



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MAY 3, 2012
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HYOSUNG CORPORATION EXECUTIVE AGREES TO PLEAD GUILTY TO OBSTRUCTION OF JUSTICE FOR SUBMITTING FALSE DOCUMENTS IN AN ATM MERGER INVESTIGATION

WASHINGTON – An executive of South Korean-based Hyosung Corporation has agreed to plead guilty and to serve time in a U.S. prison for obstruction of justice charges in connection with an automated teller machine (ATM) merger investigation conducted by the Antitrust Division, the Department of Justice announced today.

According to a two-count felony charge filed today in the U.S. District Court in Washington, D.C., Kyoungwon Pyo, in his role as senior vice president for corporate strategy of Hyosung Corporation, an affiliate of Nautilus Hyosung Holdings Inc. (NHI), altered and directed subordinates to alter numerous existing corporate documents before they were submitted to the Department of Justice and the Federal Trade Commission (FTC) in conjunction with mandatory premerger filings. The department said that Pyo's actions took place in or about July and August 2008. At the time, the department was investigating Korea-based NHI's proposed acquisition of Triton Systems of Delaware Inc. NHI abandoned the proposed acquisition of competitor Triton Systems before the Antitrust Division reached a decision determining whether to challenge the transaction.

On Oct. 20, 2011, NHI pleaded guilty and paid a \$200,000 criminal fine for its role in the obstruction of justice charges. According to the plea agreement, which is subject to court approval, Pyo has agreed to serve five months in prison.

"Maintaining the integrity of the merger review and investigation process is one of our highest priorities," said Acting Assistant Attorney General Joseph Wayland in charge of the Department of Justice's Antitrust Division. "Senior corporate executives should understand that anyone who attempts to corrupt the process by falsifying materials submitted to the U.S. government will be held accountable for their actions."

After receiving the premerger filings, the Antitrust Division opened a civil merger investigation of the proposed acquisition. The department said that in or about August and September 2008, Pyo falsified additional documents in response to a document request from the Antitrust Division with the intention of impairing their integrity and availability for use in an official proceeding. The department said that, among other things, the alterations misrepresented and minimized the competitive impact of the proposed acquisition.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, requires companies contemplating mergers and acquisitions valued above certain thresholds to make filings with the Department of Justice and the FTC. The federal antitrust agencies have authority to investigate and challenge such proposed transactions under Section 7 of the Clayton Act, if the transactions may substantially lessen competition.

NHI was previously charged with obstruction of justice, which carries a maximum criminal fine for a corporation of \$500,000 per count. NHI's agreed-upon criminal fine of \$100,000 per count takes into consideration the nature and extent of the company's disclosure of wrongdoing and its cooperation in the department's investigation.

Pyo is charged with obstruction of justice, which carries a maximum penalty of 20 years in prison and a criminal fine of \$250,000 for individuals.

The investigation that led to these charges was conducted by the Antitrust Division's National Criminal Enforcement Section. Anyone with information concerning anticompetitive conduct or obstruction of justice in antitrust matters is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit www.justice.gov/atr/contact/newcase.htm.

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