

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

STATE OF MARYLAND

v.

BYUNG IL BANG,

Defendant.

:
:
:
:
:
:
:

Criminal Number: 134723

Plea Date: November 16, 2018 1:00 p.m.

**AMENDED PROFFER OF PROOF IN
SUPPORT OF DEFENDANT'S PLEA OF GUILTY**

Terms of Plea Agreement

The defendant has agreed to enter a plea of guilty to a felony theft scheme having a value over \$100,000 and to the misdemeanor of misconduct in office. In addition, the defendant will enter pleas of guilty to related charges in the United States District Court for the District of Maryland. The specific terms of the plea agreement are set out in the Plea Memorandum filed in this case.

***Theft Scheme
Elements of the Offense***

The essential elements of the offense of a theft scheme having a value over \$100,000, in violation of Criminal Law Article, section 7-104, each of which the State must prove beyond a reasonable doubt to sustain a conviction, are:

- (1) That the defendant willfully or knowingly obtained control over money belonging to the Montgomery County government.

- (2) That the defendant willfully and knowingly used deception.
- (3) That the defendant had the purpose of depriving the Montgomery County government of the money.
- (4) That the value of the money was over \$100,000.

***Theft Scheme
Penalties for the Offense***

The penalty for theft of property with a value of over \$100,000 is set out in subsection (g) of section 7-104 of the Criminal Law Article. The maximum penalty is:

- (1) a term of imprisonment not exceeding twenty (20) years;
- (2) a fine not exceeding \$25,000, and;
- (3) restoration of the property taken to the owner.

***Misconduct in Office
Elements of the Offense***

The essential elements of the offense of misconduct in office, a common law offense, each of which the State must prove beyond a reasonable doubt to sustain a conviction, are:

- (1) That the defendant was a public officer.
- (2) That the defendant took advantage of his public office.
- (3) That the defendant corruptly did an unlawful act.

The specific act alleged in this case is using the authority of his job to steal over \$6.7 million dollars from Montgomery County.

***Misconduct in Office
Penalties for the Offense***

There is no statutorily prescribed penalty for misconduct in office. Thus, as a common law offense, the maximum penalty is imprisonment for life, a fine, removal from office, disqualification from future office or any combination of these sanctions.

Factual Proffer

If this matter had gone to trial, the State's evidence would establish the following facts beyond a reasonable doubt.

Beginning at least as far back as 2010 and continuing into May 2017, in Montgomery County Maryland, the defendant, Byung Il ("Peter") Bang carried out a scheme to steal money from the government of Montgomery County by means of materially false representations and deception. As part of the scheme to defraud, the Defendant embezzled money from the government of Montgomery County using a fraudulent entity that the Defendant controlled and directed. Using his position as an employee, the Defendant directed funds from Montgomery County to his own fraudulent entity for his personal benefit. In total, the Defendant stole **\$6,789,037.41** from the Montgomery County government.

Defendant's Duties

From approximately 2010 through July 2016, the Defendant was employed as the Chief Operating Officer ("COO") of the Department of Economic Development for Montgomery County, Maryland. The Department of Economic Development's ("DED") stated purpose was to assist private employers who were located, planned to locate, or planned to substantially

expand operations, in Montgomery County. In 2016, the Department of Economic Development was privatized and the Defendant's position within Montgomery County was moved to the County's Department of Finance where he was employed until May of 2017. At all times, the Defendant was a public officer.

One of the ways that the Department of Economic Development accomplished its goal of assisting private employers within Montgomery County was through the creation of business incubator and/or innovation centers. These incubator/innovation centers helped small businesses by giving them below-market rent, placing them in an environment with other similar businesses, and providing them education on how to run a business. The goal of the program was to help each business to grow so it could graduate from the incubators and relocate within Montgomery County, thus bringing jobs and revenue to the County.

