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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2021 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. HYOUNG NAM SO, aka "Brian So," Defendant.	CR 2:22-cr-00108-AB <u>I N D I C T M E N T</u> [18 U.S.C. § 371: Conspiracy to Commit Federal Funds Bribery]
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The Grand Jury charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

1. Company A was an American multinational automotive manufacturing company headquartered in Michigan. Between January 1, 2015, and December 31, 2016, Company A received more than \$10,000 through Federal assistance programs.
2. Company B was a privately owned company that manufactured parts and supplies for automobiles. Company B was located in South Korea.

1 3. Company C was a Chinese multinational company that
2 manufactured parts and supplies for automobiles.

3 4. Co-conspirator 1 ("CC-1") was the owner and President of
4 Company B.

5 5. Co-conspirator 2 ("CC-2") was hired by CC-1 to arrange the
6 transfer of South Korean Won ("KRW") to the United States outside of
7 traditional banking and financial systems.

8 6. In 2015, defendant HYOUNG NAM SO, also known as "Brian So,"
9 was employed by Company A as a team manager. Defendant SO was
10 responsible for supervising the supply of parts used to build
11 interiors for Company A automobiles in North America. Defendant SO
12 supervised a team of at least six employees, including Employee 1.

13 7. Company A awarded contracts to provide parts for the
14 automobiles it was building using a competitive bidding process.

15 8. In the Summer and Fall of 2015, Company A solicited bids
16 for a large contract to supply painting, window film, and molding for
17 Company A automobiles (the "Contract").

18 9. Defendant SO and his team were responsible for managing the
19 bidding process for the Contract on behalf of Company A, including
20 soliciting bids for the Contract, reviewing bids from supply
21 companies, and recommending a supplier to Company A executives to
22 fulfill the Contract. Defendant SO assigned Employee 1 the
23 responsibility of being the main point of contact within Company A
24 for the competing suppliers, including Company B. Employee 1 worked
25 directly underneath, and reported to, defendant SO.

26 10. Company A executives relied on, and trusted, defendant SO's
27 recommendation when determining which supply company would be awarded
28 the Contract.

1 B. OBJECT OF THE CONSPIRACY

2 11. Beginning no later than in or about August 2015, and
3 continuing through at least October 5, 2016, in Los Angeles County,
4 within the Central District of California, and elsewhere, defendant
5 SO conspired with CC-1, CC-2, and others known and unknown to the
6 Grand Jury, to commit an offense against the United States,
7 specifically, bribery concerning programs receiving Federal funds, in
8 violation of Title 18, United States Code, Section 666(a)(1)(B).

9 C. MANNER AND MEANS OF THE CONSPIRACY

10 12. The object of the conspiracy was to be carried out, and was
11 carried out, in substance, as follows:

12 a. Defendant SO, individually and through his team,
13 solicited bids for the Contract from domestic and foreign suppliers.

14 b. Defendant SO promised CC-1 that Company B would win
15 the Contract if CC-1 gave \$5 million to defendant SO in "cash." As
16 the parties knew and understood, this payment was a bribe to obtain
17 the Contract.

18 c. In order to ensure that CC-1 would remain willing to
19 pay the bribe, defendant SO took steps to enable Company B to win the
20 Contract, including the following:

21 i. Defendant SO instructed Employee 1 to assist
22 Company B to submit a winning bid. Defendant SO directed Employee 1
23 to use Employee 1's personal email account when providing this
24 information to Company B, which was against Company A's policies.

25 ii. Defendant SO, and Employee 1 at defendant SO's
26 direction, allowed Company B to update its bid after deadlines had
27 passed, in violation of Company A's internal deadlines and policies.

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1 iii. Defendant SO failed to advise Company A
2 executives that Company C had submitted the lowest qualified bid for
3 the Contract at the deadline.

4 d. In order to pay the bribe that defendant SO had
5 solicited in exchange for assisting Company B to win the Contract,
6 CC-1 arranged for cash to be transferred from South Korea to Los
7 Angeles.

8 e. CC-2 picked up \$1 million in cash that had been
9 transferred to Los Angeles and transported it by car to Michigan in
10 order to pay it to defendant SO.

11 f. After defendant SO received a portion of the bribe
12 that he had solicited, namely, the \$1 million that CC-2 transported
13 to Michigan, defendant SO recommended to Company A executives that
14 they award the Contract to Company B. After Company A awarded the
15 Contract to Company B, defendant SO withheld information about the
16 award from CC-1 until he received \$2.45 million from CC-1, which was
17 a further portion of the bribe that defendant SO had solicited.

18 D. OVERT ACTS

19 13. On or about the following dates, in furtherance of the
20 conspiracy and to accomplish its object, defendant SO, CC-1, CC-2 and
21 other co-conspirators known and unknown to the Grand Jury, committed,
22 willfully caused others to commit, and aided and abetted the
23 commission of the following overt acts, among others, within the
24 Central District of California and elsewhere:

25 Overt Act No. 1: On October 21, 2015, at a meeting in South
26 Korea, in response to CC-1's question regarding how Company B could
27 obtain additional contracts from Company A, defendant SO told CC-1
28 that defendant SO would ensure that Company B won a large upcoming

1 contract that was to be awarded to the lowest bidder if CC-1 paid \$5
2 million to defendant SO.

