM's Contracting Center at Fort Monmouth, among other procurement functions, handles contracts for the purchase of spare parts for CECOM managed systems.

2. VDH Precision Machining Corp. ("VDH"), is a manufacturer of electrical and mechanical component parts located in Bohemia, New York. The President and CEO of VDH is the defendant, THANOMSAK HONGTHONG, a/k/a "Tom." As a part of its business, VDH enters into contracts to supply parts to the United States Department of Defense ("DoD"), a department of the United States Government.

3. On or about November 18, 2009, CECOM's Contracting Center issued a solicitation for a contract to provide a variety of spare parts for CECOM-managed systems. Among the parts identified in the solicitation for the contract were 85 gear assemblies. VDH submitted a bid pursuant to solicitation in an amount of \$1,775,698. This bid included a quoted price of

\$3,512.57 per unit for the gear assemblies, for a total line item of \$298,568.45 for 85 gear assemblies. On or about January 6, 2010, VDH was awarded the at its quoted price of \$1,775,698 (the "Spare Parts Contract").

4. Approximately two to three weeks after VDH was awarded the Spare Parts Contract, THAMONSAK HONGTHONG called the Contracting Officer, an employee of the DoD who was responsible for the Spare Parts Contract, including aspects of the approval of payments under the Spare Parts Contract. THAMONSAK HONGTHONG told the Contracting Officer that VDH's vendor for the gear assembly had quoted VDH one price, and then when VDH ordered the material, was given the price of \$5,580 per unit, an amount higher than the initial quote. The Contracting Officer told THANOMSAK HONGTHONG that there was nothing the Government could do about VDH's relationship with its vendor, and that VDH would be held to the price for the gear assemblies set forth in the Spare Parts Contract, according to the Contracting Officer.

5. On or about January 25, 2010, Government representatives met with THANOMSAK HONGTHONG at VDH's place of business to conduct a post-award survey on the Spare Parts Contract. At this meeting, the issue of VDH's vendor's price on the gear assembly was once again raised. THANOMSAK HONGTHONG was once again told that there was nothing the Government could do about this situation.

6. Following the post-award survey, THANOMSAK HONGTHONG once again called the Contracting Officer. THANOMSAK HONGTHONG requested a meeting with the Contracting Officer. When the Contracting Officer inquired about the purpose of this proposed meeting, THANOMSAK HONGTHONG refused to say. Instead, THANOMSAK

HONGTHONG said that THANOMSAK HONGTHONG would tell the Contracting Officer at the meeting. The Contracting Officer agreed to meet with THANOMSAK HONGTHONG at Fort Monmouth on February 5, 2010.

7. At the February 5, 2010, meeting, according to the Contracting Officer, THANOMSAK HONGTHONG and the Contracting Officer discussed the issue that VDH was having with its vendor, as well as the delivery schedule for the parts covered under the Spare Parts Contract. The meeting lasted approximately fifteen minutes. As THANOMSAK HONGTHONG and the Contracting Officer were exiting the meeting, THANOMSAK HONGTHONG said to the Contracting Officer that THANOMSAK HONGTHONG wanted to do something for the Contracting Officer. The Contracting Officer asked THANOMSAK HONGTHONG what THANOMSAK HONGTHONG meant, and THANOMSAK HONGTHONG replied with words to the effect of "If you help me, I will help you," according to the Contracting Officer. The Contracting Officer responded that it sounded like THANOMSAK HONGTHONG was trying to bribe the Contracting Officer, and THANOMSAK HONGTHONG laughed and nodded affirmatively. The Contracting Officer replied with words to the effect of, "Don't even go there," and left the meeting.

8. The Contracting Officer immediately contacted supervisory personnel and the Fort Monmouth Legal Department regarding this incident. Ultimately, DCIS was contacted and this investigation undertaken.

9. On or about March 5, 2010, THANOMSAK HONGTHONG called the Contracting Officer and said that THANOMSAK HONGTHONG wanted to meet with the Contracting Officer again.

10. On or about March 12, 2010, the Contracting Officer placed a telephone call to THANOMSAK HONGTHONG . This call was placed at the direction of DCIS and was recorded. THANOMSAK HONGTHONG again raised the issue of VDH's problem with its vendor for the gear assembly, and asked the Contracting Officer to meet with THANOMSAK HONGTHONG again. THANOMSAK HONGTHONG said that he wanted to show the Contracting Officer quotes that VDH had received from its vendors. The Contracting Officer and THANOMSAK HONGTHONG agreed to meet on March 17, 2010, at a diner just outside the main gate at Fort Monmouth.

11. On or about March 15, 2010, the Contracting Officer, in Fort Monmouth, New Jersey, received an e-mail from VDH. The e-mail included as attachments quotes that VDH had received from various vendors of the gear assembly called for in the spare parts contract. A review of these quotes reflects prices varying from approximately \$5,100 per unit to approximately \$6,080 per unit. In addition, all of the vendor quotes are dated after January 6, 2010, when VDH was awarded the spare parts contract. In other words, in this e-mail, VDH did not include any vendor quotes tending to show that VDH actually received a lower quote from a vendor upon which VDH based its bid of \$3,512.57 per unit for each of the 85 gear assemblies.