Montgomery County had several incubators throughout the County that had different areas of focus, such as computer technology; biological technology; and small minority- and women-owned businesses. Each of these incubator/innovation centers brought in their own money from rent but were subsidized by the Department of Economic Development. Some of the incubator locations were operated in conjunction with the Maryland Economic Development Company ("MEDCO") and with Scheer Partners. MEDCO is an entity created by the state government to promote economic development and which, among other activities, provided financing for some of the incubator projects. Scheer Partners is a private sector commercial real estate firm which served as a management agent.

As COO of the Department of Economic Development, the Defendant oversaw budgets for these incubators. Further, the Director of DED, during the time period pertinent to this

matter, authorized the Defendant to approve disbursements and otherwise direct financial transactions pertaining to the incubator projects. For example, from time to time, the Defendant would “park” County money in incubator accounts maintained by MEDCO and Scheer Partners so that the money was more readily available and accessible for DED projects. The Defendant’s position at the Department of Economic Development, his intimate involvement in the incubator projects, his knowledge of the County’s accounts payable disbursement process, and the organizational authority vested in him by the DED directors, enabled him to manipulate the County’s accounts payable disbursement process to fraudulently obtain funds from the County and to obtain County funds held by MEDCO and Scheer Partners without any significant supervisory oversight or approval.

Business Relationship between Montgomery County and South Korea

In 2010, Montgomery County and Chungcheongbuk-Do, a province in South Korea (“Chungbuk Province”), entered into an agreement where Chungbuk Province would provide \$2,000,000 to Montgomery County to assist in developing an incubator fund with an emphasis on promoting South Korean businesses. The Chungbuk province funded the agreement in August 2010. The Defendant was involved in periodic discussions with officials from Chungbuk Province about development of mutual economic interests in the years prior to 2010. In 2008, the Defendant was part of a Montgomery County delegation that visited the Korean province.

Establishment of Chungbuk Incubator Fund LLCs to Facilitate Theft Scheme

While the formal agreement between the County and the Chungbuk Province was being finalized, the Defendant, around July 22, 2010, caused Articles of Incorporation to be filed with the Maryland State Department of Assessments and Taxation (“MD-SDAT”) for a private company named Chungbuk Incubator Fund LLC (“Chungbuk Entity”). The Defendant is not listed on the Articles of Incorporation as a stockholder, member, or registered agent; however, the Defendant directed another individual, a person whose identity is known, to organize the Chungbuk Entity. The Defendant opened four bank accounts in the name of “Chungbuk Incubator Fund, LLC,” each listing his home address as the address of the LLC. The Defendant was either the sole signatory, or a joint signatory, on all of these bank accounts. The Defendant exercised control over all bank accounts opened in the name of the Chungbuk Entity. The name of the entity was designed to create the appearance of an affiliation with the Chungcheongbuk-Do Province and to provide a veneer of legitimacy which aided in the deception needed for the theft scheme. In June 2014, Montgomery County and Chungbuk Province signed paperwork for the return of the \$2 million that had been provided in 2010 by Chungbuk Province. Subsequently, on August 25, 2014, the Defendant filed Articles of Cancellation with MD-SDAT for the first Chungbuk Incubator Fund LLC. But on June 23, 2015, Articles of Incorporation were re-filed with MD-SDAT for a second company also named Chungbuk Incubator Fund LLC. The second entity did not last long as on December 11, 2015, Articles of Cancellation were filed for the second Chungbuk Incubator Fund LLC (collectively, both cancelled LLCs are referred to as the “Chungbuk Entity”). On the Articles of Cancellations for

each LLC, the Defendant was listed as the member designated to wind up the affairs of both entities.

