



# Department of Justice

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**HITACHI-LG DATA STORAGE INC. EXECUTIVE AGREES TO PLEAD GUILTY  
FOR PARTICIPATING IN BID-RIGGING CONSPIRACIES  
INVOLVING OPTICAL DISK DRIVES**

*Korean Executive Agrees to Serve Time in U.S. Prison*

WASHINGTON – An executive of Korean-based Hitachi-LG Data Storage Inc. (HLDS) has agreed to plead guilty and to serve time in a U.S. prison for his participation in a series of conspiracies to rig bids for the sale of optical disk drives, the Department of Justice announced today.

According to the four-count felony charge filed today in the U.S. District Court for the Northern District of California in San Francisco, Senior Sales Manager Woo Jin Yang, also known as Eugene Yang, conspired with others to suppress and eliminate competition by rigging bids for optical disk drives sold to Hewlett-Packard Co. (HP). Yang participated in the conspiracies at various times between approximately August 2006 and June 2009. Under the plea agreement, which is subject to court approval, Yang has agreed to serve six months in prison, to pay a \$25,000 criminal fine and to cooperate with the department's ongoing investigation. HLDS is a joint venture between Hitachi Ltd, a Japanese corporation, and LG Electronics Inc., a Republic of Korea corporation.

"Today's charges demonstrate the Antitrust Division's commitment to prosecute and deter conduct that harms American businesses and consumers," said Acting Assistant Attorney General Joseph Wayland in charge of the Department of Justice's Antitrust Division. "The division will continue to pursue those who participated in these bid-rigging and price-fixing conspiracies so they are held accountable for their actions."

Optical disk drives are devices such as CD-ROMs, CD-RWs (ReWritable), DVD-ROMs and DVD-RWs (ReWritable) that use laser light or electromagnetic waves to read and/or write data and are often incorporated into personal computers and gaming consoles.

According to the charges, from approximately August 2006 until February 2009, HP hosted optical disk drive procurement events in which participants would be awarded varying amounts of optical disk drive supply depending on where their pricing ranked. According to court documents, Yang and co-conspirators participated in a series of conspiracies involving meetings and discussions to predetermine bidding strategies and prices of optical disk drives,

resulting in the submission of collusive and noncompetitive bids for HP's procurement events. Yang and co-conspirators also exchanged information on sales, market share and the pricing of optical disk drives to monitor and enforce adherence to the agreements.

Including Yang, the department has charged four individuals and one company as a result of its ongoing investigation into the optical disk drive industry. On Nov. 8, 2011, HLDS pleaded guilty in the U.S. District Court for the Northern District of California in San Francisco to 14 counts of violating the federal antitrust laws between approximately June 2004 and September 2009. HLDS also pleaded guilty to one count of participating in a scheme to defraud in connection with an April 2009 procurement event. On the same day, HLDS was sentenced to pay a \$21.1 million criminal fine and agreed to assist the department in its ongoing investigation into the optical disk drive industry.

HLDS executives Y.K. Park, S.H. Kim and Sik Hur pleaded guilty to multiple violations of the Sherman Act on March 27, 2012, April 17, 2012 and April 10, 2012 respectively. Park, Kim and Hur are currently awaiting sentencing.

Yang is charged with violating the Sherman Act. Each count carries a maximum fine of \$1 million and up to 10 years in prison. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

This case is part of an ongoing joint investigation by the Department of Justice Antitrust Division's San Francisco Office and the FBI in San Francisco and Houston. Anyone with information concerning illegal or anticompetitive conduct in the optical disk drive industry is urged to call the Antitrust Division's San Francisco Field Office at 415-436-6660 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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