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CLERK OF DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

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14 Attorneys for Plaintiff
UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT

16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,) No. CR 02-1244-SVW
18)
Plaintiff,) PLEA AGREEMENT
19)
v.) FOR DEFENDANT SYNCOR TAIWAN, INC.
20)
SYNCOR TAIWAN, INC.,)
21)
Defendant.)
22)
23)

24 1. This constitutes the plea agreement ("Agreement")
25 between SYNCOR TAIWAN, INC. ("SYNCOR TAIWAN" or "defendant") and
26 the United States Attorney's Office for the Central District of
27 California ("the USAO") and the United States Department of
28 Justice, Criminal Division ("the Criminal Division"), in United

1 States v. Syncor Taiwan, Inc., an investigation of illegal
2 payments by defendant Syncor Taiwan to foreign officials of
3 government hospitals in Taiwan to obtain or retain business in
4 violation of the Foreign Corrupt Practices Act of 1977, as
5 amended, 15 U.S.C. § 78dd-1, et seq.

6 2. This Agreement is limited to the USAO and the Criminal
7 Division, and cannot bind any other federal, state or local
8 prosecuting, administrative, or regulatory authorities. This
9 Agreement does not bind any other Division of the Department of
10 Justice, including the Tax Division. However, the USAO and the
11 Criminal Division will bring this Agreement and Syncor Taiwan's
12 cooperation to the attention of other prosecuting authorities or
13 other agencies, if requested.

14 3. This Agreement contemplates the resolution of the
15 criminal investigation now pending in the USAO and the Criminal
16 Division against Syncor Taiwan and its parent corporations, and
17 any of its parent corporations' present or past subsidiaries,
18 divisions, and affiliates for any foreign payments or the
19 accounting thereof disclosed to the USAO or the Criminal Division
20 as of the date of this Agreement, but specifically excluding any
21 such conduct not disclosed to the USAO or the Criminal Division
22 as of that date or any conduct occurring after that date. This
23 Agreement will not close or preclude the investigation or
24 prosecution of any natural persons, including any officers,
25 directors, employees, stockholders, or agents of Syncor Taiwan or
26 its parent corporations or any such natural persons within any
27 divisions, subsidiaries, or affiliates of Syncor Taiwan or its

28

1 parent corporations who may have been involved in any of the
2 matters set forth in the Information or in any other matters.

3 4. This Agreement is entered pursuant to Rule 11(e)(1)(C)
4 of the Federal Rules of Criminal Procedure.

5 PLEA

6 5. Defendant gives up the right to indictment by a grand
7 jury and agrees to plead guilty to a one-count Information in the
8 form attached to this agreement as Exhibit 1, or a substantially
9 similar form, charging Syncor Taiwan with violating the Foreign
10 Corrupt Practices Act of 1977, as amended, 15 U.S.C. § 78dd-3.

11 6. Defendant agrees that this Agreement will be executed
12 by an authorized corporate representative. Defendant further
13 agrees that a Resolution duly adopted by the Board of Directors
14 of Syncor Taiwan, in the form attached to this agreement as
15 Exhibit 3, or in a substantially similar form, represents that
16 the signatures on this Agreement by Syncor Taiwan and its counsel
17 are authorized by Syncor Taiwan's Board of Directors.

18 7. Defendant agrees that the statute of limitations with
19 respect to the criminal charge described in this Agreement and
20 the Information will be tolled during the time period from the
21 execution of this Agreement until the sentencing of defendant.

22 8. If the Court does not accept this Agreement pursuant to
23 Federal Rule of Criminal Procedure 11(e)(1)(C), then neither
24 party will be bound by this Agreement and it will be deemed null
25 and void. As a result, among other things, the USAO and the
26 Criminal Division will be free to pursue a grand jury
27 investigation and whatever prosecution they deem appropriate
28 against defendant, its parent corporations, any successors, and

1 any of its parent corporations' present or past subsidiaries,
2 divisions or affiliates for any foreign payments or the
3 accounting thereof. In addition, defendant, its parent
4 corporations, and any subsidiaries, divisions, or affiliates of
5 its parent corporations will be free to assert any and all
6 substantive and procedural defenses to any grand jury
7 investigation or prosecution.