Defendant's Theft of Money Directly from Montgomery County

Between 2010 and 2016, the Department of Economic Development received fourteen invoices from the Chungbuk Incubator Fund LLC requesting payment for services rendered and expenses incurred pertaining to one or more of the incubator projects. All of these invoices were fraudulently submitted in that the Chungbuk Incubator Fund LLC had no contractual relationship to the County and had provided no services pertaining to the incubator projects. The Defendant fraudulently authorized payment of each of the invoices and caused the invoices to be processed by DED personnel and forwarded to the Department of Finance for payment. The Defendant created the false impression that the invoices from Chungbuk Incubator Fund LLC were related to the County's agreement with the Chungcheongbuk-Do Province. Further, during certain periods of the theft scheme, the County had imposed a freeze on procurements due to budget constraints. On several occasions, the Defendant issued a Procurement Freeze Exemption Request to the County's Office of Management and Budget (OMB). The Exemption Request contained false information to justify payment of the corresponding fraudulent invoice from the Chungbuk Incubator Fund LLC. The Defendant did not disclose his involvement with the Chungbuk Incubator Fund LLC. Based on the fraudulent invoices approved by the Defendant, between November 2010 and March 2016, the County issued eight checks made payable to the Chungbuk Incubator Fund LLC and made four ACH direct deposit transactions to the Chungbuk Incubator Fund LLC, in the total amount of \$5,529,464.63. These funds were

deposited to accounts at Bank of America in the name of that partnership, which were controlled by the Defendant. Subsequently, the Defendant disbursed funds from the accounts for his personal benefit. Table 1 below shows the date and amount of each direct payment from the County.

TABLE 1

Date	Amount	Check Number	Deposit to
11/08/10	\$150,000.00	1729041	Chungbuk Incubator Fund LLC Bank of America #5002
07/21/11	\$800,000.00	1797972	Chungbuk Incubator Fund LLC Bank of America #5002
03/08/12	\$138,980.63	1852357	Chungbuk Incubator Fund LLC Bank of America #5002
05/11/12	\$130,000.00	1867971	Chungbuk Incubator Fund LLC Bank of America #5002
07/13/12	\$840,000.00	1884309	Chungbuk Incubator Fund LLC Bank of America #5002
07/05/13	\$840,000.00	1969824	Chungbuk Incubator Fund LLC Bank of America #5002
06/26/14	\$81,500.00	2061842	Chungbuk Incubator Fund LLC Bank of America #4885
07/08/14	\$970,000.00	2058812	Chungbuk Incubator Fund LLC Bank of America #4885
08/06/15	\$521,484.00	ACH	Chungbuk Incubator Fund LLC Bank of America #1197
10/13/15	\$360,000.00	ACH	Chungbuk Incubator Fund LLC Bank of America #1197
11/23/15	\$315,000.00	ACH	Chungbuk Incubator Fund LLC Bank of America #1197
03/01/16	\$382,500.00	ACH	Chungbuk Incubator Fund LLC Bank of America #1197
TOTAL	\$5,529,464.63		

Attached as Exhibit A is a package of documents illustrating the movement of money in a typical transaction in this part of the theft scheme. Page 1 of the Exhibit is an invoice purporting to be from the Chungbuk Incubator asking that the Defendant, in his role with the County DED, pay \$840,000. Page 2 is a Procurement Freeze Exemption Request written by the defendant to get around the County restriction on spending at that time. Page 3 is the check issued by the county to Chungbuk Incubator Fund, LLC, the entity controlled by the Defendant. Page 4 is the first page of the Bank of America statement showing the deposit of the \$840,000 into a Bank of America account. The address on the account of 17808 Cormorant Lane is the Defendant's home address.

Defendant's Theft of Money from Montgomery County Through Other Entities

In addition to fraudulently obtaining money directly from the County, the Defendant also fraudulently obtained County funds being held by MEDCO and Scheer Partners. The Defendant made periodic requests to MEDCO and Scheer Partners to disburse funds to the Chungbuk Incubator Fund LLC allegedly to support incubator activities. MEDCO and Scheer Partners made the disbursements after receiving confirmation from a former director of DED that the Defendant was authorized to direct the disbursement of County funds held by MEDCO and Scheer Partners. Between August 2010 and July 2014, MEDCO and Scheer Partners issued nine checks to the Chungbuk Incubator Fund LLC in the total amount of \$1,213,987.63. These disbursements were deposited to the Chungbuk Incubator Fund LLC bank accounts controlled by the Defendant. Table 2 below shows the date and amount of each payment through MEDCO and Sheer Partners to the Defendant.

