

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X
:
UNITED STATES OF AMERICA
:
-v.-
:
CHAN MING FON,
:
Defendant.
:
- - - - - X

INFORMATION

S1 13 Cr. 52 (LTS)

COUNT ONE

(Conspiracy to Commit Wire Fraud)

The United States Attorney charges:

Relevant Persons and Entities

1. At all times relevant to this Information, Olympus Corporation ("Olympus") was a manufacturer of medical devices and cameras. Olympus common stock is listed on the Tokyo Stock Exchange. In addition, Olympus American Depository Receipts are traded in the United States. Olympus owns, both fully and in part, numerous subsidiaries and related companies located in many countries, including the United States.

2. From in or about 1995 through in or about 2004, CHAN MING FON, the defendant, was employed at two different international financial institutions ("Bank-1" and "Bank-2") in Singapore. From in or about 2005 through in or about 2010, CHAN served as the investment manager of SG Bond Plus Fund ("SG Bond"), an entity that he established in the Cayman Islands in

or about early 2005. SG Bond purportedly functioned as a private fund that invested primarily in low-risk bonds and fixed income securities.

3. At all times relevant to this Information, a co-conspirator not charged herein ("CC-1") was employed in various senior positions within the finance and accounting departments at Olympus.

4. Since in or about 1999, Hillmore Investments Limited ("Hillmore") was a special purpose entity that was controlled by Olympus. Hillmore received a loan for hundreds of millions of dollars from Bank-1 during the time that CHAN MING FON, the defendant, worked at Bank-1. The loan to Hillmore was secured by Olympus's deposits at Bank-1.

5. Since in or about 2000, Easterside Investments Limited ("Easterside") was a special purpose entity based in the British Virgin Islands. Easterside was controlled by Olympus. Easterside received a loan for hundreds of millions of dollars from Bank-2 during the time that CHAN MING FON, the defendant, worked at Bank-2. The loan to Easterside was secured by Olympus's deposits at Bank-2.

The Scheme to Defraud
Olympus's Auditors, Investors and Shareholders

6. From at least in or about 1996 up to and including in or about 2011, Olympus incurred hundreds of

millions of dollars in investment losses that the company did not report to its outside auditor ("Auditor"), investors and shareholders.

7. From at least in or about 1999 up to and including in or about 2010, CHAN MING FON, the defendant, and others known and unknown, caused Olympus and related companies to engage in transactions that they knew would result in erroneous accounting entries in the books and records of Olympus. These accounting entries caused Olympus's financial statements to give the misleading and false impression to, among others, auditors, investors and shareholders, that the company maintained a stronger financial condition than it actually did.

8. Specifically, CHAN MING FON, the defendant, CC-1 and others known and unknown, submitted, and caused to be submitted, false and misleading documents to Olympus's Auditor regarding hundreds of millions of dollars' worth of assets purportedly maintained at Bank-1, Bank-2 and SG Bond for the benefit of Olympus.

9. From at least in or about 1999 up to and including in or about 2000, CHAN MING FON, the defendant, served as Bank-1's relationship manager for Olympus. Bank-1 issued a loan for hundreds of millions of dollars to Hillmore, a special purpose entity that Olympus controlled. The loan was secured by hundreds of millions of dollars in Olympus deposits at Bank-1.

Olympus, however, did not disclose to its Auditor, investors or shareholders the existence of the loan to Hillmore, or that Olympus's deposits were being used to collateralize the loan.

10. In or about 2000, CHAN MING FON, the defendant, left Bank-1 and began working at Bank-2. After CHAN moved from Bank-1 to Bank-2, Olympus established another special purpose entity, Easterside. At Bank-2, CHAN facilitated a loan from Bank-2 for hundreds of millions of dollars to Easterside. The loan was secured by hundreds of millions of dollars in Olympus deposits at Bank-2. As with Hillmore at Bank-1, Easterside received the loan proceeds from Bank-2. Olympus, however, did not disclose to its Auditor, investors or shareholders the existence of the loan to Easterside, or that Olympus's deposits were being used to collateralize the loan.