8 NATURE OF THE OFFENSE

9 9. In order for defendant to be guilty of violating Title
10 15, United States Code, Section 78dd-3, as charged in the
11 Information, the following must be true:

12 One: That the defendant is a corporation organized
13 under the laws of a foreign country, or a
14 director, officer, director, employee, or agent
15 thereof, or a stockholder acting on a domestic
16 concern's behalf;

17 Two: That the defendant acted corruptly;

18 Three: That the defendant, while in the United States,
19 made use of the mails or any means of
20 instrumentality of interstate commerce or took any
21 other act in furtherance of an unlawful act under
22 this statute;

23 Four: That the defendant offered, paid, promised to pay,
24 or authorized the payment of any money or of
25 anything of value;

26 Five: That the payment was to a foreign public official;

27 Six: That the payment was for one of four purposes:
28

- 1 - to influence any act or decision of the foreign
2 public official;
- 3 - to induce the foreign public official to do or
4 omit to do any act in violation of that official's
5 lawful duty;
- 6 - to obtain an improper advantage; or
- 7 - to induce that foreign public official to use his
8 or her influence with a foreign government or
9 instrumentality thereof to affect or influence any
10 act or decision of such government or
11 instrumentality; and

12 , Seven: That the payment was made to assist the defendant
13 in obtaining or retaining business for or with, or
14 directing business to, any person.

15 Defendant admits that it is, in fact, guilty of this offense as
16 described in the Information.

17 PENALTIES

18 10. The statutory maximum sentence that the Court can
19 impose for a violation of Title 15, United States Code, Section
20 78dd-3 is: a fine of \$2,000,000 or twice the gross gain or gross
21 loss resulting from the offense, whichever is greatest, 15 U.S.C.
22 §§ 78dd-3(e), 18 U.S.C. § 3571(d); five years probation, 18
23 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400,
24 18 U.S.C. § 3013(a)(2)(B).

25 FACTUAL BASIS

26 11. Defendant agrees and stipulates that the factual
27 allegations set forth in the Information are true and correct and
28 accurately reflect defendant's criminal conduct. The parties

1 further stipulate and agree to the Statement of Facts attached
2 hereto and incorporated herein as Exhibit 2.

3 WAIVER OF CONSTITUTIONAL RIGHTS

4 12. By pleading guilty, defendant gives up the following
5 rights:

- 6 a) The right to persist in a plea of not guilty.
- 7 b) The right to a speedy and public trial by jury.
- 8 c) The right to the assistance of counsel at trial.
- 9 d) The right to be presumed innocent and to have the
10 burden of proof placed on the government to prove defendant
11 guilty beyond a reasonable doubt.
- 12 e) The right to confront and cross-examine witnesses
13 against defendant.
- 14 f) The right, if defendant wished, to testify on
15 defendant's own behalf and present evidence in opposition to the
16 charges, including the right to call witnesses and to subpoena
17 those witnesses to testify.

18 13. By pleading guilty, defendant also gives up any and all
19 rights to pursue any affirmative defenses, Fourth Amendment or
20 Fifth Amendment claims, and other pretrial motions that have been
21 filed or could be filed.

22 SENTENCING RECOMMENDATION

23 14. Fine: Subject to the Court's approval of this
24 Agreement, the parties agree, pursuant to Rule 11(e)(1)(C), that
25 defendant shall pay \$2 million within five (5) business days of
26 the time of sentencing. Payment shall be made in the form of a
27 cashier's check made payable to the Clerk, U.S. District Court.

1 The parties request that defendant's judgment and commitment
2 order reflect the following:

3 The defendant shall pay a criminal fine of \$2
4 million to the Clerk, U.S. District Court.
5 Interest on said fine is waived provided the
6 fine is paid within five (5) business days of
7 the time of sentencing.

8 15. The parties agree not to seek any adjustments to, or
9 departures from, the agreed upon payment of \$2 million as set
10 forth herein.

11 16. Organizational Probation: The parties agree that
12 organizational probation need not be ordered in this case.

13 17. Community Service: The parties agree that community
14 service need not be ordered in this case.

15 18. Forfeiture: The parties agree that forfeiture need not
16 be ordered in this case.

17 19. Special Assessment: Defendant agrees to pay the Clerk
18 of the Court for the United States District Court for the Central
19 District of California within five (5) business days of the time
20 of sentencing the mandatory special assessment of \$400.

21 20. Waiver of Presentence Report: The parties further
22 agree, with the permission of the Court, to waive the requirement
23 for a presentence report pursuant to Federal Rule of Criminal
24 Procedure 32(b)(1)(A), based on a finding by the Court that the
25 record contains information sufficient to enable the Court to
26 meaningfully exercise its sentencing power. However, the parties
27 agree that in the event the Court orders the preparation of a
28 presentence report prior to sentencing, such order will not
29 affect the agreements set forth herein.

1 a) Provide full disclosure of all information known
2 to defendant or its outside counsel as of the date of this
3 Agreement of foreign payments and the accounting thereof.