TABLE 2

Date	Amount	Check Number	Deposit to
08/06/10	\$ 56,000.00	1381	Chungbuk Incubator Fund LLC Bank of America #5002
02/08/11	\$ 50,000.00	14377	Chungbuk Incubator Fund LLC Bank of America #5002
05/25/11	\$ 200,000.00	1561	Chungbuk Incubator Fund LLC Bank of America #5002
05/10/13	\$ 200,000.00	2098	Chungbuk Incubator Fund LLC Bank of America #5002
06/13/13	\$ 150,000.00	2332	Chungbuk Incubator Fund LLC Bank of America #5002
11/19/13	\$ 149,130.63	2235	Chungbuk Incubator Fund LLC Bank of America #4885
03/24/14	\$ 120,000.00	2318	Chungbuk Incubator Fund LLC Bank of America #4885
06/03/14	\$ 42,336.00	2371	Chungbuk Incubator Fund LLC Bank of America #4885
07/25/14	\$ 246,521.00	2421	Chungbuk Incubator Fund LLC Bank of America #4885
TOTAL	\$ 1,213,987.63		

Attached in Exhibit B are the emails that served as authorization for one of the transfers in the Table above from MEDCO and Sheer Partners. Page 1 shows the defendant writes an email on May 4, 2011 at 3:50 p.m. to Sheer Partners asking for two payments. While there is much text about a college rent invoice that is not related to this case, there is simply one phrase directing that a check for \$200,000 to Chungbuk Incubator Fund, LLC be prepared. The next two pages of Exhibit B contain an email chain that starts with a request from Scheer Partners to MEDCO for checks to be issued. MEDCO responds that authorization is needed from the head of DED. The Defendant then sends a message that authority has already been delegated by the

director for these transactions. The last email is from the head of DED confirming that authority had been given to the defendant. The final page of the Exhibit is a copy of the \$200,000 check that was issued to Chungbuk Incubator Fund LLC as a result of these emails.

Defendant's Theft of Conference and Visitors Bureau Rent Payments

In a scheme unrelated to the incubator project transactions, the Defendant used his position within DED to divert monies intended to be paid to the County by the Conference and Visitors Bureau of Montgomery County. The County provided office space to the Conference and Visitors Bureau of Montgomery County, an entity which promotes tourism and business interests in the county. The Bureau shared office space with DED and paid rent to the County. Between February 2011 and April 2013, at the direction of the Defendant, the Bureau issued twenty-one rent payment checks payable to the Chungbuk Incubator Fund LLC and delivered those checks to the Defendant. The checks, totaling \$45,585.17, were deposited to the Chungbuk Entity bank accounts controlled by the Defendant. The rent payment funds were never delivered to the County. Table 3 below lists the specific date and amount of each stolen rent payment.

TABLE 3

Date	Amount	Check Number	Deposit to
02/02/11	\$ 1,317.36	1795	Chungbuk Incubator Fund LLC Bank of America #5002
02/23/11	\$ 1,317.36	1808	Chungbuk Incubator Fund LLC Bank of America #5002
04/21/11	\$ 1,867.41	1887	Chungbuk Incubator Fund LLC Bank of America #5002
05/05/11	\$ 1,867.41	1893	Chungbuk Incubator Fund LLC Bank of America #5002

