



Department of Justice

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THREE FOREIGN EXECUTIVES INDICTED FOR THEIR ROLES IN LCD PRICE-FIXING CONSPIRACY

Two Executives from Taiwan and One Korean Executive Charged in Global Price-Fixing Scheme

WASHINGTON – A federal grand jury in San Francisco returned an indictment against two former executives from Chunghwa Picture Tubes Ltd. (Chunghwa) and one former executive from LG Display Co. Ltd. (LG) for their participation in a global conspiracy to fix prices of Thin Film Transistor-Liquid Crystal Display (TFT-LCD) panels, the U.S. Department of Justice announced today.

The indictment, filed today in U.S. District Court in San Francisco, charges that Cheng Yuan Lin, aka C.Y. Lin, Wen Jun Cheng, aka Tony Cheng, and Duk Mo Koo conspired with unnamed co-conspirators to suppress and eliminate competition by fixing the prices of TFT-LCD panels. The three executives participated in the conspiracy at various times during the charged conspiracy period, which began on or about Sept. 14, 2001, and continued to on or about Dec. 1, 2006.

- Lin participated in the conspiracy from Sept. 14, 2001 to Apr. 7, 2003 as Chunghwa's Chairman and Chief Executive Officer. Lin is a resident of Taiwan, Republic of China.
- Cheng participated in the conspiracy from Oct. 5, 2001 to Sept. 24, 2004. For most of this period, Cheng was Chunghwa's Assistant Vice President of Sales and Marketing. Cheng is a resident of Taiwan, Republic of China.
- Koo participated in the conspiracy from Dec. 11, 2001 to Dec. 1, 2005 as Executive Vice President and Chief Sales Officer for LG. Koo is a citizen and resident of the Republic of Korea.

"The Antitrust Division will vigorously pursue individuals who engage in antitrust crimes targeting U.S. businesses and consumers no matter where those individuals live or commit the crime," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Antitrust Division. "Today's charges should make clear that there are no safe havens for international cartels that violate the U.S. antitrust laws."

TFT-LCD panels are used in computer monitors and notebooks, televisions, mobile phones and other electronic devices. In 2006, the worldwide market for TFT-LCD panels was approximately \$70 billion.

Including today's charge, three companies and seven individuals have been charged in the Department's ongoing antitrust investigation into the TFT-LCD industry. To date, more than \$585 million in criminal fines have been imposed as a result of the ongoing investigation.

These three foreign-based executives were charged with participating with co-conspirators in a conspiracy that was accomplished by the following means:

- Attending meetings and engaging in conversations and communications in Taiwan, Korea and the United States to discuss the prices of TFT-LCD panels;
- Agreeing during those meetings, conversations and communications to charge prices of TFT-LCD panels at certain levels;
- Attending regular group meetings, commonly referred to as "crystal meetings," in hotel rooms in Taiwan and agreeing during those meetings to charge prices for standard-sized TFT-LCD panels at certain target levels;
- Exchanging TFT-LCD shipping, production, supply, demand and pricing information, for the purpose of implementing, monitoring and enforcing adherence to the agreed-upon prices;
- Authorizing, ordering and consenting to the participation of subordinate employees in the conspiracy;
- Issuing price quotations in accordance with the agreements reached;
- Accepting payment for the supply of TFT-LCD panels sold at collusive, noncompetitive prices to customers in the United States and elsewhere; and
- Taking steps to conceal the conspiracy and conspiratorial contacts through various means.

Lin, Cheng and Koo are each charged with participating in the conspiracy to suppress competition in violation of the Sherman Act. The maximum penalty for the conviction of a Sherman Act violation occurring before June 22, 2004, is three years imprisonment and a fine of \$350,000 for individuals. The maximum penalty for a violation occurring after June 22, 2004, is 10 years imprisonment and a fine of \$1 million for individuals. The maximum fines may be increased, however, to twice the gain derived from the crime or twice the loss suffered by the victims if either or those amounts is greater than the Sherman Act maximum fines. Of the three executives charged today, only Lin's violation occurred before June 22, 2004.

On Jan. 15, 2009, former Chunghwa CEO Chieng-Hon “Frank” Lin and two Chunghwa executives, Chih-Chun “C.C.” Liu and Hsueh-Lung “Brian” Lee, were charged with participating in the same conspiracy and agreed to plead guilty. Under their plea agreements, which must be approved by the court, Chieng-Hon Lin agreed to serve nine months in prison and pay a \$50,000 criminal fine; Chih-Chun Liu agreed to serve seven months in prison and pay a \$30,000 criminal fine; and Hsueh-Lung Lee agreed to serve six months in prison and pay a \$20,000 criminal fine. Also on Jan. 15, 2009, LG executive Chang Suk “C.S.” Chung agreed to plead guilty for his role in the conspiracy. Under his plea agreement, which must be approved by the court, Chung agreed to serve a seven-month prison sentence and pay a \$25,000 criminal fine.

In total, three companies have been charged with price fixing in the TFT-LCD investigation. On Dec. 15, 2008, LG pleaded guilty to participating in this conspiracy and was sentenced to pay a \$400 million criminal fine - the second largest fine in Antitrust Division history. On Jan. 14, 2009, Chunghwa pleaded guilty to participating in the same conspiracy and was sentenced to pay a \$65 million criminal fine. On Dec. 16, 2008, Sharp Corp. pleaded guilty to three separate conspiracies to fix the prices of TFT-LCD panels sold to Dell Inc., Apple Computer Inc., and Motorola Inc., and was sentenced to pay a \$120 million criminal fine.

Today’s charge is the result of a joint investigation by the San Francisco Field Office of the Antitrust Division of the U.S. Department of Justice and the Federal Bureau of Investigation in San Francisco.

Anyone with information concerning illegal conduct in the TFT-LCD industry is urged to call the San Francisco Field Office of the Antitrust Division at 415-436-6660.

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