4 b) Produce voluntarily all documents, records, or
5 other tangible evidence relating to such payments about which the
6 USAO or the Criminal Division, or their designee, inquires.

7 c) Recommend orally and in writing that all Syncor
8 Taiwan officers, directors, employees, and agents cooperate fully
9 with any investigation or prosecution conducted by the USAO or
10 the Criminal Division relating to such payments, including
11 appearing for interviews and testimony in the United States.

12 d) Provide access to copies of original documents and
13 records relating to such payments.

14 e) Provide access to defendant's outside accounting
15 consultants as well as the records, reports, and documents of
16 those outside accounting consultants relating to such payments
17 disclosed to the USAO or the Criminal Division as of the date of
18 this Agreement.

19 f) Provide all memoranda of interviews compiled and
20 prepared by Syncor Taiwan's counsel, outside counsel,
21 consultants, accountants or other agents of interviews with
22 individuals relating to such payments disclosed to the USAO or
23 the Criminal Division as of the date of this Agreement.

24 g) Provide full disclosure to law enforcement
25 agencies in Taiwan and to cooperate fully with those agencies
26 with respect to the conduct in Taiwan disclosed to the USAO or
27 the Criminal Division as of the date of this Agreement.

28

1 OBLIGATIONS OF THE USAO AND THE CRIMINAL DIVISION

2 26. If defendant complies fully with all defendant's
3 obligations under this agreement, the USAO and the Criminal
4 Division agree:

5 a) To abide by all sentencing stipulations contained
6 in this Agreement.

7 b) Not to further prosecute defendant, its parent
8 corporations, any successors, and any of its parent corporations'
9 past or present subsidiaries, divisions, or affiliates for
10 violations of the Foreign Corrupt Practices Act of 1977, as
11 amended, 15 U.S.C. § 78dd-1, et seq., disclosed to the USAO or
12 the Criminal Division as of the date of this Agreement.

13 Defendant understands that the USAO and the Criminal Division are
14 free to prosecute defendant, its parent corporations, any
15 successors, and any of its parent corporations' present or past
16 subsidiaries, divisions, or affiliates for any other unlawful
17 past conduct or any unlawful conduct that occurs after that date.

18 c) In connection with defendant's sentencing, to
19 bring to the Court's attention the nature and extent of
20 defendant's cooperation.

21 BREACH OF AGREEMENT

22 27. If defendant, at anytime between the execution of this
23 Agreement and the completion of defendant's cooperation pursuant
24 to this Agreement, knowingly and willfully violates or fails to
25 perform any of defendant's obligations under this Agreement ("a
26 breach"), the USAO or the Criminal Division may declare this
27 Agreement breached. If the USAO or the Criminal Division
28 declares the Agreement breached, and the Court finds such a

1 breach to have occurred, defendant will not be able to withdraw
2 defendant's guilty plea, and the USAO and the Criminal Division
3 will be relieved of all its obligations under this Agreement. In
4 particular:

5 a) The USAO and the Criminal Division will no longer
6 be bound by any agreements concerning sentencing and will be free
7 to seek any sentence up to the statutory maximum for the crime to
8 which defendant has pleaded guilty.

9 b) The USAO and the Criminal Division will no longer
10 be bound by any agreements regarding criminal prosecution, and
11 will be free to prosecute defendant for any crime, including
12 charges that the USAO or the Criminal Division would otherwise
13 have been obligated not to prosecute pursuant to this Agreement.

14 c) The USAO and the Criminal Division will be free to
15 prosecute defendant for false statement, obstruction of justice,
16 and perjury based on any knowingly false or misleading statement
17 by defendant.

18 d) The USAO and the Criminal Division will no longer
19 be bound by any agreement regarding the use of statements,
20 tangible evidence, or information provided by defendant, and will
21 be free to use any of those in any way in any investigation,
22 prosecution, or civil or administrative action. Defendant will
23 not be able to assert either (1) that those statements, tangible
24 evidence, or information were obtained in violation of the Fifth
25 Amendment privilege against compelled self-incrimination, or (2)
26 any claim under the United States Constitution, any statute, Rule
27 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of
28 the Federal Rules of Evidence, or any other federal rule, that

1 statements, tangible evidence, or information provided by
2 defendant before or after the signing of this Agreement, or any
3 leads derived therefrom, should be inadmissible.

4 28. Following a knowing and willful breach of this
5 Agreement by defendant, should the USAO or the Criminal Division
6 elect to pursue any criminal charge or any civil or
7 administrative action that was not filed as a result of this
8 Agreement, then:

9 a). Defendant agrees that any applicable statute of
10 limitations is tolled between the date of defendant's signing of
11 this Agreement and the discovery by the USAO or the Criminal
12 Division of any knowing and willful breach by defendant.