Date	Amount	Check Number	Deposit to
05/26/11	\$ 1,867.41	1910	Chungbuk Incubator Fund LLC Bank of America #5002
07/25/11	\$ 1,867.41	2015	Chungbuk Incubator Fund LLC Bank of America #5002
08/22/11	\$ 1,867.41	1996	Chungbuk Incubator Fund LLC Bank of America #5002
09/06/11	\$ 1,867.41	2047	Chungbuk Incubator Fund LLC Bank of America #5002
09/06/11	\$ 1,867.41	2064	Chungbuk Incubator Fund LLC Bank of America #5002
09/06/11	\$ 1,867.41	2092	Chungbuk Incubator Fund LLC Bank of America #5002
12/23/11	\$ 3,734.82	2157	Chungbuk Incubator Fund LLC Bank of America #5002
03/13/12	\$ 3,734.82	2235	Chungbuk Incubator Fund LLC Bank of America #5002
03/23/12	\$ 1,867.41	1145	Chungbuk Incubator Fund LLC Bank of America #5002
06/08/12	\$ 3,734.82	2313	Chungbuk Incubator Fund LLC Bank of America #5002
06/19/12	\$ 1,867.41	2329	Chungbuk Incubator Fund LLC Bank of America #5002
09/18/12	\$ 3,734.82	2416	Chungbuk Incubator Fund LLC Bank of America #5002
09/18/12	\$ 1,867.41	2433	Chungbuk Incubator Fund LLC Bank of America #5002
12/24/12	\$ 1,867.41	2521	Chungbuk Incubator Fund LLC Bank of America #5002
03/04/13	\$ 1,867.41	2584	Chungbuk Incubator Fund LLC Bank of America #5002
03/12/13	\$ 1,867.41	2586	Chungbuk Incubator Fund LLC Bank of America #5002
04/11/13	\$ 1,867.41	2626	Chungbuk Incubator Fund LLC Bank of America #5002
TOTAL	\$ 45,585.15		

Summary of Theft Schemes

The Defendant, using knowledge acquired while serving as Chief Operating Officer of the Montgomery County Department of Economic Development and the authority vested in him as COO, perpetrated an elaborate scheme to steal from the County and to steal from the Conference and Visitors Bureau. His deceptive actions included:

- Creating a partnership with a name similar to the name of a foreign government entity with which the County had entered a business agreement
- Fraudulently submitting invoices from the partnership to the County for payment for services not rendered
- Fraudulently approving the invoices for payment and directing DED to process the invoices
- Fraudulently submitting budget freeze exemption request forms containing false justification to the County
- Causing payments to the partnership to be deposited to a bank account over which he had control
- Fraudulently directing third-parties MEDCO and Scheer Partners to disburse funds to the partnership
- Fraudulently directing another third-party, the Conference and Visitors Bureau of Montgomery County to disburse funds to the partnership

Table 4 shows all the funds known to have been stolen from Montgomery County by the Defendant. In total, the defendant used his government position to steal \$6,789,037.41.

TABLE 4

Year	<i>Sources of Stolen Money</i>			Total by Year
	Montgomery County Government	Maryland Economic Development Corp. and Scheer Partners	Conference and Visitors Bureau of Montgomery County	
2010	\$ 150,000.00	\$ 56,000.00		\$ 206,000.00
2011	\$ 800,000.00	\$ 250,000.00	\$ 23,176.23	\$ 1,073,176.23
2012	\$ 1,108,980.63		\$ 16,806.69	\$ 1,125,787.32
2013	\$ 840,000.00	\$ 499,130.63	\$ 5,602.23	\$ 1,344,732.86
2014	\$ 1,051,500.00	\$ 408,857.00		\$ 1,460,357.00
2015	\$ 1,196,484.00			\$ 1,196,484.00
2016	\$ 382,500.00			\$ 382,500.00
TOTALS	\$ 5,529,464.63	\$ 1,213,987.63	\$ 45,585.15	\$ 6,789,037.41