3 Overt Act No. 2: On October 23, 2015, via telephone,
4 defendant SO and CC-1 discussed the "5 million dollar" payment; CC-1
5 repeatedly requested to wire the money directly from "the bank," but
6 defendant SO advised CC-1 that "what they [] wanted was simple [and]
7 clear. In cash."

8 Overt Act No. 3: On November 1, 2015, CC-1 recruited CC-2 to
9 locate a broker in Los Angeles to help transfer cash from South Korea
10 to the United States.

11 Overt Act No. 4: On November 6, 2015, via text message, CC-2
12 advised CC-1 that CC-1 could begin transferring money from his bank
13 account in South Korea to money brokers in South Korea who would then
14 make the money available to money brokers in Los Angeles.

15 Overt Act No. 5: On November 6, 2015, CC-1 wired 121,700,000
16 KRW to a money broker in South Korea, which was the first in a series
17 of similar transfers.

18 Overt Act No. 6: On November 23, 2015, via e-mail, at
19 defendant SO's direction, Employee 1 provided defendant SO a summary
20 of final bids which identified Company C as the lowest bidder.

21 Overt Act No. 7: On November 23, 2015, CC-2 rented a car in
22 Los Angeles for the purpose of transporting cash to Detroit,
23 Michigan.

24 Overt Act No. 8: On November 23, 2015, CC-2 collected \$1
25 million in cash from the Los Angeles money brokers and their
26 associates.

27 Overt Act No. 9: On November 23, 2015, CC-2 drove from Los
28 Angeles to Detroit, Michigan, with the \$1 million.

1 Overt Act No. 10: On November 27, 2015, CC-1 flew to Detroit,
2 Michigan, from South Korea.

3 Overt Act No. 11: On November 27, 2015, CC-1 collected the \$1
4 million from CC-2.

5 Overt Act No. 12: On November 27, 2015, at a meeting at a
6 hotel in Troy, Michigan, defendant SO received from CC-1 the \$1
7 million that CC-2 had transported by car from Los Angeles and then
8 transferred to CC-1.

9 Overt Act No. 13: On November 30, 2015, after the final
10 deadline to submit bids had passed, CC-1 sent a revised quotation
11 summary on behalf of Company B to defendant SO's personal gmail
12 account.

13 Overt Act No. 14: On November 30, 2015, defendant SO forwarded
14 the revised quotation summary to Employee 1's personal gmail account.

15 Overt Act No. 15: On November 30, 2015, at defendant SO's
16 direction, Employee 1 emailed CC-1 a revised spreadsheet with
17 quotation data for Company B to review after the deadline to submit
18 bids on the Contract had passed.

19 Overt Act No. 16: Between December 1 and 7, 2015, at defendant
20 SO's direction, Employee 1 sent Company B emails advising Company B
21 that its bid was incomplete and missing several items.

22 Overt Act No. 17: On December 8, 2015, at a meeting with
23 Company A executives, defendant SO formally recommended that the
24 Contract be awarded to Company B.

25 Overt Act No. 18: After December 8, 2015, when Company A
26 executives agreed to award the Contract to Company B based on
27 defendant SO's recommendation, defendant SO refrained from notifying
28 Company B of the contract award, and continued to withhold the

1 information until CC-1 paid the remaining portion of the bribe to
2 defendant SO.

3 Overt Act No. 19: On December 15, 2015, CC-2 rented a car in
4 Los Angeles for the purpose of driving to Detroit, Michigan.

5 Overt Act No. 20: On December 15, 2015, CC-2 collected
6 approximately \$2.45 million in cash from the Los Angeles money
7 brokers and their associates.

8 Overt Act No. 21: On December 15, 2015, CC-2 and two
9 associates drove from Los Angeles to Detroit, Michigan, with the
10 \$2.45 million in cash hidden inside their vehicle.

11 Overt Act No. 22: On December 19, 2015, CC-1 flew from South
12 Korea to Detroit, Michigan, to pay defendant SO a second portion of
13 the bribe that defendant SO had solicited.

14 Overt Act No. 23: On December 20, 2015, using an associate's
15 cell phone, CC-2 called defendant SO and arranged to meet defendant
16 SO.

17 Overt Act No. 24: On December 20, 2015, CC-1 and CC-2 paid
18 defendant SO a further portion of the bribe that defendant SO had
19 solicited, namely approximately \$2.45 million in cash, outside a
20 restaurant in Detroit, Michigan.

21 Overt Act No. 25: On December 20, 2015, after defendant SO
22 received the bribe payment, defendant SO called Employee 1.

23 Overt Act No. 26: On December 20, 2015, via e-mail, Employee 1
24 sent defendant SO a proposed award notice that would notify Company B
25 that it had been awarded the Contract.

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