12. On or about March 17, 2010, the Contracting Officer met THANOMSAK HONGTHONG at a diner just outside the main gate of Fort Monmouth. Law enforcement authorities had the Contracting Officer record the meeting. In addition, law enforcement agents conducted visual surveillance of the meeting. During the course of the meeting, the parties discussed various issues regarding the Spare Parts Contract, including the issue with VDH's gear assembly vendor. The Contracting Officer asked THANOMSAK HONGTHONG how the

Contracting Officer would benefit from increasing the contract price. THANOMSAK HONGTHONG responded that if the Contracting Officer increased the price of the contract by \$430,000, THANOMSAK HONGTHONG would give the Contracting Officer \$100,000. The Contracting Officer asked why THANOMSAK HONGTHONG wanted a \$430,000 increase, and THANOMSAK HONGTHONG responded, "bigger for me, bigger for you." The Contracting Officer asked for half of the money up front. THANOMSAK HONGTHONG responded that THANOMSAK HONGTHONG could not afford that much, but was willing to pay the Contracting Officer \$10,000 in cash up front.

13. In addition, THANOMSAK HONGTHONG gave the Contracting Officer a letter. This letter was from THANOMSAK HONGTHONG, to the Contracting Officer, on VDH letterhead, and was dated March 2, 2010, although it was not provided to the Contracting Officer until the March 17, 2010, meeting. In the letter, THANOMSAK HONGTHONG stated that VDH was quoted a price of \$2,965 per gear assembly by one of its vendors in October 2009, but the quote was withdrawn and a new quote provided of \$5,585 per item. The letter further stated that VDH requested quotes from other vendors, but received prices ranging from \$5,036 to \$6,175. The letter further requested an extension on certain delivery dates under the contract. The letter was not signed but indicates that it is from THANOMSAK HONGTHONG as CEO and President of VDH.

14. On or about March 23, 2010, the Contracting Officer placed a telephone call to THANOMSAK HONGTHONG, which was recorded at the direction of law enforcement personnel. This call was in response to a voice mail message that THANOMSAK HONGTHONG had left for the Contracting Officer after their meeting on March 17, 2010,

requesting a meeting with the Contracting Officer. During the March 23, 2010, recorded telephone conversation, THANOMSAK HONGTHONG agreed to pay the Contracting Officer the initial \$10,000 cash payment, but wanted the Contracting Officer to increase the price of the Spare Parts Contract by \$800,000. The Contracting Officer and THANOMSAK HONGTHONG agreed to meet on Saturday, March 27, 2010, at the Cheesequake rest stop off of the Garden State Parkway in New Jersey. THANOMSAK HONGTHONG agreed to bring the initial \$10,000 cash payment to this meeting. The Contracting Officer also requested that THANOMSAK HONGTHONG provide the Contracting Officer with some paperwork to justify an \$800,000 increase to the Spare Parts Contract.

15. Later in the day on March 23, 2010, the Contracting Officer in Fort Monmouth, New Jersey, received an e-mail from VDH. The e-mail contained, as attachments, a spreadsheet and delivery schedule relative to the Spare Parts Contract. The spreadsheet included VDH's purported justification for the \$800,000 contract increase. Specifically, VDH listed an "Adjusted Unit Price" of \$7,586.53 for each of the 85 gear assemblies, an increase of approximately \$4,000 per gear assembly, and an overall line item increase of approximately \$340,000. VDH also sought an "Adjusted Unit Price" of \$21,389.96 for each of 50 antenna programmers called for in the Spare Parts Contract. This represented an increase of approximately \$9,000 per unit over the price of \$12,342.95 that VDH agreed to in the Spare Parts Contract, and a total line item increase of approximately \$450,000.

16. On or about March 27, 2010, the Contracting Officer met with THANOMSAK HONGTHONG at the Cheesequake rest stop. This meeting lasted approximately twelve minutes. The meeting was both audio and video recorded. THANOMSAK HONGTHONG



entered the vehicle, looked around, and provided the Contracting Officer with \$10,000 in cash, in the form of \$100 bills, which THANOMSAK HONGTHONG produced from inside his jacket. THANOMSAK HONGTHONG provided the Contracting Officer with a hard copy of the spreadsheet listing the "Adjusted Unit Prices" for the spare parts contract, as well as other paperwork. THANOMSAK HONGTHONG told the Contracting Officer that when VDH begins to ship units pursuant to the spare parts contract and VDH gets paid, they will meet again, and THANOMSAK HONGTHONG will give the Contracting Officer \$10,000 or \$15,000 at a time. THANOMSAK HONGTHONG further stated that THANOMSAK HONGTHONG wanted to continue to work with the Contracting Officer on future contracts, and would give the Contracting Officer an undefined "percentage" on these contracts. The Contracting Officer stated that the Contracting Officer would set up a meeting with other DoD officials, and try to get these officials to allocate the full \$800,000.