

United States Department of Justice

**For Immediate Release**

April 27, 2010 **United States Attorney's Office**  
**District of Hawaii**

## **Two Kauai Individuals Convicted of Fraud Offenses**

HONOLULU, HI—A federal jury yesterday found Kevyn Paik, 47, and James Alan Duarte, 48, both of Kauai, guilty of multiple wire fraud and mail fraud offenses involving the award and performance of contracts for work at the Hanalei Wildlife Refuge. The jury also found Paik guilty of a conflict of interest offense arising out of the same transactions.

United States Attorney Florence T. Nakakuni said that according to information produced in court, Paik is employed as an engineering equipment operator for the United States Department of Interior's Fish and Wildlife Service. Paik's duties included maintaining the Hanalei Wildlife Refuge, a federally owned property maintained by the Fish and Wildlife Service. The Fish and Wildlife Service sought to hire contractors to perform wetland restoration work at various ponds at the Refuge. Paik was prohibited by federal regulations from obtaining such contracts, as the work was related to his employment as a Fish and Wildlife Service employee.

According to the evidence produced at trial, Paik and Duarte agreed to solicit and perform work under two subcontracts, while concealing the fact of Paik's involvement. Among other things, Duarte obtained a Kauai contractor's permission to use the contractor's license number in return for a portion of the subcontract amount. Paik then prepared a bid document purportedly from the contractor, but which contained the contact information of Duarte. Duarte and Paik then performed the work, while making it appear as if it had been done by the Kauai contractor. The evidence demonstrated that Duarte and Paik received the bulk of the proceeds paid by the government for the work.

The government also presented evidence that Paik participated personally and substantially in the contract as a government employee, without disclosing the fact that he had a personal financial interest in the contract.

Following a 13-day trial, the jury found Paik guilty of four counts of mail and wire fraud, and one count involving a criminal conflict of interest, and acquitted him of three other fraud charges and one other conflict of interest charge. Duarte was found guilty of four counts of mail and wire fraud and not guilty on three other fraud charges. When sentenced on August 23, 2010 by United States District Judge J. Michael Seabright, each defendant will face a maximum penalty of 20 years of imprisonment, and a fine of up to \$250,000 as to each mail and wire fraud count. Paik will face an additional penalty of up to five years of imprisonment, and a fine of up to \$250,000, on the conflict of interest count.

The case was investigated by the Department of Interior, Office of Inspector General, with assistance from the Federal Bureau of Investigation, and was prosecuted by Assistant U.S. Attorney Clare Connors.