13 b) Defendant gives up all defenses based on the
14 statute of limitations, any claim of preindictment delay, or any
15 speedy trial claim with respect to any such prosecution or
16 action, except to the extent that such defenses existed as of the
17 date of defendant's signing of this Agreement.

18 LIMITED MUTUAL WAIVER OF APPEAL AND COLLATERAL ATTACK

19 29. Defendant Syncor Taiwan understands that the law gives
20 defendants the right to appeal sentences imposed. Defendant
21 Syncor Taiwan, however, gives up the right to appeal any sentence
22 imposed by the Court, and the manner in which the sentence is
23 determined, provided that defendant Syncor Taiwan is sentenced to
24 not more than a \$2 million fine and a \$400 special assessment.
25 Defendant also gives up any right to bring a post-conviction
26 collateral attack on the sentence, except a post-conviction
27 collateral attack based on a claim of ineffective assistance of
28 counsel.

1 effect on any proceedings against any defendant not expressly
2 mentioned herein, and shall not preclude any past, present, or
3 future forfeiture actions except as expressly set forth above.

4 NO ADDITIONAL AGREEMENTS


5 34. Except as set forth herein, there are no promises,
6 understandings or agreements between the USAO or the Criminal
7 Division and defendant or defendant's counsel with respect to the
8 subject matter hereof. Nor may any additional agreement,
9 understanding or condition be entered into unless in a writing
10 signed by all parties or on the record in court.

11 This agreement is effective upon signature by defendant and
12 an Assistant United States Attorney.


13 AGREED AND ACCEPTED

14 UNITED STATES ATTORNEY'S OFFICE
15 FOR THE CENTRAL DISTRICT OF CALIFORNIA


16 DEBRA W. YANG
17 United States Attorney

18 
19 _____
20 Lawrence Middleton
21 Assistant United States Attorney

22 4 Dec 02
23 Date

24 Joshua R. Hochberg
25 Chief, Fraud Section
26 Criminal Division
27 
28 _____
29 Peter B. Clark
30 Deputy Chief, Fraud Section
31 Criminal Division

32 3 Dec 02
33 Date

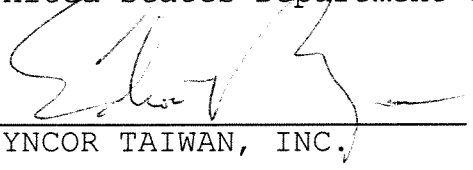
34 
35 _____
36 Philip Urofsky
37 Special Counsel for
38 International Litigation
39 Criminal Division

40 3 December 2002
41 Date

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Michael K. Atkinson
Trial Attorney, Fraud Section
Criminal Division
United States Department of Justice

Date



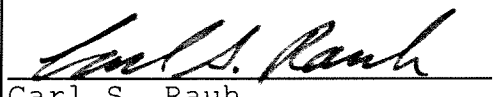
SYNCOR TAIWAN, INC.

12/4/02
Date



Robert S. Bennett

12/3/02
Date

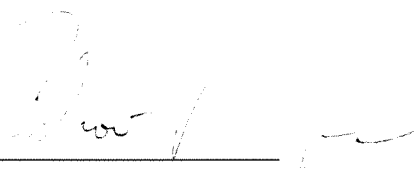


Carl S. Rauh
Attorneys for Defendant
Syncor Taiwan, Inc.

12/3/02
Date

DIRECTOR'S CERTIFICATE

I have read this agreement and carefully reviewed every part of it with counsel for Syncor Taiwan, Inc. I understand the terms of this Agreement and voluntarily agree, on behalf of Syncor Taiwan, Inc., to each of the terms. Before signing this Agreement, I consulted with the attorney for Syncor Taiwan, Inc. The attorney fully advised me of Syncor Taiwan, Inc.'s rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of Syncor Taiwan, Inc., in any way to enter into this Agreement. I am also satisfied with the attorney's representation in this matter. I certify that I am a Director of Syncor Taiwan, Inc., and that I have been duly authorized by Syncor Taiwan, Inc. and its parent company, Syncor International Corporation, to execute this plea agreement on behalf of Syncor Taiwan, Inc.



Syncor Taiwan, Inc.

Dec. 2, 2007
Date

CERTIFICATE OF COUNSEL

I am counsel for Syncor Taiwan, Inc. In connection with such representation, I have examined relevant Syncor Taiwan, Inc. documents, and have discussed this Agreement with the authorized representative of Syncor Taiwan, Inc. Based on my review of the foregoing materials and discussions, I am of the opinion that:

1. Edwin A. Burgos is duly authorized to enter into this Agreement on behalf of Syncor Taiwan, Inc.

2. This Agreement has been duly and validly authorized, executed and delivered on behalf of Syncor Taiwan, Inc., and is a valid and binding obligation of Syncor Taiwan, Inc.