Evidence of Defendant's Personal Benefit

After gaining control of the fraudulently obtained funds, the Defendant used the money for his personal benefit. The Defendant's schemes were discovered through a routine Internal Revenue Service investigation of Currency Transaction Reports (CTRs) and other documents filed by several casinos. CTRs are required when any business entity receives more than \$10,000 in cash. The Defendant regularly visits casinos. During the time of these theft schemes, he brought large amounts of money to the casinos and generally declined to tell casinos the


source of his money. Based on the casino reports, investigators identified numerous casinos where the Defendant gambled. Those casinos were served subpoenas for records relating to the Defendant. Included in the records obtained, were copies of the many cashier's checks the Defendant brought to the casinos to fund his gambling. Most of these cashier's checks were from Bank of America although a few were also from the Montgomery County Employees Credit Union. Working with Bank of America, it was determined that the source of the funds in the cashier's checks given to the casinos was the Chungbuk Entity bank accounts where the money stolen from Montgomery County had been deposited. Records of the Chungbuk bank accounts show money transferred into personal accounts to which the Defendant had access at the Montgomery County Employees Credit Union as well as Bank of America. The cashier's checks taken to the casinos by the Defendant ranged in size from \$35,000 to \$200,000. During the investigation, records were found showing the Defendant had visited casinos in Delaware, Las Vegas, and West Virginia.

This proffer does not contain all of the evidence the State would have presented at trial, but merely sets forth sufficient facts to satisfy each element of the crimes to which this defendant is entering a plea of guilty.

Respectfully submitted,

John J. McCarthy
State's Attorney for
Montgomery County, Maryland

By:



BRYAN ROSLUND
Assistant State's Attorney for
Montgomery County, Maryland

EXHIBIT

A

FT 13
OK
[Signature]

40209
601
78212
61932
999034



Chungbuk Incubator Fund, LLC

Federal No. 27-3093139
600 Jefferson Street ♦ Suite 600 ♦ Rockville ♦ MD 20852
Phone: (301) 309-0313 Fax: (301) 309-6772

HOLD
CHECK

INVOICE

Date: July 6, 2012 ✓

Bill To: Peter Bang	Invoice Number:
Montgomery County Dept. of Economic Development 111 Rockville Pike, 8th Floor Rockville, MD 20850	MCDED-13-1 ✓
Description:	Amount:
FY13 Germantown Incubator Grant ✓	\$ 840,000 ✓ <i>KIM NEW AMOUNT</i>
	Total
	\$ 840,000

Please forward the payment to Samuel Kim, CPA.

** OMB WAIVER RECEIVED!*

FY13 PROCUREMENT FREEZE EXEMPTION REQUEST

Date: June 25, 2012

Department: Economic Development Division: Finance & Administration

Contact/Phone: Peter Bang 240-777-2008

Procurement Action Title: BPO for \$840,000 for the Germantown Innovation Center (GIC)

Check category requested for exempt:

☐ Informal Solicitation ☐ Formal Solicitation ☐ Delivery Order Against Requirements Contracts ☐ Change Order with Additional Funds

Description of the item requested for exemption:

This is the annual grant subsidy for the GIC per the lease agreement with the College Foundation.

Estimated total cost this action (solicitation, delivery order, etc.) in FY13: \$840,000

Source of funds:

General Fund: Fund Code-001, Cost Center-78217, Account Code-61932

Requisition # (when appropriate): N/A

Justification for exemption and impact of non-exemption:

Payment required under the lease agreement with the College Foundation. Non-payment will result in the cashflow shortage and delinquencies in the lease payment, possibly leading to a default.

Dept. Head Signature: [Signature] Date: 6/25/12 OMB

Log No: 3026 Date Received: 6/25/12 OMB

Recommendation: [Signature] approve 6/26/12 Deny

CAO Decision: [Signature] approve Deny

for Faiba Kossler



Department of Finance
Division of Treasury
255 Rockville Pike, Suite L-13
Rockville, Maryland 20850