11. CHAN MING FON, the defendant, subsequently left his employment at Bank-2 in or about 2004. At or around the time of his departure from Bank-2, CC-1 directed CHAN to establish SG Bond as an entity that Olympus could use to transfer assets to Olympus-related entities. Based on this direction, CHAN established SG Bond and, in or about early 2005, caused SG Bond to purchase approximately 60 billion yen worth of safe and secure investments, including Japanese Government bonds, for the benefit of Olympus (the "Investment Portfolio").

Olympus provided the funds for SG Bond's purchase of the Investment Portfolio, purportedly as an investment in SG Bond.

12. Shortly thereafter in 2005, CHAN MING FON, the defendant, caused SG Bond to transfer the Investment Portfolio to Easterside. Easterside then liquidated the Investment Portfolio, and received hundreds of millions of dollars in proceeds from its sale. Easterside used these proceeds to, among other things, satisfy Bank-2's undisclosed loan to Easterside.

13. CHAN MING FON, the defendant, CC-1 and others at Olympus, however, deceived the Auditor regarding the Investment Portfolio. Specifically, from in or about 2005 up to and including 2009, CHAN and others prepared and sent documentation to and for the Auditor that failed to disclose the fact that the Investment Portfolio that was purportedly held at SG Bond on behalf of Olympus had been conveyed to and sold by Easterside and was no longer held at SG Bond.

14. In or about 2010, entities controlled by Olympus transferred hundreds of millions to an entity controlled by CHAN MING FON, the defendant. In turn, CHAN used these funds to purchase bonds and other securities that were similar to the assets that originally had comprised the Investment Portfolio in or about 2005. Upon acquiring these bonds and securities, CHAN caused the assets to be transferred to Easterside, which in turn

transferred the assets to SG Bond in order to replace the Investment Portfolio that SG Bond had purportedly held for Olympus since 2005.

Statutory Allegations

15. From in or about 1999 up to and including in or about 2010, in the Southern District of New York and elsewhere, CHAN MING FON, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343.

16. It was a part and an object of the conspiracy that CHAN MING FON, the defendant, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Overt Acts

17. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among

others, were committed in the Southern District of New York and elsewhere:

a. On or about February 26, 2001, an Olympus-controlled entity caused approximately \$101,165,777 to be wire transferred, through the New York, New York branch of Bank-1, to Hillmore.

b. In or about June 2009, CHAN MING FON, the defendant, faxed a confirmation of an investment portfolio's net asset value and list of assets to Olympus's Auditor.

c. On or about March 31, 2010, Olympus caused approximately \$455,000,000 to be wire transferred, through the New York, New York branch of Bank-1, to an entity controlled by CHAN.

d. On or about April 7, 2010, Olympus caused approximately \$100,000,000 to be wire transferred, through the New York, New York branch of Bank-1, to an entity controlled by CHAN.

e. On or about April 27, 2010, an entity controlled by CHAN wire transferred approximately 32 billion yen from an account held at Bank-1 to an entity controlled by Olympus.

f. Beginning in or about April 2010, an entity controlled by CHAN purchased bonds worth approximately 24 billion yen.

g. On or about April 28, 2010, an entity controlled by CHAN caused approximately \$6,500,000 to be wire transferred, through the New York, New York branch of Bank-1, to an account in the Philippines.

h. On or about June 23, 2010, an entity controlled by CHAN caused approximately \$1,000,000 to be wire transferred, through the New York, New York branch of Bank-1, to CHAN.

i. In or about 2010, Olympus executives met with investors in New York, New York, and other locations in the United States, and discussed Olympus's misstated financial condition.

(Title 18, United States Code, Section 371.)

Forfeiture Allegation

18. As the result of committing the wire fraud conspiracy offense, in violation of Title 18, United States Code, Section 371, alleged in Count One, CHAN MING FON, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, which constitutes and is derived from proceeds traceable to the offense.

Substitute Assets Provision

19. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value;


or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said

defendant up to the value of the above-described forfeitable property.

(Title 18, United States Code, Sections 981 and 982,
Title 21, United States Code, Section 853, and
Title 28, United States Code, Section 2461.)


PREET BHARARA
United States Attorney