Further, I have carefully reviewed every part of this Agreement with directors of Syncor Taiwan, Inc. and its ultimate parent company Syncor International Corporation. I have fully advised these directors of Syncor's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. To my knowledge, Syncor Taiwan, Inc.'s decision to enter into this Agreement is an informed and voluntary one.



Robert S. Bennett
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP

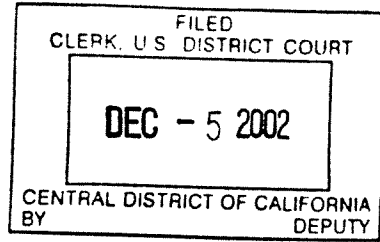
12/3/02
Date



Carl S. Rauh
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP

12/3/02
Date

Attorneys for Defendant
SYNCOR TAIWAN, INC.



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7 UNITED STATES DISTRICT COURT
8 FOR THE CENTRAL DISTRICT OF CALIFORNIA
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10 UNITED STATES OF AMERICA,) CR 02 - 1244 ;
11 Plaintiff,) I N F O R M A T I O N
12 v.) [15 U.S.C. § 78dd-3]
13 SYNCOR TAIWAN, INC.,)
14 Defendant.)
15)
16)

17 The United States Attorney charges:

18 [15 U.S.C. § 78dd-3]

19 At all times relevant to this Information:

20 A. INTRODUCTION

21 1. Defendant SYNCOR TAIWAN, INC. ("SYNCOR TAIWAN") was a
22 Taiwan corporation engaged in providing radiopharmacy services
23 and outpatient medical imaging services and maintained its
24 principal place of business in Taipei, Taiwan. Defendant SYNCOR
25 TAIWAN was an indirect, wholly-owned subsidiary of Syncor
26 International Corporation ("Syncor"), a corporation that has its
27 principal place of business in Woodland Hills, California. As a
28 corporation organized under the law of a foreign nation, the

J. [unclear]

1 defendant, SYNCOR TAIWAN, was a "person" as that term is defined
2 in the Foreign Corrupt Practices Act of 1977, as amended, 15
3 U.S.C. § 78dd-3(f)(1).

4 2. The Foreign Corrupt Practices Act of 1977 ("FCPA"), as
5 amended, 15 U.S.C. § 78dd, et seq., prohibits payments to foreign
6 government officials to obtain or retain business. The FCPA was
7 amended, effective November 10, 1998, to prohibit, inter alia,
8 foreign persons from taking any act within the territory of the
9 United States in furtherance of such payments.

10 3. Under the Taiwan Relations Act of 1979, as amended, 22
11 U.S.C. § 3301, et seq., whenever the laws of the United States
12 refer or relate to foreign countries, nations, states,
13 governments, or similar entities, such terms shall include and
14 such laws shall apply with respect to Taiwan. 22 U.S.C. §
15 3303(b)(1).

16 4. The Chairman of the Board of defendant SYNCOR TAIWAN
17 resided in Woodland Hills, California.

18 5. The revenue of defendant SYNCOR TAIWAN was from two
19 major sources: (1) sales of radiopharmaceutical products to
20 hospitals; and (2) income from positron emission tomography
21 ("PET"), a nuclear imaging technique used in the treatment of
22 cancer, and outpatient medical imaging services.

23 PAYMENTS TO FOREIGN GOVERNMENT OFFICIALS

24 Commission Payments:

25 6. At least as early as on or about January 1, 1997
26 through on or about November 6, 2002, defendant SYNCOR TAIWAN
27

1 made cash payments to physicians employed by hospitals owned by
2 the legal authorities on Taiwan (the "hospitals") to obtain and
3 retain certain business involving the sale of radiopharmaceutical
4 products and services. The hospitals were instrumentalities of
5 the legal authorities on Taiwan, and the physicians were "foreign
6 officials" as that term is defined in the FCPA, 15 U.S.C. § 78dd-
7 3(f)(2)(A).

8 7. Defendant SYNCOR TAIWAN entered into agreements with
9 certain of these hospitals in Taiwan for the provision of
10 radiopharmaceuticals. The practice of entering into such
11 agreements was authorized by the Chairman of the Board of
12 defendant SYNCOR TAIWAN on behalf of the defendant.