0001884309
JULY 13, 2012

Pay To The Order Of: CHUNGBUK INCUBATOR FUND LLC
600 E JEFFERSON STREET STE 100
ROCKVILLE, MD 20850

15-3/540
VOID AFTER 6 MONTHS

*****\$840,000.00***

Amount: EIGHT HUNDRED FORTY THOUSAND DOLLARS AND 00/100

PNC BANK, N.A. 040
WASHINGTON DC

Authorized Signature

⑈0084000000⑈



Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Page 1 of 4
Statement Period
07/01/12 through 07/31/12
MD E PB EB 49 0099671
Account Number 4460 2140 5002



01358 E01 SCM999 0

CHUNGBUK INCUBATOR FUND LLC
17808 CORMORANT LN
GERMANTOWN, MD 20874-3474

Our Online Banking service allows you to check balances, track account activity and more.
With Online Banking you can also view up to 18 months of this statement online.
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Customer Service Information
www.bankofamerica.com

For additional information or service, you may call:
1-888-BUSINESS (1-888-287-4637)

Or you may write to:
Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Deposit Accounts

Business Economy Checking

CHUNGBUK INCUBATOR FUND LLC

Your Account at a Glance

Account Number	4460 2140 5002	Statement Beginning Balance	\$3,189.77
Statement Period	07/01/12 through 07/31/12	Amount of Deposits/Credits	\$840,000.00
Number of Deposits/Credits	1	Amount of Withdrawals/Debits	\$837,000.00
Number of Withdrawals/Debits	4	Statement Ending Balance	\$6,189.77
Number of Deposited Items	1	Average Ledger Balance	\$43,157.51
Number of Days in Cycle	31	Service Charge	\$0.00

Your account has overdraft protection provided by Deposit Account number 4460 1861 7447.

EXHIBIT

B

Brian Bouey

From: Bang, Peter [Peter.Bang@montgomerycountymd.gov]
Sent: Wednesday, May 04, 2011 3:50 PM
To: Brian Bouey
Cc: Elena Smith
Subject: GIC March and April Payment
Attachments: College Rent Invoice-Mar and April-2011-FY11.pdf; Scheer Check for GIC Rent Payment-1 and 2 Q-2011.pdf

Brian, please process the Invoice. Based on your current balance, you might be better off asking MEDCO to release the County funds first (approximately \$340,000 plus I believe) including reimbursement for the \$286,405.29 check (copy attached) you processed in February. That will increase the GIC operating account to approximately \$495,000, from which you will make the attached Rent Invoice for \$97,448.22, and prepare \$200,000 check to Chungbuk Incubator Fund, LLC on County's behalf. That will tentatively leave about \$200,000 in GIC's operating account for the remaining two months of FY12. (Please ask Elena whether the April rent payment for Jan. & Feb. 2011 has been posted)

I am working with the College on tax credit issue. Since the credit is retroactive to FY10, we will be dealing with approximately \$130,000 plus reimbursement from the Royco. We can either offset May and June payment against this credit or just deposit the check into Scheer's GIC account.

As you know, the College will acquire the building in November. I am working with the County Finance folks on the bond issuance for College's acquisition costs and I believe, based on the early indication, the annual debt service will be smaller than the current lease payment, which will help GIC a little.

Thanks for your help, and see you on Friday.

I will inform MEDCO accountants to release the County's GIC funds upon your request/invoice.

Peter Bang
Chief Operating Officer
Montgomery County
Department of Economic Development
111 Rockville Pike, Suite 800
Rockville, MD 20850, USA
(o) 240-777-2008 (f) 240-777-2001

CO2-05-08 2010.00

5/4/2011

Brian Bouey

From: Silverman, Steve [Steve.Silverman@montgomerycountymd.gov]
Sent: Thursday, May 05, 2011 8:17 AM
To: Bang, Peter; J_Genakos@medco-corp.com; Brian Bouey; J_Miller@medco-corp.com
Cc: A_Lieu@medco-corp.com; Elena Smith; Susan Scott; Chris D'Amico; J_nocar@medco-corp.com
Subject: Re: Germantown Incubator Release of County Funds for College Rent and Taxes

