

JUSTICE NEWS

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Four Executives Agree to Plead Guilty in Global LCD Price-Fixing Conspiracy

WASHINGTON — Executives from LG Display Co. Ltd. and Chunghwa Picture Tubes Ltd. have agreed to plead guilty and serve jail time 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, Chang Suk "C.S." Chung, a Korean LG executive, conspired with unnamed employees from other 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. According to a separate one-count felony charge, also filed today in U.S. District Court in San Francisco, Chieng-Hon "Frank" Lin, a Taiwanese former executive from Chunghwa, and Chih-Chun "C.C." Liu and Hsueh-Lung "Brian" Lee, Taiwanese current employees of Chunghwa, are charged with participating in the same conspiracy at various times during the period from Sept. 14, 2001, to on or about Dec. 1, 2006.

Under the plea agreements, which must be approved by the court, all four executives have agreed to serve a term of imprisonment, pay a criminal fine and assist the government in its ongoing TFT-LCD investigation.

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.

"These cases involve the first Taiwanese nationals to face imprisonment in the United States for an antitrust offense," said Deborah A. Garza, Acting Assistant Attorney General in charge of the Antitrust Division. "The Department of Justice is committed to holding accountable all conspirators who harm American consumers, no matter where they live or where they commit the crime."

During the conspiracy, Chang Suk Chung, a Korean citizen, worked as LG's Vice President of Monitor Sales. Under the plea agreement, Chung has agreed to serve a seven-month prison sentence in the United States and pay a \$25,000 criminal fine.

During the charged conspiracy period, Chieng-Hon Lin, a Taiwanese and U.S. citizen, was Chunghwa's Chairman and Chief Executive Officer. Under the plea agreement, Lin has agreed to serve a nine-month prison sentence in the United States and pay a \$50,000 criminal fine.

Chih-Chun Liu, a Taiwanese citizen, was Chunghwa's Vice President of LCD Sales during the charged conspiracy period. Under the plea agreement, Liu has agreed to serve a seven-month prison sentence in the United States and pay a \$30,000 criminal fine.

Hsueh-Lung Lee, a Taiwanese citizen, held various sales positions at Chunghwa during the charged conspiracy period, including Vice President of LCD Sales. Under the plea agreement, Lee has agreed to serve a six-month prison sentence in the United States and pay a \$20,000 criminal fine.

These four foreign-based executives were charged with participating with co-conspirators in a conspiracy that was accomplished by:

- Participating in meetings, conversations and communications in Taiwan, South 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.

"These are the first individuals to plead guilty to a charge of fixing prices in this active investigation into antitrust violations in the TFT-LCD industry," said Scott D. Hammond, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement. "We will continue in our efforts to bring to justice other domestic and foreign-based executives who were involved with fixing TFT-LCD prices."

On Dec. 15, 2008, LG pleaded guilty to participating in this conspiracy and was sentenced to pay a \$400 million criminal fine – the second largest fine in Antitrust Division history. On Jan. 14, 2009, Chunghwa pleaded guilty to participating in the same conspiracy and was sentenced to pay a \$65 million criminal fine.

On Dec. 16, 2008, Sharp Corp. pleaded guilty to three separate conspiracies to fix the prices of TFT-LCD panels sold to Dell Inc., Apple Computer Inc. and Motorola Inc., and was sentenced to pay a \$120 million criminal fine.

The four executives are charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$1 million and up to 10 years in prison for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

These pleas are the result of a joint investigation by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

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

Component(s):

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