13 8. Before entering into the agreements with defendant
14 SYNCOR TAIWAN, the hospitals had a choice between purchasing
15 certain radiopharmaceuticals in bulk form or unit dosage form.
16 Although defendant SYNCOR TAIWAN was the sole provider in Taiwan
17 of certain radiopharmaceuticals in unit dosage forms, there were
18 other manufacturers and suppliers in Taiwan of these
19 radiopharmaceuticals in bulk form. Unit dosage sales were
20 preferred by defendant SYNCOR TAIWAN as they provided the company
21 with a greater profit. In order to obtain and retain business
22 with these hospitals for the provision of unit dosage
23 radiopharmaceuticals, defendant SYNCOR TAIWAN, acting through its
24 officers and agents, entered into "side agreements" with
25 physicians employed by the hospitals -- usually with the
26 department heads of the hospitals' nuclear medicine departments -

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1 - whereby these physicians would receive commissions on the
2 defendant's sales of these radiopharmaceuticals (hereinafter
3 referred to as the "commission payments"). The commission
4 payments were generally 10%, but could be as high as 20%, of the
5 gross sales generated by the contracts. The responsible officers
6 of defendant SYNCOR TAIWAN understood that the hospitals would
7 not have entered into or maintained their business with the
8 defendant if such commission payments had not been made.

9 9. The General Manager of defendant SYNCOR TAIWAN
10 periodically hand delivered the commission payments, in cash, in
11 sealed envelopes.

12 10. From in or about January 1, 1997 through on or about
13 November 6, 2002, defendant SYNCOR TAIWAN made commission
14 payments totaling approximately \$344,110 to physicians in four of
15 these hospitals in Taiwan, as follows:

16	<u>Date</u>	<u>Amount of Commission Payments</u>
17	1997	\$7,887
18	1998	\$61,477
19	1999	\$47,698
20	2000	\$94,560
21	2001	\$74,437
22	01/01/02-11/06/02	\$58,051

23 Referral Payments:

24 11. From in or about January 1998 through on or about
25 November 6, 2002, defendant SYNCOR TAIWAN made cash payments to
26 certain physicians employed by certain of these hospitals to
27

1 obtain and retain business for and with, and direct business to,
2 defendant SYNCOR TAIWAN's imaging centers (hereinafter referred
3 to as the "referral payments"). The hospitals were
4 instrumentalities of the legal authorities on Taiwan, and the
5 physicians were "foreign officials" as that term is defined in
6 the FCPA, 15 U.S.C. § 78dd-3(f)(2)(A).

7 12. Defendant SYNCOR TAIWAN made the referral payments to
8 the physicians to induce the physicians to refer their patients
9 to defendant SYNCOR TAIWAN's imaging centers. The amounts of the
10 referral payments were based on a percentage of the servicing
11 costs incurred by the patients at the PET and imaging centers,
12 generally 3-5% of the service fee income from the patient.

13 13. After a patient incurred a servicing cost at one of
14 defendant SYNCOR TAIWAN's imaging centers, defendant SYNCOR
15 TAIWAN's officers would transfer or cause to be transferred a
16 referral payment by wire from defendant SYNCOR TAIWAN's bank
17 account to the bank account of one of its imaging centers. The
18 bank accounts of the imaging centers were under the control of
19 defendant SYNCOR TAIWAN's bookkeepers at each imaging center. The
20 bookkeepers withdrew cash from the accounts, which was then
21 delivered to the physicians. The responsible officers of
22 defendant SYNCOR TAIWAN understood that the physicians would have
23 referred the patients to imaging centers not owned by defendant
24 SYNCOR TAIWAN if such referral payments had not been made.

25 14. From in or about January 1, 1998 through on or about
26 November 6, 2002, defendant SYNCOR TAIWAN made referral payments

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1 totaling approximately \$113,007 to physicians in certain of these
2 hospitals in Taiwan, as follows:

3	<u>Date</u>	<u>Amount of Referral Payments</u>
4	1998	\$3,287
5	1999	\$8,718
6	2000	\$8,417
7	2001	\$17,910
8	01/01/02-11/06/02	\$74,675

9 Authorization and Recording of the Payments

10 15. Defendant SYNCOR TAIWAN recorded the commission
11 payments and the referral payments on its books and records as
12 "promotional and advertising expenses." The General Manager and
13 Deputy General Manager of defendant SYNCOR TAIWAN regularly
14 prepared and submitted to its parent company, Syncor, budgets
15 with a line item for promotional and advertising expenses based
16 primarily on the amount of such expenditures in the prior quarter
17 or year. Defendant SYNCOR TAIWAN routinely sent these budgets by
18 electronic mail to Syncor's principal place of business in
19 Woodland Hills, California.