I concur, Tks SS-

From: Bang, Peter
Sent: Wednesday, May 04, 2011 04:59 PM
To: 'John Genakos' <J_Genakos@medco-corp.com>; 'Brian Bouey' <bhouey@ScheerPartners.com>; Jim Miller <J_Miller@medco-corp.com>; Silverman, Steve
Cc: Amy Lieu <A_Lieu@medco-corp.com>; Elena Smith <esmith@ScheerPartners.com>; Susan Scott <sscott@ScheerPartners.com>; Chris D'Amico <cdamico@ScheerPartners.com>; Jay Nocar <j_nocar@medco-corp.com>
Subject: RE: Germantown Incubator Release of County Funds for College Rent and Taxes

John,
We sent MEDCO \$442,000 at the beginning of FY11 specifically for the rent payment for Germantown Incubator. I sent email request to Jim and Jay but forgot to include you. MEDCO should have (so did Scheer) email from Steve awhile back confirming the delegated authority given to me to conduct these financial transactions.
I am copying Steve as well so he can confirm again.

Peter Bang
Chief Operating Officer
Montgomery County
Department of Economic Development
111 Rockville Pike, Suite 800
Rockville, MD 20850, USA
(o) 240-777-2008 (f) 240-777-2001

-----Original Message-----

From: John Genakos [mailto:J_Genakos@medco-corp.com]
Sent: Wednesday, May 04, 2011 4:53 PM
To: 'Brian Bouey'; Jim Miller
Cc: Amy Lieu; Bang, Peter; Elena Smith; Susan Scott; Chris D'Amico; Jay Nocar
Subject: RE: Germantown Incubator Release of County Funds for College Rent and Taxes

Brian,

MEDCO will require a request from Montgomery County to MEDCO, signed by Steve Silverman, due to the fact that it is the County's money. In order to follow through and make the disbursement as requested.

Let me know if you have any questions and we will be on the lookout for the County's request.

-John

From: Brian Bouey [mailto:bhouey@ScheerPartners.com]
Sent: Wednesday, May 04, 2011 4:28 PM
To: John Genakos; Jim Miller

5/18/2011

Cc: Amy Lieu; Bang, Peter; Elena Smith; Susan Scott; Chris D'Amico; Jay Nocar
Subject: Germantown Incubator Release of County Funds for College Rent and Taxes

We are requesting the release of the County Funds held at MEDCO for the purposes of reimbursing the GIC Operating account for Germantown College Rent and Taxes expended in 2011. Please release funds available up to the requested amount of \$481,301.73. Please let me know if you have any questions or need any additional information to make this disbursement. Thanks Brian.

Brian E. Bouey
Controller
Scheer Partners
9713 Key West Avenue Suite 250
Rockville Md, 20850
(301) 337-4711 Phone
(301) 468-1190 Fax
bbouey@ScheerPartners.com

5/18/2011

MARYLAND ECONOMIC DEVELOPMENT CORP. GIC/SCHEER PARTNER S,INC. (AGENT)

1561

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
5-04-11	050411	Chucgbuk Incubator	200000.00	.00	200000.00
CHECK DATE	5-17-11	CHECK NUMBER	1561	TOTALS	200000.00
					.00
					200000.00

1561

PNC BANK
PNC Bank, N.A.
Member FDIC

MARYLAND ECONOMIC DEVELOPMENT CORP.
GIC/SCHEER PARTNERS, INC. (AGENT)
9713 KEY WEST AVENUE SUITE 250
ROCKVILLE MD 20850

Pay: *****Two hundred thousand dollars and no cents

DATE: May 17, 2011 CHECK NO. 1561 AMOUNT \$17200,000.00

PAY TO THE ORDER OF Chungbuk Incubator Fund LLC

AUTHORIZED SIGNATURE

MARYLAND ECONOMIC DEVELOPMENT CORP. GIC/SCHEER PARTNERS, INC. (AGENT)

1561