

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet: News Releases and related documents are posted at our website.
Go to: <http://www.usdoj.gov/usao/nj/press/index.html>

Assistant U.S. Attorney:
ADAM S. LURIE
973-645-2749

lee0719.rel
FOR IMMEDIATE RELEASE
July 19, 2007

Former Samsung Unit Director Arrested, Charged in \$1.5 Million Fraud Against the Multinational Corporation

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

<http://www.usdoj.gov/usao/nj/press/index.html>

NEWARK – A former director of Samsung America, Inc.'s Korea Export Department was arrested today on a criminal Complaint charging him with wire fraud arising out of his embezzlement of approximately \$1.5 million from Samsung, U.S. Attorney Christopher J. Christie announced.

John Y. Lee, a/k/a “Yong Kook Lee,” 44, of West New York, was arrested at his home this morning by Special Agents with the FBI and IRS Criminal Investigation Division. He was scheduled to make an initial appearance before U.S. Magistrate Judge Esther Salas at 2:30 p.m

According to the criminal Complaint, between 2002 and 2007, Lee engaged in an elaborate fraud scheme to embezzle the approximately \$1.5 million from Samsung America, a Ridgefield Park, New Jersey-based global trading and investment company and American subsidiary of the Korean conglomerate Samsung Corporation.

Among other things, in approximately September 2000, Lee created a fictitious entity that he called the Engelhard Supple (sic) Co. (ESC) to make it appear as though ESC was the Iselin, New Jersey-based Engelhard Corporation (Engelhard). Lee then falsified various documents including purchase orders, invoices and approval forms to make it appear as though ESC was providing metal refining services to the Samsung Corning Precision Glass Co. Ltd. (SCP), a joint venture involving the Samsung Corporation and Corning, Inc.

In fact, neither Lee’s fictitious entity, ESC, nor Engelhard provided any metal refining services to SCP during the scheme. Lee submitted the various falsified documents to Samsung America because Samsung America was responsible – in a period pre-dating the fraud scheme – for paying for metal refining services received by SCP. Then, to make it appear as though SCP was repaying Samsung America for such payments, Lee, among other things, falsified other documents that he submitted to Samsung America.

Also according to the Complaint, on or about June 29, 2007, July 3, 2007 and July 9, 2007, Lee admitted much of his fraudulent conduct to Samsung Corporation auditors orally and in writing. Among other things, Lee admitted that: he named his entity ESC to make it appear to SCP and Samsung America that ESC was, in fact, Engelhard; he falsified a number of documents to cause Samsung America to pay him; he received at least approximately \$1 million from Samsung America through his scheme; and he spent the money on personal expenses including on a down payment for a townhouse in Fort Lee, N.J.

Upon discovering the embezzlement, Samsung quickly alerted federal authorities. Lee was immediately fired by the company.

The charge of wire fraud carries a maximum statutory sentence of 20 years in prison and a fine of up to \$250,000.

The charges in the Complaint are merely accusations. All defendants are presumed innocent

unless and until found guilty beyond a reasonable doubt.

Christie wished to credit Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun and Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's charges.

The case is being prosecuted by Assistant U.S. Attorney Adam S. Lurie of the U.S. Attorney's Office Securities and Health Care Fraud Unit.

-end-