20 16. The Chairman of the Board of defendant SYNCOR TAIWAN,
21 while in the United States, authorized the practice of paying the
22 commission and referral payments to the employees of the
23 hospitals. The Chairman of the Board of defendant SYNCOR TAIWAN,
24 while in the United States, also approved and caused to be
25 approved the budgets for promotion and advertising expense of
26 defendant SYNCOR TAIWAN, which included the amounts defendant

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1 SYNCOR TAIWAN intended to pay to the officials of the hospitals
2 in the following quarter or year. The Chairman of the Board sent
3 and caused to be sent approval of the proposed budgets by
4 telephone and electronic mail from Woodland Hills, California, to
5 Taipei, Taiwan.

6 B. FOREIGN CORRUPT PRACTICES ACT VIOLATION

7 17. In or about the fourth quarter of 2001, in the Central
8 District of California, the defendant, SYNCOR TAIWAN, INC., a
9 person as that term is used in 15 U.S.C. § 78dd-3(f)(1), acted
10 within the territory of the United States, that is, it sent an
11 electronic mail message from Woodland Hills, California to
12 Taipei, Taiwan containing a budget providing for the funding of
13 payments to foreign government officials, that is, physicians
14 employed by hospitals owned by the legal authorities on Taiwan,
15 corruptly in furtherance of an offer, promise to pay, and
16 authorization of the payment of money, for the purposes of
17 influencing the acts and decisions of the foreign officials in
18 their official capacity; inducing the foreign officials to do and
19 omit to do acts in violation of their lawful duty; securing an
20 improper advantage; and inducing them to use their influence so
21 as to affect and influence an instrumentality of a foreign
22 government, that is, hospitals owned by the legal authorities on
23 Taiwan, to affect and influence acts and decisions of such
24 instrumentalities, in order to assist the defendant SYNCOR TAIWAN
25 to obtain and retain business, and to direct business to the
26 defendant SYNCOR TAIWAN, that is, agreements for the sale of unit

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1 dosages of radiopharmaceuticals and the referral of patients to
2 imaging centers.

3 All in violation of Title 15, United States Code, Section
4 78dd-3(a)(1)(A) and (B); and Title 18, United States Code,
5 Section 2.

6 Respectfully submitted,

7 DEBRA W. YANG
8 United States Attorney

9 By:

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11 Assistant United States Attorney
12 Chief, Criminal Division

13 Lawrence Middleton
14 Assistant United States Attorney
15 Chief, Public Corruption and
16 Government Fraud Section

17 JOSHUA R. HOCHBERG
18 Chief, Fraud Section
19 Criminal Division

20 By:

21 Peter B. Clark ✓
22 Deputy Chief, Fraud Section
23 Criminal Division

24 Philip Urofsky ✓
25 Special Counsel for
26 International Litigation
27 Criminal Division

28 Michael K. Atkinson
29 Trial Attorney
30 Criminal Division

United States Department of Justice

EXHIBIT 2

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Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA)	CRIMINAL NO.
)	
v.)	15 U.S.C. § 78dd-3
)	(Foreign Corrupt
)	Practices Act)
SYNCOR TAIWAN, INC.)	
)	
Defendant.)	
)	

STATEMENT OF FACTS

Should this matter have proceeded to trial, the United States would have proven, by admissible evidence, the following facts beyond a reasonable doubt:

EXHIBIT

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1 1. Defendant SYNCOR TAIWAN, INC. ("SYNCOR TAIWAN") was an
2 indirect, wholly-owned subsidiary of Syncor International
3 Corporation ("Syncor"). Syncor was a Delaware corporation with
4 its principal place of business in Woodland Hills, California.
5 Defendant SYNCOR TAIWAN has its principal place of business in
6 Taipei, Taiwan, and has been doing business in Taiwan since 1985.
7 SYNCOR TAIWAN is Syncor's largest overseas operation in terms of
8 revenue.

9 2. Among other things, SYNCOR TAIWAN sold
10 radiopharmaceuticals to both private hospitals and hospitals
11 owned by the legal authorities in Taiwan. SYNCOR TAIWAN also
12 owned and operated medical imaging centers in Taiwan.

13 3. Since at least January 1, 1997 through November 6,
14 2002, SYNCOR TAIWAN paid improper commissions to doctors who
15 controlled the purchasing decisions for the nuclear medicine
16 departments of certain hospitals, including hospitals owned by
17 the legal authorities in Taiwan ("the subject hospitals"), for
18 the purpose of obtaining or retaining business with the subject
19 hospitals. These improper commissions, typically between 10% and
20 20% of sales, totaled at least \$344,110 from January 1, 1997
21 through November 6, 2002. During this period, the payments of
22 these commissions were made pursuant to the authorization of the
23 Chairman of the Board of SYNCOR TAIWAN, while in Woodland Hills,
24 California. In most cases, the commissions were paid in cash and
25 hand-delivered in sealed envelopes to doctors by the General
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1 Manager of SYNCOR TAIWAN, who was also the brother of SYNCOR
2 TAIWAN's Chairman of the Board.


