



Department of Justice

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KOREAN EXECUTIVE AGREES TO PLEAD GUILTY AND SERVE ONE YEAR IN PRISON FOR PARTICIPATION IN LCD PRICE-FIXING CONSPIRACY

*To Date, Four Companies Have Agreed to Plead Guilty and to Pay More Than \$616 Million
in Fines and Nine Executives Have Been Charged*

WASHINGTON – A high-level Korean executive from LG Display Co. Ltd. (LG) has agreed to plead guilty and serve a year in jail in the United States for participating in a global conspiracy to fix prices in the sale of Thin Film Transistor-Liquid Crystal Display (TFT-LCD) panels, the U.S. Department of Justice announced today.

According to a one-count felony charge filed today in U.S. District Court in San Francisco, Bock Kwon, an executive of LG, conspired with employees from other TFT-LCD panel makers to suppress and eliminate competition by fixing the prices of TFT-LCD panels from on or about Sept. 21, 2001, to on or about June 1, 2006. During the charged conspiracy, Kwon, a citizen of the Republic of Korea, held several high-level positions at LG, including president of LG's Taiwan subsidiary, vice president of notebook sales, vice president of sales planning, and executive vice president of sales and marketing. Under the plea agreement, which must be approved by the court, Kwon has agreed to serve a 12-month prison sentence in the United States and to pay a \$30,000 criminal fine.

“The participants in the LCD conspiracy committed a serious fraud upon American consumers by fixing the prices of a product that is in almost every American home,” said Christine A. Varney, Assistant Attorney General in charge of the Department’s Antitrust Division. “The charges against top-level executives who participated in the LCD conspiracy show the commitment of the Department of Justice to finding and prosecuting those at the highest levels, no matter where they live or where these crimes against American consumers were committed.”

Including today’s charges, four companies and nine individuals have been charged in the Department’s ongoing antitrust investigation into the TFT-LCD industry. To date, more than \$616 million in criminal fines have been imposed, or agreed to, as a result of this investigation, and four individuals have pleaded guilty and have been sentenced to serve jail time.

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.

Kwon was charged with participating in a conspiracy that was accomplished by:

- Participating in meetings, conversations and communications in Taiwan, Korea and the United States to discuss the prices of TFT-LCD panels;
- Agreeing during these meetings, conversations and communications to charge prices of TFT-LCD panels at certain predetermined levels;
- Issuing price quotations in accordance with the agreements reached;
- Exchanging information on sales of TFT-LCD panels for the purpose of monitoring and enforcing adherence to the agreed-upon prices; and
- Authorizing, ordering and consenting to the participation of subordinate employees in the conspiracy.

On Dec. 15, 2008, LG pleaded guilty to participating in a worldwide conspiracy to fix the price of TFT-LCD panels and was sentenced to pay a \$400 million criminal fine – the second-largest fine in Antitrust Division history. On Dec. 16, 2008, Sharp Corp. pleaded guilty to participating in three separate conspiracies to fix the prices of TFT-LCD panels sold to Dell, Apple Computer Inc. and Motorola Inc. and was sentenced to pay a \$120 million criminal fine. On Jan. 14, 2009, Chunghwa Picture Tubes Ltd. (Chunghwa) pleaded guilty to participating in the same worldwide conspiracy as LG, and was sentenced to pay a \$65 million criminal fine. On March 10, 2009, Hitachi Displays Ltd. was charged with participating in a conspiracy to fix the prices of TFT-LCD panels sold to Dell Inc. for use in desktop monitors and notebook computers from April 1, 2001, to March 31, 2004. Hitachi Displays Ltd. has agreed to plead guilty and pay a \$31 million fine.

In February 2009, former Chunghwa CEO Chieng-Hon “Frank” Lin and two Chunghwa executives, Chih-Chun “C.C.” Liu and Hsueh-Lung “Brian” Lee, pleaded guilty to and were sentenced for participating in the same conspiracy as LG and Chunghwa. Lin was sentenced to serve nine months in prison and pay a \$50,000 criminal fine. Liu was sentenced to serve seven months in prison and pay a \$30,000 criminal fine. Lee was sentenced to serve six months in prison and pay a \$20,000 criminal fine. Also in February 2009, LG executive Chang Suk “C.S.” Chung pleaded guilty for his role in the same conspiracy as LG and Chunghwa. Chung was sentenced to serve seven months in prison and pay a \$25,000 criminal fine.

On Feb. 3, 2009, a federal grand jury in San Francisco returned an indictment against a former LG executive, Duk Mo Koo, and two former Chunghwa executives, Cheng Yuan Lin, aka C.Y. Lin and Wen Jun Cheng, aka Tony Cheng, for their participation in the same conspiracy as

LG and Chunghwa. On March 31, 2009, a federal grand jury in San Francisco returned an indictment against Sakae Someya, an executive at Hitachi, for his participation in the same conspiracy as Hitachi.

Today's charge is the result of a joint investigation by the Antitrust Division's San Francisco Field Office and the FBI in San Francisco.

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

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