

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 08-  
v. : 18 U.S.C. §§ 1341, 2; 26  
U.S.C. § 7206(1)  
JOHN Y. LEE : I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE  
(Wire Fraud)

INTRODUCTION

1. At various times relevant to this Indictment:

a. Defendant JOHN Y. LEE was a resident of West New York, New Jersey, and served as the Director of Samsung America, Inc.'s ("SAI") Korea Export Department.

b. SAI, based in Ridgefield Park, New Jersey, was a global trading and investment company and American subsidiary of the Korean conglomerate Samsung Corporation ("SC"). SAI engaged in various businesses including: a) the trading of international commodities such as metals, steel and textiles; b) product marketing and distribution; and c) venture capital.

c. Corning Inc. ("Corning"), a New York Corporation with its principal place of business in Corning, New York, engaged in various businesses including the production of: a) specialty

glass; b) optical products for the telecommunications industry; c) environmental technologies; and d) materials for use in life science laboratories.

d. Samsung Corning Co. Ltd., a joint venture between SA and Corning which was based in Seoul, South Korea, developed flat screen technologies and other electronic materials.

e. Samsung Corning Precision Glass Co. Ltd. ("SCP"), a joint venture between Samsung Corning Co. Ltd. and Corning which was based in Seoul, South Korea, produced specialized glass products for flat screen technologies.

f. Engelhard Corporation ("Engelhard"), a Delaware Corporation with its principal place of business in Iselin, New Jersey, engaged in various businesses including the refining of raw materials for use in numerous industries. Engelhard supplied SCP with precious metals during the late 1990s. When Engelhard supplied SCP with such metals, SAI would initially pay Engelhard for them, and SCP would reimburse SAI for such payments.

g. Engelhard Supple Co. ("ESC") was a fictitious entity based in West New York, New Jersey created by defendant JOHN Y. LEE.

THE SCHEME TO DEFRAUD

2. From in or about January 2002 until in or about May 2007, in Bergen County, in the District of New Jersey, and elsewhere, the defendant

JOHN Y. LEE

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, a writing, sign, signal, picture, and sound for the purpose of executing such scheme or artifice.

THE OBJECT OF THE SCHEME TO DEFRAUD

3. The primary object of the scheme and artifice was for defendant JOHN Y. LEE to embezzle money from SAI.

THE MANNER AND MEANS OF THE SCHEME TO DEFRAUD

4. Among the manner and means used by defendant JOHN Y. LEE to carry out his scheme to defraud were those set forth in paragraphs 5 through 9 below:

5. In or about September 2000, defendant JOHN Y. LEE created the fictitious entity ESC. Defendant LEE named his entity ESC to

make it appear that ESC was, in fact, Engelhard.

6. Defendant JOHN Y. LEE then created numerous false documents including invoices, purchase orders, and payment applications from SCP, SAI and Englehard to make it appear as though: a) SCP had ordered metal refining services from Engelhard; b) Engelhard had provided such services to SCP; and c) SCP had properly sought reimbursement from SAI for such metal refining services. In fact, SCP had not ordered any such metal refining services from Engelhard, and Engelhard had not provided SCP with any such services.

7. These false documents caused SAI to wire transfer numerous payments to a bank account at a Bank of America in Summit, New Jersey purportedly controlled by Engelhard, account number \*\*\*\*  
\*\*\*509 (the "Account"). In fact, defendant JOHN Y. LEE controlled the Account in the name of ESC.

8. To conceal his fraudulent activities, defendant JOHN Y. LEE engaged in other conduct including submitting false documents to SAI's accounting department to make SAI's books and records appear as though SCP had received metal refining services from Engelhard.

9. For the purpose of executing this scheme to defraud SAI, defendant JOHN Y. LEE caused to be transmitted by means of wire, among other things, payments from SAI for purported metal refining services to the Account as described above.

10. On or about May 2, 2007, for the purpose of executing the scheme and artifice described above, and attempting to do so, in the District of New Jersey and elsewhere, defendant

JOHN Y. LEE

did knowingly and willfully cause to be transmitted by means of wire \$117,277.50 from SAI's checking account, account number \*\*\*\*\*89, maintained at Bank Citibank, N.A. in New York, New York to the Account in Summit, New Jersey.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWO THROUGH FOUR  
(FILING FALSE TAX RETURNS)

1. Paragraphs 1 and 3 through 9 of Count One of this Information are realleged and incorporated herein.

2. At various times relevant to this Information, defendant JOHN Y. LEE:

a. embezzled money from SAI which he was required to report as income on his yearly federal tax returns;

b. signed federal income tax returns which contained written declarations that they were signed under penalty of perjury; and

c. filed and caused to be filed with the Internal Revenue Service federal income tax returns on which he purported to declare all of his taxable income but which were not true and correct as to every material matter in that the returns did not include as taxable income money he had embezzled from SAI.

3. On or about the dates set forth below, in the District of New Jersey, the defendant,

JOHN Y. LEE

knowingly and willfully did make and subscribe Individual Income Tax Returns, Forms 1040, which contained and were verified by a written declaration that they were made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter in that he failed to report as income money he had embezzled from SAI in the amounts described below,

each constituting a separate count of this Information:

Count	Approximate Filing Date	Income Tax Return	Taxable Income Reported	Approximate Unreported Income
2	4/15/05	2004 U.S. Individual Income Tax Return, Form 1040	\$91,928.00	\$212,387.00 in taxable income embezzled by defendant JOHN Y. LEE from SAI.
3	4/15/06	2005 U.S. Individual Income Tax Return, Form 1040	\$104,021.00	\$306,737.00 in taxable income embezzled by defendant JOHN Y. LEE from SAI.
4	4/15/07	2006 U.S. Individual Income Tax Return, Form 1040	\$97,868.00	\$339,138.00 in taxable income embezzled by defendant JOHN Y. LEE from SAI.

All in violation of Title 26, United States Code, Section  
7206(1) and Title 18, United States Code, Section 2.

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CHRISTOPHER J. CHRISTIE  
United States Attorney