

News
Release

For Release: November 12, 2008

U.S. Department of Justice
United States Attorney
Northern District of Ohio

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216-622-3958

Trade Secret Charges Filed Against Company Executives and South Korean Nationals

William J. Edwards, United States Attorney for the Northern District of Ohio, today announced that an Indictment was filed charging Sang Ho Shin, Dong Sik Kim, and Yeon Hee Lee with one count of trade secrets conspiracy, and two counts each of theft of trade secrets.

Sang Ho Shin, Dong Sik Kim and Yeon Hee Lee are residents and nationals of South Korea and were employed as executives of SK Chemicals, a multinational chemical company located in Seoul, South Korea.

The Indictment charges that from in or about late 2001 through in or about January 2008, Shin, Kim and Lee, conspired with Kyung J. Kim to steal and receive trade secrets belonging to the Lubrizol Corporation, a competitor based in Wickliffe, Ohio. The Indictment charges that they would meet with Kyung J. Kim, a Senior Research and Development Associate at Lubrizol to gather information on trade secrets regarding Thermoplastic Polyurethane and other confidential Lubrizol technology; this included Non-Halogen Flame Retardant Technology (NHFR) sold under the Estane® trade name and static control technology sold under the Stat-Rite® trade name. The Indictment alleges that Kyung J. Kim downloaded trade secrets onto an external storage device in preparation for meetings with Kim and Lee and further alleges that Kyung J. Kim communicated trade secrets and other confidential Lubrizol technology by way of handwritten facsimiles sent from his home to Sang Ho Shin.

The Indictment states that the defendants met with Kyung J. Kim at hotels and condominiums at various sites including Tucson, Arizona, Niagara Falls, Canada, and Suwon, South Korea. These meetings occurred on at least 17 occasions and would last for

several days. At these meetings, Kyung J. Kim explained the trade secrets and other confidential Lubrizol technology to Sang Ho Shin, Dong Sik Kim and Yeon Hee Lee.

The Indictment alleges that the defendants provided Kim with envelopes of \$10,000 in cash (usually in denominations of \$100 bills) at each meeting in exchange for the trade secrets and other confidential Lubrizol technology. They also reimbursed all of Kim's travel expenses (usually \$1100).

Kyung J. Kim pleaded guilty to an Information charging one count of theft of trade secrets conspiracy and two counts of theft of trade secrets on April 8, 2008, in Case No. 1:08CR139 before the Honorable Solomon Oliver, Jr.

If convicted, the defendants' sentences will be determined by the Court after review of factors unique to this case, including the defendants' prior criminal record, if any, the defendants' role in the offense and the characteristics of the violation. In all cases the sentence will not exceed the statutory maximum and in most cases it will be less than the maximum.

This case is being prosecuted by Assistant U.S. Attorney Justin J. Roberts, following investigation by the Painesville office of the Federal Bureau of Investigation.

An Indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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