3 4. Beginning in 1998, SYNCOR TAIWAN also paid improper
4 fees to certain doctors at the subject hospitals for referrals of
5 patients to medical imaging centers owned and operated by SYNCOR
6 TAIWAN. These referral fees typically were based on a percentage
7 (between 3% and 5%) of the service fees payable to each medical
8 imaging center from the patients referred and typically took the
9 form of a cash payment that was hand-delivered to the referring
10 doctor by a bookkeeper at the center after funds had been wire-
11 transferred to the center for that purpose. From January 1, 1998
12 through November 6, 2002, these improper referral fees to doctors
13 at the subject hospitals totaled at least \$113,007. During this
14 period, the payments of these referral fees were made pursuant to
15 the authorization of the Chairman of the Board of SYNCOR TAIWAN,
16 while in Woodland Hills, California.

17 5. Defendant SYNCOR TAIWAN recorded the commission
18 payments and the referral payments on its books and records as
19 "promotional and advertising expenses." The General Manager and
20 Deputy General Manager of defendant SYNCOR TAIWAN regularly
21 prepared and submitted to its parent company, Syncor, budgets
22 with a line item for promotional and advertising expenses based
23 primarily on the amount of such expenditures in the prior quarter
24 or year. Defendant SYNCOR TAIWAN routinely sent these budgets by
25 electronic mail to Syncor's principal place of business in
26 Woodland Hills, California.

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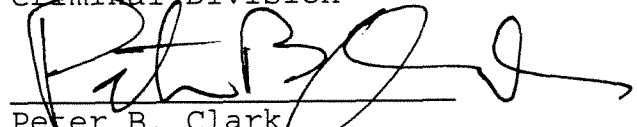
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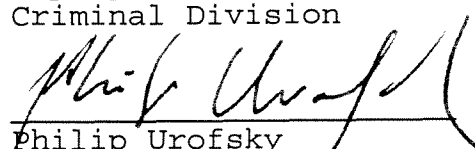
1 For the United States



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Michael K. Atkinson
Trial Attorney
Criminal Division

United States Department of Justice

EXHIBIT 3
CERTIFIED COPY OF RESOLUTION
OF
SYNCOR TAIWAN, INC.

Upon motion duly made by Director Robert Funari, seconded by Director Edwin A. Burgos, and unanimously carried by the affirmative vote of all the Directors present, the following resolutions were adopted:

RESOLVED, that Edwin A. Burgos is elected as the Secretary of the Board of Directors of Syncor Taiwan, Inc. (the "Company"); and

RESOLVED FURTHER, that the engagement of Skadden, Arps as special legal counsel to the Company is hereby approved and ratified; and

RESOLVED FURTHER, that Syncor Taiwan, Inc., which has been the subject of an investigation by the United States Department of Justice in connection with commissions and referral payments made to physicians employed by government-owned hospitals in Taiwan, consents to a settlement of the investigation and will, in the Central District of California, enter a plea of guilty to a one count Information charging Syncor Taiwan, Inc. with violating the Foreign Corrupt Practices Act, Title 15, United States Code, Section 78dd-3; and

RESOLVED FURTHER, that Edwin A. Burgos, a Director of the Company be, and hereby is, authorized to waive indictment and enter a plea of guilty to the Information substantially in such form as reviewed by this Board of Directors at this meeting; and

FURTHER RESOLVED, that Edwin A. Burgos, a Director of the Company, be, and hereby is, authorized to execute the Plea Agreement on behalf of the Company substantially in such form as reviewed by this Board of Directors at this meeting.

EXHIBIT

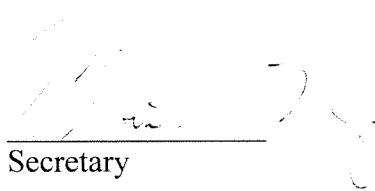
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CERTIFICATION

I, Edwin A. Burgos, hereby certify that I am the duly elected Secretary of the Board of Directors of Syncor Taiwan, Inc., that the foregoing is a full, true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation, at a meeting thereof duly held at the office of the Corporation, in California, in the United States of America, and have not been rescinded or revoked; and that the foregoing resolutions are not contrary to any provisions in the Articles of Incorporation or By-Laws of Syncor Taiwan, Inc.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary of said Corporation this 4th day of December, 2002.



Secretary

ATTACHMENT

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